

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Presently 'Corporate Governance' has evolved to mean a framework of policies, processes and practices that ensure accountability, transparency, internal controls, compliance of laws and fairness in all the dealings between management and various stakeholders of the Company. It is about commitment to the values and ethical business conduct. Corporate Governance includes the processes through which corporate objectives are set and pursued. The Board of Directors along with the management of Orient Electric Limited strive to practice best in class policies and processes demonstrated through discipline and rigour by which the affairs of the Company are directed and controlled. Transparency, complete disclosure, accountability, integrity, professionalism, responsiveness, fairness and trusteeship are key principles which the Company follows in its day-to-day functioning. We always strive to set best in class standards of corporate governance by:

- Providing complete, transparent, accurate and relevant disclosure of informations to our shareholders, customers, vendors, employees and other stakeholders, including regulators. It helps build trust amongst all stakeholders;
- Fixing accountability of the process in-charge. This ensures the protection of interest of the minority shareholders;
- Conducting operations of the Company with integrity and ethically.
- Ensuring that appropriately qualified and experienced professionals are entrusted with the responsibility of taking critical business decisions and monitoring the implementation thereof;
- Providing timely and appropriate responses to the issues of the customers and shareholders.
- Protecting and enhancing the long-term wealth of the shareholders. This evolves from the basic principle that

the Board of Directors and management are the trustees of the shareholders.

As on the date of this report, equity shares of the Company are in the process of being listed at BSE Limited and National Stock Exchange of India Limited. As part of good corporate governance practice, the Company has voluntarily adopted to prepare and provide the Corporate Governance Report within the parameters specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

BOARD OF DIRECTORS

The Board of Directors ('Board') of the Company is the apex decision making body, entrusted with the responsibility of monitoring corporate strategic decisions and ensuring that they are consistent with stakeholders interest. The Board oversees the management and governance of the Company and monitor senior management's performance. The Board has been vested with the requisite powers, authorities and duties to manage the general affairs of the Company.

Composition

The Composition of the Board of the Company is in accordance with the relevant provisions of the Companies Act, 2013 ('Act') and rules made thereunder. During the Financial Year 2017-18, the Company reconstituted the composition of its Board in terms of the provisions of the Listing Regulations. The Board of the Company, as on March 31, 2018, comprises six Directors consisting of five Non – Executive Directors and one Executive Director. Amongst the Non-Executive Directors, three are Independent including one woman Director. All Independent Directors are eminent professionals bringing wide range of experience in strategy, finance and law. None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 (five) Committees across all companies in which he/she is a Director. During the Financial Year 2017-18, the time gap between any two Board Meetings did not exceed one hundred and twenty days.

None of the Directors of the Company is inter-se related to each other. The Board composition, directorships and board committee positions, including that of the Company, as on March 31, 2018 are given below:

Name of the Director	Category of Director	No. of Directorships ¹	Committee Membership in Listed and Unlisted Companies ²	Committee Chairmanship in Listed and Unlisted Companies ²
Mr. Chandra Kant Birla	Chairman, Non- Executive	8	Nil	Nil
Mr. Rakesh Khanna	Managing Director & CEO, Executive	1	1	Nil
Mr. Desh Deepak Khetrpal	Non- Executive	4	4	Nil
Mr. TCA Ranganathan	Non- Executive – Independent	4	1	2
Mr. K Pradeep Chandra	Non- Executive – Independent	1	2	0
Ms. Alka Marezban Bharucha	Non- Executive – Independent	6	3	2

¹Excludes directorships in foreign companies, companies registered under Section 8 of the Act, private limited companies and alternate directorships.

²Includes membership(s) / chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies.

Disclosure regarding Appointment, Re-appointment and Resignation of Directors

Appointment / Re-appointment:

- Mr. Chandra Kant Birla was appointed as an Additional Director (Non- Executive) and Chairman of the Board w.e.f. January 19, 2018. As an Additional Director Mr. Chandra Kant Birla would hold office of Director upto the date of the ensuing 2nd Annual General Meeting. The Board recommends the appointment of Mr. Chandra Kant Birla as a Non-Executive Director, liable to retire by rotation.
- Mr. Rakesh Khanna was appointed as an Additional Director and Managing Director for a period of four years, subject to the approval of the shareholders of the Company w.e.f. January 23, 2018. Mr. Rakesh Khanna was also designated as the CEO of the Company w.e.f. January 23, 2018. As an Additional Director Mr. Rakesh Khanna would hold office of Director upto the date of the ensuing 2nd Annual General Meeting. The Board recommends the appointment of Mr. Rakesh Khanna as an Executive Director, not liable to retire by rotation and Managing Director.

