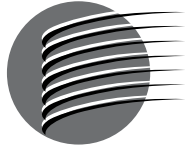


*weaving value from novelty fabrics*



## *orbit exports ltd.*

### **BOARD OF DIRECTORS**

MR. PANKAJ SETH : (Managing Director)  
MS. ANISHA SETH : (Whole Time Director)  
MR. BRUCE KIEVAL  
MR. MANOJ KUMAR JAIN  
MR. GOPIKRISHNA BUBNA  
MR. SAUMIL U MARFATIA  
MR. BALKRISHNA V PATIL

### **BANKERS**

STATE BANK OF INDIA  
Overseas Branch, Cuffe Parade  
Mumbai-400005

### **AUDITORS :**

M/S KRISHNA R. MOONDRA & ASSOCIATES  
Chartered Accountants  
JBF House, 1st Floor,  
Old Post Office Lane, Kalbadevi Road,  
Mumbai-400 002.

### **REGISTERED OFFICE :**

11, Mehta Chambers, Kalyan Street,  
P.D'mello Road, Masjid Bunder (E),  
Mumbai-400 009.

### **WORKS :**

Plot No.G-99, Additional M.I.D.C.  
Jalgaon-425 003.

Gat No. 447/B, Vikhran Road,  
Erandol, Dist. Jalgaon

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

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

### **REGISTRAR AND TRANSFER AGENTS**

#### **LINK INTIME INDIA PVT. LTD.**

C-13, Pannalal Silk Mill Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai – 400078.



**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Twenty – Eight Annual General Meeting of ORBIT EXPORTS LIMITED will be held at the Registered office of the Company at 11, Mehta Chambers, Kalyan Street, P.D'Mello Road, Masjid (E), Mumbai - 400 009 on Monday, 4th July, 2011 at 04.30 P.M. to transact the following business:

**ORDINARY BUSINESS:**

- 1) To consider and adopt the Balance Sheet of the Company for the financial year ended 31st March, 2011, the Profit & Loss Account and Cash Flow Statement for the year ended on that date and the Report of the Board of Directors and Auditors' thereon.
- 2) To declare Final Dividend.
- 3) To appoint a Director in place of Mr. Saumil Ushakant Marfatia who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Gopikrishna Bilasrai Bubna who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint Auditors to hold office from conclusion of this Meeting until the conclusion of the Next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:****6) RE-APPOINTMENT OF SHRI PANKAJ SETH AS MANAGING DIRECTOR OF THE COMPANY AND INCREASE IN MANAGERIAL REMUNERATION**

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** in supersession of the earlier Resolution passed by the Members in the Annual General Meeting of the Company held on 25th August, 2009 and in accordance with the provision of Section 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, subject to the approval of the Members of the Company and approval of the Central Government being obtained, consent of the Company be and is hereby accorded to the re-appointment of Shri Pankaj Seth as Managing Director of the Company for a further period of 3 years i.e. from 1st April, 2011 to 31st March, 2014 at the remuneration and on terms and conditions as specified below:

**REMUNERATION:****Basic Salary**

Rs.4,00,000 p.m. with an annual increment @ Rs. 50,000/- per month.

**Perquisites:**

Not exceeding Rs. 12,00,000/- per year details as under-

**Leave Travel Expenses:** Leave Travel Expenses for self and family in accordance with the Rules of the Company.

**Medical Expenses:** Reimbursement of medical expenses (including insurance premium for medical and hospitalization policy, if any) for self and family at actual.

**Club Fees:** Fees for one club in India.

**Car:** Company maintained car with driver as per the Rules of the Company.

**Entertainment, traveling and all other expenses:** Reimbursement of entertainment, traveling and all other expenses incurred for the business of the Company as per the Rules of the Company.

**Leave and encashment of Leave:** As per the Rules of the Company.

**Personal Accident Insurance:** As per the Rules of the Company

**Contribution to Provident Fund, Superannuation Fund or Annuity Fund:** As per the Rules of the Company.

**Gratuity and / or contribution to the Gratuity Fund of the Company:** As per the Rules of the Company.

**Other Allowances / benefits / perquisites:** Any other allowances, benefits and perquisites as per the Rules of the Company.

Any retirement linked allowances and benefits that the Board / Committee of the Board may at its discretion decide and authorized at the time of retirement.

**RESOLVED FURTHER THAT** pending approval of Central Government for remuneration and perquisites proposed to be paid to Shri Pankaj Seth, Managing Director in terms of this Resolution, he shall be entitled to draw remuneration at the rate of Rs. 3,00,000/- p.m. (all inclusive) under Clause (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956

**RESOLVED FURTHER THAT** in case of absence or inadequate profits, remuneration and perquisites as per Schedule XIII of the Companies Act, 1956 or such remuneration as may be approved by the Central Government which ever is higher will be payable to Shri Pankaj Seth as a minimum remuneration.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification, and/or relaxation by the Central Government to the Schedule XIII or to any Sections of the Companies Act, 1956 the Board of Directors be and they are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, bonus/ commission and perquisites of Shri Pankaj Seth which should be in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and/or rules made thereunder.

## 7) **RE-APPOINTMENT OF SMT. ANISHA SETH AS WHOLE TIME DIRECTOR OF THE COMPANY AND INCREASE IN MANAGERIAL REMUNERATION**

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** in supersession of the earlier Resolution passed by the Members in the Annual General Meeting of the Company held on 25th August, 2009 and in accordance with the provision of Section 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, subject to the approval of the Members of the Company and approval of the Central Government being obtained, consent of the Company be and is hereby accorded to the re-appointment of Smt. Anisha Seth as Whole Time Director of the Company for a further period of 3 years i.e. from 1st April, 2011 to 31st March, 2014 at the remuneration and on terms and conditions as specified below:

### **REMUNERATION:**

#### **Basic Salary**

Rs.4,00,000 p.m. with an annual increment @ Rs. 50,000/- per month.

#### **Perquisites:**

Not exceeding Rs. 12,00,000/- per year details as under-

**Leave Travel Expenses:** Leave Travel Expenses for self and family in accordance with the Rules of the Company

**Medical Expenses:** Reimbursement of medical expenses (including insurance premium for medical and hospitalization policy, if any) for self and family at actual.



**Club Fees:** Fees for one club in India.

**Car:** Company maintained car with driver as per the Rules of the Company.

**Entertainment, traveling and all other expenses:** Reimbursement of entertainment, traveling and all other expenses incurred for the business of the Company as per the Rules of the Company.

**Leave and encashment of Leave:** As per the Rules of the Company.

**Personal Accident Insurance:** As per the Rules of the Company

**Contribution to Provident Fund, Superannuation Fund or Annuity Fund:** As per the Rules of the Company.

**Gratuity and / or contribution to the Gratuity Fund of the Company:** As per the Rules of the Company.

**Other Allowances / benefits / perquisites:** Any other allowances, benefits and perquisites as per the Rules of the Company.

Any retirement linked allowances and benefits that the Board / Committee of the Board may at its discretion decide and authorized at the time of retirement.

**RESOLVED FURTHER THAT** pending approval of Central Government for remuneration and perquisites proposed to be paid to Smt. Anisha Seth, Whole Time Director in terms of this Resolution, She shall be entitled to draw remuneration at the rate of Rs. 3,00,000/- p.m. (all inclusive) under Clause (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956

**RESOLVED FURTHER THAT** in case of absence or inadequate profits, remuneration and perquisites as per Schedule XIII of the Companies Act, 1956 or such remuneration as may be approved by the Central Government which ever is higher will be payable to Smt. Anisha Seth as a minimum remuneration.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification, and/or relaxation by the Central Government to the Schedule XIII or to any Sections of the Companies Act, 1956 the Board of Directors be and they are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, bonus/ commission and perquisites of Smt. Anisha Seth which should be in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and/or rules made thereunder.

**By order of the Board of Directors,**

**Anisha Seth  
Whole Time Director**

Place: Mumbai.

Dated: 03rd May, 2011

**Registered Office:-**

"11, Mehta Chambers,  
Kalyan Street, P. D'Mello Road,  
Masjid Bunder (E),  
Mumbai – 400009.

**NOTES:**

- 1) A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a Member.  
  
Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting i.e. by 4.30 pm on 4th July, 2011.
- 2) Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
- 3) Members are requested to bring their admission slips along with copy of Annual Report.
- 4) Members who wish to obtain information on the Company may send their queries at least 10 days before the Annual General Meeting to the Company at its Registered Office of the Company.
- 5) All the documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all the working days between 11.00AM to 1.00 PM up-to the date of the Annual General Meeting.
- 6) An explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the special business to be transacted at the Extra-Ordinary General Meeting is annexed.
- 7) The Register of Members and Transfer Books in respect of Equity Shares of the Company will be closed from 27th June, 2011 to 04th July, 2011 (both days inclusive).
- 8) Members are requested to notify change in address, if any immediately to the Company at its Registrars M/s. Link Intime India Private Limited, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400078.
- 9) Members may avail nomination facility as provided under Section 109A of the Companies Act, 1956.
- 10) Pursuant to the requirements of the Listing Agreements of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed is given in the Annexure to the Notice.
- 11) Members who hold Shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
- 12) As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors is given below.

