

# **ORIENT ELECTRIC LIMITED**

**9/1, R.N. Mukherjee Road, Kolkata-700001**

## **DIRECTORS' REPORT**

**Dear Shareholders,**

Your Directors present their 1<sup>st</sup> Annual Report along with Audited Accounts of your Company for the year ended 31st March, 2017.

### **Operations and Financial Results**

The Company was incorporated on 10<sup>th</sup> October 2016 as a subsidiary of Orient Paper & Industries Limited (OPIL) for the purpose of transfer of OPIL's Consumer Electric Business w.e.f. 1<sup>st</sup> March, 2017 as per the Scheme of Arrangement between the Company and OPIL.

The Company has not yet started any business activities.

OPIL, the holding company has incurred certain professional & consultancy expenses and other miscellaneous expenses towards the incorporation of the Company and in terms of the scheme of arrangement, the said expenses are reimbursable to the holding company.

During the period under review, the Company has earned total Rs. 5,894/- from interest on bank deposits. Total expenses incurred were Rs. 87,50,713/-. Loss for the period was (-) Rs. 87,44,819/- and since this being the first financial year of the Company, the previous year figures have not been given.

No dividend has been recommended and no amount has been transferred to any reserve during the period under review.

### **Share Capital**

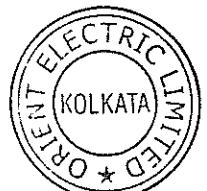
The Authorised, Issued and Paid up share capital of the Company was Rs. 500,000 divided into 500,000 equity shares of Rs. 1 each. There was no change in the share capital of the Company during the financial year 2016-17 since incorporation.

### **Directors**

Mr. P K Sonthalia (DIN: 00065464), Director of the Company retires by rotation at this Annual General Meeting and is eligible for re-appointment.

The Board of Directors of your Company consists of 3 Directors and there has been no change in its composition since inception.

Regd. Office: UNIT-VIII, PLOT NO.7  
BHOINAGAR, BHUBANESWAR-751012(Odisha) Phone No. 0674- 2396030/2396364  
**CIN No. U31100OR2016PLC025892**



# **ORIENT ELECTRIC LIMITED**

**9/1, R.N. Mukherjee Road, Kolkata-700001**

## **Particulars of Employees**

There was no employee in the Company during the period under review. Hence, disclosure under Rule 5(2) of the Companies (Appointment of Managerial Personnel) Rules, 2014 as amended has not been provided as the same is not applicable.

## **Subsidiary / Joint Ventures / Associates**

Your Company does not have any subsidiary or associate or Joint Venture as on 31<sup>st</sup> March, 2017. Your Company is the wholly-owned subsidiary of OPIIL.

## **Auditors**

The Board of Directors has decided to appoint M/s. S. R. Batliboi & Co. LLP, (Regn. No. 301003E/E300005) as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the forthcoming Annual General Meeting subject to ratification at each Annual General Meeting. The Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for appointment as Auditors of the Company.

## **Auditors' Report**

The Auditors' Report does not contain any qualifications. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments of directors.

## **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The Company is yet to commence any business activities and hence, the disclosure of particulars as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are currently not applicable to the company.

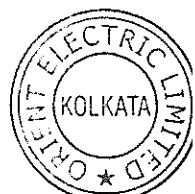
There were no foreign exchange earnings and outgo during the period under review.

## **Directors' Responsibility Statement**

Your Directors hereby state and confirm that:

1. In the preparation of the Annual Accounts for the financial year ended 31st March 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The Directors had 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

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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 this period;

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the Annual Accounts on a going concern basis; and
5. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Board further noted that internal control on financial reporting has been laid down and such internal controls are adequate and operating effectively.

Considering that the Company is yet to commence any operational activities, the Board noted that there was adequate Risk Management Systems and was operating effectively.

The Company has not entered into any transaction with any of its related party so as to attract the provisions of the Companies Act, 2013.

The Company has not given any loan, guarantee or made any investment during the financial year ended 31<sup>st</sup> March, 2017 since incorporation.

During the year, the Company has not received any complaint in terms of the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **Deposits**

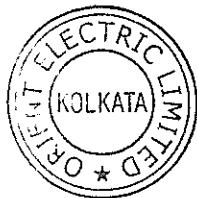
The Company has not accepted any deposit from public falling within the ambit of Section 73 of the Companies Act, 2013 and the Company's (Acceptance of Deposits) Rules, 2014.

