

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

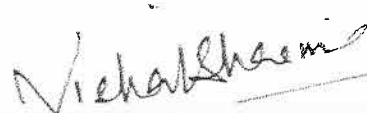
**Review Report to
The Board of Directors
Orient Electric Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Orient Electric Limited (the "Company") for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/P300005


per Vishal Sharma
Partner

Membership No.: 096766

UDIN: 19096766AAAAGT1842

Place: New Delhi

Date: October 22, 2019



ORIENT ELECTRIC LIMITED

(Regd. Office : Unit VII, Plot 7, Bhojnagar, Bhubaneswar - 751012 (Odisha))
Tel: (0674) 2396930 / 2392947, Fax: (0674) 2396364, E-mail: investor@orientelectric.com
CIN: L31100OR2016PLC025892

Statement of Financial Results for the Quarter and Half year ended September 30, 2019

(All amounts in Rupees Crores, unless otherwise stated)						
Sl. No.	Particulars	Quarter Ended			Half Year Ended	
		30-Sep-19 (Unaudited)	30-Jun-19 (Unaudited)	30-Sep-18 (Unaudited)	30-Sep-19 (Unaudited)	31-Mar-19 (Audited)
1	Income					
	(a) Revenue from Operations	434.65	568.34	373.05	1,002.99	1,864.40
	(b) Other Income	0.87	0.52	2.77	1.39	9.53
	Total Income (a+b)	435.52	568.86	375.82	1,004.38	1,873.93
2	Expenses					
	(a) Cost of raw materials and components consumed	150.80	191.70	116.33	342.50	702.27
	(b) Purchase of traded goods	168.12	162.84	115.37	330.96	558.98
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(33.04)	27.18	21.96	(5.88)	(38.07)
	(d) Employee Benefits Expense	49.16	48.67	40.93	97.83	172.68
	(e) Finance Costs	5.06	6.79	5.26	11.85	22.86
	(f) Depreciation and Amortisation Expense	9.90	9.24	5.55	19.14	23.05
	(g) Other Expenses	77.75	93.83	61.36	171.58	327.26
	Total Expenses	427.75	540.26	386.76	968.00	1,769.03
3	Profit before Tax (1-2)	7.77	28.61	9.06	36.38	104.90
4	Income Tax expenses					
	a) Current Tax	4.18	12.17	3.79	16.35	44.11
	b) Adjustment of tax relating to earlier periods	-	-	-	-	0.48
	c) Deferred Tax charged [charge/(credit)]	(1.33)	(2.43)	(1.60)	(3.76)	(9.00)
	Total Tax Expenses	2.85	9.74	2.19	12.59	35.59
5	Profit for the period (3-4)	4.92	18.87	6.87	23.79	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	(0.16)	(0.17)	(0.41)	(0.33)	(0.67)
	Income Tax effect [(charge)/credit]	0.06	0.06	0.14	0.12	0.23
	Other comprehensive Income (net of tax)	(0.10)	(0.11)	(0.27)	(0.21)	(0.44)
7	Total comprehensive income for the period (5+6)	4.82	18.76	6.60	23.58	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	Earning per Equity Share of face value of Re.1/- each (Not Annualised)					
	Basic EPS (in Rs.)	0.23	0.89	0.32	1.12	3.27
	Diluted EPS (in Rs.)	0.23	0.89	0.32	1.12	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 October 22, 2019.
- 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).
- The Company has adopted IND AS 116 "Leases" effective April 1, 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. 65.30 crores and corresponding lease liability of Rs. 55.30 crores. The effect on profit and earnings per share for the quarter and previous quarter is insignificant due to adoption of said standard.
- 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.
- The Board of Directors has approved for transfer of the fan manufacturing operations from its Guwahati facility to the other manufacturing locations of the company with effect from February 1, 2020. Fixed assets at this facility has a written down value of Rs. 6.98 crores as on September 30, 2019. The Company does not anticipate any material impact to the profit and loss arising from such transfer.
- Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 (Ordinance), the Company is evaluating the option to avail available concessional income tax rate considering factors including existing tax benefits, future plans, etc.
- Previous quarter/ period ended/ year ended figures have been regrouped/restated wherever necessary.

Date: October 22, 2019
Place: New Delhi



For and on behalf of the Board
Orient Electric Limited

Rakesh Khanna
Managing Director & CEO

Segment wise Revenue, Results, Assets and Liabilities

(All amounts in Rupees Crores, unless otherwise stated)

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue :						
	a) Electrical Consumer Durables	283.22	429.10	243.47	712.32	569.17	1,329.61
	b) Lighting & Switchgear	151.43	139.24	129.58	290.67	237.09	534.79
	Total	434.65	568.34	373.05	1,002.99	806.26	1,864.40
	Less : Inter segment revenue	-	-	-	-	-	-
	Net sales/income from operations	434.65	568.34	373.05	1,002.99	806.26	1,864.40
2	Segment Results {Profit (+)/Loss(-) before interest & tax from each segment} :						
	a) Electrical Consumer Durables	26.44	43.46	24.84	69.90	56.06	150.79
	b) Lighting & Switchgear	10.91	13.88	8.37	24.79	19.75	58.76
	Total	37.35	57.34	33.21	94.69	75.81	209.55
	Less :						
	(i) Finance costs (un-allocated)	4.80	6.36	5.26	11.16	10.53	22.86
	(ii) Other un-allocable expenditure net of un-allocable income	24.78	22.37	18.89	47.15	38.10	81.79
	Profit Before Tax	7.77	28.61	9.06	36.38	27.18	104.90
3	Segment Assets :						
	a) Electrical Consumer Durables	419.53	452.44	429.19	419.53	429.19	565.69
	b) Lighting & Switchgear	314.46	287.87	253.27	314.46	253.27	269.95
	c) Unallocated	109.98	86.28	32.91	109.98	32.91	53.13
	Total	843.97	826.59	715.37	843.97	715.37	888.77
4	Segment Liabilities :						
	a) Electrical Consumer Durables	224.56	272.23	182.20	224.56	182.20	305.31
	b) Lighting & Switchgear	154.72	133.23	88.90	154.72	88.90	116.12
	c) Unallocated	145.39	94.83	175.42	145.39	175.42	160.76
	Total	524.67	500.29	446.52	524.67	446.52	582.19