## 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	<b>Mr. Saumil Ushakant Marfatia</b>
Age	52
Date of Appointment	29-09-2009
Expertise in specific functional areas	Textile Business
Qualifications	MBA
List of Companies in which outside Directorship held as on 03rd May, 2011 (excluding Private Companies)	NIL
Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31st March, 2011	NIL

Name of Director	<b>Mr. Gopikrishna Bilasrai Bubna</b>
Age	58
Date of Appointment	03-03-2007
Expertise in specific functional areas	Financial Management and Accounts
Qualifications	F.C.A
List of Companies in which outside Directorship held as on 03rd May, 2011 (excluding Private Companies)	Nil
Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31st March, 2011	Nil



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 6**

The Members of the Company are aware that at the Annual General meeting held on 25/08/2009 Shri Pankaj Seth was re-appointed as managing Director of the Company for a period of 3 years w.e.f. 01st September, 2009 at a remuneration of Rs.2,50,000/- per months (all inclusive). The volume of operation of the Company has increased considerably due to commencing of manufacturing plants at Surat and quantum jump in export turnover of the Company. As a result the existing remuneration of Shri Pankaj Seth is not commensurate to the increase in his work load and attendant responsibility. Based on effective capital of the Company, the maximum remuneration which can be paid to Shri Pankaj Seth under Schedule XIII of the Companies Act, 1956 comes to Rs. 3,00,000/- p.m. (inclusive of perquisites) which is grossly inadequate. Hence, the Board of Directors in its meeting held on 03rd May, 2011 on recommendation of Remuneration committee decided to re-appoint Shri Pankaj Seth as Managing Director for a fresh period of 3 years w.e.f. 01-04-2011 and to fix his remuneration as proposed in the text of the Resolution which is subject to consent of the Members of the Company and approval of the Central Government.

Pending approval of Central Government Shri Pankaj Seth will be entitled for remuneration @ Rs.3,00,000/- (all inclusive) p.m. w.e.f. 01-04-2011 which is maximum in accordance with Clause (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

The Remuneration of Shri Pankaj Seth will stand revised in accordance with terms of his appointment as approved by Central Government.

The details of remuneration payable to Shri Pankaj Seth are as under:

**I. REMUNERATION:****Basic Salary**

Rs.4,00,000 p.m. with an annual increment @ Rs. 50,000/- per month.

**Perquisites:**

Not exceeding Rs. 12,00,000/- per year details as under-

**Leave Travel Expenses:** Leave Travel Expenses for self and family in accordance with the Rules of the Company

**Medical Expenses:** Reimbursement of medical expenses (including insurance premium for medical and hospitalization policy, if any) for self and family at actual.

**Club Fees:** Fees for one club in India.

**Car:** Company maintained car with driver as per the Rules of the Company.

**Entertainment, traveling and all other expenses:** Reimbursement of entertainment, traveling and all other expenses incurred for the business of the Company as per the Rules of the Company.

**Leave and encashment of Leave:** As per the Rules of the Company.

**Personal Accident Insurance:** As per the Rules of the Company

**Contribution to Provident Fund, Superannuation Fund or Annuity Fund:** As per the Rules of the Company.

**Gratuity and / or contribution to the Gratuity Fund of the Company:** As per the Rules of the Company.

**Other Allowances / benefits / perquisites:** Any other allowances, benefits and perquisites as per the Rules of the Company.

Any retirement linked allowances and benefits that the Board / Committee of the Board may at its discretion decide and authorized at the time of retirement.

## **II. OVERALL REMUNERATION:**

The aggregate of salary and perquisites in any financial year shall not exceed the limits as may be approved by the Central Government.

## **III. MINIMUM REMUNERATION:**

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director, the payment of salary, perquisites and other allowances shall be as per Schedule XIII of the Companies Act, 1956 or such remuneration as may be approved by the Central Government which ever is higher.

The Terms of reappointment and remuneration given herein above may be altered, varied and increased from time to time by the Board of Directors of the Company, at its discretion so as not to exceed the limits as approved by the Central Government

## **DISCLOSURES TO SHAREHOLDERS ALONGWITH THE NOTICE OF EXTRA-ORDINARY GENERAL MEETING:**

- (i) The payment of remuneration to Shri Pankaj Seth was approved by a Resolution passed by the Board of Directors and Remuneration Committee.
- (ii) The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of reappointment of Shri Pankaj Seth as Managing Director of the Company. The Company has not accepted any public deposits or has issued any debentures.

## **(iii) GENERAL INFORMATION:**

### **(a) Nature of Industry**

The Company is engaged in manufacturing and trading of woven fabrics. The Company is a Government recognized Export House engaged in the manufacture and export of Woven Fabrics. The product in which the Company deals in find its uses in Christmas Craft, Ladies dress materials, furnishes and home textiles.

### **(b) Date of commencement of commercial production**

The Company commenced commercial production at Jalgaon and Erandol in Maharashtra in the year 1986. The Company set up a manufacturing plant at Surat which was commenced on 29th September, 2010.

### **(c) Financial performance of the Company**

The Company has made significant progress during the tenure of Shri Pankaj Seth as Managing Director of the Company. The Company had inherited huge accumulated losses when Shri Pankaj Seth took over the Company as new Promoter along with his wife Smt. Anisha Seth in the year 2004. Under his dynamic leadership, the Company has been making profits and the turnover has increased manifold. The financial performance of the Company as on 31st March, 2010 and 31st March, 2011 are as under:

<b>Particulars</b>	<b>For the Year ended 31st March, 2011</b>	<b>For the Year ended 31st March, 2010</b>
Sales & Services	89,87,96,641	61,68,20,324
Other Income	33,13,933	60,000
PBDIT	14,14,19,439	6,50,63,836
Interest	1,02,82,650	70,91,675

PBDT	13,11,36,789	5,79,72,161
Depreciation	88,75,037	90,09,592
Profit before Tax	12,22,61,753	4,89,62,569
Prior Period Items	11,552	(1,66,495)
Income Tax including FBT and Deferred Tax	4,53,19,919	1,62,34,100
Profit/(Loss) after Tax	7,69,30,282	3,28,94,964
Balance carried to Balance Sheet	8,36,24,460	3,07,03,842

**(d) Export Performance**

Export of Goods on FOB Basis

In the Year 2009-10 Rs. 33,06,48,952/-

In the Year 2010-11 Rs. 48,66,25,699/-

**(iv) INFORMATION ABOUT THE APPOINTEE**

**(i) Back ground details**

Shri Pankaj Seth (48 years) has Master Degree in the Management studies. He has rich experience in trading and export of fancy fabrics. Shri Pankaj Seth has travelled extensively for exploring new export markets and during his tenure the exports of the Company have registered significant growth.

**(ii) Past remuneration**

Shri Pankaj Seth has been drawing remuneration @ Rs.2,50,000/- per month (all inclusive) as Managing Director of the Company. Since Shri Pankaj Seth has been instrumental in turnaround of the Company which was earlier incurring heavy losses year after year. The Company has further diversified its business which will entail higher responsibilities on Shri Pankaj Seth. The Board of Directors of the Company in recognition of hard work put by Shri Pankaj Seth in improving the working of the Company and recognising that he will have to devote more time and energy to give further momentum to the business of the Company, decided to restructure his remuneration and to re-appoint him as Managing Director of the Company a fresh for a further period of 3 years w.e.f. 01st April, 2011.

**(iii) Recognition or awards.**

During his tenure as Managing Director, the Company has been recognized as a Government recognized Star Export House.

**(iv) Job Profile and his suitability**

As a Managing Director Shri Pankaj Seth looks after day to day management of the affairs of the Company under the overall control, guidance and supervision of the Board of Directors.

**(v) Remuneration proposed**

Rs.4,00,000 p.m. with an annual increment @ Rs. 50,000/- per month other than perquisites not exceeding 12,00,000/- p.a.

**(vi) Comparative Remuneration profile with respect to Industry, size of the Company etc.,**

The Textile Industry comprises of organised sectors with pre-dominance of widely scattered producers in un-organised sector. Hence the comparative remuneration figures are not available.

**(vii) Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial personnel**

Smt. Anisha Seth, Whole Time Director is the wife of Shri Pankaj Seth.

**(viii) Other information**

The Company has turned the corner during the tenure of Shri Pankaj Seth as Managing Director. The Company has taken series of measures to improve its profitability. During his tenure, the Company penetrated into several overseas markets with firm foothold and the product range has undergone complete change in conformity with the ever increasing change in taste and preferences. The sales turnover has increased manifold.

Copies of the Resolutions passed by the Board of Directors in their Meeting held on Tuesday, the 03rd May, 2011 approving the reappointment and revision of the remuneration of Shri Pankaj Seth as Managing Director of the Company, is available for inspection.

The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 together with the Notice may be regarded as an Abstract of interest of Shri Pankaj Seth under Section 302 of the Companies Act, 1956.

The Board of Directors recommends the Special Resolution for your approval.

None of the Directors other than Shri Pankaj Seth and Smt. Anisha Seth are interested in the Resolution.

**Item No. 7**

The Members of the Company are aware that at the Annual General meeting held on 25/08/2009 Smt. Anisha Seth was re-appointed as a Whole Time Director of the Company for a period of 3 years w.e.f. 01/09/2009 at a remuneration of Rs. 2,50,000/- per months (all inclusive). The volume of operation of the Company has increased considerably due to commencing of manufacturing plants at Surat and quantum jump in export turnover of the Company. As a result the existing remuneration of Smt. Anisha Seth is not commensurate to the increase in her work load and attendant responsibility. Based on effective capital of the Company, the maximum remuneration which can be paid to Smt. Anisha Seth under Schedule XIII of the Companies Act, 1956 comes to Rs. 3,00,000/- p.m. (inclusive of perquisites) which is grossly inadequate. Hence, the Board of Directors in its Meeting held on 03rd May, 2011 on recommendation of Remuneration committee decided to re-appoint Smt. Anisha Seth as Whole Time Director for a fresh period of 3 years w.e.f. 01-04-2011 and to fix his remuneration as proposed in the text of the Resolution which is subject to consent of the Members of the Company and approval of the Central Government.