- Mr. Desh Deepak Khetrpal was appointed as an Additional Director (Non- Executive) of the Company w.e.f. January 19, 2018. As an Additional Director Mr. Desh Deepak Khetrpal would hold office of Director upto the date of the ensuing 2nd Annual General Meeting. The Board recommends the appointment of Mr. Desh Deepak Khetrpal as a Non-Executive Director, liable to retire by rotation.
- Mr. TCA Ranganathan, Mr. K Pradeep Chandra and Ms. Alka Marezban Bharucha were appointed as Additional Directors, (Non- Executive Independent) of the Company w.e.f. January 19, 2018, for a period of five years. As Additional Directors, they would hold office of Directors upto the date of the ensuing 2nd Annual General Meeting. The Board recommends the appointments of aforesaid Independent Directors at the ensuing 2nd Annual General Meeting of the Company.

Profiles of all the above mentioned Directors are provided in the Notice to the Annual General Meeting annexed to the Annual Report.

Resignation:

Mr. Manohar Lal Pachisia, Mr. Pradeep Kumar Sonthalia and Mr. Pramod Chandra Agarwala, who were appointed as

Directors of the Company w.e.f. October 10, 2016, have resigned from the Directorship of the Company w.e.f. January 23, 2018.

Independent Directors

Appointment of all the Independent Directors is in conformity with the requirements of Schedule IV to the Act and Regulation 17 of the Listing Regulations. All the Independent Directors have confirmed that they are in compliance with the provisions specified under Regulation 16(b) and 25 of the Listing Regulations and Section 149 of the Act. None of the Independent Directors is related to the promoter or other Directors of the Company.

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

Familiarization of Board Members

Non-Executive Independent Directors of the Company were introduced to the group structure, Company's profile, products, business performance, market presence, constitution, board procedures, major risks and risk management strategy, regulatory compliance status, values and commitments of the Company, through presentations at Board and Committee Meetings.

Details of such familiarization programmes are posted on the website of the Company.

Board Meeting Procedures

The Board Meeting dates are decided well in advance in discussion with the Board Members. Agenda Papers are sent

to Board Members at least seven days in advance along with all the relevant information and documents. Suggestions from the Board Members are considered and included in the Board agenda. Unpublished Price Sensitive Information alongwith relevant documents are provided before the meeting to the Board Members. Minimum four Board Meetings take place during the year. Additional meetings are convened as and when required to address the specific requirements of the Company and its business. Audio-video conferencing facilities are provided to attend the meeting, in case it is not feasible for any of the Director to attend the Board Meeting physically. Post Board Meeting, decisions taken at the meetings are communicated to the concerned teams and thereafter a proper follow up system is followed to review and report on actions taken by the management on the decisions of the Board.

As per the requirements of Secretarial Standards, minutes of the proceedings of the meetings are recorded and circulated to all the Directors within 15 days for their review and comments. Minutes are thereafter recorded in the Minutes Book within 30 days from the date of conclusion of the meeting. Certified copies of the signed minutes are also provided to the Board Members.

Attendance of Directors at the Board Meetings and at the General Meetings:

During the Financial Year 2017-18, the Board met nine times on May 12, 2017, June 27, 2017, July 28, 2017, November 24, 2017, December 19, 2017, January 19, 2018, January 23, 2018, February 12, 2018 and March 30, 2018. Attendance of the Directors at the Board Meetings and General Meetings are as follows:

Attendance of Directors before re-constitution of Board:

Name of the Director	No. of Meetings held [#]	No. of Meetings Attended	AGM held on August 09, 2017	EGM held on January 03, 2018
Mr. Manohar Lal Pachisia*	6	6	0	1
Mr. Pradeep Kumar Sonthalia*	6	6	1	1
Mr. Pramod Chandra Agarwala*	6	4	0	0

*Resigned w.e.f. January 23, 2018.

[#]Number of meetings held before re-constitution of Board.

