

SMART, AGILE &
FUTUREFOCUSED





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Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward- looking statements. We undertake no obligation to update or revise any forward- looking statement, whether as a result of new information, future events, or otherwise. The usage of the acronym 'OEL' has been made for the purpose of addressing Orient Electric Limited, across the chapters.

The exciting and evolving landscape of electrical lifestyle home solutions is being driven by a growing aspirational population, increasing incomes, improved standards of living, and advancements in technology.



The increasing adoption of connected devices and smart homes is reshaping the way these solutions are perceived. With customers becoming increasingly technology-savvy, the need of the hour is to be smart and stay abreast of emerging technologies and market trends.

In light of this, Orient Electric Limited (OEL), through its comprehensive understanding of consumer preferences and sharp focus on innovation, is developing superior electrical lifestyle

home solutions that match evolving consumer needs. OEL is agile in its business approach, which enables it to respond quickly to market shifts, make timely product improvements, and maintain a competitive edge.

By implementing effective go-to-market strategies, timely product innovations and targeted cost reduction initiatives, OEL has emerged as a thriving force in a dynamic market. These strategic endeavors have acted as catalysts for growth,

positioning the Company for success and enabling it to flourish in a rapidly evolving landscape.

In the years ahead, OEL will focus on expanding its market presence, strengthening brand recall and extending its reach to diverse customer segments. Through a comprehensive strategy refresh, OEL is set to embrace a whole new perspective, creating a smart, agile and future-focused business.

About CK Birla Group

With over 150 years of history behind us, we embark on a journey towards an even more promising future.

CK Birla Group is a well-established and highly diversified conglomerate with a global presence and a long-standing history of fostering enduring relationships with renowned companies across the world. The group has a revenue of \$2.9 billion, which is a testament to its success in various industries. With a commitment to excellence, the CK Birla Group has established itself as a leader in its respective fields of operation, and its expertise and influence is recognised globally.

With a highly skilled team of over 30,000 employees, the group has established itself as a trusted partner to renowned companies worldwide. A key lever of success for the group is strong strategic partnerships with global leaders in their respective fields. These partnerships serves as a catalyst for innovation and allows the group to leverage the latest technologies and industry best practices to deliver exceptional value to its clients.

The group maintains a forward-thinking approach and consistently seeks new avenues for growth and expansion. It operates in three industry clusters: technology & automotive, home & building, and healthcare & education. The ultimate objective is to create value that aligns with the ever-evolving needs of our customers, partners, and communities in the 21st century.

In addition to its business pursuits, it demonstrates a profound commitment to social responsibility. Recognizing the crucial role of scientific research and development in advancing society

and enhancing quality of life, the group actively supports initiatives in this field. Furthermore, it places great importance on the preservation of India's rich cultural heritage and actively participates in efforts that promote this noble objective.

By allocating substantial resources to these philanthropic endeavours, it ultimately aims to create a positive and lasting impact on society, contributing to a better future for all.

\$2.9 billion
Conglomerate

30,000+
Workforce

Five
Continents

Focused on
Long-term
value creation



Corporate snapshot

A trusted brand for modern electrical lifestyle home solutions

With a rich legacy spanning over six decades, we, at Orient Electric (OEL), are a distinguished name in the Electric consumer durable space.

A distinguished name in the consumer electrical space for more than 68 years, Orient Electric has established itself as a one-stop provider of fans, lighting, home appliances, switchgears, and other electrical solutions. Our strong manufacturing capabilities, extensive sales, distribution and service network, market presence in over 30 countries, and strong brand recall have helped position us as an industry leader.

1,25,000+

Retail outlets

450+

Cities

₹154 Crore

Net cash position

₹2,529 Crore

Revenue from operations

₹151 Crore

Operating EBITDA



Vision

‘Spreading Happiness by Smart Application of Technology’

As a brand trusted by millions, we strive to create a better, more sustainable future through our consistent pursuit of innovation, expertise and a deep-rooted passion for driving positive change.

Embracing technological advancements

Technology has the potential to substantially enhance the quality of life. As a modern lifestyle electrical solutions provider, our product line extends from smart home solutions to energy-efficient appliances. To create products that offer convenience and comfort, we employ best-in-class technologies.

Focus on sustainability

Our natural environment is our most precious inheritance. To preserve it for future generations, we are implementing several targeted sustainability measures to minimise our environmental footprint. These include adopting eco-friendly manufacturing processes and developing energy-efficient products, among others.