Statement of Unaudited Financial Results for the period ended September 30, 2019

Statement of Assets and Liabilities:

(All amounts in Rupees Crores, unless otherwise stated)

PARTICULARS	As at Sep 30, 2019 (Unaudited)	As at Mar 31, 2019 (Audited)
I) ASSETS		
1) NON-CURRENT ASSETS		
a) Property, plant and equipment	164.18	112.00
b) Capital work-in-progress	3.38	4.30
c) Intangible assets	4.22	4.57
d) Financial assets		
(i) Trade receivables	16.00	12.39
(ii) Other financial assets	7.04	6.85
e) Deferred tax asset	23.41	19.65
f) Other non current assets	6.82	5.36
(A)	225.05	165.12
2) CURRENT ASSETS		
a) Inventories	260.78	263.96
b) Financial assets		
(i) Trade receivables	280.53	392.35
(ii) Cash and cash equivalents	19.36	31.51
(iii) Bank balances other than (ii) above	0.13	0.10
(iv) Other financial assets	0.82	0.83
c) Current tax assets	10.82	
d) Other current assets	46.48	34.90
(B)	618.92	723.65
TOTAL ASSETS	(A)+(B)	843.97
II) EQUITY AND LIABILITIES		
1) EQUITY		
a) Equity Share Capital	21.22	21.22
b) Other Equity	298.08	285.36
TOTAL EQUITY	(C)	319.30
2) LIABILITIES		
NON-CURRENT LIABILITIES		
a) Financial Liabilities		
(i) Borrowings	44.53	25.09
b) Long term provisions	17.93	12.94
(D)	62.46	38.03
CURRENT LIABILITIES		
a) Financial Liabilities		
(i) Borrowings	86.10	99.94
(ii) Trade Payables		
- dues of micro, small and medium enterprises	42.79	76.99
- dues of other than micro, small and medium enterprises	230.28	273.89
(iii) Other current financial liabilities	53.32	40.32
b) Provisions	27.57	26.55
c) Other current liabilities	22.15	24.45
d) Current tax liabilities	-	2.02
(E)	462.21	544.16
TOTAL LIABILITIES (F)	(D)+(E)	524.67
TOTAL EQUITY AND LIABILITIES	(C)+(F)	843.97



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Statement of Unaudited Financial Results for the period ended September 30, 2019

Cash Flow Statement:

(All amounts in Rupees Crores, unless otherwise stated)

	For the half year ended Sep 30, 2019 (Unaudited)	For the half year ended Sep 30, 2018 (Unaudited)
(A) Operating Activities :		
Profit before tax	36.38	27.18
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortisation expense	19.14	10.62
Finance costs	11.85	10.53
Loss on sale of property, plant & equipment (net)	0.13	0.08
Bad debts / advances written off (net of reversals)	0.20	0.20
Provision for warranty claims (net)	21.39	10.85
Provision for doubtful debts & advances	5.09	0.79
Unspent liabilities and unclaimed balances written back	(0.18)	(3.13)
Employee stock option expenses	1.93	-
Fair valuation impact of security deposit (net)	(0.05)	-
Interest income	(0.89)	(1.45)
Unrealised exchange (gain)/loss	0.42	-
Working capital adjustments :		
Increase/(Decrease) in trade payables	(77.95)	(69.52)
Increase/(Decrease) in financial liabilities	5.74	(4.83)
Increase/(Decrease) in non financial liabilities	(2.30)	5.01
Increase/(Decrease) in provisions	(15.71)	(6.95)
(Increase)/Decrease in inventories	3.18	(0.73)
(Increase)/Decrease in trade receivables	102.82	106.53
(Increase)/Decrease in financial assets	(0.13)	(0.08)
(Increase)/Decrease in non financial assets	(11.35)	(2.77)
Cash generated from operations	99.71	82.34
Income tax paid	(29.07)	(15.38)
Net cash flow from operating activities	70.64	66.96
(B) Investing Activities :		
Purchase of property, plant and equipment and intangibles (including work in progress and capital advances)	(11.67)	(17.25)
Proceeds from sale of property, plant and equipment	0.22	0.07
Proceeds/(Payments) for/to term deposits with banks	-	0.30
Interest received	0.90	1.46
Net Cash Flows From/ (Used) In Investing Activities	(10.55)	(15.42)
(C) Financing Activities :		
Repayment of long term borrowings	(33.76)	(11.20)
Repayment of short term borrowings (net)	(13.84)	(18.19)
Finance cost paid	(11.85)	(10.47)
Dividends paid (including dividend distribution tax)	(12.79)	(12.79)
Net Cash Flows From / (Used In) Financing Activities	(72.24)	(52.65)
Net Increase / (Decrease) In Cash & Cash Equivalents (A+B+C)	(12.15)	(1.12)
Cash & Cash Equivalents at the beginning of the year	31.51	30.50
Cash & Cash Equivalents at the end of the year	19.36	29.38
Non cash Investing & Financing transaction		
Acquisition of property, plant and equipment by means of a finance lease	54.73	

Note:

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



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