Attendance of Directors post re-constitution of Board:

Name of the Director	No. of Meetings held [#]	No. of Meetings Attended
Mr. Chandra Kant Birla*	3	3
Mr. Rakesh Khanna**	3	3
Mr. Desh Deepak Khetrapal*	3	3
Mr. TCA Ranganathan*	3	3
Mr. K Pradeep Chandra*	3	3
Ms. Alka Marezban Bharucha*	3	2

*Appointed w.e.f. January 19, 2018

**Appointed w.e.f. January 23, 2018

[#]Number of meetings held post re-constitution of the Board.

Information provided to the Board

The management of the Company provides complete details about the Company to the Board. Information provided to the Board, includes the following:

- Disclosures of Directors' interest;
- Minutes of the meetings of the Audit Committee and other Committees of the Board;
- Appointment and resignations of Directors and their remunerations;
- Appointment and resignation of senior officers including Chief Financial Officer and Company Secretary;
- Annual operating plans and budgets;
- Capital budgets alongwith quarterly updates;
- Business performance;
- Update on any key business and other operating developments;
- Quarterly Unaudited and Annual Audited Financial Results;
- Declaration of dividend both interim and final;
- Sale / disposal of property, plant, equipment and investments;
- Compliance report on the applicable laws and regulations;

- Audit observations and testing results of internal financial controls;
- Related party transactions of material nature;
- Details of material litigations, including any show cause and penalty notices of material nature;
- Details of investors' complaints and their redressal.

Company Secretary provides assistance to the Chairman in conducting Board Meetings and also advises the Board on compliance and governance matters. Managing Director & CEO along with Chief Financial Officer assist the Board on financial results, budgets and related matters.

BOARD COMMITTEES

The Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each Committee. Every Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. As on March 31, 2018, the Board has constituted four Committees. Decisions and recommendations of the Committees are placed before the Board for its reference / approval. During the year, all recommendations of the committees were considered and approved by the Board. All the process and governance guidelines applicable and followed by the Board are also applicable and followed by the Committees. Minutes of all these Committee Meetings are noted in the next Board Meeting. The Company Secretary acts as the Secretary to these Committees.

1. AUDIT COMMITTEE**Composition, Meetings and Attendance**

Audit Committee was constituted by the Board at its meeting held on January 23, 2018. The Composition and terms of reference of the Audit Committee are in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. All the Members of the Audit Committee are financially literate and the Chairman has accounting and related financial management expertise.

During the Financial Year 2017-18, the Audit Committee met once on February 12, 2018.

The composition and attendance of Members at the Audit Committee meeting held during the Financial Year 2017-18, are given below:

Members	Position and Category	No. of Meetings held and attended
Mr. T C A Ranganathan	Chairman–Non-Executive Independent Director	1
Mr. Desh Deepak Khetrpal	Member- Non-Executive Director	1
Mr. K Pradeep Chandra	Member-Non-Executive Independent Director	1
Ms. Alka Marezban Bharucha	Member- Non-Executive Independent Director	1

Audit Committee meeting is also attended by the Chief Financial Officer, the representatives of Statutory and Internal Auditors, Group Internal Audit Head and Internal Audit Head of the Company. The Managing Director & CEO also remain present in the Audit Committee meeting.

Role of Audit Committee

The terms of reference, role and powers of the Audit Committee are as per the applicable provisions of the Act and Listing Regulations, and includes the following:

- Examination and overseeing of Company's financial reporting process and the disclosure of its financial information;
- Recommending to the Board, the appointment, re-appointment, remuneration/audit fees, terms of appointment and removal, as and when required, of the statutory and internal auditors of the Company;
- Approving or any subsequent modification of transactions of the Company with related parties;
- Reviewing the annual Financial Statements with the Management, before submission to the Board for approval, with particular reference to:
 - a. changes, if any, in accounting policies and practices

- b. major accounting entries involving estimates based on the exercise of judgment by management;
 - c. significant adjustments made in the financial statements arising out of audit findings;
 - d. compliance with listing and other legal requirements relating to Financial Statements;
 - e. disclosure of any related party transactions.
- Reviewing the matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134 of the Act;
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilized and making appropriate recommendations to the Board to take up steps in this matter;
 - Reviewing the Internal Audit Report presented by the internal auditors including the independence, adequacy and effectiveness of the overall internal audit function and evaluation of the external and internal auditors;
 - Reviewing any internal investigations by the internal auditors into areas of suspected fraud or irregularity of a material nature and reporting the matter to the Board;
 - Reviewing and evaluating internal financial controls, adequacy of the internal control and risk management systems;
 - Reviewing the functioning of the Whistle Blower Mechanism;
 - Assess the causes for substantial defaults in payment to the depositors, creditors and shareholders (for unpaid dividend, if any);
 - Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc.;
 - Any other matters as may be mentioned in the terms of reference of the Audit Committee.

