*orbit exports ltd.*

*Confidence Through Quality*

# 32nd ANNUAL REPORT 2014 - 2015

# Chairman's Speech

My Dear Family of Shareholders,

It gives me great pleasure to welcome you today to be a part of history in the making at the 32nd AGM of our company, Orbit Exports Ltd.

The Company accounts for the year ended March 31, 2015 along with the Directors and Auditors report, a letter to the Shareholders and Management Discussion and Analysis, have been already circulated to all of you.

With your permission, I would like to take them as read.

I look back at the decade that was and look forward to the decade that will be with a great sense of satisfaction and an even greater sense of anticipation.

When we took over a little over a decade ago we had major ambitions and strong convictions on not just our goals but also in the ethical manner in which to achieve them. I am proud to say that we have been able to exceed our expectations till date whilst maintaining our integrity and following the most ethical business practices whilst focusing on quality and compliances. Our commitment in this regard is absolute.

It is with great pride that i would like to share with you that your company has been recognised by Forbes as "best under a billion" in Asia.

There were just 11 companies from india that made this list of 200 companies and Orbit was one of them.

Two years ago we established a wholly owned subsidiary in Los Angeles, USA. The purpose was to have a presence in North America to be able to penetrate and service potential markets in Central and South America. Whilst our initial thrust was to Guatemala, Mexico and El Salvador, we have now been able to establish a presence in Chile, Peru and Venezuela as well. There appear to be very bright prospects for a further thrust in this region. Last year, after one year of beginning our LA operations, we broke even. In this, our second year, we will be able to turn a tidy profit.

With an aim to grow our Ribbon and made ups business we have moved into a new facility at Kalyan.

This facility has been audited and is compliant with major chains of the US and Europe.

It has also cleared the most stringent C-TPAT (Customs-Trade Partnership Against Terrorism) Audit conducted by the US customs. This gives our company genuine credibility as a proponent of ethical business practices in overseas markets.

As our order book grows, we need to continuously expand our manufacturing base, which we are doing with expansions in Kosamba, Gujarat by incorporating state of the art technology which gives us a competitive edge in international markets.

The implementation of the ERP this year will enable us to grow at a much faster pace with timely MIS and better inventory management.

Our performance has been excellent with an all-time high turnover of 157.40 crores as compared to 137.02 crores in the previous year which is an increase of 14.87%. We have an all time high PAT of 26.70 crores as compared to 20 crores in the previous year showing an increase of 33.5%. Many investors are showing an interest in our company and our family of shareholders has grown to 7019 as compared to 3934 in the previous year. Further the whizkids of the financial world are now discovering what you always knew..that your company is a great investment opportunity.

This year we have declared a dividend of 45%. Our Credit Rating has been upgraded for Long Term Rating to ICRA A (Stable) and for Short Term to ICRA A1.

We are currently in the midst of a unique and very profitable journey for all our shareholders and supporters. In the past we have been able to withstand adverse market conditions to keep on with our objectives of growth. We see a very bright future for the products of our company. Whilst we are expanding in our existing markets, we are also penetrating new markets with huge potential for us. We have recently added one of the world's largest retailers to our ever expanding customer base and expect very good orders from them in the coming year.

**Pankaj Seth**
Chaiman

## Operations

We invest significantly in our factory to ensure operational excellence. This is a fine balance between high efficiency, reliability and quality.

## Procurement

Since Maintenance of high standards is a distinguishing feature of Orbit, we believe it applies to all our procurement partners.

## Delivery

To meet our vision to provide the best caliber fabrics and textiles on time, we have taken pains to build a wide distribution network. We also ally with several strategic vendors to achieve the timelines and flexibility required to deliver our products on time to our customers.

## Human Resources

Since the culture of quality standards is all pervasive through our organization, we attempt to hire people with the same sensitivity to delivering quality products and maintaining high standards.

B12

*orbit exports ltd.*

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*orbit exports ltd.*

## COMPANY INFORMATION

**Board of Directors**

Mr. Pankaj Seth
**(Chairman and Managing Director)**

Ms. Anisha Seth
**(Whole Time Director)**

Mr. Bruce Larry Kieval
**(Executive Director)**

**Non Executive Directors**

Mr. Gopikrishna Bubna

Mr. Saumil U. Marfatia

Mr. Balkrishna Patil

Mr. Varun Daga

Mr. Pardeep Khosla
(w.e.f. July 18, 2014)

**Chief Financial Officer**

Mr. Mukesh Deopura

**Audit Committee**

Mr. G. B. Bubna – Chairman

Mr. Varun Daga

Mr. Saumil Marfatia
(upto May 22, 2015)

Mr. Pardeep Khosla
(w.e.f. May 22, 2015)

**Nomination & Remuneration Committee**

Mr. Pardeep Khosla
Chairman
(w.e.f. May 22, 2015)

Mr. Saumil Marfatia
(upto May 22, 2015)

Mr. Varun Daga

Mr. G.B. Bubna

Mr. Pankaj Seth

**Company Secretary**

Ms. Neha Poddar

**Stakeholders Relationship Committee**

Mr. G. B. Bubna – Chairman

Mr. Saumil Marfatia

Mr. Pankaj Seth

**Corporate Social Responsibility Committee**

Mr. Pankaj Seth – Chairman

Ms. Anisha Seth

Mr. Pardeep Khosla

Mr. G. B. Bubna

**Auditors**

**Statutory Auditors**
M/s. Krishna R. Moondra & Associates
Chartered Accountants
JBF House, 1st Floor, Old Post Office Lane,
Kalbadevi Road, Mumbai – 400 002

**Internal Auditors**
K D Practice Associates LLP
G-6, Padmavati Tower,
Balaji Nagar, Station Road,
Bhayander West – 401101

**Bankers**

State Bank of India

DBS Bank Ltd.

HDFC Bank Ltd.

**Registrar And Transfer Agents**

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
Bhandup (W), Mumbai – 400 078
Ph.: +91-22 – 25946970; Fax: 25946969;
email: rnt.helpdesk@linkintime.co.in

**Registered & Corporate Office**

E 27-29, Adi Marzaban Street,
S. Bhagat Singh Road, L. B. S. Marg,
Ballard Estate, Mumbai – 400 038
Ph.:-91-22-66256262; Fax:+91-22-2375 6599;
email: investors@orbitexports.com;
website: www.orbitexports.com

**Factories**

**Surat**

Plot No.6, 7, 8 and 9, Fairdeal Textile Park,
Village Mahuvej, Taluka Mangrol,
Dist – Surat – 394 102 (Guj.)

**Kalyan**

Plot No.1, Bldg. No. B-12,
Asmeeta Textile Park,
Additional Kalyan Bhiwandi Indl. Area,
Sarawali-Kon Village, Taluka-Bhiwandi,
Dist Thane

**Dombivali**

D-5/1, Dombivali MIDC Industrial Area,
Dombivali (East), Dist. Thane,

Maharashtra

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Thirty Second Annual General Meeting of the Members of **ORBIT EXPORTS LIMITED** will be held at Babasaheb Dahanukar Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001 on August 24, 2015 at 03:30 P.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt:

   (a) the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and

   (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2015.

2. To declare Final Dividend.

3. To appoint a Director in place of **Shri Varun Daga** (DIN: 01932805), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

4. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 139 and any other applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s G. M. Kapadia & Co, Chartered Accountants (Firm Registration No. 114488W), be and are hereby appointed as Statutory Auditors of the Company in place of M/s Krishna R. Moondra & Associates, Chartered Accountants who have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company and they shall hold their office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such Remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS:**

5. To appoint Shri Pardeep Khosla (DIN: 06926523) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pardeep Khosla (DIN: 06926523), who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 by the Board of Directors with effect from 18th July, 2014 and who holds office till the date of the AGM and who qualifies for being appointed as an Independent Directors and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Pardeep Khosla as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a period of five (5) consecutive years upto the conclusion of the Annual General Meeting held in the Year 2020."

6. To consider the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. N. Ritesh & Associates, Cost Accountants (Firm Registration No. 26963), appointed by the Board of Directors as Cost Auditors to

conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, amounting to Rs.75,000/- (Rupees Seventy five thousand only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

7. To consider the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, a new set of Articles of Association, placed before the Members, be and is hereby adopted and substituted in the place of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

By order of the Board of Directors

**Pankaj S. Seth**
Managing Director

Place: Mumbai.
Date: 23rd June, 2015

**Registered Office:-**
E 27-29, Adi Marzaban Street (Manglore Street),
S. Bhagat Singh Road, Ballard Estate,
Mumbai – 400 038

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the commencement of the Meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

3. In terms of section 152 of the Companies Act, 2013 Shri Varun Daga (DIN: 01932805), Director of the Company, retires by rotation at the Meeting and being eligible, offers himself for reappointment. The Board of Directors of the Company commend his re-appointment. The brief profile of Shri Varun Daga (DIN: 01932805), Director is given below and forms part of this Notice.

4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. along with their copy of Annual Report to the Meeting.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. The Company has notified closure of Register of Members and Share Transfer Books from Saturday 08th August, 2015 to Monday 10th August, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

8. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except, Saturdays, upto and including the date of the Annual General Meeting of the Company.

9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd. cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / M/s. Link Intime India Pvt. Ltd.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s. Link Intime India Pvt. Ltd.

12. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary/ Registrar of the Company, M/s. Link Intime India Pvt. Ltd., at the Company's Registered Office/ Registrar and Transfer Agent's address.

13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.

14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to M/s. Link Intime India Pvt. Ltd., for consolidation into a single folio.

15. Non-Resident Indian Members are requested to inform M/s. Link Intime India Pvt. Ltd., immediately of:

    (a) Change in their residential status on return to India for permanent settlement.

    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

17. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

18. Information and other instructions relating to e-voting are as under:-

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

The Company has approached CDSL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link **helpdesk.evoting@cdslindia.com** or **www.orbitexports.com**

The e-voting period commences on August 21, 2015 (9:00 am) and ends on August 23, 2015 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company as on the **cut-off date** of 17th August, 2015. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e.17th August, 2015, may obtain the login ID and password by sending a request at **evoting@cdslindia.com** or **(investors@orbitexports.com / RTA email id)**.

**NOTE:** The "remote e-voting" end time shall be 5:00 p.m. on the date preceding the date of general meeting and the cut-off date shall not be earlier than 7 days before the date of general meeting

The facility for voting through Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

**PROCEDURE FOR REMOTE E-VOTING:**

(i) The voting period begins on August 21, 2015 (9:00 am) and ends on August 23, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 17th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID a. For CDSL: 16 digits beneficiary ID, b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID, c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.<br>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>• Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non-Individual Shareholders & Custodians:

• Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate and Custodians respectively.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to helpdesk.evoting@cdslindia.com.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

The result of the electronic voting shall be declared after the Annual General Meeting. The result alongwith the Scrutinizer's report shall also be placed on the website of the Company.

**ANNEXURE TO NOTICE**

Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreements)

| | |
|---|---|
| Name of Director | Shri Varun Daga |
| Age | 30 |
| Date of Appointment | 26-07-2011 |
| Expertise in specific functional areas | Finance |
| Qualifications | Bachelor of Commerce |
| Nationality | Indian |
| List of Companies in which outside Directorship held as on 22nd May, 2015 (excluding Private Companies) | NIL |
| Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 22nd May, 2015 | NIL |

| | |
|---|---|
| Name of Director | Shri Pardeep Khosla |
| Age | 62 |
| Date of Appointment | 18.07.2014 |
| Expertise in specific functional areas | Banking & Finance |
| Qualifications | MSc (hons.) in Physics, MA History, DCM, CAIIB |
| Nationality | Indian |
| List of Companies in which outside Directorship held as on 22nd May, 2015 (excluding Private Companies) | NIL |
| Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 22nd May, 2015 | NIL |

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No.5**

The Board of Directors, at its meeting held on 18 July, 2014, appointed Mr. Pardeep Khosla as an Additional Director of the Company with effect from 18 July, 2014, pursuant to Section 161 of the Companies Act, 2013, and read with any other applicable provisions, if any of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Pardeep Khosla will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of ₹ 1,00,000/- proposing the candidature of Pardeep Khosla for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Pardeep Khosla (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution set forth that item No.5 of the notice seeks the approval of members for the appointment of Mr. Pardeep Khosla as an Independent Director of the Company for a period of 5 consecutive years upto the conclusion of Annual General Meeting to be held in the year 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Pardeep Khosla, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Pardeep Khosla as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Pardeep Khosla, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

**Item No.6**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N. Ritesh & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016. In the terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board commends the Ordinary Resolution set out at Item No.6 for the approval of Members.

**Item No.7**

The Articles of Association of the company as currently in force was adopted pursuant to the provisions under the Companies Act, 1956. The reference to specific sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013. Considering that substantive sections of the Companies Act, 2013 which deal with the general working of the Companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including rules framed there under and adoption of specific sections of Table – F of Schedule I of the Companies Act, 2013 which sets out to the model articles of association for a company limited by shares.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested financially or otherwise, in the Special Resolution set out at item No. 7 of the Notice.

The Board recommends Special Resolution set out at item No.7 of the Notice for approval by the members.

By order of the Board of Directors

**Pankaj S. Seth**
Managing Director

Place: Mumbai.
Dated: 23rd June, 2015

**Registered Office:-**
E 27-29, Manglore Street, Adi Marzaban Street,
Ballard Estate, S Bhagat Singh Road,
Mumbai – 4 00 038

# DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the Thirty - Second Annual Report together with audited financial statements for the year ended March 31, 2015.

## 1. FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2015 is summarized below: (₹ in lacs)

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | Year ended 31.03.2015 | Year ended 31.03.2014 | Year ended 31.03.2015 | Year ended 31.03.2014 |
| Revenue from Operations(Net) and other income | 15,820.75 | 13,311.05 | 15,740.48 | 13,701.52 |
| Profit Before Tax (PBT) | 3,862.56 | 2,894.15 | 3,839.67 | 2,885.35 |
| Provision for Tax | 1,217.39 | 888.25 | 1212.97 | 884.73 |
| **Profit After Tax (PAT)** | 2,786.25 | 2,037.36 | 2,669.89 | 2,000.39 |
| Balance brought forward from previous year | 3431.02 | 2216.74 | 3,394.05 | 2,216.74 |
| **Sub – Total** | 6217.27 | 4254.10 | 6063.94 | 4217.13 |
| **Appropriations:** | | | | |
| Interim Equity Dividend | 327.36 | 273.98 | 327.36 | 273.98 |
| Proposed Final Equity Dividend | 321.73 | 173.11 | 321.73 | 173.11 |
| Tax on Equity Dividends | 132.70 | 75.98 | 132.70 | 75.98 |
| General Reserve | 300.00 | 300.00 | 300.00 | 300.00 |
| Surplus carried to the next year's account | 5,135.48 | 3,431.02 | 4982.15 | 3394.05 |

## 2. DIVIDEND

Your Directors have recommended a final dividend of ₹ 2.25/- per equity share (i.e. 22.5%) of ₹ 10/- each (last year ₹ 1.25/- per equity share) for the financial year ended March 31, 2015, amounting to ₹ 321.73 lacs (excluding tax). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

During the financial year 2014-15, your Company declared and paid an interim dividend of ₹ 2.25/- per equity share (i.e. 22.5 %) of ₹ 10/- each. The total dividend for the year ended March 31, 2015 would accordingly be 4.50/- per equity share of ₹ 10 each. The total outgo for the financial year 2014-15 will be ₹ 643.46 lacs (excluding dividend distribution tax) as against ₹ 452.72 lacs (excluding dividend distribution tax) in the previous year.

Note :- In the figure of Interim Dividend of 14-15 an amount of ₹ 5,62,500/- is included which is a part of Final Dividend for 13-14 as there was conversion of warrants into Equity Shares before the book-closure and after the accounts finalization.

## 3. CREDIT RATING

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by ICRA Limited as given below:

| Instrument | Rating |
|---|---|
| Long Term Debt | ICRA A (Stable) |
| Short Term Debt | ICRA A1 |

## 4. CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standards (AS) – 21 on Consolidated Financial Statements read with AS – 23 on Accounting for Investments in Associates, issued by the Institute of Chartered Accountants of India form part of this Annual Report.

## 5. SUBSIDIARY COMPANIES

A statement containing the salient features of financial statements of the subsidiary Company of your Company forms part of consolidated financial statements in compliance with section 129 and other applicable provisions, if any, of the Companies Act, 2013.

## 6. CAPITAL EXPENDITURE

As at 31st March, 2015 the gross fixed assets stood at ₹ 10,764.55 lacs and net fixed assets ₹ 7,840.63 lacs. Additions during the year amounted to ₹ 1,358.63 lacs which includes ₹ 95.29 lacs as capital work in progress.

## 7. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was ₹ 1429.92 lacs. During the year under review, the Company has issued 4,50,000 Equity Shares upon exercise of option to convert equivalent number of Optionally Fully Convertible Warrants (OFCWs) into equivalent number of Equity Shares.

## 8. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance practices followed by the Company, together with a Certificate from the S.K. Jain & Co, Practicing Company Secretary confirming compliance forms an integral part of this Report.

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, and based on the representation received from the management your Directors confirm that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

b. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. the Directors have prepared the annual accounts on a 'going concern' basis;

e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 10. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Dr. S. K. Jain, Practicing Company Secretary to conduct the Secretarial Audit of your Company. The Report of the Secretarial Audit is placed as annexure to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 11. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as Annexure to this Report.

## 12. CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors at its meeting held on 27th January, 2015 approved the Corporate Social Responsibility (CSR) Policy for your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, on the recommendations of the CSR Committee. The CSR Policy outlines the CSR vision of your Company.

The Company has not undertaken any CSR activity during the financial year 2014-15 as the Company is in process of indentifying the best alternate for CSR spending. The Company proposes to commence CSR activity during F. Y 2015 – 16.

## 13. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in the separate section forming part of Annual Report.

## 14. RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business divisions. Risk management forms an integral part of the Company's planning cycle

## 15. AUDITORS

### Statutory Auditors

The Company's Statutory Auditors M/s. Krishna R. Moondra & Associates, Chartered Accountants hold office till the conclusion of the ensuing Annual General Meeting. However, they have expressed their unwillingness to be reappointed as Statutory Auditors of the Company. M/s. G. M. Kapadia & Co., Chartered Accountants have given their consent for appointment as Statutory Auditors of the Company subject to the approval of the Shareholders at the ensuing General Meeting. M/s. G. M. Kapadia & Co., Chartered Accountants have also confirmed their eligibility to the effect that their appointment if made, could be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for appointment.

## 16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits. The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

## 17. VIGIL MECHANISM

Your company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report.

## 18. RELATED PARTY TRANSACTIONS

During the financial year 2014-15, your Company has entered into transactions with related parties as defined under section 2 (76) of the Companies Act, 2013 read with Companies (Specifications of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of Companies Act, 2013, Rules issued thereunder and Clause 49 of the listing agreement. During the financial year 2014-15, there were no transactions with the related parties which qualify as material transactions under Listing Agreement.

The details of the related party transactions as required under Accounting Standard – 18 are set out in Note No. 2 of Part B – Other Notes to Accounts to the standalone financial statement forming part of this Annual Report.

## 19. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your company is continuously expanding its manufacturing base, which the company is doing with expansions in Kosamba, Gujarat by incorporating state of art technology and new looms. Your company had purchased a new factory building in Kalyan (Asmeeta Textile Park) in last year & had commenced the production from Apr, 2015 which has led to the expansion in the ribbons and made ups segment. The company has added more new machines which will increase the production capacity by 3 times. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

## 20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri Varun Daga, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

During the Financial Year 2014-15, Shri Pardeep Khosla, was appointed as an Additional Director with effect from 18th July, 2014 he holds his office .till the conclusion of the ensuing Annual General Meeting. The Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Pardeep Khosla as candidate for the office of the Director of the Company and accordingly he is being proposed to be appointed as a Director of the Company to be designated as Designated as Independent Non-Executive Director for a five (5) consecutive years upto the conclusion of the Annual General Meeting held in the year 2020.

During the year under review, the members approved the appointments of Shri Balkrishna Patil, Shri Saumil Ushakant Marfatia and Shri Gopikrishna Bilasrai Bubna as Independent Directors who are not liable to retire by rotation. The members have also re-appointed Shri Pankaj Seth as the Managing Director and Smt. Anisha Seth as Whole-Time Director for 3 (three) years commencing from 1st April, 2014 to 31st March, 2017.

Your Company has received declarations from all the independent directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Clause 49 of the Listing Agreement.

Your Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. On the basis of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

Shri Pankaj Seth, Managing Director, Smt. Anisha Seth, Whole Time Director, Shri Mukesh Deopura, Chief Financial Officer and Smt. Neha Poddar, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 21. EMPLOYEES' STOCK OPTION SCHEME

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Scheme of the Company in accordance with the applicable SEBI Guidelines.

Disclosures with respect to Employees Stock Option Scheme of the Company.

Number of options granted: 1,47,000

Exercise Price: 52,000 options granted at an exercise price of Rs.69.75/- per option, 95,000 options granted at an exercise price of Rs.342/- per option.

Options vested: Nil – The options granted will vest over a period of 2 to 4 years from the date of grant.

Options exercised: Nil - The options are exercisable over a period of one and half years from the date of respective vesting.

## 22. MEETINGS

During the year Nine Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## 23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as "Annexure" to this Report.

## 24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is annexed as Annexure in this Annual Report of your Company.

## 25. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 26. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Place: Mumbai.
Dated: 23rd June, 2015

**Pankaj Seth**
Chairman & Managing Director

## CONSERVATION OF ENERGY

### ANNEXURE TO THE DIRECTORS REPORT:

Particulars required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

### CONSERVATION OF ENERGY:

A) Energy Conservation majors taken:

1) In both the units further process improvements were undertaken to minimize heat losses and increase efficiency resulting in reduction in energy related cost.

2) Shutting down all electrical machineries and appliances at appropriate time to avoid the wastage of energy.

3) Regular checks and preventive maintenance of all electrical equipments and installations are being conducted to avoid leakage of energy due to faulty operation.

B) Impact of the majors at (a) for reduction of consumption of energy and consequent impact on the cost of production of goods:

All efforts are being made to further reduce energy consumption and this will be a continuous process.

C) Total Energy consumption and Energy Consumption per unit of production

A) **POWER AND FUEL CONSUMPTION**

| Electricity Consumed | Current Year | Previous Year |
|---|---|---|
| Unit | **6918113** | 4963895 |
| Amount (Rs. In Lacs) | **434.89** | 305.36 |
| Rate per unit (Rs.) | **6.29** | 6.15 |

**Form – "B"**

B) **DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT (R & D)**

1. Specific areas in which R & D carried out by the Company

   a) Company's R & D Wing is continuously carrying out the developments in existing products based on feedback in the product development, optimization of raw material consumption, cost reduction and Energy saving.

   b) Development of indigenous sources of material / material upgradation / substitutes.

2. Benefits derived as a result of above R&D: better productivity and quality improvement with reduction in cost of manufacturing. Reduced cost of energy by controlling the electric equipment efficiency and preventive maintenance.

3. Future plan of action:

   a) Company's efforts will continue in the areas of cost reduction, productivity improvement and import substitution.

   b) To ensure international quality continuously through process modification, technology up-gradation.

   c) To launch new products to substitute imports and facilitate exports.