## **Board Meeting**

Four Meetings of the Board of Directors were held during the year ended 31st March, 2017, i.e. on 12.10.2016, 17.10.2016 and 27.01.2017.

## **Extract of Annual Return**

An extract of Annual Return in Form MGT 9 is annexed hereto.



# **ORIENT ELECTRIC LIMITED**

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## **Significant and Material Orders Passed by the Regulators or Courts**

There are no significant material orders passed by the regulators/courts which would impact the going concern status of the Company and its future operation.

## **Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There were no material changes and commitments affecting the financial position of the Company occurring between March 31, 2017 and the date of this Report of the Directors.

**For and on behalf of the Board of Directors**

(P K Sonthalia)  
Director (DIN: 00065464)

(M L Pachisia)  
Director (DIN: 00065431)

Kolkata, 27<sup>th</sup> June, 2017

# ORIENT ELECTRIC LTD.

## EXTRACT OF ANNUAL RETURN as on the financial year ended 31<sup>st</sup> March 2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### FORM NO. MGT 9

#### I. Registration and other details

(i)	CIN	U31100OR2016PLC025892
(ii)	Registration Date	10 <sup>th</sup> October 2016
(iii)	Name of the Company	ORIENT ELECTRIC LTD.
(iv)	Category /Sub-Category of the Company	Company having share capital
(v)	Address of the Registered Office and Contract details	Unit VIII, Plot No 7, Bhoiagar, Bhubaneswar 751012 (Odisha)
(vi)	Whether listed company	No
(vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Nil

#### II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company:

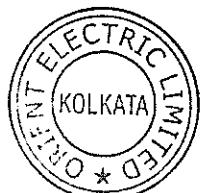
Sr. No.	Name & description of main products/services*	NIC Code of the product/service	% to total turnover of the company
-	-	-	-

\* The Company has not yet started any business activities.

#### III. Particulars of Holding, Subsidiary and Associate Companies

Sl.No.	Name and address of the Company	CIN / GLN	Holding/Subsidiary/Associate	% of shares Held	Applicable Section
01.	Orient Paper & Industries Limited* Unit VIII, Plot No. 7, Bhoiagar 751012 (Odisha)	L21011OR1936PLC000117	Holding	100	2(46)

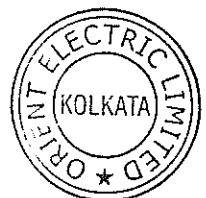
\*During the year the Company has been formed as a wholly owned subsidiary of Orient Paper & Industries Limited (OPIL) for the purpose of demerger of OPIL's Consumer Electric Business as per the Scheme of Arrangement between OPIL and the Company.



#### IV. Shareholding pattern (equity share capital Breakup as percentage of total equity)

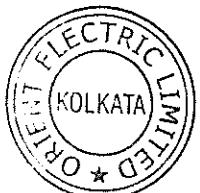
##### i) Category-wise Shareholding

Category of shareholders		No. of shares held at the beginning of the year (since incorporation on 10 <sup>th</sup> October, 2016)				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A.	Promoters Indian									
(1)										
(a)	Individual/HUF	-	600*	600	0.12	-	600*	600	0.12	-
(b)	Central Govt.									
(c)	State Govt.									
(d)	Bodies Corp.	-	4,99,400	4,99,400	99.88	-	4,99,400	4,99,400	99.88	-
(e)	Banks/FI									
(f)	Any Other									
<b>Sub-Total(A)(1)</b>										
(2)	Foreign									
(a)	NRIs-Individual									
(b)	Other-Individual									
(c)	Bodies-Corporate									
(d)	Banks/FI									
(e)	Any Other									
<b>Sub-Total (A)(2)</b>										
<b>Total shareholding of Promoters (A)=(A)(1)+(A)(2)</b>		-	5,00,000	5,00,000	100	-	5,00,000	5,00,000	100	-
<b>B. Public Shareholding</b>										
(1) Institutions										
(a)	Mutual Funds/UTI									
(b)	Banks/FI									
(c)	Central Govt.									