Pending approval of Central Government Smt. Anisha Seth will be entitled for remuneration @ 3,00,000/- (all inclusive) p.m. w.e.f. 01-04-2011 which is maximum in accordance with Clause (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

The Remuneration of Smt. Anisha Seth will stand revised in accordance with terms of her appointment as approved by Central Government.

The details of remuneration payable to Smt. Anisha Seth are as under:

**I. REMUNERATION:****Basic Salary**

Rs.4,00,000 p.m. with an annual increment @ Rs. 50,000/- per month

**Perquisites:**

Not exceeding Rs. 12,00,000/- per year details as under-

**Leave Travel Expenses:** Leave Travel Expenses for self and family in accordance with the Rules of the Company

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## **II. OVERALL REMUNERATION:**

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## **III. MINIMUM REMUNERATION:**

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director, the payment of salary, perquisites and other allowances shall be as per Schedule XIII of the Companies Act, 1956 or such remuneration as may be approved by the Central Government which ever is higher.

The Terms of reappointment and remuneration given herein above may be altered, varied and increased from time to time by the Board of Directors of the Company, at its discretion so as not to exceed the limits as approved by the Central Government

## **DISCLOSURES TO SHAREHOLDERS ALONGWITH THE NOTICE OF EXTRA-ORDINARY GENERAL MEETING:**

- (i) The payment of remuneration to Smt. Anisha Seth was approved by a Resolution passed by the Board of Directors and Remuneration Committee.
- (ii) The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of reappointment of Smt. Anisha Seth as Whole Time Director of the Company. The Company has not accepted any public deposits or has issued any debentures.

## **(iii) GENERAL INFORMATION:**

### **(a) Nature of Industry**

The Company is engaged in manufacturing and trading of woven fabrics. The Company is a Government recognized Export House engaged in the manufacture and export of Woven Fabrics. The product in which the Company deals in find its uses in Christmas Craft, Ladies dress materials, furnishes and home textiles.

**(d) Date of commencement of commercial production**

The Company commenced commercial production at Jalgaon and Erandol in Maharashtra in the year 1986. The Company set up a manufacturing plant at Surat which was commenced on 29th September, 2010.

**(c) Financial performance of the Company**

The Company has made significant progress during the tenure of Smt. Anisha Seth as Whole Time Director of the Company. The Company had inherited huge accumulated losses when Smt. Anisha Seth took over the Company as new Promoter along with her husband Shri Pankaj Seth in the year 2004. Under his dynamic leadership, the Company has been making profits and the turnover has increased manifold. The financial performance of the Company as on 31st March, 2010 and 31st March, 2011 are as under:

<b>Particulars</b>	<b>For the Year ended 31st March, 2011</b>	<b>For the Year ended 31st March, 2010</b>
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Depreciation	88,75,037	90,09,592
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Prior Period Items	11,552	(1,66,495)
Income Tax including FBT and Deferred Tax	4,53,19,919	1,62,34,100
Profit/(Loss) after Tax	7,69,30,282	3,28,94,964
Balance carried to Balance Sheet	8,36,24,460	3,07,03,842

**(d) Export Performance**

Export of Goods on FOB Basis

In the Year 2009-10 Rs. 33,06,48,952/-

In the Year 2010-11 Rs. 48,66,25,699/-

**(iv) Information about the Appointee**

**(i) Back ground details**

Smt. Anisha Seth (47 years) has Master Degree in the Management studies. She has rich experience in trading and export of fancy fabrics. Smt. Anisha Seth has travelled extensively for exploring new export markets and during his tenure the exports of the Company have registered significant growth.

**(ii) Past remuneration**

Smt. Anisha Seth has been drawing remuneration @ Rs.2,50,000/- per month (all inclusive) as Whole Time Director of the Company. Since Smt. Anisha Seth has been instrumental in turnaround of the Company which was earlier incurring heavy losses year after year. The Company has further diversified its business which will entail higher responsibilities on Smt. Anisha Seth. The Board of Directors of the Company in recognition of hard work put by Smt. Anisha Seth in improving the working of the Company and recognising that he will have to devote more time and energy to give further momentum to the business of the Company, decided to restructure her remuneration and to re-appoint her as Whole Time Director of the Company a fresh for a further period of 3 years w.e.f. 01st April, 2011.

**(iii) Recognition or awards.**

During her tenure as Whole Time Director, the Company has been recognized as a Government recognized Star Export House.

**(iv) Job Profile and his suitability**

As a Whole Time Director Smt. Anisha Seth looks after day to day management of the affairs of the Company under the overall control, guidance and supervision of the Board of Directors.

**(v) Remuneration proposed**

Rs.4,00,000 p.m. with an annual increment @ Rs. 50,000/- per month other than perquisites not exceeding 12,00,000/- p.a.

**(vi) Comparative Remuneration profile with respect to Industry, size of the Company etc.,**

The Textile Industry comprises of organised sectors with pre-dominance of widely scattered producers in un-organised sector. Hence the comparative remuneration figures are not available.

**(vii) Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial personnel**

Shri Pankaj Seth, Managing Director is the husband of Smt. Anisha Seth.

**(viii) Other information**

The Company has turned the corner during the tenure of Smt. Anisha Seth as Whole Time Director. The Company has taken series of measures to improve its profitability. During her tenure, the Company penetrated into several overseas markets with firm foothold and the product range has undergone complete change in conformity with the ever increasing change in taste and preferences. The sales turnover has increased manifold.

Copies of the Resolutions passed by the Board of Directors in their Meeting held on Tuesday, the 03rd May, 2011 approving the reappointment and revision of the remuneration of Smt. Anisha Seth as Whole Time Director of the Company, is available for inspection.

The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 together with the Notice may be regarded as an Abstract of interest of Smt. Anisha Seth under Section 302 of the Companies Act, 1956.

The Board of Directors recommends the Special Resolution for your approval.

None of the Directors other than Smt. Anisha Seth and Shri Pankaj Seth are interested in the Resolution.

**By order of the Board of Directors,**

**Anisha Seth  
Whole Time Director**

Place : Mumbai.

Dated : 03rd May, 2011

**Registered Office:-**

"11, Mehta Chambers,  
Kalyan Street, P. D'Mello Road,  
Masjid Bunder (E)  
Mumbai – 400009



## **DIRECTOR'S REPORT TO THE MEMBERS:-**

The Directors have pleasure in presenting their 28th Annual Report and Audited Accounts for the year ended on 31st March, 2011.

### **I. FINANCIAL RESULTS:-**

(In Rs.)

<b>Particulars</b>	<b>For the Year ended 31st March, 2011</b>	<b>For the Year ended 31st March, 2010</b>
Sales & Services	89,87,96,641	61,68,20,324
Other Income	33,13,933	60,000
PBDIT	14,14,19,439	6,50,63,836
Interest	1,02,82,650	70,91,675
PBDT	13,11,36,789	5,79,72,161
Depreciation	88,75,037	90,09,592
Profit before Tax	12,22,61,753	4,89,62,569
Prior Period Items	11,552	(1,66,495)
Income Tax including FBT and Deferred Tax	4,53,19,919	1,62,34,100
Profit/(Loss) after Tax	7,69,30,282	3,28,94,964
Balance carried to Balance Sheet	8,36,24,460	3,07,03,842

### **II. DIVIDEND:**

An Interim dividend of Re.1.50/- per Share (Previous year Rs. 1.00 per share) aggregating to Rs. 1,14,99,150/- was declared on 15/10/2010 and paid by Board of Directors during the year.

The Board of Directors recommends Final Dividend of Rs. 2 per share (including Interim Dividend of Rs. 1.5 per share already paid) to be considered as Final Dividend.

### **III. FINANCIAL PERFORMANCE:**

The sales of the Company increased from Rs. 6168.20 Lacs to Rs. 8987.96 Lacs as compared to the last financial year registering an increase of 45.71%. During the year under review the export sales (excluding DEPB Sales and Duty Entitlement) increased to Rs.4866.26 Lacs as compared to Rs. 3306.49 Lacs. The Profit before Depreciation, Interest and Tax increased from Rs.650.63 Lacs in the preceding financial year to Rs.1414.19 Lac in the year under Report. The Profit after tax increased from Rs. 328.95 Lacs to Rs. 769.30 Lacs registering an increase of Rs.440.35 Lacs over the preceding year due to demand of Company's product in local and export market.

### **IV. EXPANSION AND DIVERSIFICATION**

#### **a. New Fabric Manufacturing Plant at Surat:**

The Company has set up a new fabric manufacturing plant at Fair-Deal Textile Part near Surat comprising of 12 Sommet Alpha Automatic Rappier Looms with Staubli Jacquard Looms and 24 RIFA Automatic Shuttleless Dobby Looms to augment its manufacturing capacity. The Company incurred a total cost of Rs.18.32 crores in setting up the new plant at Surat. The State Bank of India has sanctioned a Term Loan of Rs. 16.10 Crores. The commercial production commenced from 29th September, 2010.

#### **b. 0.60 MW Wind Mill Project at Rajasthan:**

The Company setup 0.60 MW Wind Power Project at Rawat Ka Gaon site at village Kotara, District Barmer in the State of Rajasthan at a Capital Cost of Rs. 3.56 Crores. The commercial production from Wind Mill Project commenced from 24th December, 2009. During the year under Report the Company generated 1019398 units from Wind Mill Power Project.