4. Expenditure on R & D : No major specific expenditure have been incurred on R & D

**Technology Absorption, Adaptation and Innovation**

1 & 2 Efforts, in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result of above efforts e.g. product development, import substitution etc.

Using lower denier yarns to improve costs, change in fabric finish and feel of fabrics to provide better handle and durability.

C) **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Activities relating to exports, initiatives taken to increase exports, development of exports markets for products and services and exports plans.

The Company plans to increase exports in South East Asian Countries, Middle East, Europe and North America by pushing sales in the fashion apparel trade & made ups.

Total Foreign Exchange used and earned:-

Total Foreign Exchange used : Rs.1,251.25 Lacs

Total Foreign Exchange earnings : Rs.9,573.10 Lacs

**On Behalf of the Board of Directors**

**PANKAJ SETH**
Managing Director

Place: Mumbai
Date: 23rd June, 2015

## PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

| Executive director | |
|---|---|
| Mr. Pankaj Seth | 94.33:1 |
| Ms. Anisha Seth | 94.33:1 |
| Mr. Bruce Larry Kieval | NIL |

**b. The percentage increase in remuneration of Chief Executive Officer, Whole Time Director, Chief Financial Officer, Company Secretary in the financial year:**

| Chief Executive Officer, Whole Time Director, Chief Financial Officer and Company Secretary | % increase in remuneration in the financial year |
|---|---|
| Mr. Pankaj Seth | 30.39 |
| Ms. Anisha Seth | 35.71 |
| Mr. Mukesh Deopura | 25.20% |
| Ms. Neha Poddar | 53.03% |

**c. During the financial year 2014 - 15, there was a decrease in the median remuneration of employees. There was a decrease of 9.03% due to addition of all workers on Payroll of the Factory situated at Kosamba, Surat.**

**d. The number of permanent employees on the rolls of Company: 287**

**e. The explanation on the relationship between average increase in remuneration and Company performance:**

The increase in remuneration is linked to the performance of the Company as a whole, the performance of the employees and other factors like industry trends & economic environment.

**f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

| | |
|---|---|
| Aggregate remuneration of key managerial personnel (KMP) in FY15 (`lakhs) | 292.80 |
| Revenue (`lakhs) | 15,839.22 |
| Remuneration of KMPs (as % of revenue including other income) (133+133+26.80=292.80) | 1.85 |
| Profit before Tax (PBT) (`lakhs) | 3839.67 |
| Remuneration of KMP (as % of PBT) | 7.63 |

**g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

| Particulars | March 31, 2015 | March 31, 2014 | % Change |
|---|---|---|---|
| Market Capitalisation (`crores) | 487.03 | 146.94 | 231.45 |
| Closing rate of share at BSE | 340.60 | 106.10 | 221.02 |
| EPS | 18.80 | 14.91 | 26.09 |
| Price Earnings Ratio | 18.12 | 7.12 | 154.49 |

**h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

| Particulars | March 31, 2015 | December 13, 1994 (IPO) | December 13, 1994 (IPO) * | % Change* |
|---|---|---|---|---|
| Market Price (BSE) | 340.60 | 25 | 16.67 | 1943.19% |
| Market Price NSE) ** | 340.55 | NA | NA | NA |

*Adjusted for 1:2 bonus issue in 2012

** The Company got listed on NSE w.e.f. 05.11.2013

**i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in salaries of employees other than managerial personnel in 2014- 15 was approx.15%. Percentage increase in the managerial remuneration for the year was approx.33%.

**j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

(Rs. in lakhs)

| | Mr.Pankaj Seth (Managing director) | Ms.Anisha Seth (Whole Time Director) | Mr. Mukesh Deopura (CFO) | Ms. Neha Poddar (Company Secretary) |
|---|---|---|---|---|
| Remuneration in FY15 (` crores) | 133 | 133 | 20.69 | 6.11 |
| Revenue | 15,839.22 | 15,839.22 | 15,839.22 | 15,839.22 |
| Remuneration as % of revenue | 0.84 | 0.84 | 0.13 | 0.04 |
| Profit before Tax (PBT) | 3839.67 | 3839.67 | 3839.67 | 3839.67 |
| Remuneration (as % of PBT | 3.46 | 3.46 | 0.54 | 0.16 |

**k. The key parameters for any variable component of remuneration availed by the directors:**

There is no variable component of salaries paid in 2014-15/ 2013 -14 linked with performance of company for said Managerial Personnel.

**l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

None

**m. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company

# Form No. MGT-9

## EXTRACT OF ANNUAL RETURN
## as on the financial year ended on 31.12.2015

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

## I. REGISTRATION AND OTHER DETAILS:

| | |
|---|---|
| CIN | L40300MH1983PLC030872 |
| Registration Date | 16-09-1983 |
| Name of the Company | Orbit Exports Limited |
| Category / Sub-Category of the Company | Company having Share Capital |
| Address of the Registered Office and contact details | E 27 29, Adi Marzaban Street (Mangalore Street), Ballard Estate, S. Bhagat Singh Road, Mumbai-400038<br>Contact Details: 022-66256262 |
| Whether listed company | Yes |
| Name, address and contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt. Ltd.<br>C-13, Pannalal Silk Mills Compound,<br>L. B. S. Marg, Bhandup (W),<br>Mumbai – 400 001 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1 | Fabrics | 13122 | 90.64 |
| 2 | Ribbons & Made ups | 13929 | 9.36 |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Orbit International Inc.,<br>San Julian Street, Los Angles | Foreign Company | Subsidiary | 100% | 2(87) |
| 2 | Rainbow Line Trading | Foreign Company | Associate | 49% | 2(6) |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

| | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| **Category of Shareholders** | **Demat** | **Physical** | **Total** | **% of Total Shares** | **Demat** | **Physical** | **Total** | **% of Total Shares** | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual / HUF | 6988972 | 150000 | 7138972 | 51.55 | 7587972 | 0 | 7587972 | 53.07 | 3.14 |
| b) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c) State Govt.(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| f) Any Other... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **Sub-Total (A)(1):** | **6988972** | **150000** | **7138972** | **51.55** | **7587972** | **0** | **7587972** | **53.07** | **3.14** |
| **(2) Foreign** | | | | | | **0** | | | |
| a) NRIs - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| b) Other - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| e) Any Other.... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **Sub-Total (A)(2):** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0.00** |
| **Total Shareholding of Promoters (A) = (A)(1)+(A)(2)** | **6988972** | **150000** | **7138972** | **51.55** | **7587972** | **0** | **7587972** | **53.07** | **3.14** |
| **B. Public Shareholding** | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | |
| a) Mutual Funds / UTI | 0 | 0 | 0 | 0 | 255900 | 0 | 255900 | 1.79 | 1.79 |
| b) Banks / FI | 0 | 0 | 0 | 0 | 6190 | 0 | 6190 | 0.04 | 0.04 |
| c) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| d) State Govt.(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| g) FIIs | 81 | 0 | 81 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| **Sub-Total (B)(1):** | **81** | **0** | **81** | **0** | **262090** | **0** | **262090** | **1.83** | **1.83** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **(2) Non-Institutions** | | | | | | | | | |
| **a) Bodies Corporate** | **2414390** | **3600** | **2417990** | **17.46** | **1804421** | **3600** | **1808021** | **12.64** | **-4.27** |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0.00 |
| **b) Individuals** | | | | | | | | | |
| i) Individual Shareholders holding nominal share capital upto Rs.1 lakh | 804864 | 342362 | 1147226 | 8.28 | 1121990 | 317362 | 1439352 | 10.07 | 2.04 |
| ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh | 2247497 | 0 | 2247497 | 16.23 | 2689411 | 0 | 2689411 | 18.81 | 3.09 |
| **c) Others (specify)** | | | | | | | | | |
| i) Clearing Members | 396200 | 0 | 396200 | 2.86 | 36185 | 0 | 36185 | 0.25 | -2.52 |
| ii) Market Maker | 7085 | 0 | 7085 | 0.05 | 1075 | 0 | 1075 | 0.01 | -0.04 |
| iii) NRI (Repat) | 302415 | 0 | 302415 | 2.18 | 282369 | 0 | 282369 | 1.97 | -0.14 |
| iv) NRI (Non Repat) | 177380 | 0 | 177380 | 1.28 | 183042 | 0 | 183042 | 1.28 | 0.04 |
| v) Hindu Undivided Family | 14304 | 0 | 14304 | 0.1 | 9633 | 0 | 9633 | 0.07 | -0.03 |
| **Sub-Total (B)(2)** | **6364135** | **345962** | **6710097** | **48.45** | **6128126** | **320962** | **6449088** | **45.1** | **-1.83** |
| **Total Public Shareholding (B)=(B)(1)+(B)(2)** | **6364216** | **346502** | **6710718** | **48.45** | **6390216** | **320962** | **6711178** | **46.93** | **0.00** |
| **C. Shares held by Custodian for GDRs & ADRs** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0.00** |
| **Grand Total (A + B + C)** | **13353188** | **495962** | **13849150** | **100** | **13978188** | **320962** | **14299150** | **100** | **3.15** |

### (ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | % change in share-holding during the year |
| 1 | Mr. Pankaj Seth | 5416593 | 39.11 | 0 | 5641593 | 39.45 | 0 | 1.57 |
| 2 | Ms. Anisha Seth | 1665895 | 12.03 | 0 | 1890895 | 13.22 | 0 | 1.57 |
| 3 | Ms. Sujata Arora | 27000 | 0.19 | 0 | 26000 | 0.18 | 0 | -0.01 |
| 4 | Ms. Rama Seth | 10800 | 0.08 | 0 | 10800 | 0.08 | 0 | 0.00 |
| 5 | Ms. Vijaya Hasurkar | 9159 | 0.07 | 0 | 9159 | 0.06 | 0 | 0.00 |
| 6 | Ms. Sangeeta Bhatia | 6300 | 0.05 | 0 | 6300 | 0.04 | 0 | 0.00 |
| 7 | Shri. Shrigovind Hasurkar | 3225 | 0.02 | 0 | 3225 | 0.02 | 0 | 0.00 |
| | **Total** | **7138972** | **51.55** | **0** | **7587972** | **53.07** | **0** | **0.00** |

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

| | Shareholding at the beginning 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 |
| **At the beginning of the year** | | | | |
| Mr. Pankaj Seth | 5416593 | 39.11 | | |
| Ms. Anish Seth | 1665895 | 12.03 | | |
| Ms. Sujata Arora | 27000 | 0.19 | | |
| **Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):** | | | | |
| Increase: Mr. Pankaj Seth - 225000 shares - Date: 18.06.2014 - conversion of warrants into equity shares | 225000 | 1.57 | | |
| Increase: Mr. Anisha Seth - 225000 shares - Date: 18.06.2014 - conversion of warrants into equity shares | 225000 | 1.57 | | |
| Decrease: Ms. Sujata Arora - 1000 shares - sale in open market | 1000 | 0.01 | | |
| **At the end of the year** | | | | |
| Mr. Pankaj Seth | | | 5641593 | 39.45 |
| Ms. Anish Seth | | | 1890895 | 13.22 |
| Ms. Sujata Arora | | | 26000 | 0.18 |

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

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | For Each of the Top 10 Shareholders | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1 | Mediaman Multitrade Pvt. Ltd. | 1226081 | 8.85 | 1226081 | 8.57 |
| 2 | Sandeep Sharma | 472425 | 3.41 | 416857 | 2.92 |
| 3 | Sushil Financial Service Pvt. Ltd. | 352400 | 2.55 | 0 | 0 |
| 4 | Vision Millenium Exports Pvt. Ltd. | 300000 | 2.17 | 0 | 0 |
| 5 | K N Oil Industries Ltd. | 150000 | 1.08 | 0 | 0 |
| 6 | Kotak Mahindra Investments Ltd. | 138368 | 1 | 0 | 0 |
| 7 | Zen Daga | 100000 | 0.72 | 135380 | 0.95 |
| 8 | Gaia Daga | 100000 | 0.72 | 135000 | 0.94 |
| 9 | Deeva Daga | 100000 | 0.72 | 135000 | 0.94 |
| 10 | Moksha Daga | 100000 | 0.72 | 135000 | 0.94 |
| 11 | Birla Sun Life Trustee Company Private Limited A/c Birla Sun Life Dividend Yield Plus | | | | |
| 12 | Siddha Shreans Daga | 0 | 0 | 135000 | 0.94 |
| 13 | Kabbier Shreans Daga | 0 | 0 | 135000 | 0.94 |
| 14 | Dinero Wealth Advisors Private Limited | 0 | 0 | 124404 | 0.87 |

(v) **Shareholding of Directors and Key Managerial Personnel:**

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | **For Each of the Top 10 Shareholders** | **No. of Shares** | **% of total Shares of the company** | **No. of Shares** | **% of total Shares of the company** |
| 1 | **Mr. Varun Daga, Director** | | | | |
| | At the beginning of the year | 100000 | 0.72 | 0 | 0 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the end of the year | 0 | 0 | 135000 | 0.94 |
| 2 | **Mr. Mukesh Deopura, Chief Financial Officer** | | | | |
| | At the beginning of the year | 2830 | 0.02 | 0 | 0 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the end of the year | | | 951 | 0.01 |
| 3 | **Ms. Neha Poddar, Company Secretary** | | | | |
| | At the beginning of the year | | | | |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the end of the year | 0 | 0 | 0 | 0 |

## V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness (Rs. in lacs) |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 2832.16 | 00 | 00 | 2832.16 |
| ii) Interest due but not paid | 00 | 00 | 00 | 00 |
| iii) Interest accrued but not due | 00 | 00 | 00 | 00 |
| Total (i+ii+iii) | 2832.16 | 00 | 0 0 | 2832.16 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 802.08 | 00 | 00 | 802.08 |
| • Reduction | 695.62 | 00 | 00 | 695.62 |
| Net Change | 106.46 | 00 | 00 | 106.46 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 2938.62 | 00 | 00 | 2938.62 |
| ii) Interest due but not paid | 00 | 00 | 00 | 00 |
| iii) Interest accrued but not due | 00 | 00 | 00 | 00 |
| **Total (i+ii+iii)** | **2938.62** | **00** | **00** | **2938.62** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No. | Particulars of Remuneration | Mr. Pankaj Seth, MD & CEO | Ms. Anisha Seth, WTD & COO | Total Amount (Rs. in Lacs) |
|---|---|---|---|---|
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 114 | 114 | 228 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | 19 | 19 | 38 |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission | | | |
| | - as % of profit | 0 | 0 | 0 |
| | - others, specify.. | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | Total (A) | 133 | 133 | 266 |
| | Ceiling as per the Act | | | |

### B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration | Name of Director | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Mr. Gopikrishna Bubna | Mr. Saumil Marfatia | Mr. Balkrishna Patil | Mr. Pardeep Khosla | Mr. Varun Daga | Mr. Bruce Larry Kieval | Total Amount |
| 1 | **Independent Directors** | | | | | | | |
| | - Fee for attending Board/ Committee Meetings | 100,500 | 39,000 | 45,500 | 39,500 | 0 | 0 | 2,24,500 |
| | - Commission | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | - Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Total (1)** | | | | | | | 2,24,500 |
| 2 | **Other Non Executive Directors** | | | | | | | |
| | - Fee for attending Board/ Committee Meetings | 0 | 0 | 0 | 0 | 77,000 | 0 | 77,000 |
| | - Commission | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | - Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Total (2)** | | | | | | | 77,000 |
| 3 | **Executive Director** | | | | | | | |
| | - Commission | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | - Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (3) | | | | | | | 0 |
| | Total (B) = (1+2+3) | 100,500 | 39,000 | 45,500 | 39,500 | 77,000 | 0 | 3,01,500 |
| | Total Managerial Remuneration | | | | | | | 3,01,500 |
| | Overall Ceiling as per the Act | 9,00,000 | 9,00,000 | 9,00,000 | 9,00,000 | 9,00,000 | 1% of net profits | |

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | Mr. Mukesh Deopura Chief Financial Officer | Ms. Neha Poddar Company Secretary | Total Amount |
| | Gross Salary | | | |
| 1 | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2069112 | 610944 | 2680056 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Option (No. of Options) | 20000 | 5000 | |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission | | | |
| | - as % of profit | 0 | 0 | 0 |
| | - others, specify.. | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | **Total** | **2069112** | **610944** | **2680056** |

### VII. Penalties / Punishment/ Compounding of Offences:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment / Compounding fees imposed | Authority [RD/ NCLT/ Court] | Appeal made, if any (give details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | None | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | None | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | None | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

# MANAGEMENT DISCUSSION AND ANALYSIS

The Management of **ORBIT EXPORTS LIMITED** presents its Analysis report covering performance and outlook of the Company. The Report has been prepared in compliance with the requirements of Corporate Governance as laid down in the Listing Agreement. The Management accepts responsibility for the integrity and objectivity of the financial statements. However, investors and readers are cautioned that this discussion contains certain forward looking Statements that involve risk and uncertainties.

## Global Economy

The global economy is still under stress for gaining momentum as many high-income countries continue to grapple with the past impacts of the global financial crisis. Emerging economies continue to remain as less vibrant than in the past. After rising slightly in 2014, to 2.6 percent, world GDP will grow by an estimated 3.0 percent in 2015 and 3.3 percent in 2016, supported by gradual recovery in high-income countries, low oil prices, and receding domestic headwinds in developing countries. Developing economies are projected to see a raise in growth from 4.4 percent in 2014 to 4.8 percent and 5.3 percent in 2015 and 2016 respectively.

The global average reflects a combination of upsides and downsides. Downward revision are primarily due to a major GDP decline in Russia (from +0.8 to −3.5 percent) and moderate declines in the Euro Area (1.6 to 1.4 percent), Japan (1.1 to 0.6 percent), and Brazil (1.5 to 0.5 percent). Upward revisions include the United States (2.6 to 2.9 percent), Mexico (2.8 to 3.5 percent), and India (5.5 to 5.9 percent). The adjustments to India, however, do not reflect the recent substantial statistical upward revisions in India's GDP growth measures, the reliability of which is still debated.

## Indian Economy

After years of diminutive growth the reform momentum has picked up in India.

Inflation has declined by over 6 percentage points since late 2013, and the current account deficit has shrunken from a peak of 6.7 percent of GDP (in Q3, 2012-13) to an estimated 1.0 percent in the coming fiscal year

Going ahead it is widely expected that a further momentum to growth will be provided by declining oil prices and increasing monetary easing facilitated by ongoing moderation in inflation. Simulating the effects of tax cuts, declining oil prices will add spending power to households, thereby boosting consumption and growth. Oil is also a significant input in production and declining prices will shore up profit margins and hence balance sheets of the corporate sector.

## Indian Exports

Due to fragile global economic situations the India exports were also impacted. India's exports dipped deeper in the negative zone recording a decline of 21% in March 2015, the biggest fall in the last six years, pulling down the total shipment for 2014-15 to US $310.5 billion, missing the annual target.

Exports have been on downward spiral since December last year. The previous biggest decline in export was in July 2009, when it dipped by 28.4%. Falling exports and an increase in gold imports have widened the trade deficit to four-month high of US $11.79 billion in March.

The trade deficit for April-March, 2014-15 was estimated at US $ 137014.46 million, which was higher than the deficit of US $ 135797.90 million during April-March, 2013-14.

## Opportunities and Challenges

### Opportunities:

Textile industry is one of the largest employers in India and has strong linkages with the rural economy. The growing young middle-class population is a source of great potential and provides immense opportunities to spur growth in the industry going forward.

- Availability of greater investment and FDI opportunities.

- Emerging retail industry and malls provide significant opportunities for the apparel, handicraft and other segments of the industry as the market is gradually shifting towards branded readymade garments.
- Cheaper oil is boosting real incomes and consumer sentiment, and there is continued support from accommodative monetary policy, despite the projected gradual rise in interest rates.

**Challenges:**

- Entry of multinational in domestic markets.
- Stiff competition from other countries (The performance of global competitor's in fabrics and garments indicates that there are at least 4 countries ie, China, Indonesia, Thailand and Pakistan).
- Adoption to fast changing fashion demands.
- The major challenge that the textile and apparel industry is facing is rising production costs, arising out of rising wages, power and interest costs, restrictive labour laws and intensified competition from other low cost countries like Bangladesh. Such issues need to be addressed to result in unlocking maximum industry growth potential.

**Financial Performance of the Company**

Your Company continued to progress in utilizing all the opportunities during 2014 - 2015. The highlights of the financial performance are:

1) Net Sales increased by 14.88% from Rs.13,701.52 Lacs in 2013-2014 to Rs.15,740.48 Lacs in 2014-15.
2) Earnings before interest, depreciation, tax (EBIDTA) increased by 36.35 % to Rs. 3391.92 Lacs in 2014-15 against Rs.2487.68 Lacs in 2013-2014.
3) Profit after tax (PAT) was Rs.2669.89 Lacs registering a decline of 33.45% over Rs.2000.61 Lacs PAT generated in 2014-15.
4) Depreciation and Amortization expenses decreased by 36.68% to Rs.477.50 Lacs in 2014-15 against Rs. 349.35 Lacs in 2013-14.
5) Interest expenses decreased by 18.95% to Rs. 127.43 Lacs in 2013-14 against Rs. 157.23 Lacs in 2013-14.

The Company is making all efforts at improving value additions reducing operating costs and improving efficiencies to overcome higher input costs.

**Consolidated Financial Performance of the Company**

The key highlights of the consolidated financial performance are:

1) Net Sales of the Company was Rs.15,820.75 Lacs in the year 2014-15.
2) Earnings before interest, depreciation, tax (EBIDTA) was Rs.3224.96 Lacs in 2014-15.
3) Profit after tax (PAT) was Rs.2688.37 Lacs in 2014-15.
4) Depreciation and Amortization expenses during the year 2014-15 was Rs.480.65 Lacs.
5) Interest expenses during the year 2014-15 was Rs.127.43 Lacs.

**Credit Rating**

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by ICRA Limited as given below:

| Instrument | Rating |
|---|---|
| Long Term Debt | ICRA A (Stable) |
| Short Term Debt | ICRA A1 |

**Outlook**

The company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. The expansion program by improving efficiency by installation of new and high tech machinery will push volume growth. The company's business is committed to achieve world benchmark quality besides expanding on new product offering from new clients. Further the business will continue to focus on improving its cost competitive position. These measures will ensure the company maintaining its leadership position in the world market. Due to the own manufacturing facilities, the company is able to maintain safety of products high quality & productivity in the finished goods manufactured. Barring unforeseen circumstances the company is confident of achieving better results in the current year.

**Internal Control Systems and their Adequacy**

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Audit Committee periodically reviews the adequacy of the internal audit functions. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

**Financial and operational performance**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles in India. Please refer Directors' Report in this respect.

**Human Resources/Industrial Relations**

The Company treats its human resources as its important asset and believes in its contribution to the all round growth of the Company. The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel.

**Research and Development:**

Increased globalization has made the marketing of products and retention of customers highly competitive. The need of the hour is total customer satisfaction and value for money from the products marketed. Keeping this objective as paramount, the research and development activities were focused into prompt attention to major customer complaints/ suggestions in order to retain/ enhance customer satisfaction. The Company has started launching products of better quality and new look as per customer requirements.