Empowering through expertise

Through our comprehensive understanding of customer needs and industry trends, we provide innovative solutions that cater to the essential needs of households.

Enhancing everyday experiences

Our vision of spreading happiness is centred on enhancing our customers’ everyday comfort. To enable seamless integration into modern lifestyles, make chores simpler and save time, we meticulously design our products keeping consumer aspirations in mind. By staying ahead of the technology curve, we aim to create a positive impact on the way people live, work and interact with their surroundings.

Driving positive change

We are passionate about driving positive change in society. Beyond our products, we engage in initiatives and partnerships that contribute to social welfare and community development. By leveraging our resources and influence, we aim to make a meaningful difference and create a world where happiness is not just a goal but a reality for all.





Mission

We are a leading Indian electrical brand with a significant global presence.

We are focused on making customers happy by consistently providing smart electrical solutions through innovation, world-class manufacturing practices, a knowledgeable and customer-oriented distribution network, highly responsive after-sales service and engaged employees.



We strive for excellence in everything we do, ensuring that our products and services surpass customer expectations.

Upholding the highest standards of integrity, fostering trust, and building enduring relationships with our customers and partners is a priority for us. Through collaboration and genuine care for the well-being of all, we aim to create an environment that fosters innovation, teamwork, and a shared commitment to making a positive impact on society.



our values



Excellence

- We consistently aim to achieve and exceed global benchmarks in quality and best practices
- We always strive for fresher ideas and newer ways of doing things
- We are most responsive to changing modern lifestyles and consumer needs
- We demonstrate drive and commitment to performance



Integrity

- We are committed to the highest standards of professional ethics and honesty
- We are credible, we do what we say
- We act in accordance with our roles and responsibilities
- We are accountable for both our successes and failures and do not allocate blame
- We speak up openly without fear



Collaboration

- We collaborate across functions and businesses to drive organisational goals
- We build mutually rewarding long-term relationships based on trust and credibility
- We respect diversity and believe in consulting, engaging, and empowering people
- We celebrate collaboration and take pride in our work and that of others



Trust

- We foster a culture of belief and trust
- We are open and transparent in sharing relevant information with all stakeholders
- We are an open organisation that values everyone's point of view regardless of one's position in the hierarchy
- We provide enough freedom and space for people to deliver on their commitments



Care

- We encourage practising empathy in all our acts
- We respect each and value everyone's contribution across the value chain
- We care about individual and professional development
- We partner in creating a caring environment

Chairman's message



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The Company's commitment to consumer-centricity, innovation-driven product development, and sustainable business practices remains a key force driving sustainable value for all our stakeholders.

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Dear shareholder

The financial year 2022-23 has been a challenging one, with volatility from macroeconomic and geopolitical factors impacting business environments worldwide. Industry-wide inflationary pressures continued to be significant during the period and also impacted the Company's performance. However, long-term prospects remain robust as ever for OEL as we move into the next financial year and beyond. The Company's commitment to consumer-centricity, innovation-driven product development, and sustainable business practices remains a key force driving sustainable value for all our stakeholders.

The Company continued focused efforts to build presence in under penetrated markets and expanding the product portfolio during FY23, with a focus on growing Direct to Market states for our fans business, while also strengthening our BLDC product portfolio in view of the increasing demand for energy-efficient fans. Our sustained investments in building design capabilities, product portfolio development, and distribution expansion over the years in our Lighting division have led to OEL demonstrating

market leading performance in revenue growth as well as profitability. Furthermore, the Company's enhanced focus on strengthening the B2B channel and improving market coverage in this segment is anticipated to further bolster our market position. With focus on long-term growth, we intensified our efforts in strengthening e-commerce capabilities during the year under review, which has not only driven revenue growth but also strengthened our consumer relationships.

We remain agile in identifying emerging consumer and market trends, while continuing our investments in brand and capability building initiatives to maximise revenue streams. We are optimistic that an improved product mix and sharper focus on cost optimisation, will not only strengthen our margins, but will also enable us to deliver sustained value for our consumer and stakeholders as a consumer-centric, future-focused organisation.

I firmly believe that our success is rooted in our people. This continues to inspire us to consistently invest in strengthening

our talent pool, while laying a solid foundation for our future growth. OEL retained its 'Great Place to Work®' certification for the fourth year in a row, endorsing its commitment to sustaining a high-performance, people-first culture.

I extend my gratitude to our dedicated team, partners, customers, and shareholders for their continued support in our journey toward sustained value creation. We remain agile, future-focused, and united in our pursuit of excellence.