The Audit Committee provides assurance related to the adequacy of internal control system, financial performance and disclosures to the Board.

2. NOMINATION AND REMUNERATION COMMITTEE

Composition, Meetings and Attendance

Nomination and Remuneration Committee was constituted by the Board at its meeting held on January 19, 2018. The Composition and terms of reference of the Nomination and Remuneration Committee are in compliance with the provisions of Section 177 of the Act and Regulation 19 of the Listing Regulations. During the Financial Year 2017-18, the Nomination and Remuneration Committee met once on January 23, 2018.

The composition and attendance of the Members at the Nomination and Remuneration Committee meeting held during the Financial Year 2017-18 are given below:

Members	Position and Category	No. of Meetings held and attended
Ms. Alka Marezban Bharucha	Chairperson - Non-Executive Independent Director	1
Mr. Desh Deepak Khetrpal	Member - Non-Executive Director	1
Mr. T C A Ranganathan	Member – Non-Executive Independent Director	1

Role of Nomination and Remuneration Committee

The terms of reference, role and powers of the Nomination and Remuneration Committee are as per the applicable provisions of the Act and Listing Regulations and includes the following:

- Formation of criteria for determining qualification, positive attributes and independence of Directors;
- Recommendation of the remuneration policy for the Directors, Key Managerial Personnel, and other senior management personnel to the Board;
- Formulation of criteria for evaluation of Directors, the Board and the Committees thereof;
- Recommendation of remuneration of the Managing Director(s) and Whole-time Director(s) based on their

performance and defined assessment criteria and commissions to Non-Executive Directors;

- Identifying persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel in accordance with the criteria laid down and recommending to the Board their appointment, removal, and other terms as may be referred by the Board from time to time.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is annexed to the Directors' Report, forming part of the Annual Report and has also been disseminated on the website of the Company at the following address: <https://www.orientelectric.com/investores/NominationandremunerationPolicy.pdf>.

Remuneration to the Executive, Non-Executive and Independent Directors is paid in accordance with the provisions of the Act, within the limits set out thereunder, Articles of Association of the Company and as per the Nomination and Remuneration Policy of the Company. Nomination and Remuneration Policy of the Company is aimed at:

- Identifying persons who are qualified to become Directors and persons who may be appointed at senior management and Key Managerial positions;
- Attracting talented managerial persons taking into account the talent market, the remuneration trend and the competitive requirement of the business;
- Retaining high-caliber talent; and
- Determining remuneration of Directors and Key Managerial Personnel.

DIRECTORS' REMUNERATION DURING THE FINANCIAL YEAR 2017-18

The Company pays remuneration to its Managing Director and CEO, as per the terms approved by the Board, by way of salary and other benefits. The Board has recommended to the shareholders, the appointment of Mr. Rakesh Khanna, as the Managing Director of the Company.

Remuneration paid/accrued to the Managing Director and CEO during the Financial Year 2017-18 is as follows: (INR lacs)

Name	Salary & Allowances	Annual Performance Linked Pay & Performance Criteria	Retiral Benefit	Total	Notice Period / Severance Pay
Mr. Rakesh Khanna	183.47	60.06 Managing Director & CEO's Performance and Company's Performance	28.64	272.17	3 months

Non- Executive Directors including Independent Directors are paid by way of sitting fees for attending meetings of the Board & Committees thereof and commission not exceeding 1% of the net profit of the Company computed in accordance with Section 198 of the Act. The Company does not have any stock option scheme.