(d)	State Govt.								
(e)	Venture Capital Funds								
(f)	Insurance Companies								
(g)	FII/Foreign Portfolio Investor								
(h)	Foreign Venture Capital Funds								
(i)	Other (specify)								
<b>Sub-total(B)(1)</b>		-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>									
(a)	Bodies Corporate								
(b)	Individuals								
	i) Individual shareholders holding nominal share capital upto Rs.1 lakh								-
	ii) Individual shareholders nominal share capital in excess of Rs. 1 lakh								
(c)	Others								
	i) Foreign Bodies								
	ii) NRI								
	iii) OCB								
	iv) Trust								
<b>Sub-total (B) (2)</b>		-	-	-	-	-	-	-	-
<b>Total Public shareholding (B)=(B)(1)+(B)(2)</b>		-	-	-	-	-	-	-	-
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>		-	-	-	-	-	-	-	-
<b>Grand Total (A)+(B)+(C)</b>		-	500000	500000	100	-	500000	500000	100

\* 600 equity shares of Re. 1 each fully paid up were held by the subscribers to the Memorandum as nominee to Orient Paper & Industries Limited.



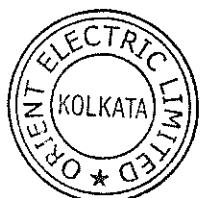
**ii) Shareholding of Promoters**

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year (since incorporation on 10 <sup>th</sup> October, 2016)			Shareholding at the end of the year			% change in the shareholding during the year
		No. of Share	% of total shares of the Company	% of shares pledge/or encumbered to total shares	No. of Share	% of total shares of the Company	% of shares pledge/or encumbered to total shares	
1	Orient Paper & Industries Limited	4,99,400	99.88	-	4,99,400	99.88	-	-
2.	Manohar Lal Pachisia	100*	0.02	-	100	0.02	-	-
3.	Pradeep Kumar Sonthalia	100*	0.02	-	100	0.02	-	-
4.	Pramod Chandra Agarwala	100*	0.02	-	100	0.02	-	-
5.	Gautam Mullick	100*	0.02	-	100	0.02	-	-
6.	Niranjan Kumar Saha	100*	0.02	-	100	0.02	-	-
7.	Amalendu Kuila	100*	0.02	-	100	0.02	-	-
	<b>Total</b>	<b>5,00,000</b>	<b>100</b>	<b>-</b>	<b>5,00,000</b>	<b>100</b>	<b>-</b>	<b>-</b>

\* The equity shares of Re. 1 each fully paid up are held by the individual subscribers to the Memorandum as nominee to Orient Paper & Industries Limited.

**iii) Change in Promoters shareholding (please specify, if there is no change)**

Sl.	Particulars	Shareholding at the beginning of the year (since incorporation on 10 <sup>th</sup> October, 2016)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	No change during the year			



	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No change during the year
	At the end of the year	No change during the year

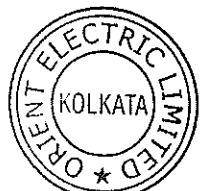
iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl. No.	For each of the top Ten shareholders	Shareholding at the beginning of the year (since incorporation on 10 <sup>th</sup> October, 2016)		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Nil				

v) Shareholding of Directors and Key Managerial Personnel

Sl.	Shareholding at the beginning of the year (since incorporation on 10 <sup>th</sup> October, 2016)	Shareholding at the end of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	<b>Shri P. K. Sonthalia, Director</b>				
	At the beginning of the year (since incorporation on 10 <sup>th</sup> October, 2016)	100	0.02	100	0.02
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	100	0.02	100	0.02
2.	<b>Shri M. L. Pachisia , Director</b>				
	At the beginning of the year (since incorporation on 10 <sup>th</sup> October, 2016)	100	0.02	100	0.02
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	100	0.02	100	0.02
3.	<b>Shri P. C. Agarwala, Director</b>				
	At the beginning of the year (since incorporation on 10 <sup>th</sup> October, 2016)	100	0.02	100	0.02
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	100	0.02	100	0.02

\* Shares are held as a nominee to Orient Paper & Industries Limited.



## V. Indebtedness

### Indebtedness of the Company including interest outstanding /accrued but not due for payment

(Amount in Rupees)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (since incorporation on 10<sup>th</sup> October, 2016)</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	-	*86,94,422	-	86,94,422
Reduction				
<b>Net Change</b>				
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount		*86,94,422		86,94,422
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		-		-
<b>Total (i + ii + iii)</b>	-	*86,94,422	-	86,94,422

\*Orient Paper & Industries Limited, the holding company has incurred certain professional & consultancy expenses and other miscellaneous expenses towards the incorporation of the Company and in terms of the scheme of arrangement, the said expenses are reimbursable to the holding company.