Regards,

Chandra Kant Birla
Chairman

MD & CEO's message



Dear Shareholders,

As we reflect on the financial year 2022-23, we acknowledge that it has been a challenging one for both our organisation and the industry. However, in the face of adversity, we remained agile as a Company, staying firmly focused on shaping our future growth path.

In a year marked by economic uncertainties, inflationary pressures, BEE star rating transition in fans, muted consumer demand and erratic weather conditions, we continued to invest in our strategic focus areas of customer centricity, channel expansion, digital adoption and transformation, R&D and manufacturing, and talent strengthening.

Business performance

During the year under review, OEL posted revenue of ₹2,529 crore, up 3.3% YOY. Our EBIDTA declined by 34.7% to ₹151 crore while our Profit After Tax (PAT) dropped by 39.8% to ₹76 crore, impacted by input inflation, and ongoing investments in brand building and capability-development initiatives for long-term growth.

Our Electronic Consumer Durables (ECD) segment reported revenue of ₹1752 crore, declining by 2.6% against the backdrop of lacklustre consumer demand, commodity price inflation, and moderate market growth. The fans business was impacted due to high channel stocking owing to BEE star rating transition.

During FY23, we continued to build Direct-To-Market (DTM) model in select markets for the Fans business to add agility and dynamism to our distribution. This strategic move has started to pay off in terms of improved market shares and 29% revenue growth in the states where DTM operations have stabilised. As we move forward, steady investments to strengthen the width and depth of our distribution network is likely to improve our market shares further in these under-penetrated markets. We will also take learnings from our DTM markets and implement in other states.

Our Lighting and Switchgear business continued its strong growth momentum in FY23, posting revenue of ₹777 Cr, up by 19.8% YoY, and generating an EBIT of ₹116 Cr, up by 22.5% YoY. Our Lighting division has witnessed strong growth across B2B and B2C channels. With increased Government push on infrastructure and realty sector, B2B segment has emerged as a strong growth driver for the business. Our B2B channel including Professional Luminaries and Facade Lighting has delivered 94% Y-o-Y growth for FY23. We successfully completed three projects, the Ganga Barrage project, the Varanasi Cantt railway station, and the Puducherry Smart City project, during the year under review. In addition, we have also bagged the contract for façade lighting project for smart city Srinagar. I am glad to share that our enquiry bank in Façade lighting is scaling up fast.

During the fiscal, we also forayed into the high-potential segment of wires & cables with the launch of electrical house wires, which have gained good acceptance amongst trade partners and influencers, accelerating growth of our switchgear portfolio.

Whilst market forces put pressure on gross margins, our continued focus on Inventory management remained one of the crucial levers to manage our profitability. We successfully reduced our working capital days to 18 days in FY23, against 26 days in FY22. The Company reported healthy cash flow from operations at ₹190 crore.

Leveraging Consumer Insights

In the pursuit of excellence and maintaining our competitive edge, we continue to build capability around consumer insights. During the year under review, we further intensified our efforts in this regard through market research and surveys, data analysis, and engagement with our customers. Leveraging these insights enable the Company to drive meaningful innovation and deliver superior products and services. Multiple products and product lines were introduced during FY23 basis the customer-centric approach, which have resonated well with our consumers. Additionally, this enables us to identify and leverage the most effective consumer communication and touch points with most optimum investments.

Embracing Sustainability

While pursuing growth and profitability, we remain aware of our responsibility towards the environment and society at large. We firmly believe that sustainability

is not merely an option but an imperative for the success and longevity of our business. We are continuously working towards the development and adoption of newer and advanced technologies which help reduce power consumption and are environmentally friendly. We work closely with institutions like BEE, EESL etc. to bring in energy-efficient and cost-effective solutions for Indian consumers. As of today, our product portfolio across categories is centered around energy efficiency. We are also adopting newer manufacturing and operational processes to reduce our energy consumption and carbon footprint year on year.

We continued to invest in several CSR initiatives as a responsible corporate entity. Some of the key initiatives undertaken by the Company during FY23 include the adoption of yet another Government Girls School in Faridabad, Haryana for end-to-end infrastructural development, tree plantation drives, and medical assistance and meal kits for the underprivileged section of the society, among others.

We have built our business model on the foundation of a strong governance framework, and we continued to adopt best practices to maintain utmost control, transparency, and integrity besides ensuring business continuity. Several initiatives were taken during the year under review to strengthen our reporting and disclosure requirements and audit procedures.