Details of Sitting fees and commission paid to the Non-Executive and Independent Directors and their shareholding in the Company as on March 31, 2018: (INR lacs)

Name of Director	Sitting Fees	Commission	No. of shares held
Mr. Chandra Kant Birla [#]	3	5	34,05,893
Mr. Desh Deepak Khetrapal [#]	4.5	5	Nil
Mr. TCA Ranganathan [#]	4.5	5	Nil
Mr. K Pradeep Chandra [#]	4	5	Nil
Ms. Alka Marezban Bharucha [#]	3.5	5	Nil
Mr. Pradeep Kumar Sonthalia [*]	Nil	Nil	Nil
Mr. Pramod Chandra Agarwala [*]	Nil	Nil	Nil
Mr. Manohar Lal Pachisia [*]	Nil	Nil	Nil

[#]Appointed w.e.f 19.01.2018.

^{*}Resigned w.e.f 23.01.2018.

Apart from the above there was no other pecuniary relationship or transaction between the Non-Executive Directors and the Company.

Directors' Performance Evaluation

The Company has laid down the process and mechanism for evaluating the performance of the Board, Committees, individual Directors and Chairman of the Board. As per the requirements of the Act and the Listing Regulations annual performance evaluation of Board, Independent Directors, Non-Executive Director, Executive Director, Committees and Chairman of the Board is required to be carried out during a calendar year. Such evaluation will be carried out as per Director's Performance Evaluation Policy during the calendar year 2018.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition

Stakeholders' Relationship Committee was constituted by the Board at its meeting held on January 23, 2018. The Composition and terms of reference of the Stakeholders' Relationship Committee are in compliance with the provisions of Section 177 of the Act and Regulation 20 of the Listing Regulations.

The composition of the Stakeholders' Relationship Committee is as follows:

Members	Position and Category
Ms. Alka Marezban Bharucha	Chairperson - Non-Executive Independent Director
Mr. K Pradeep Chandra	Member - Non-Executive Independent Director
Mr. Rakesh Khanna	Member - Executive Director

Role of Stakeholders' Relationship Committee

The role and terms of reference of Stakeholders' Relationship Committee are as follows:

- Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;
- Collecting and analyzing reports received periodically from the Registrar and the Share Transfer Agent;
- Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;

- Non-receipt of declared dividends, balance sheets, annual report or any other documents or information sent by the Company to its shareholders.

Contact details of the Company Secretary

Mr. Hitesh Kumar Jain
Company Secretary
E-mail: investor@orientelectric.com

Stakeholders' Grievance Redressal

Secretarial Department and the Registrar & Share Transfer Agent attend all grievances received from the shareholders. Efforts are made to ensure that all the grievances of the shareholders are redressed expeditiously and satisfactorily.

A separate e-mail id, investor@orientelectric.com, has been designated by the Company for the shareholders to lodge their complaints / queries.

Communication by Shareholders

Shareholder's holding shares in demat mode should address their correspondences relating to updates in their details, viz. address, bank accounts, contact number, etc. to their respective Depository Participants. Shareholder's holding shares in physical mode, may address such correspondences either to the Company Secretary of the Company or MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company. However, queries relating to non-receipt of dividend or non-receipt of annual reports of the Company should also be addressed to the Company.

Members are requested to indicate their DP ID & Client ID / Ledger Folio number in their correspondence with the Company and also to provide their email addresses and telephone numbers to facilitate prompt response from the Company.

SEBI Complaints Redressal System (SCORES): The Company has registered with SCORES. In SCORES, the investor complaints are processed in a centralized web-based complaints redressal system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

As per the provisions of Regulation 39(4) of Listing

Regulations, the Company has following unclaimed shares:

Particulars	No. of Shareholders	No. of Equity shares of ₹ 1 each
Aggregate No. of shareholders and the outstanding shares in unclaimed suspense account as on 31.03.2018	26	2,46,200

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition

Corporate Social Responsibility Committee was constituted by the Board at its meeting held on January 23, 2018. The Composition and terms of reference of the Corporate Social Responsibility (CSR) Committee are in compliance with the provisions of Section 135 of the Act.

Composition of CSR Committee is as follows:

Members	Position and Category
Mr. K Pradeep Chandra	Chairman - Non-Executive Independent Director
Mr. Desh Deepak Khetrapal	Member – Non- Executive Director
Mr. TCA Ranganathan	Member – Non-Executive Independent Director

Role of Corporate Social Responsibility Committee

The Role and Terms of Reference of the CSR Committee, includes the following:

- Formulate and update the CSR Policy;
- Decide the CSR activities to be taken up by the Company in accordance with this Policy;
- Decide the amount to be allocated for each project or activity;
- Oversee and monitor the progress of the initiatives rolled out under this Policy;
- Submit a report, to the Board on all CSR activities undertaken during the Financial Year.