### **V. AUDIT COMMITTEE**

The Audit Committee consists of Independent Directors, namely, Mr. Manoj Kumar Jain (Chairman), Mr. Gopikrishna Bubna (Member) and Mr. Saumil U. Marfatia (Member). The constitution of Audit



Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

**VI. INVESTORS GRIEVANCE COMMITTEE**

The Investors Grievance Committee consists of Mr. Gopikrishna Bubna, (Chairman), Mr. Pankaj Seth (Member) and Mr. Saumil U. Marfatia (Member).

**VII. CORPORATE GOVERNANCE:**

Your Company's philosophy is to enhance Stakeholders' value by adopting and implementing best of the Corporate Governance Practices. A detailed Report on Corporate Governance Compliance duly certified by the Practicing Company Secretary form part of this Report as Annexure "A".

**VIII. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report is appended to the Annual Report.

A Management Discussion and Analysis Report also form part of this Report of your Directors as Annexure "B".

**IX. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that

- a. In preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- b. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors had prepared the Annual Accounts on a going concern basis.

**X. DEPOSITS**

The Company did not invite / accept any Fixed Deposits from the public during the year under report.

**XI. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars with respect to conservation of energy, technology, absorption and foreign exchange earnings and outgo, as per Section 217(a)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011 are annexed to this report as Annexure "C".

**XII. NOTES ON ACCOUNTS:**

The observations of Auditors and Notes on Accounts are self-explanatory.

**XIII. DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. Saumil U. Marfatia retires by rotation and being eligible offer themselves for re-appointment. The Board of Directors recommend passing of the Resolution.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. Gopikrishna Bubna retires by rotation and being eligible offer themselves for re-appointment. The Board of Directors recommend passing of the Resolution.

**XIV. PERSONNEL**

The labour relations were satisfactory throughout the year. The Directors wish to place on record their appreciation of the hard work put in by the staff and workers.

**XV. PARTICULARS OF EMPLOYEES UNDER SECTION 217(2)(a) OF THE COMPANIES ACT, 1956**

During the year under Report Mr. Pankaj Seth, Managing Director of the Company was paid Managerial Remuneration at a rate of Rs. 2,50,000 per month. Total Remuneration paid to Mr. Pankaj Seth during the year 2010-2011 was Rs. 30,00,000/-. Mr. Pankaj Seth is 48 years of age and has a Masters Degree in Management Studies. He has rich experience in trading and export of fancy fabrics of over 22 years. Mr. Pankaj Seth has traveled extensively for exploring new export markets and during his tenure the exports of the Company have registered significant growth.

During the year under Report Mrs. Anisha Seth, Whole Time Director of the Company was paid Managerial Remuneration at a rate of Rs.2,50,000 per month. Total Remuneration paid to Mrs. Anisha Seth during the year 20010-2011 was Rs.30,00,000/-. Mrs. Anisha Seth is 47 years of age and has a Masters Degree in Management Studies. She has rich experience in trading and export of fancy fabrics. Mrs. Anisha Seth has traveled extensively for exploring new export markets and during her tenure the exports of the Company have registered significant growth.

There is no other Employee to whom the Company has paid monthly salary of Rs. 2,00,000 and above per month during any period of Financial year 2010-2011.

**XVI. COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

Information in accordance with the provisions of Section 217 (1) (e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure "C".

**XVII. AUDITORS REMARKS**

The Notes to the Accounts and the remarks referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

**XVIII. AUDITORS**

M/s Krishna R. Moondra & Associates, Chartered Accountants Mumbai (Auditors), will retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Audit Committee recommends the re-appointment of M/s Krishna R. Moondra & Associates Chartered Accountants, as Statutory Auditors of the Company.

**XIX. APPRECIATION:**

Your Directors wish to place on record their sincere thanks to the various stakeholders such as Banks, Financial Institutions, Central and State Governmental authorities, Customers, Vendors and last but not least to the Shareholders, who supported the Management in turn around of the Company.

**By order of the Board of Directors,**

**PANKAJ SETH  
MANAGING DIRECTOR**

Place: Mumbai.

Dated: 03rd May, 2011

**Registered Office:-**

11, Mehta Chambers,  
Kalyan Street,  
P.D'Mello Road, Masjid (E),  
Mumbai – 400 009

## **ANNEXURE - 'A' TO THE DIRECTORS' REPORT**

### **CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST MARCH, 2011**

#### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's philosophy is to enhance Customer's satisfaction and Shareholders value by practicing the principles of good Corporate Governance.

#### **I. BOARD OF DIRECTORS**

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

The Company's Board comprised of Seven Directors: two are Promoter Executive Directors, one is Non Promoter Executive Director and four are Non-Executive Independent Directors. More than half of the Board of Directors comprises of Independent Directors.

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

- i. 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, 2011 have been made by the Directors.
- ii. The Board met Thirteen times during the year on 07/04/2010, 24/05/2010, 27/05/2010, 14/07/2010, 16/07/2010, 21/08/2010, 15/10/2010, 01/11/2010, 24/11/2010, 25/01/2011, 31/01/2011, 25/03/2011 and 31/03/2011.
- iii. 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 25 Companies and of Companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

#### **II. COMPOSITION, CATEGORY, THEIR DIRECTORSHIP AND COMMITTEE MEMBERSHIP IN OTHER COMPANIES**

Name of Directors	Category of Directors	No. of Board Meetings attended during the year 2010-11	No. of Directorship in other Public Companies	Number of Other Board Committee		Attendance at the last Annual General Meeting
				As Chairman	As Member	
Mr. Pankaj Seth (Chairman & Managing Director)	Promoter – Executive	9	Nil	Nil	Nil	No
Ms. Anisha Seth (Whole Time Director)	Promoter – Executive	12	Nil	Nil	Nil	No
Mr. Bruce Larry Kieval	Executive	Nil	Nil	Nil	Nil	No
Mr. Manoj Kumar Jain	Non-Executive Independent	13	Nil	Nil	Nil	Yes
Mr. G. B. Bubna	Non-Executive Independent	9	Nil	Nil	Nil	No
Mr. Saumil U. Marfatia	Non-Executive Independent	Nil	Nil	Nil	Nil	No
Mr. Balkrishna Patil	Non-Executive Independent	10	Nil	Nil	Nil	No

**DETAILS OF DIRECTORS BEING APPOINTED AND RE- APPOINTED**

- (1) Mr. Saumil U. Marfatia 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: Mr. Saumil U. Marfatia

Age: 52

Qualification: MBA

Expertise: Textile Business

Other Directorships: NIL

(Excluding Directorship  
In Private Limited Companies)

- (2) Mr. Gopikrishna Bilasria Bubna 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: Mr. Gopikrishna Bilasria Bubna

Age: 58

Qualification: F.C.A

Expertise: Financial Management and Accounts

Other Directorships: NIL

(Excluding Directorship

In Private Limited Companies)

**III. 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 292A of the Companies Act, 1956.

- ii) **COMPOSITION, NAME OF MEMBER AND CHAIRMAN**

The Audit Committee comprises of Mr. Manoj Kumar Jain as Chairman, Mr. Gopikrishna Bubna and Mr. Saumil U. Marfatia as Members. All these Members of this Committee are Independent Directors and possess requisite experience and expertise across a wide spectrum of functional areas including accounts and finance.

The Audit Committee met 5 times i.e. 07th April, 2010, 24th May, 2010, 16th July, 2010, 15th October, 2010 and 25th January, 2011.

Name of Member	Designation	Meetings held	Meetings attended
Mr. Manoj Kumar Jain	Chairman	5	5
Mr. G. B. Bubna	Member	5	5
Mr. Saumil U. Marfatia	Member	5	0

**iii) THE BROAD POWERS OF THE AUDIT COMMITTEE INCLUDE:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**IV. SHAREHOLDER'S/INVESTORS GRIEVANCE COMMITTEE**
**Terms of Reference:**

This Committee looks into Redressal of Shareholders and Investors Grievances with respect to transfer of shares, issue of duplicate certificates and other matters relating to Shareholder relationship.

The committee shall also review the processes and service standards adopted by the Registrar and Transfer Agent, the complaints received by the Company and their Resolution.

**Composition:**

The Committee comprised of two Non-Executive Independent Directors and Managing Director. The Shareholder/ Grievance Committee met 5 times i.e. 07th April, 2010, 24th May, 2010, 16th July, 2010, 15th October, 2010 and 25th January, 2011. and the attendance at the Meetings was as follows.

Name of the Member	Designation	No. of meetings attended
Mr. Gopikishan Bubna	Chairman	5
Mr. Pankaj Seth	Member	5
Mr. Saumil U. Marfatia	Member	0

There were no Investor complaints pending as on 31st March, 2011.

**V. REMUNERATION COMMITTEE**

The remunerations paid to the Executive Directors are in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956.

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

Name	Category	No. of Meetings	During the year 2010-11
		Held	Attended
Mr. Manoj Kumar Jain	Independent, Non-Executive	0	0
Mr. Gopikishan.Bubna	Independent, Non-Executive	0	0
Mr. Saumil U. Marfatia	Independent, Non-Executive	0	0

\*No Meeting of Remuneration Committee was held during the year 2010-2011

**Details of Remuneration for the year ended March 31, 2011:**

- Remuneration to Shri Pankaj Seth, Managing Director, was Rs. 2,50,000 per month. Shri Pankaj Seth was paid a total Remuneration of Rs. 30,00,000/- during the year ended 31st March, 2011.
- Remuneration to Smt. Anisha Seth, Whole Time Director was Rs. 2,50,000 per month. Smt. Anisha Seth was paid a total Remuneration of Rs. 30,00,000/- during the year ended 31st March, 2011.
- Shri Pankaj Seth –Managing Director and Smt. Anisha Seth- Whole Time Director, are also entitled to Gratuity and Leave Encashment as per their terms of employment.