## VI. Remuneration of Directors and key managerial personnel

### A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

(Amount in Rupees)

SI No.	Particulars of Remuneration	Nil
	<b>Gross Salary</b>	
1 (a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961.	
(b)	Value of perquisites under Section 17(2) Income tax Act,1961	
(c)	Profits in lieu of salary under Section 17(3) Income-tax Act,1961	
2.	Stock Options	
3.	Sweat Equity	
4.	Commission	
	- As % of profit - Others specify	
5.	Others, please specify:	
	Total	
	Ceiling as per the Act	

Note : The above remuneration does not include contribution to gratuity / provident fund.



**B. Remuneration to other Directors:**

(i) Independent Directors						
Sr.No.	Particulars of remuneration					Nil
1.	Fee for attending Board/Committee meetings					
2.	Commission					
3.	Others, please specify					
	Total					

(ii) Other Non-Executive Directors						
Sr.No.	Particulars of remuneration					Nil
1.	Fee for attending Board/Committee meetings					
2.	Commission					
3.	Others, please specify					
	Total					

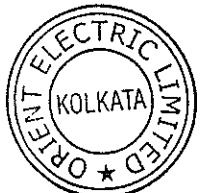
**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Amount in Rupees)

Sl.	Particulars of Remuneration	Key Managerial Personnel		
1	Gross Salary			Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
	Total (C)			
2.	Stock Options			
3.	Sweat Equity			
4.	Commission			
	- As % of profit			
	- Others specify			
5.	Others, please specify:			
	Total			Nil

**VII. PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalty/punishment/compounding of offences for the year ended 31<sup>st</sup> March, 2017.



**INDEPENDENT AUDITOR'S REPORT**

To the Members of Orient Electric Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Orient Electric Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the period from 10<sup>th</sup> October, 2016 to 31<sup>st</sup> March, 2017, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by 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, 2017, its loss, and its cash flows for the period from 10<sup>th</sup> October, 2016 to 31<sup>st</sup> March, 2017.

## **Emphasis of Matter**

We draw attention to Note 9 to the financial statements in respect of scheme of arrangement for transfer of Consumer Electric business of Orient Paper & Industries Limited to the Company with effect from 1st March, 2017 subject to necessary approvals, more fully described therein. Pending such approvals, no adjustment has been made in these accounts.

Our opinion is not qualified in respect of the above matter.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure 1' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) 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;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. As per books of accounts of the Company and as represented by the management, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and had no cash dealings during this period.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005



per Sanjay Kumar Agarwal  
Partner  
Membership Number: 060352

Place : Kolkata  
Date: June 27, 2017

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Orient Electric Limited as at and for the period ended March 31, 2017

- (i) The Company does not have any fixed assets, hence Clause 3 (i) (a), (b) and (c) of the Order are not applicable to the Company.
- (ii) Since the Company did not have any inventory, the requirements under paragraph 3 (ii) of the order are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rule, 2014 (as amended). Accordingly, the provision of clause 3(v) of the order are not applicable.
- (vi) Since the Company has not commenced any business activity, in our opinion, the provisions of clause 3(vi) of the order is not applicable to the Company.
- (vii) There are no dues relating to provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess during the period. Accordingly, the provisions of clause 3(vii) (a) and (b) of the order are not applicable to the Company and hence not commented upon.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institutions or banks or to government or dues to debenture holders during the period.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loan hence, reporting under clause 3 (ix) is not applicable to the Company and hence not commented upon.

# S.R. BATLIBOI & Co. LLP

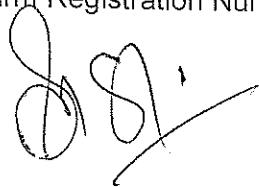
Chartered Accountants

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the period.
- (xi) According to the information and explanations given by the management, the Company has not paid any managerial remuneration during the period. Accordingly, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 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) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Sanjay Kumar Agarwal

Partner

Membership Number: 060352

Place: Kolkata

Date: June 27, 2017

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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 over financial reporting of Orient Electric Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the period from 10<sup>th</sup> October, 2016 to 31<sup>st</sup> March, 2017.

**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. 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 over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 internal financial controls system over financial reporting.