**Cautionary Statement**

All Statements made in this Report may be "forward looking statements" within the meaning the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trend may differ materially from historical results, depending on variety of factors like changes in economic conditions affecting demand/ supply, price conditions in which the Company operates, Government regulations, tax laws and other statues and incidental factors.

# CORPORATE GOVERNANCE REPORT

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Orbit Exports Limited is as follows:

At ORBIT EXPORTS LIMITED, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. At ORBIT EXPORTS LIMITED, we consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses.

## I. Company's philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to achieve business excellence and to meet the expectations of its customers, shareholders, employees, business associates, the society at large and in complying with the dictates of the regulatory frame work. The Company is committed to transparency in all its dealings and places high emphasis on business ethics. We believe that Corporate Governance is voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also by being responsive to our stakeholders needs.

**Best Corporate Governance practices**

ORBIT EXPORTS LIMITED maintains the highest standards of corporate governance. It is the Company's constant Endeavour to adopt the best corporate governance practices. Some of the best implemented global governance norms include the following:

1. The Company has a designated Lead Independent Director with a defined role.
2. All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Shareholders'/ Investors' Grievance Committee of Directors.
3. The Company's internal audit is conducted by independent auditors.
4. The Company also undergoes secretarial audit conducted by an independent company secretary who is in whole-time practice. The annual secretarial audit report placed before the Board, is included in the Annual Report.

## II. Board of Directors

The Board of the Company is well structured with adequate blend of Professional, Executive and Independent Directors.

The Company's Board comprises of Eight Directors: Two are Promoter Executive Directors, One is Executive Director and four are Non-Executive Independent Directors and One is a Non-Executive Non - Independent Director. The Chairman of the Board is a Promoter Executive Director. And 50% of the Board comprises of Independent Directors.

The composition of the Board is in conformity with the Clause 49 of the Listing Agreement entered into with the Stock Exchanges. All Independent Non-Executive Directors comply with the legal requirements of being "Independent".

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2015 have been made by the Directors.

The Board met 9 (Nine) times during the year on 27th May, 2014, 18th June, 2014, 18th July, 2014, 02nd August, 2014, 07th August, 2014, 06th October, 2014, 05th November, 27th January, 2015 and 30th March, 2015.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of Private Limited Companies, Section 8 Companies and of Companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

**Composition, Category, their Directorship and Committee Membership in other Companies**

| Name of Directors | Category | No. of Board Meetings attended during the year 2014 -15 | Attendance at the last AGM | No. of Directorships in other Public Companies | | No. of Committees and positions held in other public companies | |
|---|---|---|---|---|---|---|---|
| | | | | Chairman | Member | Chairman | Member |
| Mr. Pankaj S. Seth (Managing Director) | Promoter – Executive | 9 | Yes | Nil | Nil | Nil | Nil |
| Ms. Anisha P. Seth | Promoter – Executive | 9 | No | Nil | Nil | Nil | Nil |
| Mr. Bruce Larry Kieval | Executive | 1 | No | Nil | Nil | Nil | Nil |
| Mr. Varun Daga | Non-Executive Non-Independent | 8 | No | Nil | Nil | Nil | Nil |
| Mr. G. B. Bubna | Non-Executive Independent | 9 | Yes | Nil | Nil | Nil | Nil |
| Mr. Saumil U. Marfatia | Non-Executive Independent | 3 | No | Nil | Nil | Nil | Nil |
| Mr. Balkrishna Patil | Non-Executive Independent | 6 | Yes | Nil | Nil | Nil | Nil |
| Mr. Pardeep Khosla (Appt. w.e.f. 18.07.2014) | Non-Executive Independent | 5 | NA | Nil | Nil | Nil | Nil |

**Details of Directors being appointed and re-appointed**

**(1) Shri Varun Daga who** retires by rotation is proposed to be re-appointed as Director at the ensuing Annual General Meeting.

(In pursuance of clause 49 of the Listing Agreement)

Name : Shri Varun Daga

DIN : 01932805

Date of Birth : 02/05/1985

Qualification : B.com

Expertise : Finance

Other Directorships : NIL

**(2) Shri Pardeep Khosla** who retires by rotation is proposed to be re-appointed as Director at the ensuing Annual General Meeting.

(In pursuance of clause 49 of the Listing Agreement)

| | | |
|---|---|---|
| Name | : | Shri Pardeep Khosla |
| DIN | : | 06926523 |
| Date of Birth | : | 04/05/1953 |
| Qualification | : | MSc (hons.) in Physics, MA History, DCM, CAIIB |
| Expertise | : | Banking & Finance |
| Other Directorships | : | NIL |

## III. Committees of the board

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman or any member of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

### 1. Audit Committee

#### i) Terms of Reference

The Audit Committee has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with the Stock Exchanges and covers all the aspects stipulated by the SEBI Guidelines. The terms of reference also fully conform to the requirements of Section 177 of the Companies Act, 2013.

#### ii) Composition, Name of Member and Chairman

The Audit Committee comprises of Mr. Gopikrishna Bubna (Chairman), Mr. Saumil U. Marfatia (Member) & Mr. Varun Daga (Member).

During the year under review, the Committee met four times i.e. on 27th May, 2014, 07th August, 2014, 05th November, 2014 and 27th January, 2015.

| Name of Member | Status | No. of Meetings attended |
|---|---|---|
| Mr. Gopikrishna Bubna | Chairman | 4 |
| Mr. Saumil U. Marfatia | Member | 3 |
| Mr. Varun Daga | Member | 4 |

**iii) The terms of reference of the Audit Committee are broadly as under:**

- To oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
- To review the findings of the Internal Auditor relating to various functions of the Company.
- To review with the management the quarterly financial statements before submission to the Board for approval.
- To review with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- To make recommendations to the Board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports.

## 2. Nomination And Remuneration Committee

The scope of the activities of the Nomination and Remuneration Committee is to recommend by the remuneration payable to the Executive Director of the Company, payment of commission and sitting fees to Non-Executive Directors and formulation and implementation of various Employee Stock Option Plans (ESOP) Schemes in the Company.

The Composition of the Nomination and Remuneration Committee and the details of meetings attended by the Members of the Nomination and Remuneration Committee are given below:

During the year under review, the Committee met two times i.e. on 26th May, 2014 , 18th July, 2014 , 2nd August, 2014 , 27th January, 2015 and 30th March, 2015

| Name | Status | No. of Meetings attended |
|---|---|---|
| Mr. Saumil Marfatia | Chairman | 2 |
| Mr. Varun Daga | Member | 4 |
| Mr. Gopikishna Bubna | Member | 5 |
| Mr. Pankaj Seth | Member | 5 |

## 3. Stakeholders' Relationship Committee

**Terms of Reference:**

This Committee looks into redressal of shareholders' grievances like transfer of shares, non-receipt of Annual Report and non-receipt of declared dividend, etc.

The Committee also reviews the processes and service standards adopted by the Registrar and Transfer Agent, the complaints received by the Company and their Resolution.

**Composition:**

The Stakeholders' Relationship Committee consists of Mr. Gopikrishna Bubna (Chairman), Mr. Pankaj Seth (Member) and Mr. Saumil U. Marfatia (Member). The Shareholders' Investors Grievance Committee met four times i.e. 27th May, 2014, 07th August, 2014, 05th November, 2014 and 27th January, 2015 the attendance at the Meetings was as follows.

| Name of the Member | Status | No. of meetings attended |
|---|---|---|
| Mr. Gopikrishna Bubna | Chairman | 4 |
| Mr. Pankaj Seth | Member | 4 |
| Mr. Saumil U. Marfatia | Member | 3 |

During the year, 58 Complaints were received from the shareholders, which were attended and resolved to the satisfaction of the shareholders. There were NIL complaints pending as on 31st March, 2015.

## 4. Corporate Social Responsibility (CSR) Committee

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress. The composition of the Corporate Social Responsibility Committee as at March 31, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

| Name of the Member | Status | No. of meetings attended |
|---|---|---|
| Pankaj Seth | Chairman & M.D. | 1 |
| Anisha Seth | Member | 1 |
| Pradeep Khosla | Member | 1 |
| Gopi Krishna Bubna | Member | 1 |

## 5. Risk Management Committee

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and Ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

The composition of the Risk Management Committee as at March 31, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

| Name of the Member | Status | No. of meetings attended |
|---|---|---|
| Pankaj Seth | Chairman & M.D. | 1 |
| Pardeep Khosla | Member | 1 |
| Varun Daga | Member | 0 |
| Mukesh Deopura | Member & CFO | 1 |

## 6. Independent Directors' Meeting

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Chairman and Managing Director.

One meeting of Independent Directors was held during the year.

During the year under review, the Independent Directors met on 30th January, 2015, inter alia, to discuss:

- Evaluation of the performance of the Non Independent Directors and Board of Directors as Whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, Content and timelines of flow of information betweenthe Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

All the Independent Directors were present at the Meeting

**Details of Remuneration for the year ended March 31, 2015:**

The remuneration paid by Company to Shri Pankaj Seth, Managing Director is as follows:

Basic : Rs.114,00,000/- p.a.

Perquisites : Rs.19,00,000/- p.a.

The remuneration paid by Company to Smt. Anisha Seth, Whole Time Director is as follows:

Basic : Rs.114,00,000/- p.a.

Perquisites : Rs.19,00,000/- p.a.

Non-Executive Director:

The details of sitting fees paid to Non-Executive Directors during the year 2014-2015 are as given below:

| Name of Directors | Sitting Fees (Rs.) |
|---|---|
| Mr. Saumil Marfatia | 39,000 |
| Mr. G. B. Bubna | 100,500 |
| Mr. Balkrishna Patil | 45,500 |
| Mr. Varun Daga | 77,000 |
| Mr. Pardeep Khosla | 39,500 |

**Name and Address of the Compliance Officer:**

**Ms. Neha Poddar**
**Company Secretary**
**ORBIT EXPORTS LIMITED.**
E 27-29, Adi Marzaban Street (Manglore Street),
S. Bhagat Singh Road, Ballard Estate,
Mumbai – 400 038

## IV. General Body Meetings

### (i) Annual General Meetings

The details of the location and time of the last three Annual General Meetings are given below:

| AGM for Financial Year | Date | Time | Location |
|---|---|---|---|
| 2013- 2014 | 10th July, 2014 | 04.30 P.M. | Babasaheb Dubhash Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001 |
| 2012-2013 | 03rd July, 2013 | 04.30 P.M. | Babasaheb Dubhash Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001 |
| 2011-2012 | 27th June, 2012 | 04.30 P.M. | Aacharya Mahapraghn Vidhya Nidhi Foundation, Opp. Thaker Bhojnalaya, 32, Dadiseth Agyari Lane, Kalbadevi Road¸ Mumbai - 400002 |

### (ii) Extra Ordinary General Meeting

No Extra-Ordinary General Meeting of the Members of the Company was held during the Financial Year 2014-2015.

### (iii) Resolution passed through Postal Ballot

In 16th September, 2014, the Company had obtained the approval of its Members under Section 110 of the Companies Act, 2013 read with the rule 22 of Companies (Management and Administration) Rules, 2014, pertaining to:

**Resolution No.(1):** Special Resolution under Section(s) 180(1)(c), 180(2) of the Companies Act, 2013 for approving the borrowing limits of the Company upto Rs.400 crores.

Accordingly, the Special Resolution indicated above have been passed by the requisite majority.

**Resolution No.(2):** Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of security in respect of borrowings limit of the Company upto Rs.400 crores.

Accordingly, the Special Resolution indicated above have been passed by the requisite majority.

**Resolution No.(3):** Special Resolution under Section 186 of Companies Act, 2013 to make loans or investments and to give guarantees or to provide Security upto an amount of Rs.400 crores.

Accordingly, the Special Resolution indicated above have been passed by the requisite majority.

**Resolution No.(4):** Special resolution under Section 180(1)(a) of the Companies Act, 2013 for taking approval for sale of undertaking(s) of the Company situated at D-5/1, Dombivali M.I.D.C. Industrial Area, Dombivali (East), Dist. Thane.

Accordingly, the Special Resolution indicated above have been passed by the requisite majority.

**Resolution No.(5):** Special resolution under Section 180(1)(a) of the Companies Act, 2013 for taking Approval for sale of undertaking(s) of the Company situated at Plot No G-99, Additional M.I.D.C. Jalgaon – 425 003.

Accordingly, the Special Resolution indicated above have been passed by the requisite majority.

**Resolution No.(6):** Ordinary Resolution under Sections 149, 152 of the Companies Act, 2013 for appointment of Shri Saumil Ushakant Marfatia (DIN: 02774221) as an Independent Director of the Company for a term of 5 (five) years w.e.f. 10.09.2014 to 09.09.2019.

Accordingly, the Ordinary Resolution indicated above have been passed by the requisite majority.

**Resolution No.(7):** Ordinary Resolution under Sections 149, 152 of the Companies Act, 2013 for appointment of Shri Gopikrishna Bilasrai Bubna (DIN: 01338170) as an Independent Director of the Company for a term of 5 (five) years w.e.f. 10.09.2014 to 09.09.2019.

Accordingly, the Ordinary Resolution indicated above have been passed by the requisite majority.

**Resolution No.(8):** Special resolution under Section 188 of the Companies Act, 2013 for Appointment of Ms. Vishakha Seth, daughter of Mr. Pankaj Seth, Managing Director and Mrs. Anisha Seth, Whole Time Director as VP - International Marketing w.e.f. 16th August, 2014.

Accordingly, the Special Resolution indicated above have been passed by the requisite majority.

**Resolution No.(9):** Special resolution under Section 188 of the Companies Act, 2013 for entering into related party transaction with Mr. Bruce Larry Kieval, Director of the Company.

Accordingly, the Special Resolution indicated above have been passed by the requisite majority.

## V. Disclosures

### Disclosure on materially significant related party transactions

There were no materially related party transactions that may have potential conflict with the interest of the Company at large. The transactions between the Company and the related parties are disclosed in the Notes to the Accounts in the Annual Report.

### Compliance of Regulatory Requirements

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No strictures or penalties have been imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities related to the above.

### Disclosures of Accounting Treatment in preparation of Financial Statements

In preparation of its Financial Statements the Company has followed the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI).

### Risk Management

The Company has laid down the requisite procedures to inform the Board Members about the risk assessment and minimization procedures which are accordingly followed.

**Code of Business Conduct and Ethics for Directors and Management Personnel**

The Company has adopted a Code of Conduct for its Directors and Senior Management employees. This Code of Conduct has been communicated to each of them.

**Code of Conduct for Prevention of Insider Trading Practices**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has formulated, adopted and implemented a comprehensive Code of Conduct for its designated employees. The Code lays down guidelines on procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them of the consequences of violations.

**Management Discussion & Analysis Report**

The Management Discussion and Analysis Report (MDA) has been attached to the Directors' Report and forms part of this Annual Report.

**Proceeds from public issue, right issue and preferential issue, etc.**

During the year 2014-15 the Company has converted 450000 Optionally Fully Convertible Warrants (OFCWs) into 450000 Equity shares of Rs.10/- each at an issue price of Rs.76.57/- per Share (including Premium @ Rs.66.57/- per Share) in the Board Meeting held on 18th June, 2014 to Mr. Pankaj Seth (2,25,000 Equity Shares of Rs.10/- each) and Mrs. Anisha Seth (2,25,000 Equity Shares of Rs.10/- each) and the aggregate proceeds amounting to Rs.2,58,42,375/- in aggregate received balance 75% during the year through allotment and conversion of Warrants has been utilized for the object for which such issue was made.

**Whistle Blower policy**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.
The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee

**Means of Communication**

The quarterly results are published within 48 hours of the Board Meeting in the newspapers viz. Economic Times (in English), Economic Times (in Gujarati) and Mumbai Lakshadeep (in Marathi) and are also posted on the website of the Company.
Website

The Company's website contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

**Compliance with Mandatory Requirements**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

## VI. General Shareholder Information

| | | |
|---|---|---|
| AGM | : | 32nd Annual General Meeting |
| Date | : | August 24, 2015 |
| Time | : | 03.30 P.M. |
| Venue | : | Babasaheb Dahanukar Sabhagriha,<br>C/o. Maharashtra Chamber of Commerce,<br>Industry & Agriculture, Oricon House,<br>6th Floor, 12, K. Dubhash Marg,<br>Kala Ghoda, Fort, Mumbai - 400 001 |

**Tentative Financial Calendar**

| Financial Reporting and Limited Review Report | Date of submission to Stock Exchanges latest by |
|---|---|
| For the quarter ending 30th June, 2015 | upto 14th August, 2015 |
| For the quarter/half year ending 30th September, 2015 | upto 14th November, 2015 |
| For the quarter ending 31st December, 2015 | upto 14th February, 2015 |

**Results (Audited)**

| | |
|---|---|
| For the year ended March 31, 2016 | upto 30th May, 2016 |

### i) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from August 08, 2015 to August 10, 2015 (Both Days Inclusive).

### ii) Dividend

The Board of Directors had declared and paid an Interim dividend @ Rs.2.25/- per Share of Rs.10/- each (22.5%) aggregating to Rs. 3,21,73,087.5/- on 05th November, 2014.

The Board has recommended Dividend of Rs.2.25/- per share i.e. 22.5% on Equity Share Capital as Final Dividend aggregating to Rs.3,21,73,087.5/-.

The total dividend for the year 2014-15 will be Rs.4.50/- per share i.e. 45.00%.

### iii) Listing on Stock Exchanges

| | | | |
|---|---|---|---|
| a) | Stock Exchange | : | **BSE Limited** |
| | Address | : | Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400 001 |
| | Scrip Code | : | 512626 |
| | ISIN | : | INE231G01010 |
| b) | Stock Exchange | : | **National Stock Exchange of India Ltd.** |
| | Address | : | Exchange Plaza, Plot No. C/1,<br>G Block, Bandra Kurla Complex,<br>Bandra (East), Mumbai - 400051 |
| | Trading Symbol | : | ORBTEXP |
| | ISIN | : | INE231G01010 |

**iv) Market Price Data**

The monthly high and low price and volume of shares traded during the year 2014-15 on the BSE Limited:

| Month | BSE Limited | | |
|---|---|---|---|
| | High (Rs.) | Low (Rs.) | Volume of Shares traded during the month (Nos.) |
| April, 2014 | 134.45 | 90.6 | 363372 |
| May, 2014 | 129 | 105.1 | 138525 |
| June, 201 | 138.05 | 107.8 | 165560 |
| July, 2014 | 201 | 131 | 243102 |
| August, 2014 | 265.3 | 175.5 | 213506 |
| September, 2014 | 300 | 234.05 | 322079 |
| October, 2014 | 337.85 | 270.6 | 442934 |
| November, 2014 | 422.45 | 311 | 326204 |
| December, 2014 | 483.8 | 365.05 | 216451 |
| January, 2015 | 410.5 | 355 | 283186 |
| February, 2015 | 422 | 365 | 57759 |
| March, 2015 | 397.1 | 332 | 55286 |

The monthly high and low (based on the closing prices) during the year 2014-15 on the National Stock Exchange:

| Month | NSE Limited | | |
|---|---|---|---|
| | High (Rs.) | Low (Rs.) | Volume of Shares traded during the month (Nos.) |
| April, 2014 | 135 | 85.80 | 377371 |
| May, 2014 | 126 | 100 | 153924 |
| June, 201 | 138 | 108.50 | 167142 |
| July, 2014 | 200 | 131.50 | 321805 |
| August, 2014 | 272.95 | 175.55 | 278441 |
| September, 2014 | 299 | 235.60 | 412839 |
| October, 2014 | 337 | 264.20 | 753568 |
| November, 2014 | 422 | 310.30 | 564802 |
| December, 2014 | 423 | 365 | 277361 |
| January, 2015 | 412 | 352 | 643153 |
| February, 2015 | 420.90 | 365 | 129936 |
| March, 2015 | 399.90 | 304.90 | 298291 |

**v) Registrar and Transfer Agents**

Link Intime India Private Limited
(Formerly known as Intime Spectrum Registry Ltd.)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai – 400 078
Ph.: +91-22 – 25946970; Fax: 25946969; email: rnt.helpdesk@linkintime.co.in

**vi) Share Transfer System**

The share transfers which are received in physical form are processed and the share certificates returned within the stipulated period of from the date of receipt, subject to the documents being valid and complete in all respects.

**vii) Shareholding Pattern as on 31st March, 2015**

| Category | No. of Shares | % of Total |
|---|---|---|
| Promoter's Holding (including persons acting in concert) | 7587972 | 53.07 |
| Non Promoter's Holding | | |
| a) Mutual Funds & UTI | 255900 | 1.79 |
| b) Banks, FIs and Insurance Company | 6190 | 0.04 |
| c) FIIs | 0 | 0.00 |
| Others | | |
| a) Bodies Corporates | 1808021 | 12.64 |
| b) Individuals | 4128763 | 28.87 |
| c) NRIs/OCBs | 465411 | 3.25 |
| d) Market Maker | 1075 | 0.01 |
| e) Clearing Member | 36185 | 0.25 |
| f) HUF | 9633 | 0.07 |
| **TOTAL** | **14299150** | **100.00** |

**viii) Distribution of Shareholding as on 31st March, 2015**

| No. of Shares | No. of Share-holders | % of Sharehold-ers | No. of Shares | % to Equity |
|---|---|---|---|---|
| Up to 500 | 6444 | 91.81 | 740055 | 5.18 |
| 501 - 1000 | 245 | 3.49 | 182963 | 1.28 |
| 1001 - 2000 | 135 | 1.92 | 195039 | 1.36 |
| 2001 - 3000 | 55 | 0.78 | 140943 | 0.99 |
| 3001 - 4000 | 16 | 0.23 | 56713 | 0.40 |
| 4001 - 5000 | 22 | 0.31 | 98536 | 0.69 |
| 5001 - 10000 | 34 | 0.48 | 235603 | 1.65 |
| 10001 - above | 68 | 0.97 | 12649298 | 88.46 |
| TOTAL | 7019 | 100.0000 | 14299150 | 100.0000 |

**ix) Dematerialization of Shares and Liquidity**

The Company's shares are available for dematerialization on both the depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) 1,39,78,188 shares amounting to 97.76% of the capital have been dematerialized by investors as on 31st March, 2015.

ISIN: INE231G01010

**Address of registrars for dematerialization of shares**
M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West)
Mumbai – 400 078
Ph.: +91-22-25946970; Fax: 25946969; email: rnt.helpdesk@linkintime.co.in

**x) Plant Locations**

**Surat**
Plot No. 6, 7, 8 & 9, Fairdeal Textile Park,
Village Mahuvej, Taluka Mangrol,
Dist – Surat – 394 102 (Guj.)

**Kalyan**
Plot No 1, Building No B-12
Asmeeta Infratech Textile Park,
Additional Kalyan Bhiwandi Industrial Area,
Sarawali –Kon Village, Taluka – Bhiwandi, Dist Thane.

**Dombivali**
D-5/1, Dombivali MIDC Industrial Area,
Dombivali (East), Dist. Thane, Maharashtra

**xi) Annual Report:** The Annual Report containing, inter alia, Audited Financial Statement, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website.