**Non-Executive Director:**

No Remuneration (except sitting fees) was paid to any Non-Executive Directors during the year 2010-2011.

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

**Satyanarayan Baser**

*Compliance Officer*

**ORBIT EXPORTS LIMITED.**

11, Mehta Chambers,  
Kalyan Street,  
P.D'Mello Road, Masjid (E),  
Mumbai – 400 009

**VI. GENERAL BODY MEETINGS**
**ANNUAL GENERAL MEETINGS**

The details of the location and time of the last 3 Annual General Meetings are given below:

AGM No.	Accounting year	Date	Time	Location
27th	2009-2010	20th September, 2010	04.30 pm	11, Mehta Chambers, Kalyan Street, P.D' Mello Road, Mumbai 400003
26th	2008-2009	25th August, 2009	11.30 am	11, Mehta Chambers, Kalyan Street, P.D' Mello Road, Mumbai 400003
25th	2007-2008	29th September, 2008	11.30 am	11, Mehta Chambers, Kalyan Street, P.D' Mello Road, Mumbai 400003

In Annual General Meeting held on 20th September, 2010, the Special Resolution was duly passed with requisite majority to issue and allot 8,00,000 Optionally Fully Convertible Warrants (OFCWs) (4,00,000 OFCWs each to Mr. Pankaj Seth and Mrs. Anisha Seth, Promoters of the Company) at a price of Rs.38/- per OFCWs convertible into equivalent number of Equity Shares of Rs. 10/- each at a price of Rs.38/- per share (including premium of Rs.28/- per share) on Preferential Basis under Section 81(1A) of the Companies Act, 1956 read with the guidelines for Preferential Issues contained in Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**EXTRA ORDINARY GENERAL MEETING**

PARTICULARS	Date	Time	Location	Remarks
Share Holders Meeting was called for passing Special Resolution under Section 81 (1A) of the Companies Act, 1956 read with the guidelines for Preferential Issues contained in Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for Issue and allotment of 2,75,000 Equity Shares of Rs.10/- each at an issue price of Rs.35/- per share (including premium @ Rs.25/- per share) on Preferential Issue basis to the Strategic Investors.	06th May, 2010	11.30 A.M.	11, Mehta Chambers, Kalyan Street, P.D'mello road, Mumbai 400003	The special Resolution was duly passed with requisite majority.

However no Resolution was passed by Postal Ballot during the year 2010-2011.

**VII. DISCLOSURES:**
**SUBSIDIARY COMPANIES**

The revised Clause 49 defines a "material non listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose Turnover or Net Worth (Paid up Capital & Free Reserves) exceeds 20% of the Consolidated Turnover or Net worth respectively, of the Listed Holding Company and its subsidiaries in the immediately preceding Accounting year.

The Company does not have any "material non listed Indian subsidiary" during the Year under review.

**DISCLOSURES OF TRANSACTIONS WITH RELATED PARTIES**

During the Financial Year 2010-11 there were transactions entered between Company and its Promoters, Directors and their relatives which are duly disclosed in the Notes to Account of the Company for the year ended 31st March, 2011.

**DISCLOSURES OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS**

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

**RISK MANAGEMENT**

The Company has laid down procedures to inform Board Members about Risk assessment and minimization procedures and these procedures are periodically reviewed.

**PROCEEDS FROM PUBLIC ISSUE, RIGHT ISSUES AND PREFERENTIAL ISSUE ETC.**

During the year under Report, the Company had made Preferential issue of 2,75,000 shares (1,15,000 Equity Shares to Shri Sandeep Sharma a Non-Resident Indian and 1,60,000 Equity Shares to Mediaman Multitrade Private Limited) on 27th May, 2010. The proceeds of the Preferential Issue have been made for the objects for which such issue was made.

On 1st November 2010, the Company issued and allotted 8,00,000 (Eight Lac) Optionally Fully Convertible Warrants (OPCW) (4,00,000 to Mr. Pankaj Sheth and 4,00,000 to Mrs. Anisha Sheth) convertible at the option of the said allottees into one Equity Share of Rs.10/- each at issue price of Rs.38/- per share against one OFCW within a period of 18 months from the date of allotment of OFCWs. Company has received Rs.76,00,000/- in aggregate being 25% of the total issue proceeds on non refundable basis. The proceeds of the Preferential Issue have been utilized for the objects for which such issue was made.

On 31st March, 2011, the Company has allotted 2,24,560 Equity Shares of Rs.10/- each issued at Rs. 38/- per share (including premium @ Rs.28/- per share) (112280 Equity Shares to Mr. Pankaj Seth and 112280 Equity Shares to Mrs. Anisha Seth) upon exercise of option to convert 224560 Optionally Fully Convertible Warrants issued to them. The proceeds of the Preferential Issue aggregating to Rs. 63,99,960/- will be utilized for the objects for which such issue was made.

**DETAILS OF DIRECTORS' SHAREHOLDING**

Details of Directors Shareholding in the Company are as under

<b>Name of Director</b>	<b>No. of Equity Shares Held</b>
Mr. Pankaj Seth	30,29,760
Mrs. Anisha Seth	4,88,880
<b>Total</b>	<b>35,18,640</b>

The Company does not have any scheme for grant of stock options to its Directors or Employees.

**CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND MANAGEMENT PERSONNEL**

The Code of business conduct and Ethics for Directors and Senior Managements has been circulated to all the Members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by Mr. Pankaj Seth, Managing Director is given below:

"I hereby confirm that the Company has obtained from all the Members of the Board and Senior Management affirmation that they have complied with the code of Business Conduct and Ethics for Directors and Senior Management in respect of Financial Year 2010-2011."

**Pankaj Seth**  
Managing Director

**CODE FOR PREVENTION OF INSIDER TRADING PRACTICES**

In compliance with SEBI's Regulations on Prevention of Insider Trading the Company has instituted 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.

**COMPLIANCE OF REGULATORY REQUIREMENTS**

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authorities for non-compliance of any matter related to the Capital Markets.

**MEANS OF COMMUNICATION**

The Annual, half yearly and quarterly Results are also submitted to the Stock Exchanges and published in leading newspapers.

**VIII. THE 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.

**IX. COMPLIANCE WITH MANDATORY REQUIREMENTS**

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

**X. GENERAL SHAREHOLDER TRANSACTION**

**AGM** : **VENUE, DATE & TIME**  
**VENUE** : **Orbit Exports Ltd.**  
11, Mehta Chambers, Kalyan Street,  
P. D' Mello Road, Mumbai 400009  
**TIME** : **04:30 P.M.**  
**DAY & DATE** : **Monday, 04th July, 2011**



**TENTATIVE FINANCIAL CALENDAR FOR THE YEAR 2010-11**
**Financial Reporting and  
Limited Review Report**

For the quarter ending 30th June, 2011

For the quarter/half year ending 30th September, 2011

For the quarter ending 31st December, 2011

For the quarter ended 31st March, 2012

**Date of submission to  
Stock Exchanges latest by**

Upto 14th August, 2011

Upto 14th November, 2011

Upto 14th February, 2012

Upto 15th May, 2012

**Results (Audited)**

For the year ended March 31, 2012

By the end of May, 2012

**XI. BOOK CLOSURE:**

The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 27th June, 2011 to Monday, 04th, July, 2011 (Both Days Inclusive)

**XII. DIVIDEND:**

An Interim dividend of Re.1.50/- per Share (Previous year Rs. 1.00 per share) aggregating to Rs. 1,14,99,150/- was declared on 15/10/2010 and paid by Board of Directors during the year.

The Board has recommended Dividend of Re.0.50 per share i.e. 5% on Equity Share Capital. Including Interim Dividend @ Rs.1.50 per share i.e. 15%, the total Dividend for the year 2010-11 will be Rs.2/- per share i.e. 20%.

The total dividend for the year 2010-2011 will 20% i.e. Rs.2/- per share.

**XIII. LISTING ON STOCK EXCHANGES:**

The Company's securities are listed on the Bombay Stock Exchange.

Scrip Code on the Bombay Stock Exchange, Mumbai : 512626

Month	BSE Price (Rs.)	
	High	Low
April, 10	33.90	28.50
May, 10	31.70	26.00
June, 10	45.65	27.00
July, 10	37.90	28.05
August, 10	41.55	33.80
September, 10	47.55	34.10
October, 10	73.80	44.00
November, 10	81.95	51.30
December, 10	69.70	48.10
January, 11	71.70	50.10
February, 11	66.80	48.25
March, 11	78.50	49.00

**XIV. 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

**XV. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2011:**

Category	No. of Shares	% of Shares
Promoter's Holding (including persons acting in concert)	3518640	44.59%
Non Promoter's Holding		
a) Mutual Funds & UTI	NIL	NIL
b) Banks, FIs and Insurance Company	NIL	NIL
c) FIIs	NIL	NIL
Others		
a) Bodies Corporates	2356276	29.86 %
b) Individuals	1887623	23.92 %
c) NRIs/OCBs	121904	1.55%
d) Others	6217	0.08 %
<b>TOTAL</b>	<b>7890660</b>	<b>100.00 %</b>

**DISTRIBUTION SCHEDULE**

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF	SHARE/DEBENTURE HOLDERS		SHARE/DEBENTURE AMOUNT	
Rs.	Number	% to Total	In Rs.	% to Total
Up to 500	3873	88.9118	5060970	6.4139
501 - 1000	216	4.9587	1820860	2.3076
1001 - 2000	107	2.4564	1722900	2.1835
2001 - 3000	40	0.9183	1061780	1.3456
3001 - 4000	14	0.3214	507250	0.6428
4001 - 5000	17	0.3903	794830	1.0073
5001 - 10000	32	0.7346	2435930	3.0871
10001 - above	57	1.3085	65502080	83.0122
<b>TOTAL</b>	<b>4356</b>	<b>100.0000</b>	<b>78906600</b>	<b>100.0000</b>

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board Members of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2011.