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 control over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

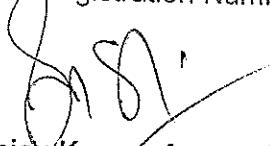
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 Sanjay Kumar Agarwal

Partner

Membership Number: 060352

Place: Kolkata

Date: June 27, 2017

Orient Electric Limited  
Balance sheet as at 31st March 2017

	Notes	As at 31-Mar-17 ₹
<b>Equity and liabilities</b>		
<b>Shareholders' funds</b>		
Share capital	3	5,00,000
Reserves and surplus	4	(87,44,819)
		(82,44,819)
<b>Current liabilities</b>		
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5	50,000
Other Current liabilities	5	86,94,422
		87,44,422
<b>TOTAL</b>		<b>4,99,603</b>

**Assets**

<b>Current assets</b>		
Cash and bank balances	7	4,98,918
Other current assets	6	685
<b>TOTAL</b>		<b>4,99,603</b>
Summary of significant accounting policies	2.1	

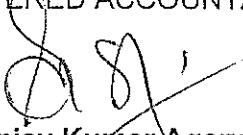
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. BATLIBOI & CO. LLP

Firm Registration No.: 301003E/E300005

CHARTERED ACCOUNTANTS

  
per Sanjay Kumar Agarwal  
Partner  
Membership No. 060352

For and on behalf of the  
board of directors



Place: Kolkata  
Dated : June 27, 2017



**Orient Electric Limited**  
**Statement of Profit and Loss for the period from 10th October, 2016 to 31st March, 2017**

	Notes	For the period from 10th October, 2016 to 31st March, 2017
<b>Income</b>		₹
Interest on bank deposits		5,894
<b>Total income</b>		<b>5,894</b>
<b>Expenses</b>		
Preliminary expenses written off		60,687
Professional & Consultancy expenses		86,33,735
Miscellaneous expenses		6,291
Payment to Auditors		
As Auditors		
- Audit Fees		50,000
<b>Total Expenses</b>		<b>87,50,713</b>
<b>Loss before tax</b>		<b>(87,44,819)</b>
<b>Tax expense</b>		
Current tax		
<b>Total tax expense</b>		<b>-</b>
<b>Loss for the period</b>		<b>(87,44,819)</b>

**Earnings per equity share [nominal value of share ₹ 1/-]**

<b>Basic &amp; Diluted (₹)</b>	8	<b>(17.49)</b>
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<b>Summary of significant accounting policies</b>	2.1
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The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S. R. BATLIBOI & CO. LLP**

Firm Registration No.: 301003E/E300005

CHARTERED ACCOUNTANTS

per Sanjay Kumar Agarwal  
 Partner  
 Membership No. 060352

For and on behalf of the  
 board of directors

Place: Kolkata  
 Dated : June 27, 2017

Orient Electric Limited  
Cash Flow Statement for the period ended 31st March, 2017

	₹ 2016-2017
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>	
Loss before Tax	(87,44,819)
Operating Profit before Working Capital Changes :	
Increase in Trade payable and Other liabilities	87,44,422
Increase in Other Current assets	(685)
Net CASH GENERATED FROM OPERATIONS:	<u>(1,082)</u>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>	
Fixed deposit made	4,50,000
NET CASH FROM INVESTING ACTIVITIES	<u>4,50,000</u>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>	
Issue of Equity Shares	5,00,000
NET CASH FROM FINANCING ACTIVITIES	<u>5,00,000</u>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A-B+C)</b>	<b>48,918</b>
* Cash & Cash Equivalents - Closing Balance	48,918

\* Represents Cash and Bank Balances as indicated in Note 7 and excludes ₹ 450,000 being fixed deposits for maturity of more than 3 months.

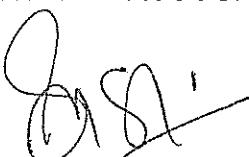
Note: The above Cash Flow has been prepared under the indirect method set out in Accounting Standard - 3 on Cash Flow Statement notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules 2016 .

As per our report of even date

For S. R. BATLIBOI & CO. LLP

Firm Registration No.: 301003E/E300005

CHARTERED ACCOUNTANTS

  
per Sanjay Kumar Agarwal  
Partner  
Membership No. 060352

For and on behalf of  
the board of directors



Place: Kolkata  
Dated : June 27, 2017

## 1. BACKGROUND

Orient Electric Ltd. is a subsidiary of Orient Paper & Industries Limited. The Company has been incorporated on 10th October 2016. The Company has not started any business activity. However, a scheme of arrangement has been approved by the Board of Directors of the Company subject to obtaining necessary approval as stated in Note 9 below.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendment Rules 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

### 2.1 Summary of significant accounting policies

#### (a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### (b) Revenue Recognition

##### Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

#### (c) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. 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 recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current period and reversal of timing differences for the earlier periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### (d) Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average numbers of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



(e) Preliminary Expenses

In accordance with the requirements of Accounting Standard - 26, Preliminary expenses incurred in connection with the formation of the Company are charged off in the period such expenses are incurred.