As we move forward into the future, we will continue to elevate our ESG goals and priorities.

Awards and Recognition

OEL has been recognised time and again for its brand value and reputation, customer-centric innovation, strong

manufacturing and R&D capabilities, excellent marketing practices, and high-performance work culture. During FY23, we retained the consumer validated ‘Superbrand’ status for Fans, Air Coolers, and Lighting for the fifth, third, and second time respectively, endorsing our commitment to quality and innovation and the consumers’ trust in the brand. OEL was also featured among the ‘Iconic Brands of India 2022’ by ET Edge - An Economic Times Initiative and among the ‘Most Trusted Brands of India 2023’ by Team Marksmen based on an industry-wide consumer study. OEL also bagged the CII SCALE award for significant improvement in E comm fill rate. Our Faridabad unit bagged the Fame India ‘Safety Excellence’ and ‘Environment Excellence’ awards in Consumer Goods category. Additionally, the Company received the ‘Great Place to Work’ certification for the fourth consecutive year as a testimony to its people-first culture.

Outlook

As we embark on the new fiscal year, I am excited to share some perspective on our growth strategy for FY 2023-24, which is underpinned by our unwavering commitment to customer centricity, innovation, and operational excellence.

We will continue our journey of customer-centric innovation across our businesses, with a key focus on premiumisation, to drive the Company’s portfolio expansion and margin improvement journey. With a focus on advancing digital uptake, we will continue to leverage digital technologies across our operations, from enhancing our online presence and optimizing e-commerce capabilities to leveraging data analytics to gain deeper insights into consumer behaviour which enables us to deliver consumer-centric products.

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In the pursuit of excellence and maintaining our competitive edge, we continue to build capability around consumer insights. During the year under review, we further intensified our efforts in this regard through market research and surveys, data analysis, and engagement with our customers. 99

In the Fans segment, we believe that increasing awareness about energy efficiency will drive the demand for BLDC fans, a category wherein we have an extensive range across price points and have further plans to expand it. We further intend to strengthen our portfolio in the premium fans category. In Appliances, our focus will be on healthy margin extraction across categories through better product mix, channel optimization, agile planning, and cost competence. In Lighting, there will be an enhanced focus on value-added categories, along with an emphasis on ramping up distribution and brand investments. We now have a comprehensive range of professional luminaires to make aggressive inroads in the B2B segment. With our design capabilities for facade lighting and other smart lighting solutions, we intend to further strengthen our presence in the

B2B space. We will further deepen our penetration in the Switchgear and Wires segment in the coming financial year, backed by new products and a robust infrastructure.

We have further identified lead products across categories, which have the potential of significantly scaling up our growth numbers. As we move ahead, most of our sales, marketing and go-to-market initiatives will be sharply focused on these lead products. We are also rolling out Centre of Excellence on NPD focusing on getting consumer insights driven profitable products ready for FY25. Also, we are institutionalizing cost optimisation initiatives through a new Cost Excellence Centre to deliver on our goal of cost leadership. We will continue to drive efficiencies through our structured cost savings program ‘SANCHAY’.

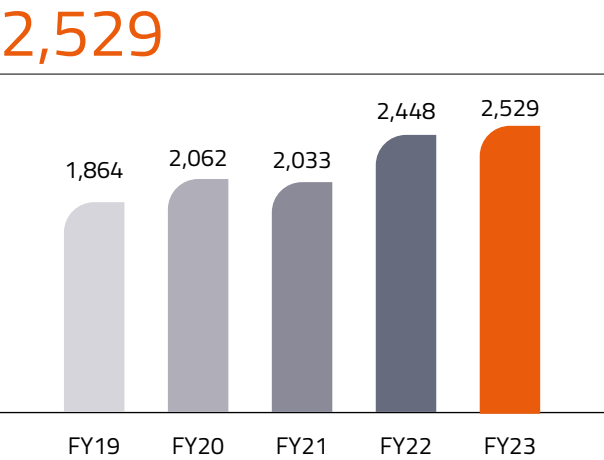
On behalf of the entire Company, I would like to extend my deepest gratitude to our esteemed shareholders for their trust in our business. I am also incredibly proud of our remarkable team at OEL, always empowering us to reach greater heights of success. As we forge ahead, I am excited about the future and confident in our ability to drive profitable growth and deliver value to our shareholders.