**PANKAJ SETH**  
**(MANAGING DIRECTOR AND CEO)**

Place: Mumbai  
 Date: 03rd May, 2011

**CEO / COO CERTIFICATE**

We (1) Pankaj Seth, CEO and Managing Director of ORBIT EXPORTS LTD. appointed in terms of the Companies Act, 1956 and (2) Anisha Seth COO of ORBIT EXPORTS LTD., certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain 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) There are, 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 accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) there are 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 over financial reporting.

**Pankaj Seth**  
**(Managing Director and CEO)**

**Anisha Seth**  
**(Whole Time Director (COO))**

Place: Mumbai  
Date: 03rd May, 2011

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**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of:**

**ORBIT EXPORTS LIMITED**

11, Mehta Chambers,  
Kalyan Street, P.D'Mello Road,  
Masjid Bunder (E), Mumbai – 400 009.

We have examined the compliance of the condition of Corporate Governance by **ORBIT EXPORTS LTD.** for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the condition of Corporate Governance is the responsibility of the Management. Our examination has been in the manner described in the Guidance Note of Certification of Corporate Governance issued by the Institute of Company Secretaries of India and has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the condition of Corporate Governance. It is neither an audit nor an expression on the Financial Statements of the Company.

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

On the basis of the records maintained by the Company, and furnished to us and the information and the explanations given to us by the Company, we state that, there were on Investor's Grievances pending against the Company for a period exceeding one month.

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

**For S. K. Jain & Co.,**  
**Company Secretaries**  
**(S. K. Jain)**  
**Partner**

Place: Mumbai  
Date: 03rd May, 2011

**ANNEXURE 'B' TO THE DIRECTORS' REPORT****REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

The Management of ORBIT EXPORTS LIMITEED in its Analysis Report has highlighted the performance and outlook of the Company in order to comply with the requirement of Corporate Governance as laid down in Clause 49 of the Listing Agreement. However, investors and readers are cautioned that this discussion contains certain forward looking statements that involve risk and uncertainties.

**A. INDUSTRY STRUCTURE AND DEVELOPMENTS****ABOUT THE COMPANY**

The Company is engaged in Textiles business and has also forayed in power generation business. It manufactures Speciality Fabrics which are largely exported to various overseas countries.

The Company manufactures Speciality Fabrics such as Brocaded / Jacquards / Silk Look Alikes Fabrics which are mainly exported to various countries. The Company's manufacturing capacity at Jalgoan, Erandol and Surat plants is not sufficient to meet the demand of Company's fabrics in export markets and hence in spite of setting up new manufacturing plant at Surat, the Company has to outsource supplies from the domestic market. Thus there is imperative need to augment the installed manufacturing capacity to reduce dependence on outsourcing. The Company is insulated from cyclic nature of Textile Industry as its products are customized and are exported to various geographical segments.

**New Fabric Manufacturing Plant at Surat:**

The Company has set up a new fabric manufacturing plant at Fair-Deal Textile Park near Surat comprising of 12 Sommet Alpha Automatic Rappier Looms with Staubli Jacquard Looms and 24 RIFA Automatic Shuttleless Dobby Looms to augment its manufacturing capacity. The Company incurred a total cost of Rs.18.32 crores in setting up the new plant at Surat. The State Bank of India has sanctioned a Term Loan of Rs. 16.10 Crores. The commercial production commenced from 29th September, 2010.

**0.60 MW Wind Mill Project at Rajasthan:**

The Company setup 0.60 MW Wind Power Project at Rawat Ka Gaon site at village Kotara, District Barmer in the State of Rajasthan at a Capital Cost of Rs. 3.56 Crores. The commercial production from Wind Mill Project commenced from 24th December, 2009. During the year under Report the Company generated 10,19,398 units from Wind Mill Power Project.

**Textile Industry:**

The textile industry in India occupies a unique place and plays a major role in the economy of the Country. It contributes 14% of the Country's Industrial Production and 4% of India's GDP. It is the largest Foreign Exchange earning sector in the Country and provides employment to over 35 million people.

The availability of concessional loans under the Technology Upgradation Fund Scheme(TUFs) and growing demand for value added retail products are other contributing factors which encourage new investment in upgradation of machineries.

The Apparel export industry provides employment to 2.5 million workers directly and three million indirectly and earns foreign exchange of Rs 50,000 crore annually.

In the 10th Five Year Plan, 30 Integrated Textiles Parks were sanctioned under Scheme for Integrated Textiles Park. In 11th Five Year Plan, 10 more Integrated Textiles Parks have been sanctioned. These 40 Integrated Textiles Parks will generate investment of 21,502 crores providing employment (directly and indirectly) to 9.08 lacs workers and production of goods worth Rs. 38.115 crores.

USA and EU, accounts for about 2/3 of India's textiles Exports. India has emerged as a major sourcing destination for new buyers.

## **A. GLIMPSE OF THE INDIAN TEXTILE INDUSTRY**

### ❖ **Cotton**

- ◆ India is the 2nd Largest producer and exporter of Cotton and Yarn. It contributes 18% share in world cotton & cotton yarn exports.
- ◆ In Cotton production and consumption, India is second highest, after China.
- ◆ 22% of world cotton production – 32.9million bales of 170kg (5.6billionkg) in 2010-11.
- ◆ Cotton Technology Mission helped in reducing cost and increasing yield.
- ◆ Yield increased from 300 to 555kg/hectare during 2003-2008 and to around 500 kg / hectare at present.

### ❖ **Spinning**

- ◆ The Spinning Sector in India is completely organized and is gobally competitive in terms of variety.
- ◆ The install capacity of Spinning in India is given in the following table:

<b>SPINNING</b>	<b>Installed Capacity World (Units in Million)</b>	<b>India</b>	<b>India as % of world</b>	<b>India's Rank</b>
1. Spindles (cotton system)	202.4	39.3	19.4	2 (China)
2. Spindles(wool)	14.9	1.0	6.9	3 (China)
3. Rotors	8.7	0.6	6.9	4 (Russia)

\* In bracket is the first rank country

### ❖ **Weaving/Knitting**

- ◆ India's weaving/knitting sector is highly unorganized with the organized sector contributing to just 5% of the total production. The following table give the Installed capacity in Weaving sector:

<b>WEAVING</b>	<b>Installed Capacity World (Units in Million)</b>	<b>India</b>	<b>India as % of world</b>	<b>India's Rank</b>
1. Shuttle Looms	4.44	2.01	45.3	1
2. Shuttleless Looms	1.00	0.05	5.0	4 (China)
3. Handlooms	4.60	3.90	84.7	1
Total of Looms	10.04	5.96	56.4	1

- ◆ Some of the prominent weaving / knitting clusters include Tirupur in Tamil Nadu and Ludhiana in Punjab.

### ❖ **Apparels**

- ◆ The apparel export industry provides employment to 2.5 million workers directly and three million indirectly, earns foreign exchange of Rs 50,000 crore annually and the need of the hour is to raise the level of exports to \$25 billion by the year 2012
- ◆ It constituted 45.8% share as a major textile item in exports of India against imports of only 3.2 %.

### ❖ **Processing**

- Indian processing sector is largely decentralized with low levels of automation, marked by hand/ independent processing units.

**B. OPPORTUNITY AND THREATS****TEXTILE INDUSTRY****Strengths**

- Vast textile production capacity
- Large pool of skilled and cheap work force
- Entrepreneurial skills
- Efficient multi-fiber raw material manufacturing capacity
- Large domestic market
- Enormous export potential
- Very low import content
- Flexible textile manufacturing systems

**Weaknesses**

- Increased global competition in the post 2005 trade regime under WTO
- Imports of cheap textiles from other Asian neighbors
- Use of outdated manufacturing technology
- Poor supply chain management
- Huge unorganized and decentralized sector
- High production cost with respect to other Asian competitors.
- Textile mills have been indifferent to the need for continuous modernisation.
- The prime reason for our low share in international trade is the pre-dominance of low-value items in the export basket.

**Opportunities**

- Shift in domestic market towards readymade garments, and domestic textile consumption increasing with growing disposable income.
- End of quota system and full integration of the textile industry.
- India has inherent strengths in terms of a strong multi-fibre raw material base, low cost of labor, intellectual capital, and dynamic entrepreneurship.

**Threats**

- It is doubtful whether the government is on the right track in extending financial assistance for the import of such old machines under its Technological Upgradation Fund Scheme.
- Pricing pressures
- Stiff competition from Asian Countries
- Increase in regional trade could reduce share of market opened for India, China and other countries.
- Some new machinery exists side by side with outdated equipment. On the other hand, China has been modernising its textile industry at break-neck speed by installing the latest machinery.