(f) 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(g) Cash and cash equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



Orient Electric Limited

Notes to Financial Statements as at and for the period ended 31st March, 2017

3. Share capital

	As at 31-Mar-17 ₹
<b>Authorized shares</b>	
500,000 Equity Shares of ₹1/- each	5,00,000
	<u>5,00,000</u>
<b>Issued, subscribed and fully paid-up shares</b>	
500,000 Equity shares of ₹1/- each fully paid	5,00,000
	<u>5,00,000</u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	As at 31-Mar-17 No. of shares	₹
<b>At the beginning of the period</b>		
Issued during the period	5,00,000	5,00,000
<b>Outstanding at the end of the period</b>	<u>5,00,000</u>	<u>5,00,000</u>

(a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Shares held by holding company

The above 500,000 Equity Shares of ₹1 each are held by its holding Company namely Orient Paper & Industries Ltd.

4. Reserves and surplus

	As at 31-Mar-17
<b>Deficit in the Statement of Profit and Loss</b>	
Loss for the period	(87,44,819)
<b>Deficit in the Statement of Profit and Loss</b>	<u>(87,44,819)</u>
<b>Total reserves and surplus</b>	<u>(87,44,819)</u>

5. Other current liabilities

	As at 31-Mar-17
<b>Trade payable</b>	
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	50,000
	<u>50,000</u>
<b>Other liabilities</b>	
Payable to Orient Paper & Industries Limited, the Holding Company (Refer Note 11)	86,94,422
	<u>86,94,422</u>
<b>Total Other current liabilities</b>	<u>87,44,422</u>

6. Other current assets

	As at 31-Mar-17
<b>Interest accrued on fixed deposits</b>	685
	<u>685</u>

## Orient Electric Limited

Notes to Financial Statements as at and for the period ended 31st March, 2017

## 7. Cash and bank balances

	As at 31-Mar-17 ₹
Cash and cash equivalents	
Balance with banks:	
- On current account	48,918
	<u>48,918</u>
Other bank balance	
- Deposits with remaining maturity for more than 3 months but less than 12 months	4,50,000
	<u>4,50,000</u>
Total Cash and bank balances	<u>4,98,918</u>

## Note:

The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016

## 8. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	As at 31-Mar-17 ₹
Net Profit/(Loss) after tax for calculation of basic and diluted EPS	(87,44,819)
	No.
Weighted average number of equity shares in calculating basic and diluted EPS	5,00,000
Earnings per equity share [nominal value of share ₹1]	
Basic & Diluted (₹)	(17.49)

9. The Company's Board of Directors at its meeting held on October 17, 2016 has approved a Scheme of arrangement between the Company and Orient Paper & Industries Limited (OPIL) in terms of the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 & Companies Act, 2013 to the extent applicable, for transfer of consumer electric business of OPIL to the Company on a going concern basis with effect from 1st March 2017, subject to necessary approvals.

10. Orient Paper & Industries Limited, the holding company, has incurred certain Professional & Consultancy expense and other miscellaneous expenses towards the incorporation of the Company and scheme of arrangement as stated in Note 9 above, which are to be borne by the Company, in terms of the said scheme of arrangement. The said expenses are reimbursable to the holding company and accordingly, the same has been shown under the head other current liabilities.

11. As the Company has not yet commenced any business activity, segment reporting disclosures as per Accounting Standard - 17, are not applicable and hence not furnished.

# Orient Electric Limited

Notes to Financial Statements as at and for the period ended 31st March, 2017

## 12. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding Company

Orient Paper & Industries Limited

### Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the

#### a. Advances received

	Period ended	Advances received	As at 31-Mar-2017
Holding Company			
Orient Paper & Industries Limited	31-Mar-17	86,94,422	86,94,422

13. The Company has been incorporated on 10th October 2016 and this is being the first financial year of the Company and hence previous year figures have not been given.

As per our report of even date

For S. R. BATLIBOI & CO. LLP

Firm Registration No.: 301003E/E300005

CHARTERED ACCOUNTANTS

per Sanjay Kumar Agarwal

Partner

Membership No. 060352

For and on behalf of the  
board of directors

Place: Kolkata

Dated : June 27, 2017