**xii) NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

**xiii) BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

**xiv) SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised 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.

**xv) Designated Exclusive email-id:** The Company has designated the following email-ids exclusively for investor servicing:

For queries on Annual Report: investors@orbitexports.com
For queries in respect of shares in physical mode: investors@orbitexports.com

**xvi) Address for Correspondence**

i) for transfer/ dematerialization of share, change of members' address and other **queries relating to the shares of the Company**

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai – 400 078
Ph.: +91-22-25946970; Fax: 25946969; email: rnt.helpdesk@linkintime.co.in

ii) **for queries related to dividend, annual reports, etc.**

The Company Secretary,
Orbit Exports Limited
E 27-29, Adi Marzaban Street (Manglore Street),
S. Bhagat Singh Road, Ballard Estate, Mumbai – 400 038
Ph.: -91-22-66256262; Fax: +91-22-2375 6599; email: investors@orbitexports.com

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board Members and Senior Management personnel of the Company have affirmed the compliance with Orbit Exports Limited Code of Conduct for the year ended 31st March, 2015.

**By order of the Board of Directors**

Place: Mumbai
Date: June 23, 2015

**Pankaj Seth**
Managing Director

## CEO / CFO CERTIFICATE

To,
The Board of Directors,
**Orbit Exports Limited**
Mumbai

We, Mr. Pankaj Seth, Chief Executive Officer and Managing Director of ORBIT EXPORTS LIMITED appointed in terms of the Companies Act, 2013 and Mr. Mukesh Deopura, Chief Financial Officer and Head of the finance function of the Company certify to the Board that:

(a) We have reviewed the financial statement and Cash Flow Statement of Orbit Exports Ltd for the year ended 31st March, 2015 and based upon our knowledge and information certify that:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain the statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

(d) We accept the responsibility for establishing and maintaining internal controls for financial reporting for the Company and we have:

   (i) evaluated the effectiveness of internal control systems of the Company.

   (ii) disclosed to the Auditors and the Audit Committee of the Board, deficiencies in the design or operation of such internal controls, if any, of which we are aware and

   (iii) necessary steps taken or propose to be taken to ratify these deficiencies.

(e) We have indicated to the Auditors and the Audit Committee that there have been:

   (i) No significant changes in internal control over financial reporting during the year 2014-15;

   (ii) No significant changes in accounting policies during the period 2014-15;

   (iii) No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Yours faithfully,

**Pankaj Seth**
**CEO & Managing Director**

**Mukesh Deopura**
**Chief Financial Officer**

Place: Mumbai
Date: 23rd June, 2015

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
**ORBIT EXPORTS LIMITED**
E 27-29, Adi Marzaban Street (Mangalore Street),
Ballard Estate, S. Bhagat Singh Road,
Mumbai – 400 038

We have examined the compliance of the conditions of Corporate Governance by ORBIT EXPORTS LTD. for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company entered into with the Stock Exchange(s) in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S. K. Jain & Co.,**
Company Secretaries

Place: Mumbai
Date: 23rd June, 2015

**(S. K. Jain)**
Proprietor
CP No. 3076

# SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**FOR THE FINANICAL YEAR ENDED MARCH 31, 2015**

To,
The Members,
**Orbit Exports Limited**
E 27-29, Manglore Street
ADI Marzaban Street,
Ballard Estate
S. Bhagat Singh Road,
Mumbai-400 038

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M/S Orbit Exports Limited** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on my verification of the **M/S Orbit Exports Limited's** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period 01st April, 2014 to 31st March, 2015 ("the reporting period")complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M**/S Orbit Exports Limited** ("the Company") as given in **Annexure I**, for the period 01st April, 2014 to 31st March, 2015 according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the Rules made thereunder for specified Sections notified and came into effect from 12th September, 2013 and Sections and Rules notified and came into effect from 1st April, 2014;

   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

   (iii) The Depositories Act, 1996 and Regulations & the Bye-laws, 1996 thereunder;

   (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment.

   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

      iii. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

      iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

      v. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

   i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as the Company has not issued/listed/propose to list its Dept Securities to any Stock Exchange during the Financial Year under review)**

   ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted/propose to delist its Equity Shares from any Stock Exchange during the Financial Year under review)**

   iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not brought back/propose to Buy-back any of its securities during the Financial Year under review)**

3. The Company has complied with following specific laws applicable to the Company

   i. Public Liability Insurance Act,1991

   ii. Information Technology Act, 2000

   iii. Essential Commodities Act, 1955

4. I have relied on the Representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibly of the management. My examination was limited to the verification of procedure on test basis. The list of major head/ groups of Acts, Laws and Regulations as generally applicable to the Company is given in **Annexure II**.

5. In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise & Custom Acts I have relied on the Reports given by the Statutory Auditors of the Company.

   I have also examined compliance with the applicable clauses of the following:

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956; **(Not notified and hence not applicable to the Company during Audit period) and**

   (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange

   **I further report that:**

   The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

   Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

   Majority decision is carried through and recorded as part of the minutes.

   **I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

   **I further report that** during the year/audit period under report, the Company has undertaken the following events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Ordinary and Special Resolutions passed through Postal Ballot under Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014

   i. Special Resolution under Section 180(1) (c) and180(2) and other applicable provisions of Companies Act, 2013 read with rules made thereunder authorising the Board of Directors of the Company to exercise borrowing powers upto a sum of Rs. 400 Crores. (Rupees Four Hundred Crores only)

   ii. Special Resolution passed under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder authorising the Board of Directions of the Company to create charge/ mortgage etc. on the movable/immovable properties of the company upto a sum not exceeding Rs. 400 Crores. (Rupees Four Hundred Crores only)

   iii. Special Resolution under Section 186 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder authorising the Board of Directions of the Company to make loans, give guarantee, provide security and make investment to any person or other Body Corporate upto an amount of Rs. 400 Crores. (Rupees Four Hundred Crores only)

   iv. Special Resolution passed under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder authorising the Board of Directions of the Company for selling, disposing and or transferring Company's building together with movable and immovable assets situated at D-5/1, Dombivali, M.I.D.C Industrial Area, Dombivali (E). Dist. Thane.

   v. Special Resolution passed under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder authorising the Board of Directions of the Company for selling, disposing and or transferring Company's building situated at Plot No G-99, Additional M.I.D.C. Jalgoan-425 003.

   vi. Ordinary Resolution under Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder to appoint Mr. Saumil Ushakant Marfatia (DIN-02774221) as Non-Executive Independent Director of the Company for a period of 5 years w.e.f 10.09.2014

   vii. Ordinary Resolution under Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder to appoint Mr. Gopikrishna Bilasrai Bubna (DIN-01338170) as Non-Executive Independent Director of the Company for a period of 5 years w.e.f 10.09.2014

   viii. Special Resolution passed under Section 188 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder to appoint Ms.Vishakha Seth to hold office of place of profit as Vice President-International Marketing of the company w.e.f. 16.08.2014

   ix. Special Resolution passed under Section 188 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder authorising the Board of Directions of the Company for entering into transactions with M/s. Golden Bo Tree Impex Co. Ltd. in which the Director of the Company is interested as a director of the said other Company upto an amount not exceeding Rs 5 Crores (Rupees Five Crores only) by way of commission/brokerage/fees etc for acting as an agent/broker/consultant for sale of Goods of the company in overseas market.

2. The Company has allotted 225000 Equity Shares of Rs. 10/- each on 18th June, 2014 to each of Mr. Pankaj Seth and Mrs. Anisha Seth at Issue Price of Rs. 76.57.(including premium of Rs. 66.57 per Share) upon exercise of option to convert Optionally Fully Convertible Warrants issued by the Company on 10th September, 2013.

For **S. K. Jain & Co.**

(Dr. S.K.Jain)
Proprietor
Company Secretary
FCS: 1473
COP: 3076

Place: Mumbai
Date: 23rd June, 2015

## ANNEXURE - I

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made thereunder the Memorandum & Articles of Association of the Company with regard to:-

1. Minutes of the Meetings of the Board of Directors, Committee meetings held during the Financial Year under Report;
2. Minutes of General Body Meetings held during the Financial Year under report;
3. Maintenance of various Statutory Registers and Documents and making necessary entries therein;
4. Notice and Agenda papers submitted to all the Directors for the Board Meetings;
5. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
6. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under Report;
7. Disclosure of Interest and Concerns in contracts and arrangement, shareholdings and directorships in other Companies and interest in other entities by Directors;
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report;
9. Appointment and remuneration of Internal and Statutory Auditor;
10. Closure of Register of Members/record date for dividends;
11. Declaration and payment of dividend.

## ANNEXURE - II

**Registered & Corporate Office:**

E 27-29, Manglore Street
ADI Marzaban Street,
Ballard Estate
S. Bhagat Singh Road,
Mumbai-400 038

**Textile Factory:**

**Surat**
Plot No. 6, 7, 8 & 9, Fairdeal Textile Park,
Village Mahuvej, Taluka Mangrol,
Dist – Surat – 394 102 (Guj.)

**Maharashtra**

D-5/1, Dombivali MIDC Industrial Area,
Dombivali (East), Dist. Thane, Maharashtra.

**List of applicable laws to the Company**

1. Factories Act, 1948 read with the rules made thereunder applicable in the respective states;
2. Industrial Dispute Act, 1947 and the rules made thereunder;
3. Payment of Bonus Act, 1956 and the rules made thereunder;
4. Payment of Gratuity Act, 1972 and the rules made thereunder;
5. Payment of Wages Act, 1938 and the rules made thereunder;
6. The Minimum Wages Act, 1948 and the rules made thereunder;
7. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act, 2013 and the rules made thereunder;
8. Maternity Benefits Act, 1961 and the rules made thereunder;
9. Industrial Employment Standing Orders Act, 1946 and the rules made thereunder;
10. Professional Tax Act, 1975;
11. Employees' Provident Fund Act, 1952 and Miscellaneous Provisions act 1952 and the rules made thereunder;
12. Employees State Insurance Act, 1948 and the rules made thereunder;
13. The Contract Labour Act, 1970 and the rules made thereunder;
14. The Employment Exchange Act, 1959 and the rules made thereunder;
15. Equal Remuneration Act, 1976;
16. Workmen's Compensation Act, 1923 and the rules made thereunder;
17. Standards of Weights and Measures Act, 1976;
18. Shops and Establishment Act, 1948;
19. Bombay Stamp Act, 1958;
20. Negotiable Instruments Act, 1881.

For **S. K. Jain & Co.**

**(Dr. S.K.Jain)**
Proprietor
Company Secretary
FCS: 1473
COP: 3076

Place: Mumbai
Date: 23rd June, 2015

To,
The Members,
Orbit Export Limited
E 27-29, Manglore Street
ADI Marzaban Street,
Ballard Estate
S. Bhagat Singh Road,
Mumbai-400 038

Our Secretarial Audit Report of Even date is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.

3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happing of events etc.

**Disclaimer**

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For **S. K. Jain & Co.**

**(Dr. S. K. Jain)**
Proprietor
Company Secretary
FCS: 1473
COP: 3076

Place: Mumbai
Date: 23rd June, 2015

# INDEPENDENT AUDITORS' REPORT

To,
The Members
**Orbit Exports Ltd.**

Report on the Financial Statements

1. We have audited the accompanying financial statements of Orbit Exports Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters 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 the 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. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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**

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made therunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing 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.

6. 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 statements that give 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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;

   a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;

   b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

   c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**9. Report on other Legal and Regulatory Requirements**

As required by the Companies (Auditors' Report) Order, 2015 issued by the Central Govt. of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order :

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 purposes of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

d) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

e) 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.

f) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.

g) On the basis of written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

h) With respect to the other matters included in the Auditor's Report and to our 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 derivatives contracts as on 31st March, 2015;

   iii. there were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company during the year ended on 31st March, 2015.

for **Krishna R. Moondra & Associates**
Chartered Accountants

**CA Manish Kumar Gupta**
Partner

M. No. 130883/ FRN No. 114488W.
Place : Mumbai.
Dated : 22nd May, 2015

## Annexure to Independent Auditors' Report

Referred to in paragraph - 9 of the Independent Auditors' Report of even date to the Members of Orbit Exports Ltd. on the standalone financial statements for the year ended on 31st March, 2015 :-

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect and including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Duty of Customs, and Duty of Excise or Value Added Tax or Cess which have not been deposited on account of any dispute.

c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.

xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

for **Krishna R. Moondra & Associates**
Chartered Accountants

**Manish Kumar Gupta**
Partner

M. No. : 130883/ FRN No. 114488W.
Place : Mumbai.
Dated : 22nd May, 2015.

# BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in Lacs)

| | PARTICULARS | Note No. | 2015 | | 2014 | |
|---|---|---|---|---|---|---|
| I. | **EQUITY AND LIABILITIES** | | | | | |
| 1. | **Shareholder's funds** | | | | | |
| | (a) Share Capital | 1 | **1,429.92** | | 1,384.92 | |
| | (b) Reserves and Surplus | 2 | **7,920.62** | | 5,614.02 | |
| | (c) Money recevied against share warrants | | **-** | | 86.14 | |
| | | | | **9,350.53** | | 7,085.07 |
| 2. | **Share Application Money Pending Allotment** | | | **-** | | - |
| 3. | **Non Current Liabilities** | | | | | |
| | (a) Long-term Borrowings | 3 | **2,088.36** | | 2,184.16 | |
| | (b) Deferred Tax Liabilities (Net) | 4 | **727.09** | | 569.12 | |
| | (c) Other Long-term Liabilities | - | | **-** | | |
| | (d) Long-term Provisions | 5 | **35.49** | | 39.03 | |
| | | | | **2,850.95** | | 2,792.31 |
| 4. | **Current Liabilities** | | | | | |
| | (a) Short-term Borrowings | 6 | **2,137.93** | | 2,280.67 | |
| | (b) Trade Payables | 7 | **239.40** | | 327.76 | |
| | (c) Other Current Liabilities | 8 | **428.74** | | 612.30 | |
| | (d) Short-term Provisions | 9 | **534.23** | | 346.93 | |
| | | | | **3,340.29** | | 3,567.66 |
| | **TOTAL** | | | **15,541.77** | | 13,445.04 |
| II | **ASSETS** | | | | | |
| 1. | **Non-Current Assets** | | | | | |
| | (a) Fixed Assets | 10 | | | | |
| | (i) Tangible Assets | | **7,737.62** | | 6,951.78 | |
| | (ii) Intangible Assets | | **-** | | - | |
| | (iii) Capital work-in-progress | | **103.00** | | 7.72 | |
| | (b) Non-Current Investments | 11 | **462.08** | | 149.94 | |
| | (c) Deferred Tax Assets (net) | | **-** | | - | |
| | (d) Long-term Loans and Advances | 12 | **65.04** | | 33.14 | |
| | (e) Other Non-Current Assets | | **-** | | - | |
| | | | | **8,367.75** | | 7,142.57 |
| 2. | **Current Assets** | | | | | |
| | (a) Current Investments | 13 | **-** | | - | |
| | (b) Inventories | 14 | **2,353.52** | | 2,180.05 | |
| | (c) Trade Receivables | 15 | **3,039.99** | | 2,782.67 | |
| | (d) Cash and Bank Balances | 16 | **675.12** | | 524.05 | |
| | (e) Short-term Loans and Advances | 17 | **1,068.84** | | 796.74 | |
| | (f) Other Current Assets | 18 | **36.55** | | 18.96 | |
| | | | | **7,174.02** | | 6,302.46 |
| | **TOTAL** | | | **15,541.77** | | 13,445.04 |
| | Significant Accounting Policies and Notes to Accounts | | | | | |

As per our report of even date

Signature to the balance Sheet and Notes & Other Notes to Acocunts

For **Krishna R. Moondra & Associates**
Chartered Accountants

for and on behalf of the Board

**Manish Kumar Gupta**
Partner.
M. No. : 130883 / F.R. No.114488W
Place : Mumbai.
Dated : 22nd May, 2015.

**Pankaj S. Seth**
Managing Director

**Anisha P. Seth**
Whole-time Director

**Mukesh Deopura**
CFO

**Neha Poddar**
Company Secretary

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

| | PARTICULARS | Note No. | 2014 - 2015 | | 2013 - 2014 | |
|---|---|---|---|---|---|---|
| I | Revenue from Operations | 19 | | **15,740.48** | | 13,701.52 |
| II | Other Income | 20 | | **98.74** | | 224.07 |
| **III** | **Total Revenue (I + II)** | | | **15,839.22** | | 13,925.58 |
| **IV** | **Expenses** | | | | | |
| | Cost of Matarials consumed | 21 | **7,559.94** | | 7,773.93 | |
| | Purchases of Stock in Trade | | **-** | | - | |
| | Changes in inventories of finished goods, work in progress and Stock-in- trade | 22 | **(326.30)** | | (338.02) | |
| | Employee Benefits Expenses | 23 | **1,076.52** | | 605.17 | |
| | Finance Costs | 24 | **127.43** | | 157.23 | |
| | Depreciation and Amortization Expenses | 10 | **477.50** | | 349.35 | |
| | Other Expenses | 25 | **3,084.45** | | 2,492.58 | |
| | **Total Expenses** | | | **11,999.55** | | 11,040.24 |
| V | Profit Before Exceptional Item and extraordinary item and Tax (III-IV) | | | **3,839.67** | | 2,885.35 |
| VI | Exceptional Items | | | **-** | | - |
| VII | Profit before extraordinary item and Tax (V-VI) | | | **3,839.67** | | 2,885.35 |
| VIII | Extraordinary Items | | | **-** | | - |
| IX | Profit before Tax (VII-VIII) | | | **3,839.67** | | 2,885.35 |
| X | **Tax Expense:** | | | | | |
| | (1) Current Tax | | **1,055.00** | | 705.65 | |
| | Less : MAT credit Entitlement | | **-** | | - | |
| | Net Current Tax | | **1,055.00** | | 705.65 | |
| | (2) Deferred Tax | | **157.97** | | 179.07 | |
| | | | | **1,212.97** | | 884.73 |
| | | | | **2,626.70** | | 2,000.62 |
| | Tax Adjustment in Respect of Previous Year | | | **(43.20)** | | 0.22 |
| XI | Profit/(Loss) for the Period from continuing operation (IX-X) | | | **2,669.89** | | 2,000.39 |
| XII | Profit/(Loss) from discontinuing operations | | **-** | | - | |
| XIII | Tax expenses from discontinuing operations | | **-** | | - | |
| XIV | Profit/(Loss) from discontinuing operations (after Tax)(XII-XIII) | | | **-** | | - |
| XV | Profit/(Loss) for the period (XI+XIV) | | | **2,669.89** | | 2,000.39 |
| **XVI** | **Earnings per Equity Share:** | | | | | |
| | (1) Basic (in Rs.) | 26 | | **18.80** | | 14.91 |
| | (2) Diluted (in Rs.) | | | **18.80** | | 14.42 |
| | Significant Accounting Policies and Notes to Accounts | | | | | |

As per our report of even date

For **Krishna R. Moondra & Associates**
Chartered Accountants

**Manish Kumar Gupta**
Partner.
M. No. : 130883 / F.R. No.114488W
Place : Mumbai.
Dated : 22nd May, 2015.

Signature to the balance Sheet and Notes & Other Notes to Acocunts for and on behalf of the Board

**Pankaj S. Seth**
Managing Director

**Anisha P. Seth**
Whole-time Director

**Mukesh Deopura**
CFO

**Neha Poddar**
Company Secretary

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| **A] CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Net Profit/(Loss) Before Tax and Exceptional Items** | **3,839.67** | 2,885.35 |
| Add: Adjustment for | | |
| Depreciation | **477.50** | 349.35 |
| Misc. Exp. W/off | **1.73** | 1.73 |
| Interest Expenses | **127.43** | 157.23 |
| Less: Direct Tax Paid | **(1,055.00)** | (705.65) |
| Prior Period Item/Previous Year Tax Adjustment | **43.20** | (0.22) |
| Extraordinary item - | **-** | |
| **Operating Profit/(Loss) before working Capital Changes** | **3,434.53** | 2,687.77 |
| Decrease/(Increase) in Inventory | **(173.47)** | (630.38) |
| Decrease/(Increase) in Trade Receivable | **(257.32)** | (1,154.47) |
| Decrease/(Increase) in Loans & Advances & Other Current Assets | **(321.59)** | 351.72 |
| Increase/(Decrease) in Trade and Other Payable and long term Liability | **(88.17)** | 517.91 |
| **Net Cash Flow From Operating Activities** | **2,593.98** | **1,772.56** |
| **B) CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchases of Fixed Assets | **(1,263.34)** | (4,098.66) |
| Sale of Fixed Assets | **-** | 129.44 |
| Increase/(Decrease) in CWIP | **(95.29)** | 38.06 |
| Increase/(Decrease) in Investments | **(312.15)** | 654.75 |
| Net Cash Flow from Investing Activities | **(1,670.78)** | **(3,276.41)** |
| **C) CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Issue of Equity Share Capital | **45.00** | 55.00 |
| Advance Received Againts Issue of Convertible Warrants | **(86.14)** | 86.14 |
| Increase/(Decrease) in Capital Reserve | **118.93** | 263.75 |
| Increase/(Decrease) Share Preimum | **299.57** | 366.14 |
| Increase/(Decrease) in Secured Loans (Net of Repayments) | **(238.53)** | 1,743.87 |
| Deffered Revenue Expenditure | **(1.73)** | (1.71) |
| Dividend Paid | **(781.79)** | (523.08) |
| | **-** | - |
| Interest Paid | **(127.43)** | (157.23) |
| **Net Cash Flow From Financing Activities** | **(772.13)** | **1,832.88** |
| **Net Increase/(Decrease) in Cash & Cash Equivalents** | **151.08** | 329.03 |
| **Opening Balance of Cash & Cash Equivalents** | **524.05** | 195.02 |
| **Closing Balance of Cash & Cash Equivalents** | **675.12** | 524.05 |

As per our report of even date

Signature to the balance Sheet and Notes & Other Notes to Acocunts

For **Krishna R. Moondra & Associates**
Chartered Accountants

for and on behalf of the Board

**Manish Kumar Gupta**
Partner.
M. No. : 130883 / F.R. No.114488W
Place : Mumbai.
Dated : 22nd May, 2015.

**Pankaj S. Seth**
Managing Director

**Anisha P. Seth**
Whole-time Director

**Mukesh Deopura**
CFO

**Neha Poddar**
Company Secretary

# SIGNIFICANT ACCOUNTING POLICIES

**1. Accounting Convention:**

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013.

**2. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

**3. Revenue Recognition:**

a) Sales are accounted on mercantile basis when the sale of goods is completed and are recorded net of returns, trade discounts, rebates, sales taxes.

b) Export incentives are accounted on accrual basis and include the estimated value of export incentives receivable under the Duty Draw Back Scheme and other applicable schemes.

c) Dividend income is recognized when the right to receive the same is established.

d) Interest income is recognized on a time proportion basis.

e) Revenue in respect of insurance/other claims, interest etc. is recognized only when it is reasonably certain that the ultimate collection will be made.

**4. Fixed Assets:**

Fixed assets are stated at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost comprises the purchase price and any cost attributable for bringing the asset to its working condition for its intended use. Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such assets are considered to be impaired, the impairment is recognized by debiting the Statement of Profit & Loss Account and is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

**5. Investments:**

Investments are classified into long-term and current investments. Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature. The fair value of a long term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment. Current investments are stated at lower of cost and fair Value.