The CSR Policy of the Company is available on the website of the Company at the following address: <https://www.orientelectric.com/investores/CorporateSocialResponsibilityPolicy.PDF>

GENERAL BODY MEETINGS

Details of General Meetings held during the Financial Year 2017-18 are as follows:

Financial Year	Type of Meeting	Date, Day & Time	Venue	Special Resolutions Passed
2017-18	Annual General Meeting	August 09, 2017 Wednesday 02:30 PM	Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012 (Odisha)	None
2017-18	Extra – Ordinary General Meeting	January 03, 2018 Wednesday 11:00 AM	Birla Building, 13 th Floor, Kolkata – 700001	<ol style="list-style-type: none"> Increase in Authorized Share Capital Amendment in Articles of Associations Authorisation to the Board to borrow and provide securities under Section 180(1)(a) and 180(1)(c) of the Act

All resolutions placed before the Shareholders of the Company were passed with the requisite majority.

During the year, no postal ballot process was conducted. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require to be transacted through postal ballot.

GENERAL SHAREHOLDERS INFORMATION

Financial Year covers the period starting from April 1 to March 31 of the next year.

a. Financial Calendar

Board Meeting for consideration of unaudited quarterly Financial Results during the Financial Year ended March 31, 2019.	Within forty-five days from the end of the quarter as per Listing Regulations.
Board Meeting for consideration of Audited Annual Financial Results for the Financial Year ended March 31, 2019.	Within sixty days from the end of the Financial Year as per Listing Regulations.
Book closure date.	Thursday, July 12, 2018 to Monday, July 16, 2018 (both days inclusive)
Day, Date, Time and Venue of Annual General Meeting.	Monday, July 16, 2018, 2.30 p.m., Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012 (Odisha)

As per Section 108 of the Act read with rules made thereunder and Regulation 44 of the Listing Regulations, e-voting facility will be provided to the Shareholders of the Company for voting electronically on the resolutions at the ensuing Annual General Meeting.

b. Dividend

During the Financial Year 2017-18, Board paid 1st Interim Dividend of ₹0.50 per share on February 12, 2018. The Board, on April 27, 2018, also declared, subject to the approval of shareholders, Final Dividend of ₹0.50 (50%) per shares, thereby bringing the total Dividend for the Financial Year 2017-18 to ₹1 (100%) per share.

MEANS OF COMMUNICATION

- Annual Report:** The Company will send Annual Reports, notices, and other communications to the shareholders electronically on their email IDs as registered in the depository system. Physical copies of such communications shall be sent to other shareholders, whose email IDs are not registered in depository system, through the prescribed modes of postage.

- **Financial Results:** The results of the Company shall be published in one english daily newspaper and one regional language newspaper within 48 hours of approval thereof and shall also be posted on Company's website, www.orientelectric.com.
- **Website:** The Company's website www.orientelectric.com contains a separate section for Investors wherein shareholders' related informations are updated periodically and are available in a user-friendly and downloadable form.
- **News Release and presentation:** The press releases and official news, as applicable, are displayed on the Company's website.