**C. FINANCIAL PERFORMANCE:**

The sales of the Company increased from Rs. 6168.20 Lacs to Rs. 8987.96 Lacs as compared to the last financial year registering an increase of 45.71%. During the year under review the export sales (excluding DEPB Sales and Duty Entitlement) increased to Rs.4882.89 Lacs as compared to Rs. 3306.49 Lacs. The Profit before Depreciation, Interest and Tax increased from Rs.650.63 Lacs in the preceding financial year to Rs.1414.19 Lac in the year under Report. The Profit after tax increased from Rs. 328.95 Lacs to Rs. 769.30 Lacs registering an increase of Rs.440.35 Lacs over the preceding year due to demand of Company's product in local and export market.

**D. OUTLOOK**

As the industrial and economic growth of the country is showing steady improvement The Company has drawn out and is implementing an extensive action plan which comprises thrust on high margin products, reduction in raw material costs, rationalization of operations and over-heads, optimizing inventory level, selective credit policy to customers and liquidation of slow-moving inventories and overdue receivables.

The Company with its superior product mix and higher value-addition, coupled with the change in industry scenario like more fiscal incentives as announced by Government of India for textile industry, change in consumer preferences from woven to knitted clothes etc, is expected to benefit significantly.

**E. RISK AND CONCERN**

There are no major risk and concern to the Company's operation except from the competitive pricing pressure from cheaper imports, unethical competitions from sick units, free market policies and removal of quantitative restrictions.

Forward looking 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. There risk and concerns faced by the Company are similar to those faced by any growing organization in today dynamic industrial and economic scenario.

**F. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company ensures adherence to all Internal Control policies and procedures as well as compliance with all regulatory guidelines. The adequacy of internal controls is reviewed by the Audit Committee of the Board of Directors.

The Company's internal control systems are adequate, considering size and nature of operation of the Company, to meet regulatory/statutory requirements assure recording of all transactions and report reliable and timely financial information. Additionally, it also provides protection against misuse or loss of any of the company assets.

**G. DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATION FRONT**

Human resources represent the strength of your company with a team of qualified and dedicated personnel who have contributed to the consolidation of the operations of your company. The Company has also laid qualitative objectives to maximize overall growth. Emphasis was placed on building a cohesive workforce to maximize returns to all stakeholders.

With the integration of markets and application of IT on wider scale, there has been a sea-change in the way the businesses are conducted today. The industry needs to update itself with such changing requirements. One of the ways of meeting this task is to equip the personnel working in the industry with the skills and knowledge of the latest. While there are some institutions addressing this need of the industry, there has been no organized, focused and co-ordinated plan of action. This National Programme is therefore conceived to fill this gap.

**H. RESEARCH AND DEVELOPMENT:**

Increased globalization has made the marketing of products and retention of customers highly competitive. We have to exploit the opportunities offered by the free market economy, while weaknesses hindering our growth have to be eliminated or their impact minimised through well defined initiatives to emerge as a strong international cost and quality competitive textiles economy.

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.

Forward looking 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.

**On Behalf of the Board of Directors**

Place: Mumbai  
Dated: 03rd May, 2011

**ANISHA SETH**  
**WHOLETIME DIRECTOR**

## **ANNEXURE 'C' TO THE DIRECTORS REPORT**

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1998.

### **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**

#### **AS PER FORM – "A"**

#### **A) POWER AND FUEL CONSUMPTION**

	<b>Current Year</b>	<b>Previous Year</b>
Electricity Consumed		
Unit	<b>3,10,450</b>	2,80,205
Amount (Rs.)	<b>20,46,392</b>	17,89,160
Rate per unit (Rs.)	<b>6.59</b>	6.39

#### **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 up gradation/ 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. 1,44,05,150/-
Total Foreign Exchange earnings	Rs. 49,92,61,570/-
Total Foreign Exchange used for capital goods	Rs. 9,62,14,088/-

**On Behalf of the Board of Directors**

**ANISHA SETH  
WHOLETIME DIRECTOR**

Place: Mumbai  
Dated: 03rd May, 2011

**AUDITOR'S REPORT**

To,

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

We have audited the attached Balance Sheet of **M/s. Orbit Exports Limited**, as at 31st March, 2011 and also the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. We report that: -

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in Sub Section 3 C of Section 211 of the Companies Act, 1956 except reported separately.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
  - ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
  - iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date
- f) On the basis of the written representations received from the Directors as on 31.03.2011 and taken on record, none of the directors of the Company is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
- g) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we further state on the matters specified in paragraphs 4 and 5 of the said Order that;
  1. Fixed assets:
    - a) The Company is maintaining proper records showing full particulars details including quantitative details and situation of fixed assets.
    - b) The Company has a program for physical verification of fixed assets at periodical intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
    - c) In our opinion, there have been no significant disposals of fixed assets during the year which affect the going concern assumption.

2. Inventory:
  - a. The management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and to the nature of its business.
  - c. The Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
3. Loans and Advances:
  - a. The Company has not granted any loans to any person covered in the register maintained under section 301 of the Companies Act, 1956.
  - b. In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.
  - c. The parties have repaid the principal amounts as stipulated and have also been regular in the payment of interest to the Company.
  - d. There is no overdue amount in excess of Rs. 1 lakh in respect of loans granted to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
  - e. The Company had not taken any loan from any of the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - f. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
  - g. The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
5. Transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956:
  - a. According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs 5.00 lac in respect of any party during the year, have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of products of the Company. We have broadly reviewed the books of account and records of the Company in this connection and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made any detailed examination of the same.

9. Statutory dues:

- a. According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues, with the appropriate authorities.
- b. According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty or cess outstanding on account of any dispute, other than the following:

<b>Name of the Statute</b>	<b>Nature of dues</b>	<b>Forum where dispute is pending</b>	<b>Amount (Rs. in lakhs)</b>
Income Tax Act, 1961	Income Tax (AY.1995-96)	CIT (Appeal), Mumbai	5.11
Income Tax Act, 1961	Income Tax (AY.1996-97)	CIT (Appeal), Mumbai	24.33

10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year, or in the immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to financial institutions, banks or debentures holders.
12. According to the information and explanations given to us, and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, the Company is not a chit fund or nidhi mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us and the records examined by us, on an overall basis, the term loans, which have been raised during the year, were applied by the Company for the purpose for which they were raised.
17. According to the information and explanations given to us and on overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has not used funds raised on short term basis for financing long term assets.
18. According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
19. The Company has not issued any Debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

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

**Manish Kumar Gupta**  
Partner.

Place : Mumbai.  
Dated : 3rd May, 2011.

M.No. 130883./ F.R.No. 114488W

**BALANCE SHEET AS AT MARCH 31, 2011**

<b>PARTICULARS</b>	<b>Sch.</b>	<b>Rs.</b>	<b>As At 31.03.2011 Rs.</b>	<b>As At 31.03.2010 Rs.</b>
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUNDS</b>				
a) Share Capital	<b>I</b>	<b>78,906,600</b>	73,911,000	
b) Share Application Money	<b>II</b>	<b>5,466,680</b>	-	
c) Reserves and Surplus	<b>III</b>	<b>172,407,349</b>	88,999,173	
		<b>256,780,629</b>		162,910,173
<b>LOAN FUNDS</b>				
a) Secured Loans	<b>IV</b>	<b>216,023,602</b>	136,061,894	
b) Unsecured Loans		-	-	
		<b>216,023,602</b>		136,061,894
<b>Deferred Tax Liability (Net)</b>			<b>25,608,802</b>	5,048,397
<b>TOTAL</b>			<b>498,413,033</b>	<b>304,020,464</b>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
a) Gross Block	<b>V</b>	<b>439,917,861</b>	254,830,916	
b) Less: Depreciation		<b>178,323,983</b>	169,424,994	
c) Net Block		<b>261,593,878</b>	85,405,922	
d) Capital work-in-Progress		<b>422,500</b>	19,419,346	
		<b>262,016,378</b>		104,825,268
<b>INVESTMENTS</b>	<b>VI</b>	<b>143,000</b>		123,000
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
a) Inventories	<b>VII</b>	<b>122,591,748</b>		130,614,136
b) Sundry Debtors		<b>123,849,410</b>		84,040,880
c) Cash & Bank Balances		<b>1,060,584</b>		1,053,020
d) Loans and Advances		<b>49,742,094</b>		19,462,547
		<b>297,243,835</b>		235,170,584
<b>LESS:-CURRENT LIABILITIES &amp; PROVISIONS</b>				
a) Current Liabilities	<b>VIII</b>	<b>50,731,110</b>		33,822,945
b) Provisions		<b>11,343,268</b>		3,689,554
		<b>62,074,378</b>		37,512,499
<b>NET CURRENT ASSETS</b>		<b>235,169,457</b>		197,658,084
<b>MISCELLANEOUS EXPENDITURE</b> (to the extent not written off and/or adjusted)	<b>IX</b>	<b>1,084,197</b>		1,414,112
<b>TOTAL</b>		<b>498,413,033</b>		<b>304,020,464</b>
<b>NOTES FORMING PART OF ACCOUNTS</b>	<b>XVI</b>			

The Schedules referred to above form an integral part of the Balance Sheet.