Regards,

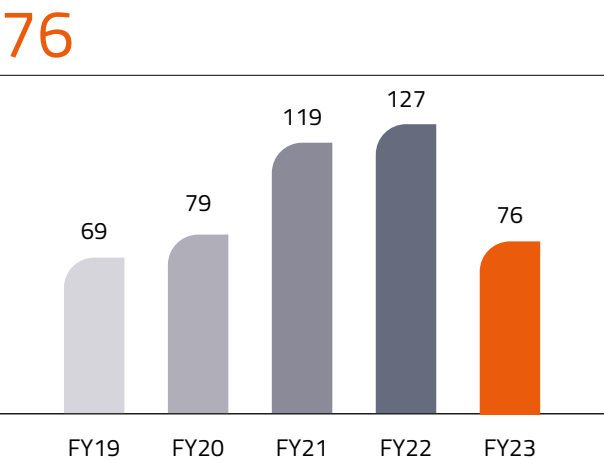
Rajan Gupta
Managing Director & CEO

Financial performance

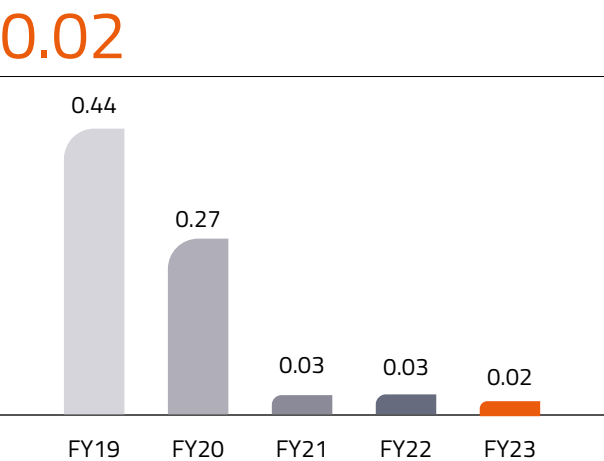
Revenue from Operations (₹ crore)



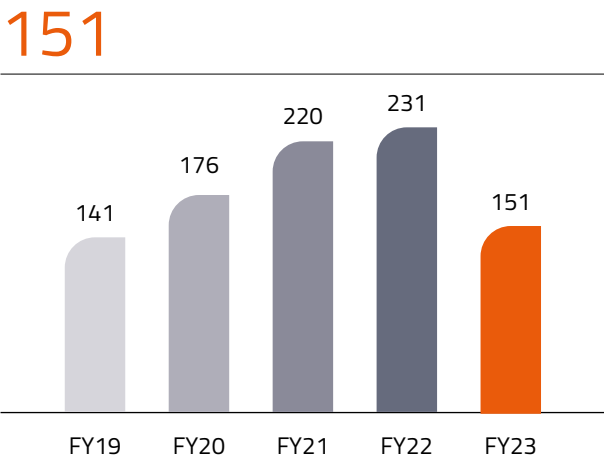
PAT (₹ crore)



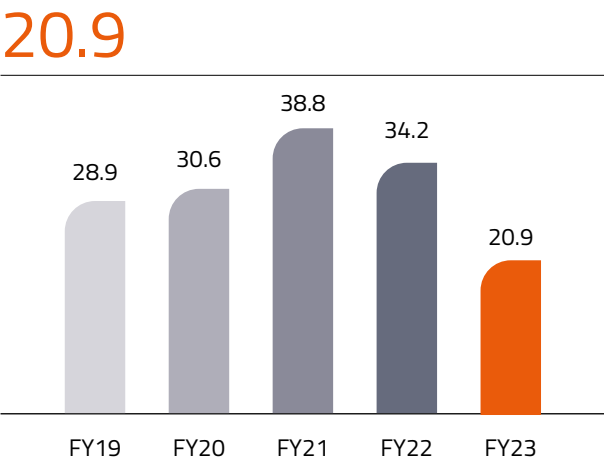
Debt-Equity Ratio* (in times)



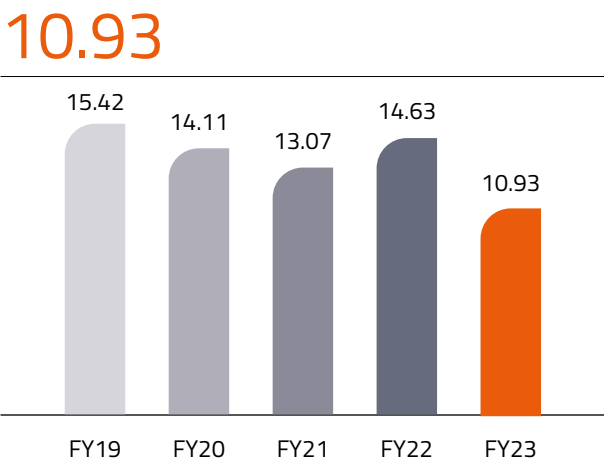
Operating EBITDA (₹ crore)