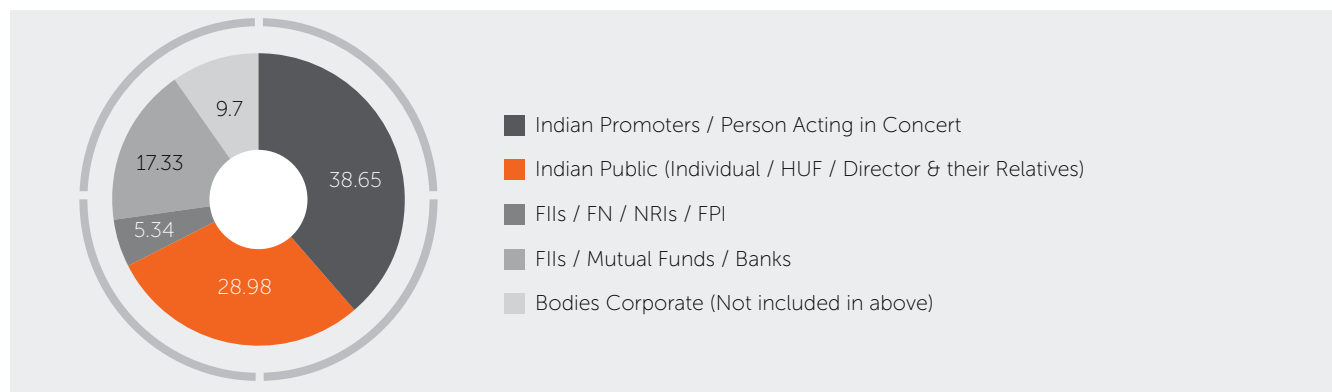
SHAREHOLDING PATTERN

Distribution of Shareholding as on March 31, 2018 is as follows:

Category of Shareholdings From – To	No. of Shareholders	% of Total Shareholders	Total Shares	Amount (₹.)	% of Total Amount
1-5000	29,205	95.70	15,448,117	15,448,117	7.28
5001-10000	624	2.05	45,69,511	45,69,511	2.15
10001-20000	317	1.04	45,47,510	45,47,510	2.14
20001-30000	95	0.31	24,00,475	24,00,475	1.13
30001-40000	62	0.20	21,54,557	21,54,557	1.02
40001-50000	31	0.10	14,35,714	14,35,714	0.68
50001-100000	71	0.23	48,89,649	48,89,649	2.30
100001-and Above	114	0.37	17,67,39,969	17,67,39,969	83.30
Total	30,519	100	21,21,85,502	21,21,85,502	100

Category of Shareholding as on March 31, 2018:

S. No.	Category	No. of Shares	%
1	Indian Promoters / Person Acting in Concert	8,20,13,294	38.65
2	Indian Public (Individual / HUF / Director & their Relatives)	6,15,01,608	28.98
3	FIs / FN / NRIs / FPI	1,13,32,045	5.34
4	FIs / Mutual Funds / Banks	3,67,65,844	17.33
5	Bodies Corporate (Not included in above)	2,05,72,711	9.70
	Total	21,21,85,502	100



- During the Financial Year 2017-18 the Company has not issued any ADRs / GDRs.
- During the Financial Year 2017-18 the Company has not issued any convertible warrants.

Dematerialization of Shares and Liquidity

The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization facility. As on March 31, 2018, 98.56% of the Company's Equity Shares are in dematerialized form. All request for dematerialization of shares are processed, if found in order and confirmation is given to the respective depositories, i.e., NSDL & CDSL within the statutory period. Details of the Demat and Physical shareholding of the Company are as under:

	No. of shares	Percentage (%)
At National Securities Depository Limited	19,41,90,211	91.52
At Central Depository Services (India) Limited	1,49,42,403	7.04
In Physical Form	30,52,888	1.44
Total Paid-up Share Capital	21,21,85,502	100.00

Share Transfer System

Share Transfer requests, in physical form, are lodged with the Registrar and Share Transfer Agent of the Company, MCS Share Transfer Agent Limited. The share transfers are generally processed within 15 days from the date of receipt of request, provided the documents are complete in all respects.

Registrar and Share Transfer Agent

MCS Share Transfer Agent Limited is acting as the Registrar and Share Transfer Agent (RTA) for handling the shares related matters both in physical as well as dematerialized mode. All work relating to equity shares is being handled by them. Shareholders are, therefore, advised to send all their correspondence's directly to the RTA. The address for communication is:

MCS Share Transfer Agent Limited

Registrar and Share Transfer Agent
12/1/5, Manoharpukur Road,
Ground floor, Kolkata - 700 026

CODE OF CONDUCT

The Board has adopted a Code of Conduct ('Code') for the Members of the Board and Senior Management.

The Code is available on Company's website and can be accessed at the following address: <https://www.orientelectric.com/investores/CodeofConductforDirectorsandSeniorManagement.pdf>. The Directors and senior management have confirmed the compliance of this Code during the Financial Year 2017-18.

The Managing Director & CEO has provided the following declaration on the compliance of the Code:

"As per the provisions of Regulation 34 of the Listing Regulations, it is hereby certified that all the Members of the Board and Senior Management have confirmed the compliance with the Code of Conduct during the Financial Year 2017-18 and there has been no instances of violation of this Code."