**6. Inventories:**

Inventories are valued at lower of cost and net realizable value. Raw Material is valued at cost on weightage average basis. Finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Provision is made for the cost of obsolescence and other anticipated losses, wherever considered necessary.

**7. Impairment of Assets:-**

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 (AS-28) ''Impairment of Assets''. An impairment loss is charged to the Statement of Profit & Loss in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**8. Provisions & Contingent Liabilities:-**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources i.e. Contingent liabilities arising from Claim, litigation, Assessments, fines, penalties etc. are provided for when it is probable that a liability may be incurred and the amount can be reasonably estimated.

**9. Depreciation Accounting:-**

Till the year ended 31st March 2014, depreciation rates prescribed under Schedule – XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule – II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. Considering the applicability of Schedule – II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, as determined by the management.

Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

For assets purchased/ sold during the year, depreciation is being provided on pro rata basis by the Company.

**10. Foreign Currency Transactions:**

Monetary foreign currency assets and liabilities are translated at the balance sheet date at rates notified by the Foreign Exchange Dealers' Association of India ("FEDAI").

Foreign exchange contracts are stated at net present value using LIBOR/SWAP curves of the respective currencies.

The resulting profits or losses are recognized in the profit and loss account. Premia/discounts on foreign exchange swaps, that are used to hedge risks arising from foreign currency assets and liabilities, are amortized over the life of the swap.

Income and expenditure in foreign currency are accounted for at exchange rates prevalent on the date of the transaction.

In accordance with AS – 11 "The Effects of changes in Foreign Exchange Rates", contingent liabilities in respect of outstanding foreign exchange forward contracts, derivatives, guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI corresponding to the balance sheet date.

**11. Government Grants:-**

Grants, in the nature of interest subsidy under the Technology Up-gradation Fund (TUF) Scheme, are accounted for when it is reasonably certain that ultimate collection will be made. Government grants not specifically related to fixed assets are recognized in the Statement of Profit and Loss in the year of accrual / receipt.

Government grants in the nature of Promoters' funds have been recognized in the nature of shareholders' funds by way of contribution towards its total capital outlay.

**12. Employee Benefits:**

**i. Defined contribution plans:**

The Company contribution to provident fund and ESIC are charged to the Statement of Profit and Loss.

**ii. Defined Benefit Plans / Long Term Compensated Absences**

**Gratuity:-**

The Company provides for gratuity, a defined benefit retirement plan, covering eligible employees. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent to 15 days' eligible salary payable for each completed year of service if the service is more than 5 years. The Company accounts for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation. The Company recognizes the actuarial gains and losses during the year in which the same are incurred.

**Provident fund**

In accordance with law, all employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Bank contribute monthly at a pre determined rate. Contribution to provident fund are recognized as expense as and when the services are rendered. The Company has no liability for future provident fund benefits other than its annual contribution.

**13. Borrowing Costs:-**

Borrowing costs that are directly attributable to the acquisition/ construction of the qualifying asset are capitalized as a part of the cost of such asset, up to the date of acquisition / completion of construction. All other borrowing costs are charged to revenue in the year in which they are incurred.

**14. Segment Reporting:-**

Since the windmill power generation segment is not significant as defined in AS-17, the Company is considered to be a single segment company – engaged in the manufacture of textiles. Consequently, the Company has in its primary segment only one reportable business segment.

**15. Taxes on Income:-**

Tax expense comprises current and deferred tax. Current tax comprises of the amount of tax for the period determined in accordance with the Income Tax Act, 1961 and the rules framed there under. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence. Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized.

**16. Intangible Assets:-**

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

**17. Earning Per Share:-**

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings per Share" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Basic earnings per equity share have been computed by dividing net profit after tax for the year by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the results are anti dilutive.

**18. Employee Stock Compensation Cost**

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock (i.e. the last closing price on the stock exchange on the day preceding the date of grant of stock options) over the exercise price. The exercise price of the Company's stock option is the last closing price on the stock exchange on the day preceding the date of grant of stock options and accordingly there is no compensation cost under the intrinsic value method.

**Part – B**

**Other Notes to Accounts:**

**1. Contingent Liabilities and commitments not provided for :**

The Company has outstanding commitment including Letters of Credits for imported plant & machineries towards capital goods and aggregate amount is as under:-

| Sr. No. | Nature of Commitment | Amount (₹ in lakhs) | |
|---|---|---|---|
| | | 2014-15 | 2013-14 |
| 1. | Commitments on Capital Account | NIL | --- |
| 2. | Service Tax Liability on purchase of Unit in Asmeeta Textile Park, Bhiwandi | 63.04 | 63.04 |

**Note on Point No. 2 :-**

The Company has purchased a unit in Asmeeta Textile Park, Bhiwandi vide Lease Deed dated 21st August, 2013. The Amount of additional Service Tax amounting to ₹ 63,04,410/- (Rupees sixty three lakhs four thousands four hundred ten only) was demanded by the Developers M/s. Asmeeta Infratech Ltd. on account of differential amount of Service Tax on the Unit No. B-12, Asmeeta Textile Park, Bhiwandi. The matter is sub-judice at this moment. The Company has been advised that there will not be any liability towards Service tax over and above the amount already paid by the Company.

**2. Related Party Disclosures:-**

The list of related parties and nature of their relationship is furnished below :-

**Related parties with whom transactions have taken place during the year :-**

- Key Management Personnel and Relatives :-

| Sr. No. | Name | Relationship |
|---|---|---|
| 1. | Mr. Pankaj S. Seth | Chairman & Managing Director |
| 2. | Ms. Anisha P. Seth | Whole-time Director |
| 3. | Ms. Vishakha P. Seth | Daughter of Mrs. Anisha P. Seth & Mr. Pankaj S. Seth |
| 4. | Ms. Sangeeta Bhatia | Sister of CMD Mr. Pankaj Seth |
| 5. | Mr. Shyam Sunder Seth | Father of CMD Mr. Pankaj S. Seth |
| 6. | Mr. Bruce Larry Kieval | Executive Director |

**Enterprise over which Key Management Personnel exercise significant influence :-**

M/s. Golden Bo Tree Impex Co. Ltd. - Director Mr. Bruce Larry Kieval is also a director of this Company.

Orbit Inc., USA - Wholly Owned Subsidiary.

Rainbow Line Trading LLC, Dubai - Associate Firm

The Following transactions were carried out with the related parties in the ordinary course of business.

(₹ in lakhs)

| Particulars | Related Parties | | | |
|---|---|---|---|---|
| | Associates / Subsidiary | Key Management Personnel | Relative of Key Management Personnel | Total |
| Rent Expenses incurred | ---<br>(---) | 6.00<br>(6.00) | 1.20<br>(1.20) | 7.20<br>(7.20) |
| Commission/Professional fess | ---<br>(---) | ---<br>(---) | 20.09<br>(26.41) | 20.09<br>(26.41) |
| Managerial Remuneration | ---<br>(---) | 266.00<br>(200.00) | ---<br>(---) | 266.00<br>(200.00) |
| Salary | ---<br>(---) | ---<br>(---) | 13.33<br>(---) | 13.33<br>(---) |
| Sales | 2,769.89<br>(2,242.07) | ---<br>(---) | ---<br>(---) | 2,769.89<br>(2,242.07) |
| Balance Receivable as at year end | 1,525.07<br>(1,421.79) | ---<br>(---) | ---<br>(---) | 1,525.07<br>(1,421.79) |
| Balance Payable as at year end | ---<br>(---) | 10.26<br>(29.53) | 1.34<br>(0.10) | 11.60<br>(29.63) |

**3.** Balances of Sundry Debtors, Creditors and Loans & Advances are subject to confirmation and reconciliation, if any.

**4. Managerial Remuneration:-**

**a) Managing Director's Remuneration** (₹ in lakhs)

| | | 2014-15 | 2013-14 |
|---|---|---|---|
| i. | Salary & Bonus | **114.00** | 91.00 |
| ii. | Contribution to Provident Fund and Other funds | **---** | --- |
| iii. | Perquisites | **19.00** | 11.00 |
| | | **133.00** | 102.00 |

**b) Whole Time Director's Remuneration** (₹ in lakh)

| | | 2014-15 | 2013-14 |
|---|---|---|---|
| i. | Salary & Bonus | **114.00** | 88.00 |
| ii. | Contribution to Provident Fund and Other funds | **---** | --- |
| iii. | Perquisites | **19.00** | 10.00 |
| | | **133.00** | 98.00 |

5. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days (P.Y. Nil), the above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

6. The Board of Directors have declared interim dividend @ 22.50% during the year amounting to ₹ 321.73 lakhs (₹ 2.25 per share of face value of ₹ 10/- each i.e. 22.50%) excluding Dividend Distribution Tax of ₹ 65.87 lakhs. The Board of Directors have also proposed to declare the Final dividend @ 22.5% for the year amounting to ₹ 321.73 lakhs (₹ 2.25 per share of face value of ₹ 10/- each i.e. 22.5%) excluding Dividend Distribution Tax of ₹ 65.87 lakhs.

**7. Value of import on CIF basis** (₹ in lakh)

| | **2014-15** | 2013-14 |
|---|---|---|
| Capital Goods | **911.65** | 1,912.45 |
| Stores & Spares | **0.85** | 2.91 |
| Raw Material | **---** | --- |
| Total | **912.50** | 1,915.36 |

**8. Expenditure in Foreign Currency** (₹ in lakh)

| | **2014-15** | 2013-14 |
|---|---|---|
| Travelling Expenses | **73.93** | 146.55 |
| Professional Fees | **222.66** | 218.50 |
| Sales Promotion Expenses | **42.16** | 29.64 |
| Capital Goods & Spares | **912.50** | 1,915.36 |
| Total | **1,251.25** | 2,310.05 |

**9. Earnings in foreign exchange** (₹ in lakh)

| | **2014-15** | 2013-14 |
|---|---|---|
| Export of goods on FOB basis | **9,573.10** | 7,827.97 |
| Freight on Export | **---** | 153.65 |
| Export Insurance | **---** | 1.85 |
| Total | **9,573.10** | 7,983.48 |

**10. Value of Imports & Indigenous Material Consumption** (₹ in lakhs)

| | | 2014-15 | | 2013-14 | |
|---|---|---|---|---|---|
| A. | Raw Material | Value | % of cons | Value | % of cons |
| | Indigenous | 7,559.94 | 100.00% | 7,773.93 | 100.00% |
| | Imported | --- | ---- | --- | ---- |
| | | 7,559.94 | 100.00% | 7,773.93 | |
| B. | Stores & Spares | | | | |
| | Indigenous | 38.28 | 97.83% | 26.40 | 90.07% |
| | Imported | 0.85 | 2.17% | 2.91 | 9.93% |
| | | 39.13 | 100.00% | 29.31 | 100.00% |

11. Previous year's figures have been regrouped and/or re-casted wherever necessary. Figure in brackets represent corresponding figure for the previous year.

12. The Company has created Capital Reserve in current year amounting to ₹ 118.93 lakhs during the year. The balance in Capital Reserve is ₹ 751.82 lakhs (2014 ₹ 632.89 lakhs). Current year Capital Reserve has been created out of the Government Grants in the nature of promoters' fund for setting up new textile unit at Surat in the state of Gujarat.

13. The Company has allotted 10,00,000 Convertible Warrants to Promoters Directors at ₹ 76.57 per warrant to be converted into one equity share of ₹ 10/- each at the Premium of ₹ 66.57 per share in the year 2013-14. The allottees have exercised their option and converted the balance 4,50,000 Convertible Warrants into 4,50,000 equity shares of ₹ 10/- each. The conversion of Warrants has increased the Equity Share Capital by ₹ 45.00 lakhs and Share Premium by ₹ 299.57 lakhs during the year.

**14. Employees Stock Option Scheme**

Your Company has instituted Stock Option Plans to enable its employees to participate in your Company's future growth and financial success. Your Company provides its employees a platform for participating in important decision making and instilling long term commitment towards future growth of the Company by way of rewarding them through Stock Options. The Stock Option Schemes also enable the Company to hire the best talent for its senior management and key positions.

The Company has reserved issuance of 1,47,000 (Previous year 52,000) Equity Shares of ₹ 10/- each for offering to Eligible Employees of the Company under Employees Stock Option Scheme (ESOS). During the year the Company has granted 95,000 options at a price ₹ 342/- per option, plus all applicable taxes, as may be levied in this regard on the Company (Previous year 52,000 at a price of ₹ 69.75 per option plus all applicable taxes, as may be levied in this regard on the Company) to the Eligible Employees. The options would vest over a maximum period of 4 years or such other period as may be decided by the Nomination and Remuneration Committee from the date of grant based on specified criteria.

**15.** The Sundry Debtors includes an amount of ₹ 467.18 lakhs (2014 ₹ 504.06 lakhs) due from its Wholly Owned Subsidiary Orbit Inc., USA and ₹ 1,095.68 lakhs (2014 ₹ 917.74 lakhs) due from its Associate Concern M/s. Rainbow Line Trading LLC, Dubai.

**16. Employee Benefits**

As per Accounting Standard -15 "Employee Benefits" the disclosure of employee benefits is given below:

**i. Defined contribution plans :-**

The amounts of contribution to provident fund and ESIC recognized as expenses during the year is ₹ 39.51 lakhs (2014 ₹ 13.37 lakhs) for the year ended 31st March, 2015.

**ii. Defined benefit plans for Gratuity:-**

The following table sets out the status of the gratuity plan for the year ended 31st March, 2015 as required under AS – 15 (Revised)

(₹ in lakh)

| **Particulars Gratuity** | **Gratuity (funded) as on 31st March 2015** | Gratuity (funded) as on 31st March 2014 |
|---|---|---|
| **Change in Defined Benefit Obligation** | | |
| Opening Defined benefit obligation | **39.03** | 42.23 |
| Current Service Cost | **11.61** | 4.75 |
| Interest Cost | **3.61** | 3.48 |
| Actuarial (Gain)/ Loss | **19.99** | (9.17) |
| Benefits Paid | **(38.74)** | (2.26) |
| Present Value of Defined Benefit Obligation as on 31/03/2015 | **35.50** | 39.03 |
| **Change in Fair Value of assets** | | |
| Opening Fair value of Plan assets | **Nil** | Nil |
| Expected Return on Plan Assets | **Nil** | Nil |
| Actuarial Gain/ (Loss) on Plan assets | | |
| Actual Contributions | **35.20** | (3.20) |
| Actual Benefits Paid | **(38.74)** | (2.26) |
| Closing Fair Value of Plan Assets | **Nil** | Nil |

Expense to be recognized in statement of Statement of Profit & Loss (₹ in lakh)

| | | |
|---|---|---|
| Current Service Cost | **11.61** | 4.75 |
| Interest on Defined Benefit Obligation | **3.61** | 3.48 |
| Expected Return on Plan Assets | **Nil** | Nil |
| Actuarial (gain)/ loss | **19.99** | (9.17) |
| Total Included in Employment Expenses | **35.21** | (0.94) |
| Investment details of plan assets: | | |
| Actual Return on Plan Assets | **Nil** | Nil |
| Category of Assets | **Nil** | Nil |
| Insurer Managed Fund | **Nil** | Nil |

The assumptions used in accounting for the gratuity are set out below:

| Particulars | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|---|---|---|
| Discount rate | 7.75% | 9.25% |
| Rate of increase in compensation levels of covered employees | 6.00% | 6.00% |
| Expected Rate of return on plan assets | Nil | Nil |

**Signatures to Notes No. N1 to N 27**
As per our report of even date

For **Krishna R. Moondra & Associates**
Chartered Accountants

**Manish Kumar Gupta**
Partner.
M. No. : 130883/ F.R. No. : 114488W
Place : Mumbai.
Dated : 22nd May, 2015.

for and on behalf of the Board

**Pankaj S. Seth**
Managing Director

**Anisha P. Seth**
Whole-time Director

**Mukesh Deopura**
CFO

**Neha Poddar**
Company Secretary

# NOTES ON FINANCIAL STATEMENT

## NOTE 1: SHARE CAPITAL

| | 2014-15 | | 2013-14 | |
|---|---|---|---|---|
| | **Number** | **Amt** | Number | Amt |
| **Authorised**<br>Equity Shares of ₹ 10 each | **150.00** | **1,500.00** | 150.00 | 1,500.00 |
| **Issued**<br>Equity Shares of ₹ 10 each | **142.99** | **1,429.92** | 138.49 | 1,384.92 |
| **Subscribed & Paid up**<br>Equity Shares of ₹ 10/- each fully paid up | 142.99 | 1,429.92 | 138.49 | 1,384.92 |
| **Total** | **142.99** | **1,429.92** | 138.49 | 1,384.92 |

**Notes :**

**a)** During the year, the Company has issued and allotted 4,50,000 equity shares of ₹ 10/- each on account of conversion of OFCW's at a premium of ₹ 66.57/- per share to Mr. Pankaj Seth and Ms. Anisha P. Seth on preferential issue basis. The issue proceeds aggregating to ₹ 344.57 lakhs have been utilised for the object for which it has been issued.

**b) Terms/ Rights attached to Equity hares**

The Company has issued only one class of equity shares having par value of ₹ 10/- each. Each Equity shareholder is entiled to one vote per share.

**c) The Reconciliation of No. of Equity Shares oustanding and the amount of share capital.**

| Particulars | 2014-15 | | 2013-14 | |
|---|---|---|---|---|
| Shares outstanding at the beginning of the year | **13,849,150** | **1,384.92** | 13,299,150 | 1,329.92 |
| Shares Issued during the year | **450,000** | **45.00** | 550,000 | 55.00 |
| Shares bought back during the year | **-** | **-** | - | - |
| Shares outstanding at the end of the year | **14,299,150** | **1,429.92** | 13,849,150 | 1,384.92 |

**d) Shareholders holding more than 5% shares in the Company**

| Name of Shareholder | 2014-15 | | 2013-14 | |
|---|---|---|---|---|
| | **No. of Shares held** | **% of Holding** | No. of Shares held | % of Holding |
| Mr. Pankaj Seth | **5,641,593.00** | **39.45** | 5,416,593.00 | 39.11 |
| Mrs. Anisha Seth | **1,890,895.00** | **13.22** | 1,665,895.00 | 12.03 |
| Mediaman Multitrade Pvt. Ltd. | **1,226,081.00** | **8.57** | 1,226,081.00 | 8.85 |

**e) Aggregate no. of shares for last five years from the date of Balance Sheet**

| Particulars | No. of Shares |
|---|---|
| Equity Shares & Preference Shares : | |
| Fully paid up pursuant to contract (s) without payment being received in cash | - |
| Fully paid up by way of bonus shares | 4,433,050 |
| Shares bought back | - |

**Additional disclosure**

**Terms of Warrants:**

A. 8 lacs Optionally Fully Convertible Warrants were issued to Mr. Pankaj Seth and Mrs. Anisha P. Seth on 1st Nov, 2010 at a price of ₹ 38/- each out of which 25% amount received at the time of allotment. Each warrant to be converted into 1 equity share of ₹ 10/- each within a period of 18 months from the date of allotment i.e. on or before 30th April, 2012. All the warrants were converted into Equity Shares of ₹ 10/- each on 31st March, 2011 - 224560 shares, on 22nd March, 2012 - 350000 shares and balance 225440 shares on 27th April, 2012 respectively. Out of the above 2,25,440 shares are under lockin for 3 years till 26th April, 2015.

B. 10 lacs Optionally Fully Convertible Warrants were issued to Mr. Pankaj Seth & Mrs. Anisha Seth on 10th September, 2013 at a price of ₹ 76.57/- each, out of which 25% amount received at the time of allotment of warrants. Each warrant to be converted into 1 equity share of ₹ 10/- each within 18 months from the date of allotment i.e. to be converted on or before 9th March, 2015. The details of conversion in 2013-14 and 2014-2015 is as mentioned below:-

| | | |
|---|---|---|
| 16th December, 2013 | 400,000 | lock in for 3 year till 15th December, 2016 |
| 20th March, 2013 | 150,000 | lock in for 3 year till 19th March, 2017 |
| 18th June, 2014 | 450,000 | lock in for 3 year till 17th June, 2017 |
| **Total** | **1,000,000** | |

**NOTE 2 : RESERVES & SURPLUS** (₹ in lakh)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Capital Reserve** | | |
| Opening Balance | **632.89** | 369.14 |
| (+) Current Year Transfer | **118.93** | 263.75 |
| (-) Written Back in Current Year | **-** | - |
| Closing Balance | **751.82** | 632.89 |
| **Securities Premium Account** | | |
| Opening Balance | **792.41** | 426.28 |
| (+) Premium Received on Allotment of shares | **299.57** | 366.14 |
| (-) Issue of Bonus Shares | **-** | - |
| (-) Expenses on Issue of Debentures and Debenture Premium | **-** | - |
| Closing Balance | **1,091.98** | 792.41 |
| **Revaluation Reserve** | | |
| Opening Balance | **-** | - |
| (+) Current Year Transfer | **-** | - |
| (-) Written Back in Current Year | **-** | - |
| Closing Balance | **-** | - |
| **General Reserve** | | |
| Opening Balance | **794.67** | 494.67 |
| (+) Transfer from Profit and Loss | **300.00** | 300.00 |
| (-) Written Back in Current Year | **-** | - |
| Closing Balance | **1,094.67** | 794.67 |

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Surplus** | | |
| Opening balance | **3,394.05** | 2,216.74 |
| (+) Net Profit / (Loss) for the Current Year | **2,669.89** | 2,000.39 |
| (+) Transfer from Reserves | **-** | - |
| (-) Proposed Dividends | **321.73** | 173.11 |
| (-) Interim Dividends | **327.36** | 273.98 |
| (-) Tax on Distributed Profit | **132.70** | 75.98 |
| (-) Transfer to General Reserves | **300.00** | 300.00 |
| Closing Balance | **4,982.15** | 3,394.05 |
| **Total** | **7,920.62** | 5,614.02 |

**Notes :**

1) Capital Reserve has increased due to receipt of Government Grants in the nature of Promoters' Contribution in respect of its textile unit in the state of Gujarat.