ROCE (Pre-Tax)* (in %)



Fixed Asset turnover ratio* (₹ crore)



* Ratios aligned as per latest guidance note issued by ICAI
Based on Net Fixed Assets (including CWIP)

Board of Directors



Mr. Chandra Kant Birla

Chairman

Chandra Kant Birla, aged 68 years, is the Chairman and Non-Executive Director of the Company. He is the Chairman of several companies of the CK Birla Group. The Group has interests across industries such as automotive, technology, infrastructure, building products, healthcare, and education. He is also a keen philanthropist and deeply committed to creating a sustainable positive impact.



Mr. Deepak Khetrapal

Non-executive Vice Chairman

Desh Deepak Khetrapal, aged 67 years, holds an Honours degree in Business and Economics from Shri Ram College of Commerce and an MBA degree from Faculty of Management Studies, Delhi University. He has a rich experience in industrial, consumer, and retail businesses. He is a business leader with a track record of leading and transforming large and diversified organisations across various industries, including services, industrials, and consumer and retail businesses.



Mr. Rajan Gupta

Managing Director & CEO

Mr. Rajan Gupta, aged 48 years, holds a bachelor's degree in civil engineering from Thapar Institute of Engineering & Technology, an MBA degree in Marketing and Finance from Indian Institute of Management Bangalore, and has completed Global Executive Leadership Program from Yale School of Management. He has over 25 years of diverse industry experience with a deep understanding of the Indian consumer landscape and a proven track record of leading businesses strategically.



Mr. TCA Ranganathan

Independent Director

Mr. TCA Ranganathan, aged 69 years, holds a graduate degree from St Stephen's College, Delhi, and Post Graduate degree in Economics from Delhi School of Economics. He was associated with State Bank of India and the Export-Import Bank of India. He was the non-executive chairman of Indian Overseas Bank. He is currently associated as an arbitrator on the panels of the various stock exchanges and the Indian Council of Arbitration. He has more than 41 years of experience in corporate finance, international banking, and investment banking.



Mr. K Pradeep Chandra

Independent Director

Mr. K Pradeep Chandra, aged 66 years, is a retired IAS officer. He holds a bachelor's degree in Mechanical Engineering from Indian Institute of Technology, Madras; a master's degree in Marketing from Indian Institute of Management, Calcutta; a master's degree in Finance from Atkinson Graduate School of Management, Willamette University, USA and a Doctoral degree in Public Administration from University of South California, USA. He has headed several state public sector undertakings and has more than 38 years of experience in Education, Finance, and the Industries and Commerce Departments of the Governments of Andhra Pradesh and Telangana.



Mrs. Alka Marezban Bharucha

Independent Director

Mrs. Alka Marezban Bharucha, aged 66 years, holds a bachelor's degree in Arts with Honours from the University of Mumbai, a law graduate from University of Mumbai, and a Master's in law from the University of London. She is the founding partner of Bharucha & Partners, a solicitor of the Bombay High Court, and an Advocate on record at the Supreme Court of India. She has over 34 years of experience in mergers and acquisitions, private equity investments, joint ventures, venture capital investments, and other financial transactions. She is engaged in representing transnational corporations for investments in the retail, real estate, defense, power, and banking sectors.



★★★★★ ORIENT BLDC ★★★★★
GHOOMEGA
— TOH INDIA —
JHOOMEGA

Awards and accolades

Retained the consumer-validated ‘Superbrand’ status for



Lighting
For the **second**
consecutive year

Fans
For the **fifth**
consecutive year

Air Coolers
For the **third**
consecutive year



Featured among the ‘Iconic Brands of India 2022’ by ET Edge - An Economic Times Initiative.



One of the ‘Most Trusted Brands of India 2023’ by Team Marksmen based on an industry-wide consumer study.



Conferred with the ‘Prestigious Brands of Asia 2021-22’ award by Herald Global and BARC Asia.



Conferred with the ‘Brand of the Year 2021-22’ award by the AsiaOne magazine and URS Media.



Awarded with ‘CII Supply Chain and logistic award 2022’ for significant improvement in the e-comm fill rate (~40% in Apr’22 to over 85% in Sept’22)