Rakesh Khanna

Managing Director & CEO

April 27, 2018

DISCLOSURES AND AFFIRMATION

(i) Compliances

The Company is complying with the applicable provisions of the Act. As on the date of this report, the shares of the Company are in the process of being listed at BSE Limited and National Stock Exchange of India Limited. The Company has voluntarily adopted to comply with the requirements of Listing Regulations, wherever applicable.

(ii) Related Party Transactions

During the Financial Year 2017-18 all transactions entered into with Related Parties, as per the provisions of Section 188 of the Act and Regulation 23 of the Listing Regulations, were in the ordinary course of business and on an arm's length basis. The Company had not entered into any materially significant related party transaction which is considered to have potential conflict with the interest of the Company at large.

The required statements / disclosures with respect to the Related Party Transactions are placed before the Audit Committee on regular basis. Suitable disclosures as required by the Accounting Standards have been made in the notes to the Financial Statements.

The Company has formulated a policy relating to the dealing with Related Party Transactions. The same is also uploaded on the website of the Company and can be accessed at the following address: <https://www.orientelectric.com/investores/RelatedPartyPolicy.pdf>.

(iii) Disclosures on material, financial and commercial transactions, where Senior Management have personal interest that may have a potential conflict with the interest of the Company

No transaction has been entered into during the Financial Year where Senior Management has personal interest that may have a potential conflict with the interest of the Company at large.

(iv) Vigil Mechanism

The Company believes in highest standards of ethical, moral and fair conduct of business operations. To fulfill these objectives, the Company has adopted a Whistle Blower Policy as per the provisions of Section 177 of the Act and Regulation 22 of the Listing Regulations. This policy encourages the whistle blower to come forward and report genuine concerns about unethical behavior, actual or suspected frauds to Audit Committee. No employee is denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company at the following address: <https://www.orientelectric.com/investores/WhistleBlowerPolicy.pdf>.

(v) Protection against Sexual Harassment of Women

The Company provides a safe and healthy work environment to all its employees. To ensure the safety of its employees, the Company has adopted a Policy on Prevention of Sexual Harassment of Women at workplace. The Company has established the necessary mechanism for employees to report their concerns about unethical and unwelcome behavior.

The Prevention of Sexual Harassment of women Policy is communicated to the employees through the intranet site of the Company.

(vi) Adoption of Non-Mandatory Requirements of Listing Regulations

- a. The Chairman of the Company is a Non-Executive Director and does not maintain the Chairman's office at the Company's expense.
- b. The Company has separate posts of Chairman and Managing Director & CEO.
- c. The Company is under 'No Audit Qualifications' regime.
- d. The Audit Committee is briefed by the Internal Auditors through discussions and presentations about the observations, reviews, comments, recommendations etc.

(vii) Accounting Principles

In preparation of its financial statements, the Company has followed the guidelines of Indian Accounting Standards (Ind-AS) notified under the Act as laid down by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied, have been set out in the Notes to the Financial Statements.

POLICY AND CODE AS PER SEBI INSIDER TRADING REGULATIONS

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated (i) 'Code of Conduct for Regulating, Monitoring and Reporting Trading by Insiders' to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) Policy for Fair Disclosure of Unpublished Price Sensitive Information.

Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on Company's website at the following address: <https://www.orientelectric.com/investores/CodeofFairDisclosureofUPSI.pdf>.

CEO & CFO CERTIFICATION

As per the provisions of Regulation 17(8) of Listing Regulations, Managing Director & CEO and Chief Financial Officer of the Company have certified to the Board on the accuracy of financial reporting and adequacy of internal controls for the Financial Year ended March 31, 2018. The said certificate is enclosed with this Report.

BUSINESS LOCATIONS

Plants (Manufacturing Units)

- 6, Ghore Bibi Lane, Kolkata – 700 054, West Bengal
- 11, Industrial Estate, Sector 6, Faridabad – 121006, Haryana
- C-130, Sector 63, Noida 201301, Uttar Pradesh

- D-209, Sector 63, Noida 201301, Uttar Pradesh
- Plot No. 96, Brahmaputra Industrial Park, Amingaon, North, Guwahati – 781031, Assam

Registered Office

Unit-VIII, Plot No.7, Bhoingar, Bhubaneswar-751012, Odisha.

For and on behalf of Board of Directors

For Orient Electric Limited

Place: New Delhi

Date: April 27, 2018

Chandra Kant Birla

Chairman