**NOTE 3 : LONG TERM BORROWINGS**

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Secured** | | |
| Term Loans | | |
| from Banks | **2,088.36** | 2,184.16 |
| Total | **2,088.36** | 2,184.16 |

**Additional disclosure**

| | |
|---|---|
| **Term Loans** | |
| Term Loan No. 1 - SBI | 140.90 |
| Term Loan No. 2 - SBI | 695.09 |
| Term Loan No. 3 - SBI | 632.92 |
| Term Loan - HDFC Bank Ltd. | 619.45 |
| | 2,088.36 |

**Long-term Borrowings**

| | |
|---|---|
| 1) | Term Loan No. 1 to 3 from State Bank of India are secured by 1st mortgage on the fixed assets of the Company located Plot No. 6, 7, 8 & 9, Faideal Textile Park, Village Mahuvej, Taluka Mangrol, Distt. Surat - 394 102 both present and future and hypothecation on all the movable assets of the Company installed at the above said unit. |
| 2) | The above financial assistance from State Bank of India are additionally secured by 1st mortgage on the Company's fixed assets located at MIDC, Dombivali. The above said financial assistance are additionally secured by hypothecation of the Wind Turbine Generation unit located in Rawat ka Gaon, Tah. Shiv, Distt. Barmer in the state of Rajasthan. |
| 3) | The above Term Loans are additionally secured by way of lien on Fixed Deposits aggregating to ₹ 168.00 lakhs standing in the name of the Company. |
| 4) | All the above loans are personally guaranteed by both the Promoter Directors of the Company. |

| | |
|---|---|
| 5) | Term Loan from HDFC Bank Ltd. is secured by way of 1st and exclusive charge on the Plant & Machinery purchased under the scheme. The Loan is additionally secured by way of equitable mortgage of Factory building located at B-12, Asmeeta Textile Park, ITP, MIDC, Plot No. 1, in Additional Kalyan Bhiwandi Industrial Area, Village Kon, Taluka Bhiwadi, Distt. Thane (Mah.) |
| 6) | The Term Loan from HDFC Bank is personally guaranteed by the Promoter Director of the Company Shri Pankaj Seth. |
| 7) | Terms of Repayment of **Term Loan No. 1-SBI** : Loan shall be repaid in 66 monthly instalment of ₹ 24 lakhs commencing from 1st April, 2011 and one instalment shall be of ₹ 26 lakhs. |
| 8) | Terms of Repayment of **Term Loan No. 2-SBI** : Loan shall be repaid in 39 monthly instalment of ₹ 20 lakhs each commencing from 1st January, 2014, 12 monthly instalments of Rs. 21 lakhs each commencing from 1st April, 2017 and 9 monthly installment of ₹ 21.44 Lakhs each commencing from 1st April, 2018. |
| 9) | Terms of Repayment of **Term Loan No. 3-SBI** : Loan shall be repaid in 60 monthly instlments out of which 36 monthly instalments of ₹ 15 lakhs each commencing from 1st August, 2014, 23 monthly instalments of ₹ 16 lakhs each commencing from 1st August, 2017 and last installment shall be of ₹ 17 lakhs to be paid on 1st July, 2019. |
| 10) | **Terms of Repayment of Term Loan from HDFC Bank Ltd.** :- Loan shall be repaid in 60 months commencing from 7th October, 2014 and last instalment shall be paid on 7th Septemebr, 2019. |

**NOTE 4 : DEFERRED TAX**

(₹ in lakh)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **1. Deferred Tax Liability** | | |
| a. Depreciation | **741.00** | 583.58 |
| **2. Deferred Tax Assets** | | |
| a. Tax Disallowances | **13.90** | 14.46 |
| **Total** | **727.09** | 569.12 |

**NOTE 5 : LONG TERN PROVISIONS**

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **(a) Provision for Employee Benefits** | | |
| Contribution to PF/ESIC | **-** | - |
| **Gratuity (Non Funded)** | **35.49** | 39.03 |
| **Total** | **35.49** | 39.03 |

**NOTE 6 : SHORT TERM BORROWINGS**

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Secured** | | |
| **(a) Loans Repayable on Demand** | | |
| from Banks | **1,287.67** | 1,632.67 |
| (b) Term Loan repaybale within one year | **850.26** | 648.00 |
| Total | **2,137.93** | 2,280.67 |

**Additional disclosures : Short-Term Borrowings**

| | |
|---|---|
| 1) | Working Capital limits from Banks are secured by hypothecation on all the currents assets both present & future of the Company. |
| 2) | The financial assistance from State Bank of India is additioanlly secured by 1st mortgage on the Company's fixed assets located at MIDC, Dombivali and Surat. The Financial Assistance from State Bank of India are further secured by hypothecation of the Wind Turbine unit located in Rawat ka Gaon, Tah. Shiv, Distt. Barmer in the state of Rajasthan. |
| 3) | The loans from State Bank of India are additinally secured by way of pledge of Fixed Deposits aggregating to ₹ 168.00 lakhs standing in the name of the company. |
| 4) | The loans from DBS Bank are additionally secured by way of lien on Fixed Deposits aggregating to ₹ 300.00 lakhs standing in the name of the company. |
| 5) | Working Capital Limits from State Bank of India and DBS Bank is personally guaranteed by both the Promoter Directors of the Company. |
| 6) | Working Capital Limits from HDFC Bank Ltd. is additionally secured by way of equitable mortgage of Factory building located at B-12, Asmeeta Textile Park, ITP, MIDC, Plot No. 1, in Additional Kalyan Bhiwandi Industrial Area, Village Kon, Taluka Bhiwadi, Distt. Thane (Mah.) |
| 7) | Working Capital Limits from HDFC Bank Ltd. is personally guaranteed by Shri Pankaj Seth the Promoter Director of the Company. |

**NOTE 7 : TRADE PAYABLES** (₹ in lakh)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| (a) Due to Micro, Small and Medium Enterprises | - | - |
| (b) Others | **239.40** | 327.76 |
| **Total** | **239.40** | 327.76 |

**NOTE 8 : OTHER CURRENT LIABILITIES**

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| (a) Interest accrued and due on borrowings | **5.69** | 0.91 |
| (b) Advaces recd. From Customers | **162.17** | 153.49 |
| (c) Unclaimed dividends | **22.58** | 17.51 |
| (d) Taxes, Duties and Other Levies Payable | **25.06** | 20.68 |
| (e) Other payables and liability | **213.24** | 419.70 |
| **Total** | **428.74** | 612.30 |

**NOTE 9 : SHORT TERM PORVISONS**

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| (a) Provision for Employee Benefits | | |
| Salary & Reimbursements | **4.53** | 3.84 |
| Bonus | **3.18** | 2.81 |
| Leave Encashment (Non Funded) | **2.22** | 4.13 |
| (b) Provision for Taxes (Net of Advance Payment of Taxes) | **72.15** | 74.82 |
| (c) Provision for Final Dividend | **321.73** | 173.11 |
| (d) Provision for Tax on Distributed Profits | **65.87** | 29.42 |
| (e) Provision for Other Expenses | **64.53** | 58.79 |
| **Total** | **534.23** | 346.93 |

## NOTE 10 : FIXED ASSETS

(₹ in lacs)

| | | Gross Block | | | | | | | Accumulated Depreciation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Assets** | **Opening** | **Addi-tions** | **Acquired through business combi-nations** | **Other Adjust-ments** | **Sub - Total** | **Dis-posals** | **Gross block at the year end** | **Opening** | **Depre-ciation charge for the year** | **Other Adjust-ments** | **On dis-posals** | **Closing** | **As at 31st March, 2015** | **As at 31st March, 2014** |
| a | **Tangible Assets*** | | | | | | | | | | | | | | |
| | Freehold Land | - | - | - | - | - | - | - | - | - | - | - | - | **-** | - |
| | Leasehold Land | 240.66 | - | - | - | 240.66 | - | 240.66 | 6.00 | 3.00 | - | - | 8.99 | **231.67** | 234.66 |
| | Buildings | 1,954.82 | 27.69 | - | - | 1,982.52 | - | 1,982.52 | 86.86 | 36.34 | - | - | 123.21 | **1,859.31** | 1,867.96 |
| | Plant and Machinery | 5,448.42 | 1,144.19 | - | - | 6,592.61 | - | 6,592.61 | 936.24 | 351.52 | - | - | 1,287.76 | **5,304.85** | 4,512.19 |
| | Furniture, Fixtures and Fittings | 162.39 | 21.31 | - | - | 183.70 | - | 183.70 | 34.35 | 25.70 | - | - | 60.05 | **123.65** | 128.04 |
| | Electrical Installations | 194.98 | 14.15 | - | - | 209.13 | - | 209.13 | 50.47 | 17.77 | - | - | 68.23 | **140.89** | 144.51 |
| | Office equipment | 146.65 | 43.97 | - | - | 190.62 | - | 190.62 | 97.25 | 39.44 | - | - | 136.68 | **53.94** | 49.40 |
| | Vehicles | 68.35 | 12.03 | - | - | 80.38 | - | 80.38 | 53.32 | 3.74 | - | - | 57.06 | **23.31** | 15.02 |
| | | 8,216.27 | 1,263.34 | - | - | 9,479.61 | - | 9,479.61 | 1,264.49 | 477.50 | - | - | 1,741.99 | **7,737.62** | 6,951.78 |
| b | **Intangible Assets** | | | | | | | | | | | | | | |
| | Goodwill | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Computer software | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **c** | **Capital Work In Progress** | 7.72 | 1,277.22 | - | - | 1,284.93 | 1,181.93 | 103.00 | - | - | - | - | - | **103.00** | 7.72 |
| | **Total** | **8,223.99** | **2,540.56** | - | - | **10,764.55** | **1,181.93** | **9,582.62** | **1,264.49** | **477.50** | **-** | **-** | **1,741.99** | **7,840.63** | **6,959.50** |
| | Less: Witdrawn from Revalution Res. | - | - | - | - | - | - | - | - | - | - | - | - | **-** | - |
| | **Total** | **8,223.99** | **2,540.56** | - | - | **10,764.55** | **1,181.93** | **9,582.62** | **1,264.49** | **477.50** | **-** | **-** | **1,741.99** | **7,840.63** | **6,959.50** |
| | Previous Year | 4,308.93 | 6,691.42 | - | - | 11,000.35 | 2,776.37 | 8,223.98 | 931.23 | 349.35 | - | 16.09 | 1,264.49 | 6,959.50 | 3,377.70 |

## NOTE 11 : NON CURRENT INVESTMENTS

(₹ in lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **A. Investment in Subsidiaries (Unquoted, Trade)** | - | - |
| (a) Investment in Orbit Inc. | 369.27 | 57.17 |
| 5,95,000 Shares (P.Y. 95,000 Shares) of $ 1 each per Share | - | - |
| **Total** | **369.27** | **57.17** |
| **B. Investment in Associates (Unquoted, Trade )** | - | - |
| (a) Investment in Rainbow Line Trading LLC 147 Shares of AED 1,000 each per Share | 56.19 | 56.19 |
| **Total** | **56.19** | 56.19 |
| **C. Other Investments (Unquoted, Trade )** | | |
| (a) Investment in Equity instruments | 1.00 | 1.00 |
| (b) Investments in Government or Trust securities | 35.61 | 35.57 |
| (c) Investment in Mutual Fund | - | - |
| **Total (B)** | **36.61** | 36.57 |
| **Grand Total (A + B+C)** | **462.08** | 149.94 |
| Less : Provision for dimunition in the value of Investments | - | - |
| **Total** | **462.08** | 149.94 |
| Aggregate amount of quoted investments [Market value ₹ Nil (Previous Year ₹ Nil) | - | - |
| Aggregate amount of unquoted investments | 462.08 | 149.94 |

**Additional disclosure**

| | |
|---|---|
| 1) | Investment in Govt or Trust securities includes investments in NSC amounting to ₹ 0.61 lakhs was made for obtaining Registration in the state of Gujarat & Rajasthan. Further an amount of ₹ 35.00 lakhs was invested in Capital Gain Bonds of Rural Elecrtification Corporation Ltd. |
| 2) | Investment in Equity inst. includes investment made in Kurla Nagrik Sahakari Bank Ltd. ₹ 1,00,000/- |
| 3) | The Company has invested in Shares of ₹ 56.19 lakhs in its Associates Company Rainbow Line Trading LLC, Dubai. |
| 4) | The Company has invested in Shares of ₹ 369.27 lakhs in its Wholly Owned Subsidiary "Orbit Inc." USA |

## NOTE 12 : LONG TERM LOANS AND ADVANCES

(₹ in lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| a. Capital Advances | 28.74 | - |
| b. Security Deposits | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 36.30 | 33.14 |
| Doubtful | - | - |
| Less: Provision for doubtful deposits | | |
| | 65.04 | 33.14 |
| c. Loans and Advances to Related Parties | - | - |
| d. Dues from Govt. Authorities | - | - |
| e. Misc Loans and Advances | - | - |
| **Total** | **65.04** | 33.14 |

## NOTE 13 : CURRENT INVESTMENTS

(₹ in lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Trade Investments** | | |
| (a) Investement in Equity instruments | - | - |
| (b) Investment in Mutual Fund | - | - |
| (c) Investment in Commodity | - | - |
| **Total** | - | - |
| Aggregate amount of quoted investments<br>(Market value ₹ Nil (Previous Year ₹ Nil ) | - | - |
| Aggregate amount of unquoted investments | - | - |

## NOTE 14 : INVENTORIES

| Particulars | 2014-15 | | 2013-14 | |
|---|---|---|---|---|
| a. Raw Materials and components | 526.77 | | 682.49 | |
| Goods-in transit (Including Packing Material) | - | | - | |
| | - | 526.77 | | 682.49 |
| b. Work-in-progress | 351.70 | | 374.78 | |
| Goods-in transit | - | | - | |
| | - | 351.70 | - | 374.78 |
| c. Finished goods | 1,461.45 | | 1,112.07 | |
| Goods-in transit | - | | - | |
| | - | 1,461.45 | - | 1,112.07 |
| e. Stores and spares | 13.60 | | 10.72 | |
| Goods-in transit | - | | - | |
| | - | 13.60 | - | 10.72 |
| **Total** | | 2,353.52 | | 2,180.05 |

## NOTE 15 : TRADE RECEIVABLES

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Trade Receivables outstanding for a period exceeding six months from the due date of Payment** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 417.13 | 412.32 |
| Unsecured, considered doubtful | - | - |
| | 417.13 | 412.32 |
| Less: Provision for doubtful debts | - | - |
| | 417.13 | 412.32 |
| **Trade Receivables Others** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 2,622.86 | 2,370.34 |
| Unsecured, considered doubtful | - | - |
| | 2,622.86 | 2,370.34 |
| Less: Provision for doubtful debts | - | - |
| | 2,622.86 | 2,370.34 |
| **Total** | 3,039.99 | 2,782.67 |

## NOTE 16 : CASH AND BANK BALANCE

(₹ in lacs)

| Particulars | 2014-15 | | 2013-14 | |
|---|---|---|---|---|
| **A. Cash and cash Equivalents** | | | | |
| **Balances with banks** | | | | |
| Unpaid Dividend | **22.58** | | 17.51 | |
| Others | **5.27** | **27.85** | 4.60 | 22.12 |
| Cheques, drafts on hand | | **-** | | - |
| Cash on hand | | **7.47** | | 6.43 |
| | | **35.32** | | 28.55 |
| **B. Other Bank Balances** | | | | |
| Bank deposits with less than 12 months maturity* | **317.23** | | 465.46 | |
| Bank deposits with more than 12 months maturity* | **286.90** | | 22.45 | |
| Accrued Interest on Bank Deposits | **35.67** | | 7.59 | |
| | | **639.80** | | 495.50 |
| **Total** | | **675.12** | | 524.05 |

**Note :**

The Fixed Deposits aggregating to ₹ 301.67 lakhs has been pledged with State Bank of India, ₹ 302.23 Lakhs with Development Bank of Singapore as collateral security against the financial assistance extended by the respective banks and ₹ 0.25 lakhs with Central Bank of India.

## NOTE 17 : SHORT-TERM LOANS AND ADVANCES

| Particulars | 2014-15 | | 2013-14 | |
|---|---|---|---|---|
| a. **Advances to suppliers** | **25.00** | | 18.16 | |
| b. **Amount lying with Govt. Authorities** | | | | |
| VAT Receivable | **28.50** | | 18.21 | |
| Duty Draw Back/DEPB Receivable | **338.75** | | 244.45 | |
| Subsidy Receivable | **634.25** | | 470.84 | |
| Service Tax Receivable | **-** | | - | |
| Income Tax Receivable | **35.37** | | 36.18 | |
| | | **1,061.88** | | 787.83 |
| c. **Misc Loans and Advances** | | | | |
| Secured, considered good | **-** | | - | |
| Unsecured, considered good | **6.96** | | 8.90 | |
| Doubtful | **-** | | - | |
| Less : Provision for doubtful loans and advances | **-** | | - | |
| | | **6.96** | | 8.90 |
| **Total** | | **1,068.84** | | 796.74 |

## NOTE 18 : OTHER CURRENT ASSETS

(₹ in lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Prepaid Expenses | **34.44** | 15.13 |
| Others (specify nature)- Miscellaneous Exp. | **2.11** | 3.84 |
| **Total** | **36.55** | 18.96 |

**NOTE 19 :**

(₹ in lakh)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Revenue from Operations (Gross)** | | |
| Sale of Products | **15,112.00** | 13,238.70 |
| **Other Operating Revenues** | | |
| Miscellaneous Income (Export Incentives) | **628.49** | 462.82 |
| | **15,740.48** | 13,701.52 |
| Less : Excise Duty | **-** | - |
| Revenue from Operations (Net) | **15,740.48** | 13,701.52 |

**NOTE 20 : OTHER INCOME**

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Net Gain on Foreign Currency Translations and Transcations | **42.12** | 1.91 |
| Misc Non-operating Income | **-** | 196.95 |
| Interest Income | **56.62** | 25.20 |
| **Total** | **98.74** | 224.07 |

**NOTE 21 : MATERIAL CONSUMED**

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Opening Inventory | **693.21** | 388.76 |
| Add : Purchases (Net) | **7,393.50** | 8,067.65 |
| | **8,086.71** | 8,456.42 |
| Less Closing Inventory | **526.77** | 682.49 |
| **Cost of Materials Consumed** | **7,559.94** | 7,773.93 |

**NOTE 22 : INVENTORY CHANGE**

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Opening Inventory | | |
| (a) Finished Goods | **1,112.07** | 1,046.01 |
| (b) Traded Goods | **-** | - |
| (c) Work-in-Progress | **374.78** | 102.81 |
| | **1,486.84** | 1,148.82 |
| Less: Closing Inventory | | |
| (a) Finished Goods | **1,461.45** | 1,112.07 |
| (b) Traded Goods | **-** | - |
| (c) Work-in-Progress | **351.70** | 374.78 |
| | **1,813.15** | 1,486.84 |
| (Increase) / Decrease in Inventory | **(326.30)** | (338.02) |

**NOTE 23 : EMPLOYEE BENEFITS EXPENSE**

(₹ in lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| (a) Salaries and Wages | **978.64** | 582.03 |
| (b) Contributions to Provident and Other Funds | **74.81** | 12.51 |
| (c) Staff Welfare Expenses | **23.07** | 10.63 |
| **Total** | **1,076.52** | 605.17 |

## NOTE 24 : FINANCE COST

(₹ in lakh)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Interest Expenses | **127.43** | 157.32 |
| Other Borrowing Costs | **-** | - |
| Applicable Net Gain/Loss on Foreign Currency Transactions and Translation | **-** | - |
| **Total** | **127.43** | 157.32 |

## NOTE 25 : OTHER EXPENSES

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Consumption of Stores & Spare Parts | **39.13** | 29.31 |
| Power and Fuel | **416.07** | 305.36 |
| Rent | **68.00** | 68.52 |
| **Repairs and Maintenance** | | |
| Plant and Machinery | **42.15** | 18.22 |
| Others | **25.67** | 25.03 |
| Insurance | **24.77** | 21.93 |
| Rates & Taxes | **23.75** | 23.34 |
| Miscellaneous Expenses | **0.01** | 0.53 |
| Processing and Other Manufacturing Expenses | **1,104.60** | 952.46 |
| Labour Charges | **55.85** | 47.14 |
| Travelling and Conveyance | **185.68** | 182.90 |
| **Payment to Auditors** | | |
| As Auditor | **4.55** | 3.65 |
| For Other Services | **-** | 0.45 |
| Legal and Professional Charges | **79.00** | 37.15 |
| Donations | **0.86** | 0.83 |
| Sales Promotion Expenses | **60.82** | 33.20 |
| Advertising & Publicity | **17.63** | 7.22 |
| Selling & Distribution Expenses | **243.23** | 192.46 |
| Freight & Forwarding Expenses | **332.04** | 198.98 |
| Security Expenses | **16.60** | 6.96 |
| Electricity | **17.74** | 13.66 |
| Commission & Brokerage | **205.17** | 233.40 |
| Printing & Stationery | **10.33** | 9.57 |
| Postage & Telephone | **36.70** | 30.03 |
| Bank Charges | **62.57** | 46.06 |
| Membership & Subscription | **2.96** | 0.89 |
| Miscellaneous Expenses W/off | **1.73** | 1.73 |
| Others | **6.85** | 1.65 |
| **Total** | **3,084.45** | 2,492.58 |

## NOTE 26 : EARNING PER SHARE

(₹ in lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Net Profit After Tax | **2,669.89** | 2,000.39 |
| Weighted Average Number of Equity Shares | | |
| For Calculation of Basic EPS | **14,202,986** | 13,420,246 |
| For Calculation of Diluted EPS | **14,202,986** | 13,870,246 |
| Earning Per Share Before and After Extraordinary Items | | |
| Basic | **18.80** | 14.91 |
| Diluted | **18.80** | 14.42 |

# INDEPENDENT AUDITORS' REPORT

To,
The Members of
**Orbit Exports Limited**

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Orbit Exports Limited (the "Company") and its subsidiary (together, the "Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and Notes forming part of the Accounts.

## 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Group 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated 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 (ICAI), 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 preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Group's Management, 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 Consolidated Financial Statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated 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 Group as at 31st March, 2015, its profit, and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory**

**Requirements**

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, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

**Other Matter:-**

The accompanying financial statements include total assets of ₹ 895.74 lakhs as at 31st March, 2015, and total Profit before tax of ₹ 14.40 lakhs for the year ended on that date, in respect of one subsidiary, which has been audited by other auditors, which financial statements, other financial information and Auditor's Reports have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of the subsidiary is based solely on the report of such other auditors. Our opinion is not modified in respect of this matter.

for **Krishna R. Moondra & Associates**
Chartered Accountants

**Manish Kumar Gupta**
Partner
M. No. 130883/ FRN No. : 114488W.
Place: Mumbai.
Dated: 22nd May, 2015.

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

( ₹ in Lacs)

| PARTICULARS | Note No. | 2015 | | 2014 | |
|---|---|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | | | |
| **1. Shareholder's funds** | | | | | |
| (a) Share Capital | 1 | **1,429.92** | | 1,384.92 | |
| (b) Reserves and Surplus | 2 | **8,073.95** | | 5,650.99 | |
| (c) Money recevied against share warrants | | **-** | | 86.14 | |
| | | | **9,503.86** | | 7,122.04 |
| **2. Share Application Money Pending Allotment** | | | **-** | | - |
| **3. Non Current Liabilities** | | | | | |
| (a) Long-term Borrowings | 3 | **2,088.36** | | 2,184.16 | |
| (b) Deferred Tax Liabilities (Net) | 4 | **730.60** | | 571.87 | |
| (c) Other Long-term Liabilities | | **-** | | - | |
| (d) Long-term Provisions | 5 | **35.49** | | 39.03 | |
| | | | **2,854.45** | | 2,795.07 |
| **4. Current Liabilities** | | | | | |
| (a) Short-term Borrowings | 6 | **2,137.93** | | 2,280.67 | |
| (b) Trade Payables | 7 | **258.68** | | 338.73 | |
| (c) Other Current Liabilities | 8 | **431.37** | | 612.30 | |
| (d) Short-term Provisions | 9 | **540.25** | | 366.48 | |
| | | | **3,368.22** | | 3,598.19 |
| **TOTAL** | | | **15,726.54** | | 13,515.29 |
| **II ASSETS** | | | | | |
| **1. Non-Current Assets** | | | | | |
| (a) Fixed Assets | 10 | | | | |
| (i) Tangible Assets | | **7,746.73** | | 6,962.27 | |
| (ii) Intangible Assets | | **-** | | - | |
| (iii) Capital work-in-progress | | **103.00** | | 7.72 | |
| (b) Non-Current Investments | 11 | **222.39** | | 126.44 | |
| (c) Deferred Tax Assets (net) | | **-** | | - | |
| (d) Long-term Loans and Advances | 12 | **73.27** | | 40.25 | |
| (e) Other Non-Current Assets | | **-** | | - | |
| | | | 8,145.39 | | 7,136.67 |
| **2. Current Assets** | | | | | |
| (a) Current Investments | 13 | **-** | | - | |
| (b) Inventories | 14 | **2,904.26** | | 2,494.87 | |
| (c) Trade Receivables | 15 | **2,889.14** | | 2,530.60 | |
| (d) Cash and Bank Balances | 16 | **647.46** | | 532.89 | |
| (e) Short-term Loans and Advances | 17 | **1,068.84** | | 796.74 | |
| (f) Other Current Assets | 18 | **41.47** | | 23.53 | |
| | | | 7,551.16 | | 6,378.62 |
| **TOTAL** | | | 15,696.55 | | 13,515.29 |
| Significant Accounting Policies and Notes to Accounts | | | | | |

As per our report of even date

for **Krishna R. Moondra & Associates**
Chartered Accountants

**Manish Kumar Gupta**
Partner.
M. No. : 130883 / F.R. No. : 114488W
Place : Mumbai.
Dated : 22nd May, 2015.

Signature to the balance Sheet and Notes & Other Notes to Acocunts

for and on behalf of the Board

**Pankaj S. Seth**
Managing Director

**Anisha P. Seth**
Whole-time Director

**Mukesh Deopura**
CFO

**Neha Poddar**
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST, MARCH, 2015

( ₹ in Lacs)

| | PARTICULARS | Note No. | 2014 - 2015 | | 2013 - 2014 | |
|---|---|---|---|---|---|---|
| I | Revenue from Operations | 19 | | **15,820.75** | | 13,311.05 |
| II | Other Income | 20 | | **98.74** | | 224.07 |
| III | **Total Revenue (I + II)** | | | **15,919.49** | | 13,535.11 |
| IV | **Expenses** | | | | | |
| | Cost of Matarials consumed | 21 | **7,679.29** | | 7,661.48 | |
| | Purchases of Stock in Trade | | **-** | | - | |
| | Changes in inventories of finished goods, work in progress and Stock-in- trade | 22 | **(562.23)** | | (652.84) | |
| | Employee Benefits Expenses | 23 | **1,150.89** | | 655.43 | |
| | Finance Costs | 24 | **127.43** | | 157.23 | |
| | Depreciation and Amortization Expenses | 10 | **480.65** | | 351.18 | |
| | Other Expenses | 25 | **3,180.91** | | 2,468.47 | |
| | Total Expenses | | | **12,056.93** | | 10,640.96 |
| V | Profit Before Exceptional Item and extraordinary item and Tax (III-IV) | | | **3,862.56** | | 2,894.15 |
| VI | Exceptional Items | | | **-** | | - |
| VII | Profit before extraordinary item and Tax (V-VI) | | | **3,862.56** | | 2,894.15 |
| VIII | Extraordinary Items | | | **-** | | - |
| IX | Profit before Tax (VII-VIII) | | | **3,862.56** | | 2,894.15 |
| X | **Tax Expense:** | | | | | |
| | (1) Current Tax | | **1,058.78** | | 706.38 | |
| | Less : MAT credit Entitalment | | **-** | | - | |
| | Net Current Tax | | **1,058.78** | | 706.38 | |
| | (2) Deferred Tax | | **158.61** | | 181.87 | |
| | | | | **1,217.39** | | 888.25 |
| | | | | **2,645.17** | | 2,005.90 |
| | Tax Adjustment in Respect of Previous Year | | | **(43.20)** | | 0.22 |
| XI | Profit after Tax before Share in Profit of Associates From Continuing Operations | | | **2,688.37** | | 2,005.67 |
| XII | Add: Share in Profit of Associates | | - | **97.89** | - | 31.69 |
| XIII | Profit/(Loss) from discontinuing operations | | | | | |
| XIV | Tax expenses from discontinuing operations | | - | | - | |
| XV | Profit/(Loss) from discontinuing operations (after Tax)(XII-XIII) | | | **-** | | - |
| XVI | Profit/(Loss) for the period (XI+XIV) | | | **2,786.25** | | **2,037.36** |
| XVI | **Earnings per Equity Share:** | | | | | |
| | (1) Basic (in Rs.) | 26 | | **19.62** | | 14.95 |
| | (2) Diluted (in Rs.) | | | **19.62** | | 14.46 |
| | Significant Accounting Policies and Notes to Accounts | | | | | |

As per our report of even date

Signature to the balance Sheet and Notes & Other Notes to Acocunts

for **Krishna R. Moondra & Associates**
Chartered Accountants

for and on behalf of the Board

**Manish Kumar Gupta**
Partner.
M. No. : 130883 / F.R. No. : 114488W
Place : Mumbai.
Dated : 22nd May, 2015.

**Pankaj S. Seth**
Managing Director

**Anisha P. Seth**
Whole-time Director

**Mukesh Deopura**
CFO

**Neha Poddar**
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

( ₹ in Lacs)

| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|---|---|---|
| **A] CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Net Profit/(Loss) Before Tax and Exceptional Items** | **3,862.56** | 2,894.15 |
| Add: **Adjustment for** | | |
| Depreciation | **480.65** | 351.18 |
| Misc. Exp. W/off | **1.73** | 1.73 |
| Interest Expenses | **127.43** | 157.23 |
| Less: Direct Tax Paid | **(1,058.78)** | (706.38) |
| Prior Period Item/Previous Year Tax Adjustment | **43.20** | (0.22) |
| Extraordinary item - | **-** | |
| **Operating Profit/(Loss) before working Capital Changes** | **3,456.78** | 2,697.68 |
| Decrease/(Increase) in Inventory | **(409.39)** | (945.19) |
| Decrease/(Increase) in Trade Receivable | **(358.54)** | (902.40) |
| Decrease/(Increase) in Loans & Advances & Other Current Assets | **(323.06)** | 340.04 |
| Increase/(Decrease) in Trade and Other Payable and long term Liability | **(90.77)** | 548.45 |
| **Net Cash Flow From Operating Activities** | **2,275.02** | 1,738.58 |
| **B) CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchases of Fixed Assets | **(1,265.10)** | (4,111.03) |
| Sale of Fixed Assets | **-** | 129.44 |
| Increase/(Decrease) in CWIP | **(95.29)** | 38.06 |
| Increase/(Decrease) in Investments | **(95.95)** | 678.25 |
| Net Cash Flow from Investing Activities | **(1,456.34)** | (3,265.28) |
| **C) CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Issue of Equity Share Capital | **45.00** | 55.00 |
| Advance Received Againts Issue of Convertible Warrants | **(86.14)** | 86.14 |
| Increase/(Decrease) in Capital Reserve | **118.93** | 263.75 |
| Increase/(Decrease) Share Preimum | **299.57** | 366.14 |
| Increase/(Decrease) in Secured Loans (Net of Repayments) | **(238.53)** | 1,743.87 |
| Deffered Revenue Expenditure | **(1.73)** | (1.73) |
| Dividend Paid | **(781.79)** | (523.08) |
| Profit on Associates Enterprisess | **97.89** | 31.69 |
| | **-** | - |
| Interest Paid | **(127.43)** | (157.23) |
| **Net Cash Flow From Financing Activities** | **(674.24)** | 1,864.55 |
| **Net Increase/(Decrease) in Cash & Cash Equivalents** | **144.43** | 337.85 |
| **Opening Balance of Cash & Cash Equivalents** | **532.88** | 195.03 |
| **Closing Balance of Cash & Cash Equivalents** | **647.46** | 532.88 |

As per our report of even date

Signature to the balance Sheet and Notes & Other Notes to Acocunts

for **Krishna R. Moondra & Associates**
Chartered Accountants

for and on behalf of the Board

**Manish Kumar Gupta**
Partner.
M. No. : 130883 / F.R. No. : 114488W
Place : Mumbai.
Dated : 22nd May, 2015.

**Pankaj S. Seth**
Managing Director

**Anisha P. Seth**
Whole-time Director

**Mukesh Deopura**
CFO

**Neha Poddar**
Company Secretary

# SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

## A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

## B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Orbit Exports Limited ("the Company") and its subsidiary companies, associates. The consolidated financial statements have been prepared on the following basis :-

a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

b) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures".

c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Exchange Fluctuation Reserve.

d) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.

e) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.

f ) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

g) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

h) Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".

i) The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information.

j) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

k) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

**C.** Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

**D.** Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

**Part – B**

**Other Notes to Accounts:**

**1. Contingent Liabilities and commitments not provided for :**

The Company has outstanding commitment including Letters of Credits for imported plant & machineries towards capital goods and aggregate amount is as under :-

| Sr. No. | Nature of Commitment | Amount (₹ in lakhs) | |
|---|---|---|---|
| | | **2014-15** | 2013-14 |
| 1. | Commitments on Capital Account | **NIL** | --- |
| 2. | Service Tax Liability on purchase of Unit in Asmeeta Textile Park, Bhiwandi | **63.04** | 63.04 |

**Note on Point No. 2 :-**

The Company has purchased a unit in Asmeeta Textile Park, Bhiwandi vide Lease Deed dated 21st August, 2013. The Amount of additional Service Tax amounting to ₹ 63,04,410/- (Rupees sixty three lakhs four thousands four hundred ten only) was demanded by the Developers M/s. Asmeeta Infratech Ltd. on account of differential amount of Service Tax on the Unit No. B-12, Asmeeta Textile Park, Bhiwandi. The matter is sub-judice at this moment. The Company has been advised that there will not be any liability towards Service tax over and above the amount already paid by the Company.

2. Balances of Sundry Debtors, Creditors, and Loans & Advances are subject to confirmation and reconciliation, if any.

3. **Managerial Remuneration :-**

**a) Managing Director's Remuneration** **(₹ in lakhs)**

| | | **2014-15** | 2013-14 |
|---|---|---|---|
| i. | Salary & Bonus | **114.00** | 91.00 |
| ii. | Contribution to Provident Fund and Other funds | **---** | --- |
| iii. | Perquisites | **19.00** | 11.00 |
| | | **133.00** | 102.00 |

**b) Whole Time Director's Remuneration** **(₹ in lakh)**

| | | **2014-15** | 2013-14 |
|---|---|---|---|
| i. | Salary & Bonus | **114.00** | 88.00 |
| ii. | Contribution to Provident Fund and Other funds | **---** | --- |
| iii. | Perquisites | **19.00** | 10.00 |
| | | **133.00** | 98.00 |

4. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days (P.Y. Nil), the above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

5. The Board of Directors have declared interim dividend @ 22.50% during the year amounting to ₹ 321.73 lakhs (₹ 2.25 per share of face value of ₹ 10/- each i.e. 22.50%) excluding Dividend Distribution Tax of ₹ 65.87 lakhs. The Board of Directors have also proposed to declare the Final dividend @ 22.5% for the year amounting to ₹ 321.73 lakhs (₹ 2.25 per share of face value of ₹ 10/- each i.e. 22.5%) excluding Dividend Distribution Tax of ₹ 65.87 lakhs.

6. Previous year's figures have been regrouped and/or re-casted wherever necessary. Figure in brackets represent corresponding figure for the previous year.

7. The Company has allotted 10,00,000 Convertible Warrants to Promoters Directors at ₹ 76.57 per warrant to be converted into one equity share of ₹ 10/- each at the Premium of ₹ 66.57 per share in the year 2013-14. The allottees have exercised their option and converted the balance 4,50,000 Convertible Warrants into 4,50,000 equity shares of ₹ 10/- each. The conversion of Warrants has increased the Equity Share Capital by ₹ 45.00 lakhs and Share Premium by ₹ 299.57 lakhs during the year.

8. **Employees Stock Option Scheme**

   Your Company has instituted Stock Option Plans to enable its employees to participate in your Company's future growth and financial success. Your Company provides its employees a platform for participating in important decision making and instilling long term commitment towards future growth of the Company by way of rewarding them through Stock Options. The Stock Option Schemes also enable the Company to hire the best talent for its senior management and key positions.

   The Company has reserved issuance of 1,47,000 (Previous year 52,000) Equity Shares of ₹ 10/- each for offering to Eligible Employees of the Company under Employees Stock Option Scheme (ESOS). During the year the Company has granted 95,000 options at a price ₹ 342/- per option, plus all applicable taxes, as may be levied in this regard on the Company (Previous year 52,000 at a price of ₹ 69.75 per option plus all applicable taxes, as may be levied in this regard on the Company) to the Eligible Employees. The options would vest over a maximum period of 4 years or such other period as may be decided by the Nomination and Remuneration Committee from the date of grant based on specified criteria.

**Signatures to Notes No. N1 to N 27**
As per our report of even date

For **Krishna R. Moondra & Associates**
Chartered Accountants

for and on behalf of the Board

**Manish Kumar Gupta**
Partner.
M. No. : 130883
F.R. No. : 114488W
Place : Mumbai.
Dated : 22nd May, 2015.

**Pankaj S. Seth**
Managing Director

**Anisha P. Seth**
Whole-time Director

**Mukesh Deopura**
CFO

**Neha Poddar**
Company Secretary

# NOTES ON FINANCIAL STATEMENT

**NOTE 1 : SHARE CAPITAL** (₹ in Lacs)

| Particulars | 2014-15 | | 2013-14 | |
|---|---|---|---|---|
| | **Number** | **Amt** | Number | Amt |
| **Authorised** | | | | |
| Equity Shares of ₹ 10/- each | **150.00** | **1,500.00** | 150.00 | 1,500.00 |
| **Issued** | | | | |
| Equity Shares of ₹ 10/- each | **142.99** | **1,429.92** | 138.49 | 1,384.92 |
| **Subscribed & Paid up** | | | | |
| Equity Shares of ₹ 10/- each fully paid up | **142.99** | **1,429.92** | 138.49 | 1,384.92 |
| **Total** | **142.99** | **1,429.92** | 138.49 | 1,384.92 |

**Notes :**

a) During the year, the Company has issued and allotted 4,50,000 equity shares of ₹ 10/- each on account of conversion of OFCW's at a premium of ₹ 66.57/- per share to Mr. Pankaj Seth and Ms. Anisha P. Seth on preferential issue basis. The issue proceeds aggregating to ₹ 344.57 lakhs have been utilised for the object for which it has been issued.

b) **Terms/ Rights attached to Equity hares**

The Company has issued only one class of equity shares having par value of ₹ 10/- each. Each Equity shareholder is entiled to one vote per share.

c) **The Reconciliation of No. of Equity Shares oustanding and the amount of share capital.**

| Particulars | 2014-15 | | 2013-14 | |
|---|---|---|---|---|
| | **Number** | **Amt** | Number | Amt |
| Shares outstanding at the beginning of the year | **13,849,150** | **1,384.92** | 13,299,150 | 1,329.92 |
| Shares Issued during the year | **450,000** | **45.00** | 550,000 | 55.00 |
| Shares bought back during the year | **-** | **-** | - | - |
| Shares outstanding at the end of the year | **14,299,150** | **1,429.92** | 13,849,150 | 1,384.92 |

d) **Shareholders holding more than 5% shares in the Company**

| Name of Shareholders | 2014-15 | | 2013-14 | |
|---|---|---|---|---|
| | **No. of Shares held** | **% of Holding** | No. of Shares held | % of Holding |
| Mr. Pankaj Seth | **5,641,593.00** | **39.45** | 5,416,593.00 | 39.11 |
| Mrs. Anisha Seth | **1,890,895.00** | **13.22** | 1,665,895.00 | 12.03 |
| Mediaman Multitrade Pvt. Ltd. | **1,226,081.00** | **8.57** | 1,226,081.00 | 8.85 |

e) **Aggregate no. of shares for last five years from the date of Balance Sheet**

| Particulars | No. of Shares |
|---|---|
| **Equity Shares & Preference Shares :** | |
| Fully paid up pursuant to contract(s) without payment being received in cash | - |
| Fully paid up by way of bonus shares | 4,433,050 |
| Shares bought back | - |

**Additional disclosure** (₹ in Lacs)

**Terms of Warrants :**

A. 8 lacs Optionally Fully Convertible Warrants were issued to Mr. Pankaj Seth and Mrs. Anisha P. Seth on 1st Nov, 2010 at a price of ₹ 38/- each out of which 25% amount received at the time of allotment. Each warrant to be converted into 1 equity share of ₹ 10/- each within a period of 18 months from the date of allotment i.e. on or before 30th April, 2012. All the warrants were converted into Equity Shares of ₹ 10/- each on 31st March, 2011 - 224560 shares, on 22nd March, 2012 - 350000 shares and balance 225440 shares on 27th April, 2012 respectively. Out of the above 2,25,440 shares are under lockin for 3 years till 26th April, 2015.

B. 10 lacs Optionally Fully Convertible Warrants were issued to Mr. Pankaj Seth & Mrs. Anisha Seth on 10th September, 2013 at a price of ₹ 76.57/- each, out of which 25% amount received at the time of allotment of warrants. Each warrant to be converted into 1 equity share of ₹ 10/- each within 18 months from the date of allotment i.e. to be converted on or before 9th March, 2015. The details of conversion in 2013-14 and 2014-2015 is as mentioned below:-

| | | |
|---|---|---|
| 16th December, 2013 | 400,000 | lock in for 3 year till 15th December, 2016 |
| 20th March, 2013 | 150,000 | lock in for 3 year till 19th March, 2017 |
| 18th June, 2014 | 450,000 | lock in for 3 year till 17th June, 2017 |
| **Total** | **1,000,000** | |

**NOTE 2 : RESERVES & SURPLUS** ( ₹ in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Capital Reserve** | | |
| Opening Balance | **632.89** | 369.14 |
| (+) Current Year Transfer | **118.93** | 263.75 |
| (-) Written Back in Current Year | **-** | - |
| Closing Balance | **751.82** | 632.89 |
| **Securities Premium Account** | | |
| Opening Balance | **792.41** | 426.28 |
| (+) Premium Received on Allotment of shares | **299.57** | 366.14 |
| (-) Issue of Bonus Shares | **-** | - |
| (-) Expenses on Issue of Debentures and Debenture Premium | **-** | - |
| Closing Balance | **1,091.98** | 792.41 |
| **Revaluation Reserve** | | |
| Opening Balance | **-** | - |
| (+) Current Year Transfer | **-** | - |
| (-) Written Back in Current Year | **-** | - |
| Closing Balance | **-** | - |
| **General Reserve** | | |
| Opening Balance | **794.67** | 494.67 |
| (+) Transfer from Profit and Loss | **300.00** | 300.00 |
| (-) Written Back in Current Year | **-** | - |
| Closing Balance | **1,094.67** | 794.67 |
| **Surplus** | | |
| Opening balance | **3,431.02** | 2,216.74 |
| (+) Net Profit / (Loss) for the Current Year | **2,786.25** | 2,037.36 |
| (+) Transfer from Reserves | **-** | - |
| (-) Proposed Dividends | **321.73** | 173.11 |
| (-) Interim Dividends | **327.36** | 273.98 |
| (-) Tax on Distributed Profit | **132.70** | 75.98 |
| (-) Transfer to General Reserves | **300.00** | 300.00 |
| Closing Balance | **5,135.48** | 3,431.02 |
| Total | **8,073.95** | 5,650.99 |

**Notes :**

1) Capital Reserve has increased due to receipt of Government Grants in the nature of Pramoters' Contribution in respect of its textile unit in the state of Gujarat.

**NOTE 3 : LONG TERM BORROWINGS**

( ₹ in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Secured** | | |
| **Term Loans** | | |
| from Banks | **2,088.36** | 2,184.16 |
| **Total** | **2,088.36** | 2,184.16 |

**Additional Disclosure**

| **Term Loans** | |
|---|---|
| Term Loan No. 1 - SBI | **140.90** |
| Term Loan No. 2 - SBI | **695.09** |
| Term Loan No. 3 - SBI | **632.92** |
| Term Loan - HDFC Bank Ltd. | **619.45** |
| | **2,088.36** |

**Long-term Borrowings**

| | |
|---|---|
| 1) | Term Loan No. 1 to 3 from State Bank of India are secured by 1st mortgage on the fixed assets of the Company located Plot No. 6,7,8 & 9, Faideal Textile Park, Village Mahuvej, Taluka Mangrol, Distt. Surat - 394 102 both present and future and hypothecation on all the movable assets of the Company installed at the above said unit. |
| 2) | The above financial assistance from State Bank of India are additioanlly secured by 1st mortgage on the Company's fixed assets located at MIDC, Dombivali. The above said financial assistance are additionally secured by hypothecation of the Wind Turbine Generation unit located in Rawat ka Gaon, Tah. Shiv, Distt. Barmer in the state of Rajasthan. |
| 3) | The above loans from Term Loans are additionally secured by way of lien on Fixed Deposits aggregating to Rs. 168.00 lakhs standing in the name of the Company. |
| 4) | All the above loans are personally guaranteed by both the Promoter Directors of the Company. |
| 5) | Term Loan from HDFC Bank Ltd. is secured by way of 1st and exclusive charge on the Plant & Machinery purchased under the scheme. The Loan is additionally secured by way of equitable mortgage of Factory building located at B-12, Asmeeta Textile Park, ITP, MIDC, Plot No. 1, in Additional Kalyan Bhiwandi Industrial Area, Village Kon, Taluka Bhiwadi, Distt. Thane (Mah.) |
| 6) | The Term Loan from HDFC Bank is personally guaranteed by the Promoter Director of the Company Shri Pankaj Seth. |
| 7) | Terms for Repayment of **Term Loan No. 1-SBI** : Loan shall be repaid in 66 monthly instalment of ₹ 24 lakhs commencing from 1st April, 2011 and one instalment shall be of ₹ 26 lakhs. |
| 8) | Terms for Repayment of **Term Loan No. -2-SBI** : Loan shall be repaid in 39 monthly instalment of ₹ 20 lakhs each commencing from 1st January, 2014, 12 monthly instalments of ₹ 21 lakhs each commencing from 1st April, 2017 and 9 monthly installment of ₹ 21.44 Lakhs each commencing from 1st April, 2018. |
| 9) | Terms for Repayment of T**erm Loan No. -3-SBI** : Loan shall be repaid in 60 monthly instlments out of which 36 monthly instalment of ₹ 15 lakhs each commencing from 1st August, 2014, 23 monthly instalments of ₹ 16 lakhs each commencing from 1st August, 2017 and last installment shall be of ₹ 17 lakhs to be paid on 1st July, 2019. |
| 10) | **Terms for Repayment of Term Loan from HDFC Bank Ltd.** :- Loan shall be repaid in 60 months commencing from 7th October, 2014 and last instalment shall be paid of 7th Septemebr, 2019. |

## NOTE 4 : DEFERRED TAX

( ₹ in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| 1. **Deferred Tax Liability** | | |
| a. Depreciation | **744.50** | 586.34 |
| 2. **Deferred Tax Assets** | | |
| a. Tax Disallowances | **13.90** | 14.46 |
| **Total** | **730.60** | 571.87 |

## NOTE 5 : LONG TERM PROVISIONS

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| (a) Provision for Employee Benefits | | |
| Contribution to PF/ESIC | **-** | - |
| Gratuity (Non Funded) | **35.49** | 39.03 |
| **Total** | **35.49** | 39.03 |

## NOTE 6 : SHORT TERM BORROWINGS

(₹ in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Secured** | | |
| **(a) Loans Repayable on Demand** | | |
| from Banks | **1,287.67** | 1,632.67 |
| (b) Term Loan repaybale with one year | **850.26** | 648.00 |
| **Total** | **2,137.93** | 2,280.67 |

**Additional disclosure:**

**Short-term Borrowings**

| | |
|---|---|
| 1) | Working Capital limits from Banks are secured by hypothecation on all the currents assets both present & future of the Company. |
| 2) | The financial assistance from State Bank of India is additioanlly secured by 1st mortgage on the Company's fixed assets located at MIDC, Dombivali & Surat. The Financial Assistance from State Bank of India are further secured by hypothecation of the Wind Turbine unit located in Rawat ka Gaon, Tah. Shiv, Distt. Barmer in the state of Rajasthan. |
| 3) | The loans from State Bank of India are additinally secured by way of pledge of Fixed Deposits aggregating to Rs. 168.00 lakhs standing in the name of the company. |
| 4) | The loans from DBS Bank are additinally secured by way of lien of Fixed Deposits aggregating to ₹ 300.00 lakhs standing in the name of the company. |
| 5) | Working Capital Limits from State Bank of India and DBS Bank is personally guaranteed by both the Promoter Directors of the Company. |
| 6) | Working Capital Limits from HDFC Bank Ltd. is additionally secured by way of equitable mortgage of Factory building located at B-12, Asmeeta Textile Park, ITP, MIDC, Plot No. 1, in Additional Kalyan Bhiwandi Industrial Area, Village Kon, Taluka Bhiwadi, Distt. Thane (Mah.) |
| 7) | Working Capital Limits from HDFC Bank Ltd. is personally guaranteed by Shri Pankaj Seth the Promoter Director of the Company. |

## NOTE 7 : TRADE PAYABLES

(₹ in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| (a) Due to Micro, Small and Medium Enterprises | - | - |
| (b) Others | 258.68 | 338.73 |
| Total | 258.68 | 338.73 |

## NOTE 8 : OTHER CURRENT LIABILITIES

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| (a) Interest accrued and due on borrowings | 5.69 | 0.91 |
| (b) Advaces recd. From Customers | 162.17 | 153.49 |
| (c) Unclaimed dividends | 22.58 | 17.51 |
| (d) Taxes, Duties and Other Levies Payable | 25.06 | 20.68 |
| (e) Other payables and liability | 215.87 | 419.70 |
| Total | 431.37 | 612.30 |

## NOTE 9 : SHORT TERM PROVISIONS

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| (a) Provision for Employee Benefits | | |
| Salary & Reimbursements | 5.87 | 3.84 |
| Bonus | 3.18 | 2.81 |
| Leave Encashment (Non Funded) | 2.22 | 4.13 |
| (b) Provision for Taxes (Net of Advance Payment of Taxes) | 72.15 | 74.82 |
| (c) Provision for Final Dividend | 321.73 | 173.11 |
| (d) Provision for Tax on Distributed Profits | 65.87 | 29.42 |
| (e) Provision for Other Expenses | 69.21 | 78.35 |
| Total | 540.25 | 366.48 |

## NOTES 10 : FIXED ASSETS

( ₹ in Lacs)

| | | Gross Block | | | | | | | Accumulated Depreciation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Assets** | **Opening** | **Additions** | **Acquired through business combinations** | **Other Adjustments** | **Sub - Total** | **Disposals** | **Gross block at the year end** | **Opening** | **Depreciation charge for the year** | **Other Adjustments** | **On disposals** | **Closing** | **As at 31st March, 2014** | **As at 31st March, 2013** |
| a | **Tangible Assets*** | | | | | | | | | | | | | | |
| | Freehold Land | - | - | - | - | - | - | - | - | - | - | - | - | **-** | - |
| | Leasehold Land | 240.66 | - | - | - | 240.66 | - | 240.66 | 6.00 | 3.00 | - | - | 8.99 | **231.67** | 234.66 |
| | Buildings | 1,954.82 | 27.69 | - | - | 1,982.52 | - | 1,982.52 | 86.86 | 36.34 | - | - | 123.21 | **1,859.31** | 1,867.96 |
| | Plant and Machinery | 5,448.42 | 1,144.19 | - | - | 6,592.61 | - | 6,592.61 | 936.24 | 351.52 | - | - | 1,287.76 | **5,304.85** | 4,512.19 |
| | Furniture, Fixtures and Fittings | 162.39 | 21.31 | - | - | 183.70 | - | 183.70 | 34.35 | 25.70 | - | - | 60.05 | **123.65** | 128.04 |
| | Electrical Installations | 194.98 | 14.15 | - | - | 209.13 | - | 209.13 | 50.47 | 17.77 | - | - | 68.23 | **140.89** | 144.51 |
| | Office equipment | 146.65 | 43.97 | - | - | 190.62 | - | 190.62 | 97.25 | 39.44 | - | - | 136.68 | **53.94** | 49.40 |
| | Vehicles | 68.35 | 12.03 | - | - | 80.38 | - | 80.38 | 53.32 | 3.74 | - | - | 57.06 | **23.31** | 15.02 |
| | | **8,216.27** | **1,263.34** | **-** | **-** | **9,479.61** | **-** | **9,479.61** | **1,264.49** | **477.50** | **-** | **-** | **1,741.99** | **7,737.62** | **6,951.78** |
| b | **Intangible Assets** | | | | | | | | | | | | | | |
| | Goodwill | - | - | - | - | - | - | - | - | - | - | - | - | **-** | - |
| | Computer software | - | - | - | - | - | - | - | - | - | - | - | - | **-** | - |
| | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| c | **Capital Work In Progress** | 7.72 | 1,277.22 | - | - | 1,284.93 | 1,181.93 | **103.00** | - | - | - | - | - | **103.00** | 7.72 |
| | **Total** | **8,223.99** | **2,540.56** | **-** | **-** | **10,764.55** | **1,181.93** | **9,582.62** | **1,264.49** | **477.50** | **-** | **-** | **1,741.99** | **7,840.63** | **6,959.50** |
| | Less: Witdrawn from Revalution Res. | - | - | - | - | - | - | - | - | - | - | - | - | **-** | - |
| | **Total** | **8,223.99** | **2,540.56** | **-** | **-** | **10,764.55** | **1,181.93** | **9,582.62** | **1,264.49** | **477.50** | **-** | **-** | **1,741.99** | **7,840.63** | **6,959.50** |
| | Previous Year | 4,263.15 | 4,098.66 | - | - | 8,361.81 | 145.54 | 8,216.27 | 931.23 | 349.35 | - | 16.09 | 1,264.49 | **6,951.79** | 3,331.91 |

## NOTE 11 : NON CURRENT INVESTMENTS

( ₹ in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| A ) **Investment in Associates (Unquoted, Trade)**<br>(a) Investment in Rainbow Line Trading LLC 147 Shares of AED 1,000 each per Share | **185.77** | 87.88 |
| **Total** | **185.77** | 87.88 |
| B) **Other Investments (Unquated, Trade)**<br>(a) Investment in Equity instruments<br>(b) Investments in Government or Trust securities<br>(c) Investment in Mutual Fund | <br>**1.00**<br>**35.61**<br>**-** | <br>2.98<br>35.57<br>- |
| **Total (B)** | **36.61** | 38.55 |
| **Grand Total (A + B)** | **222.39** | 126.44 |
| Less : Provision for dimunition in the value of Investments | - | - |
| **Total** | **222.39** | 126.44 |
| | | |
| **Particulars** | **2014-15** | 2013-13 |
| Aggregate amount of quoted investments [Market value Rs. Nil (Previous Year Rs. Nil) | **-** | - |
| Aggregate amount of unquoted investments | **222.39** | 126.44 |

### Additional Disclosure

| | |
|---|---|
| 1) | Investment in Govt or Trust securities includes investments in NSC amounting to ₹ 0.61 lakhs was made for obtaining Registration in the state of Gujrat & Rajasthan. Further an amount of ₹ 35.00 lakhs was invested in Capital Gain Bonds of Rural Elecrtification Corporation Ltd. |
| 2) | Investment in Equity inst. includes investment made in Kurla Nagrik Sahakari Bank Ltd. ₹ 1,00,000/- |
| 3) | The Company has invested in Shares of ₹ 56.19 lakhs in its Associates Company Rainbow Line Trading LLC, Dubai. |
| 4) | The Company has invested in Shares of ₹ 369.27 lakhs in its Wholly Owned Subsidiary "Orbit Inc." USA |

## NOTE 12 : LONG TERM LOANS AND ADVANCES

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| a. Capital Advances | **28.74** | - |
| b. Security Deposits | | |
| Secured, considered good | **-** | - |
| Unsecured, considered good | **44.53** | 40.25 |
| Doubtful | **-** | - |
| Less: Provision for doubtful deposits | | |
| | **73.27** | 40.25 |
| c. Loans and Advances to Related Parties | **-** | - |
| d. Dues from Govt. Authorities | **-** | - |
| e. Misc Loans and Advances | **-** | - |
| **Total** | **73.27** | 40.25 |

## NOTE 13 : CURRENT INVESTMENTS

(₹ in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Trade Investments | | |
| (a) Investement in Equity instruments | - | - |
| (b) Investment in Mutual Fund | - | - |
| (c) Investment in Commodity | - | - |
| **Total** | - | - |
| Aggregate amount of quoted investments (Market value ₹ Nil (Previous Year ₹ ___) | - | - |
| Aggregate amount of unquoted investments | - | - |

## NOTE 14 : INVENTORIES

(₹ in Lacs)

| Particulars | 2014-15 | | 2013-14 | |
|---|---|---|---|---|
| a. Raw Materials and components | 526.77 | | 682.49 | |
| Goods-in transit (Including Packing Material) | - | | - | |
| | | 526.77 | | 682.49 |
| b. Work-in-progress | 351.70 | | 374.78 | |
| Goods-in transit | | | - | |
| | | 351.70 | - | 374.78 |
| c. Finished goods | 2,012.19 | | 1,426.88 | |
| Goods-in transit | | | - | |
| | | 2,012.19 | - | 1,426.88 |
| e. Stores and spares | 13.60 | | 10.72 | |
| Goods-in transit | | | | |
| | - | 13.60 | - | 10.72 |
| **Total** | | 2,904.26 | | 2,494.87 |

## NOTE 15 : TRADE RECEIVABLES

( ₹ in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Trade Receivables outstanding for a period exceeding six months from the due date of Payment** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 417.13 | 94.10 |
| Unsecured, considered doubtful | - | - |
| | 417.13 | 94.10 |
| Less: Provision for doubtful debts | - | - |
| | 417.13 | 94.10 |
| **Trade Receivables Others** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 2,472.01 | 2,436.49 |
| Unsecured, considered doubtful | - | - |
| | 2,472.01 | 2,436.49 |
| Less: Provision for doubtful debts | - | - |
| | 2,472.01 | 2,436.49 |
| **Total** | 2,889.14 | 2,530.60 |

## NOTE 16 : CASH AND BANK BALANCE

( ₹ in Lacs)

| Particulars | 2014-15 | | 2013-13 | |
|---|---|---|---|---|
| **A. Cash and cash Equivalents** | | | | |
| **Balances with banks** | | | | |
| Unpaid Dividend | **22.58** | | 17.51 | |
| Others | **7.40** | **29.98** | 13.45 | 30.96 |
| Cheques, drafts on hand | **-** | **-** | | - |
| Cash on hand | | **7.66** | | 6.43 |
| | | **37.64** | | 37.39 |
| **B. Other Bank Balances** | | | | |
| Bank deposits with less than 12 months maturity* | **317.23** | | 465.46 | |
| Bank deposits with more than 12 months maturity* | **286.90** | | 22.45 | |
| Accrued Interest on Bank Deposits | **35.67** | | 7.59 | |
| | | **639.80** | | 495.50 |
| **Total** | | **677.45** | | 532.89 |

**Note :**

The Fixed Deposits aggregating to ₹ 301.67 lakhs has been pledged with State Bank of India, ₹ 302.23 Lakhs with Development Bank of Singapore as collateral security against the financial assistance extended by the respective banks and ₹ 0.25 lakhs with Central Bank of India.

## NOTE 17 : SHORT-TERM LOANS AND ADVANCES

| Particulars | 2014-15 | | 2013-14 | |
|---|---|---|---|---|
| a . Advances to suppliers | **25.00** | | 18.16 | |
| b. Amount lying with Govt. Authorities | | | | |
| VAT Receivable | **28.50** | | 18.21 | |
| Duty Draw Back/DEPB Receivable | **338.75** | | 244.45 | |
| Subsidy Receivable | **634.25** | | 470.84 | |
| Service Tax Receivable | **-** | | - | |
| Income Tax Receivable | **35.37** | | 36.18 | |
| | | **1,061.88** | | 787.84 |
| c. Misc Loans and Advances | | | | |
| Secured, considered good | **-** | | - | |
| Unsecured, considered good | **6.96** | | 8.90 | |
| Doubtful | **-** | | - | |
| Less: Provision for doubtful loans and advances | **-** | | - | |
| | | **6.96** | | 8.90 |
| **Total** | | **1,068.84** | | 796.74 |

## NOTE 18 : OTHER CURRENT ASSETS

( ₹ in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Prepaid Expenses | **39.35** | 19.69 |
| Others (specify nature)- Miscellaneous Exp. | **2.11** | 3.84 |
| **Total** | **41.47** | 23.53 |

**NOTE 19 :**

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| **Revenue from Operations (Gross)** | | |
| Sale of Products | **15,192.27** | 12,848.23 |
| **Other Operating Revenues** | | |
| Miscellaneous Income (Export Incentives) | **628.49** | 462.82 |
| | **15,820.75** | 13,311.05 |
| Less : Excise Duty | **-** | - |
| **Revenue from Operations (Net)** | **15,820.75** | 13,311.05 |

**NOTE 20 : OTHER INCOME**

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Net Gain on Foreign Currency Translations and Transcations | **42.12** | 1.91 |
| Misc Non-operating Income | **-** | 196.95 |
| Interest Income | **56.62** | 25.20 |
| **Total** | **98.74** | 224.07 |

**NOTE 21 : MATERIAL CONSUMED**

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Opening Inventory | **693.21** | 388.76 |
| Add : Purchases (Net) | **7,512.84** | 7,955.21 |
| | **8,206.05** | 8,343.97 |
| Less Closing Inventory | **526.77** | 682.49 |
| **Cost of Materials Consumed** | **7,679.00** | 7,661.48 |

**NOTE 22 : INVENTORY CHANGE**

| Particluars | 2014-15 | 2013-14 |
|---|---|---|
| Opening Inventory | | |
| (a) Finished Goods | **1,426.88** | 1,046.01 |
| (b) Traded Goods | **-** | - |
| (c) Work-in-Progress | **374.78** | 102.81 |
| | **1,801.66** | 1,148.82 |
| Less: Closing Inventory | | |
| (a) Finished Goods | **2,012.19** | 1,112.07 |
| (b) Traded Goods | **-** | - |
| (c) Work-in-Progress | **351.70** | 374.78 |
| | **2,363.89** | 18,101.66 |
| (Increase) / Decrease in Inventory | **(562.23)** | (652.84) |

**NOTE 23 : EMPLOYEE BENEFITS EXPENSE**

( ₹ in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| (a) Salaries and Wages | **1,053.01** | 631.37 |
| (b) Contributions to Provident and Other Funds | **74.81** | 12.51 |
| (c) Staff Welfare Expenses | **23.07** | 10.63 |
| **Total** | **1,150.89** | 566.43 |

## NOTE 24 : FINANCE COST

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Interest Expenses | **127.43** | 157.23 |
| Other Borrowing Costs | **-** | - |
| Applicable Net Gain/Loss on Foreign Currency Transactions and Translation | **-** | - |
| **Total** | **127.43** | 157.23 |

## NOTE 25 : OTHER EXPENSES

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Consumption of Stores & Spare Parts | **39.13** | 29.31 |
| Power and Fuel | **416.07** | 305.36 |
| Rent | **129.25** | 102.13 |
| Repairs and Maintenance | **-** | - |
| Plant and Machinery | **42.15** | 18.22 |
| Others | **25.73** | 26.78 |
| Insurance | **45.78** | 27.44 |
| Rates & Taxes | **23.86** | 23.95 |
| Miscellaneous Expenses | **0.01** | 0.92 |
| Processing and Other Manufacturing Expenses | **1,104.60** | 952.46 |
| Labour Charges | **79.87** | 47.14 |
| Travelling and Conveyance | **189.66** | 186.69 |
| **Payment to Auditors** | **-** | - |
| As Auditor | **9.22** | 8.21 |
| For Other Services | **-** | 0.45 |
| Legal and Professional Charges | **88.57** | 37.58 |
| Donations | **0.86** | 0.83 |
| Sales Promotion Expenses | **60.82** | 35.25 |
| Marketing Expenses (Subsidiary) | **0.00** | (1.88) |
| Advertising & Publicity | **17.63** | 7.43 |
| Selling & Distribution Expenses | **166.02** | 115.15 |
| Freight & Forwarding Expenses | **343.24** | 198.98 |
| Security Expenses | **16.60** | 6.96 |
| Electricity | **17.74** | 14.06 |
| Commission & Brokerage | **205.17** | 240.59 |
| Exchange Diff on account of translation for consolidation | **21.26** | (9.81) |
| Printing & Stationery | **13.70** | 11.06 |
| Postage & Telephone | **39.02** | 31.72 |
| Bank Charges | **67.68** | 46.79 |
| Membership & Subscription | **2.96** | 1.36 |
| Miscellaneous Expenses W/off | **1.73** | 1.73 |
| Others | **12.59** | 1.65 |
| **Total** | **3,180.91** | 2,468.47 |

## NOTE 26 : EARNING PER SHARE

( ₹ in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Net Profit After Tax | **2,786.25** | 2,005.67 |
| Weighted Average Number of Equity Shares | | |
| For Calculation of Basic EPS | **14,202,986** | 13,420,246 |
| For Calculation of Diluted EPS | **14,202,986** | 13,870,246 |
| Earning Per Share Before and After Extraordinary Items | | |
| Basic | **19.62** | 14.95 |
| Diluted | **19.62** | 14.46 |

# FORM AOC-I

**Statement Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014**

**Part "A": Subsidiaries**

**(Information in respect of each subsidiary to be presented with amounts in USD)**

| Particulars | Details |
|---|---|
| 1. Sl. No. | 1 |
| 2. Name of the subsidiary | Orbit Inc. |
| 3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same |
| 4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | USD<br>Rs.62.40/- |
| 5. Share capital | 595,000 |
| 6. Reserves & surplus | 22,516 |
| 7. Total assets | 1,436,966 |
| 8. Total Liabilities | 819,450 |
| 9. Investments | Rs.369.27 Lacs |
| 10. Turnover | 1,274,173 |
| 11. Profit before taxation | 23,093 |
| 12. Provision for taxation | 7,084 |
| 13. Profit after taxation | 16,009 |
| 14. Proposed Dividend | NIL |
| 15. % of shareholding | 100% |

**Part "B": Associates**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

**(Information in respect of each associate company to be presented with amounts in AED)**

| Name of Associates | Rainbow Line Trading -LLC |
|---|---|
| 1. Latest audited Balance Sheet Date | 31st March, 2015 |
| 2. Shares of Associate held by the company on the year end | |
| No. of shares | 147 |
| Amount of Investment in Associates | Rs.56.19 Lacs |
| Extend of Holding % | 49% |
| 3. Description of how there is significant influence | Voting Power |
| 4. Reason why the associate/joint venture is not consolidated | N.A. |
| 5. Networth attributable to Shareholding as per latest audited Balance Sheet | AED 1,586,146 |
| 6. Profit / Loss for the year | |
| i. Considered in Consolidation | AED 721,039 |
| ii. Not Considered in Consolidation | NA |

For and on behalf of the Board of Directors of
**Orbit Exports Limited**
CIN: L40300MH1983PLC030872

**Mr. Pankaj Seth**
Managing director
DIN: 00027554

**Ms. Anisha Seth**
Whole time director
DIN:00027611

**Mr. Mukesh Deopura**
Chief Financial Officer

**Ms. Neha Poddar**
Company Secretary

orbit exports ltd.

**Regd. Office:-** E 27-29, Adi Marzaban Street (Manglore Street),
S. Bhagat Singh Road, Ballard Estate, Mumbai – 400 038
Email:investors@orbitexports.com; website: www.orbitexports.com;
Phone: +91-22-66256262; Fax:+91-22-23756599
CIN: L40300MH1983PLC030872

# PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**Sequence No.**

Name and Address of the Shareholder :

Email Id :

Registered Folio No./DP ID & :

Client ID :

No. Shares held :

I/We, being the member (s) of ..... shares of Orbit Exports Limited, hereby appoint :

1. Name: ..... Of .....

   E-mail id ..... Signature.....or failing him/her

2. Name: ..... Of .....

   E-mail id ..... Signature.....or failing him/her

3. Name: ..... Of .....

   E-mail id ..... Signature.....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Monday, August 24, 2015 at 03:30 P.M. at Babasaheb Dahanukar Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolutions No | Resolutions | For | Against |
|---|---|---|---|
| 1. | To consider and adopt: (a) the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2015. | | |
| 2. | Declaration of Final Dividend on Equity Shares | | |
| 3. | Appoint a Director in place of Shri Varun Daga, who retires by rotation and being eligible has offered himself for re-appointment. | | |
| 4. | Appoint M/s. G. M. Kapadia & Co. as Statutory Auditors of the Company. | | |
| | **Special Business** | | |
| 5. | Appoint Shri Pardeep Khosla as an Independent Director. | | |
| 6. | Approval of the Remuneration of the Cost Auditors. | | |
| 7. | Alteration of the Articles of the Company | | |

Signed this..... day of..... 2015

Signature of first proxy holder | Signature of second proxy holder | Signature of third proxy holder

**Notes:**

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

*orbit exports ltd.*

Registered Office:
E 27-29, Adi Marzaban Street (Mangalore Street),
S. Bhagat Singh Road, Ballard Estate, Mumbai - 400 038.
Ph.: +91-22-6625 6262 • Fax.:+91-22-2375 6599
Mail: investors@orbitexports.com • Website: www.orbitexports.com

Factories:

**Surat:**
Plot No. 6 - 9, Fairdeal Textile Park, Village Mahuvej, Taluka Mangrol, Dist - Surat - 394 102 (Gujarat)

**Kalyan:**
Plot No.1, Building No.B-12, Asmeeta Infratech Textile Park, Additional Kalyan Bhiwandi Industrial Area,
Sarawali - Kon Village, Taluka - Bhiwandi, Dist - Thane.

**Dombivali:**
D-5/1, Dombivali M.I.D.C. Industrial Area, Dombivali (East), Dist. Thane, Maharashtra

Designed & Printed by: rasam.87@gmail.com