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  
Date : May 3, 2011

**Signature to the Balance Sheet and  
Schedules I to IX & XVI**

**For and on behalf of the board**

**Pankaj S. Seth**  
Managing Director

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

**PROFIT AND LOSS ACCOUNT**

PARTICULARS	SCH.	For the Year ended 31st March, 2011		For the Year ended 31st March, 2010	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME:</b>					
Sales & Service Charges	<b>X</b>	<b>898,796,641</b>		616,820,324	
Other Income	<b>XI</b>	<b>3,313,933</b>		60,000	
		<b>902,110,574</b>		<b>616,880,324</b>	
<b>EXPENDITURE:</b>					
Material Consumed and Manufacturing Expenses	<b>XII</b>	<b>657,361,947</b>		483,903,547	
Expenses	<b>XIII</b>	<b>92,222,145</b>		65,734,647	
Interest Expenses	<b>XIV</b>	<b>10,282,650</b>		7,091,675	
(Increase) Decrease in Inventories	<b>XV</b>	<b>11,107,042</b>		2,178,293	
		<b>770,973,784</b>		<b>558,908,162</b>	
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>		<b>131,136,789</b>		<b>57,972,161</b>	
Depreciation (refer note 3)	<b>V</b>	<b>8,898,989</b>		9,033,544	
Less:-Amount withdrawn from Revaluation Reserve		<b>(23,952)</b>	<b>8,875,037</b>	<b>(23,952)</b>	9,009,592
<b>PROFIT BEFORE TAX</b>			<b>122,261,753</b>		<b>48,962,569</b>
Provision for Taxes:					
Current Taxes		<b>24,759,514</b>		13,668,700	
Deferred Taxes		<b>20,560,405</b>		2,565,400	
			<b>45,319,919</b>		<b>16,234,100</b>
			<b>76,941,834</b>		<b>32,728,469</b>
Tax adjustments in respect of perious years			<b>11,552</b>		<b>(166,495)</b>
<b>NET PROFIT AFTER TAX</b>			<b>76,930,282</b>		<b>32,894,964</b>
Balance as per last Balance Sheet			<b>30,703,842</b>		<b>6,456,096</b>
<b>BALANCE AVAILABLE FOR APPROPRIATIONS</b>			<b>107,634,124</b>		<b>39,351,060</b>
Dividend on Equity Shares					
Interim			<b>11,499,150</b>		<b>7,391,100</b>
Final (Proposed)			<b>3,945,330</b>		<b>-</b>
Tax on Distributed Profit			<b>2,565,184</b>		<b>1,256,118</b>
Transfer to General Reserve			<b>6,000,000</b>		<b>-</b>
Balance carried to Balance Sheet			<b>83,624,460</b>		<b>30,703,842</b>
<b>TOTAL</b>			<b>107,634,124</b>		<b>39,351,060</b>
Earning Per Share ( in Rupees) (refer note--)					
Basic			<b>10.09</b>		<b>4.45</b>
Diluted			<b>9.38</b>		<b>4.45</b>
<b>NOTES FORMING PART OF ACCOUNTS</b>	<b>XVI</b>				

The Schedules referred to above form an integral part of the Balance Sheet.

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  
Date : May 3, 2011

**Signature to the Balance Sheet and  
Schedules I to IX & XVI**

**For and on behalf of the board**

**Pankaj S. Seth**  
Managing Director

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

**ANNEXED TO AND FORMING PART OF BALANCE SHEET**

<b>PARTICULARS</b>	<b>As At 31st March, 2011 Rs.</b>	<b>As At As at 31st March, 2010 Rs.</b>
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL</b>		
a) <b>AUTHORISED</b>		
1,50,00,000 Equity Shares of Rs.10/-each (P.Y. 1,50,00,000 Equity Shares of Rs. 10/- each)	<b>150,000,000</b>	150,000,000
b) <b>ISSUED SUBSCRIBED AND PAID UP</b>		
78,90,660 Equity Shares of Rs.10/- each fully paid up (P.Y. 73,91,100 Equity Shares of Rs. 10/- each fully paid up)	<b>78,906,600</b>	73,911,000
	<b>78,906,600</b>	73,911,000
<b>NOTE:</b> of the above Equity shares 19,20,000 were issued as fully paid Bonus shares by way of capitalisation of Reserves		
<b>SCHEDULE - II</b>		
<b>ADVANCE RECEIVED AGAINST ISSUE OF OPTIONALLY FULLY CONVERTIBLE WARRANTS ON PREFERENCE BASIS</b>		
Share Application Money	<b>5,466,680</b>	-
	<b>5,466,680</b>	-
<b>SCHEDULE-III</b>		
<b>RESERVES AND SURPLUS</b>		
a) <b>REVALUATION RESERVE</b>		
As per last Balance Sheet	<b>2,005,138</b>	2,029,090
Less:-Transferred to Profit & Loss Account	<b>23,952</b>	23,952
	<b>1,981,186</b>	2,005,138
b) <b>GENERAL RESERVE</b>		
As per last Balance Sheet	<b>8,467,194</b>	8,467,194
Add:-Transferred from Profit & Loss Account	<b>6,000,000</b>	-
	<b>14,467,194</b>	8,467,194
c) <b>CAPITAL RESERVE</b>		
As per last Balance Sheet	<b>17,860,000</b>	17,860,000
Add: Received During the Year	<b>11,348,830</b>	-
	<b>29,208,830</b>	17,860,000
d) <b>SHARE PREMIUM ACCOUNT</b>		
Add:Received During the Year	<b>29,963,000</b>	29,963,000
	<b>13,162,680</b>	-
	<b>43,125,680</b>	29,963,000
e) <b>PROFIT AND LOSS A/C</b>	<b>83,624,460</b>	30,703,842
	<b>172,407,349</b>	88,999,174
<b>SCHEDULE-IV</b>		
<b>SECURED LOANS</b>		
a) <b>TERM LOANS</b>		
Term Loan from Banks	<b>111,543,229</b>	24,000,000
(Repayable with in one year 2,88,00,000 (P.Y.Rs. 60,00,000 /-)	<b>111,543,229</b>	24,000,000
b) <b>WORKING CAPITAL LOANS From Banks</b>		
Working Capital Limits	<b>104,480,373</b>	112,061,894
	<b>104,480,373</b>	112,061,894
	<b>216,023,602</b>	136,061,894

**NOTES :-**

- Term Loans and Working Capital Loans from State Bank of India are secured by 1st mortgage on all the fixed assets of the company both present & future and hypothecation on all the current assets of the company both present & future.
- All the above loans are personally guaranteed by the Promoter Directors of the Company.



**ANNEXED TO AND FORMING PART OF BALANCE SHEET**

**SCHEDULE - 'V'**

**FIXED ASSETS & DEPRECIATION FOR THE YEAR ENDED 31st MARCH-2011**

Sr. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		AS AT 01.04.2010	Addition During the Year	Deduction During the Year	AS AT 31.03.2011	UP TO 01.04.2010	FOR THE YEAR	ADJUSTMENTS	AS ON 31.03.2011	AS ON 31.03.2010
1	LAND LEASE HOLD	15,022,773	9,043,250	-	24,066,023	-	-	-	24,066,023	15,022,773
2	LAND FREEHOLD	1,450,000	-	-	1,450,000	-	-	-	1,450,000	1,450,000
3	OFFICE PREMISES	12,211,581	-	-	12,211,581	1,722,355	199,049	(881,805)	11,171,982	10,489,226
4	FACTORY BUILDING	17,554,855	34,203,052	-	51,757,907	5,959,232	1,252,432	-	44,546,243	11,595,623
5	PLANT & MACHINERY	184,270,967	137,278,629	-	321,549,596	149,506,078	5,845,091	-	166,198,427	34,764,889
6	ELECTRICAL INSTALLATIONS	2,829,752	2,807,426	-	5,637,178	2,006,968	210,825	-	3,419,385	822,782
7	FURNITURE & FIXTURES	6,124,652	1,139,243	-	7,263,895	2,565,875	436,456	-	4,261,564	3,558,777
8	COMPUTERS	6,368,435	438,524	-	6,806,959	2,342,396	1,075,555	-	3,389,008	4,026,039
9	OFFICE EQUIPMENTS	1,183,004	90,991	-	1,273,995	736,142	60,352	-	477,501	446,862
10	AIRCONDITIONERS	957,037	85,829	-	1,042,866	819,806	49,536	-	173,524	137,231
11	VEHICLES	6,857,861	-	-	6,857,861	3,766,142	651,497	-	2,440,222	3,091,719
	<b>TOTAL</b>	<b>254,830,917</b>	<b>185,086,944</b>	<b>-</b>	<b>439,917,861</b>	<b>169,424,994</b>	<b>9,780,793</b>	<b>(881,805)</b>	<b>261,593,878</b>	<b>85,405,923</b>
	Previous Year	204,041,337	50988222	(198,642)	254,830,917	160,466,546	9,033,544	-75095	85,405,923	



**ANNEXED TO AND FORMING PART OF BALANCE SHEET**

<b>PARTICULARS</b>	<b>As At 31st March, 2011 Rs.</b>	<b>As At As at 31st March, 2010 Rs.</b>
<b>SCHEDULE-VI</b>		
<b>INVESTMENTS</b>		
a) <b>LONG TERM INVESTMENTS</b>		
Investment in Government Security National Savings Certificate	<b>43,000</b>	23,000
b) <b>Quoted Investment (Trade)</b>	-	-
c) <b>Unquoted (Non Trade)</b>		
10,000 Equity shares of Rs. 10/- each Fully paid up in kurla nagrik Sahakari bank Ltd.	<b>100,000</b>	100,000
	<b>143,000</b>	123,000
<b>SCHEDULE-VII</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A) Inventories</b>		
(at cost except finished goods which are at lower of cost or net realisable value)		
a) Packing Material	<b>2,199,245</b>	1,084,494
b) Stores & Spares	<b>2,037,152</b>	397,686
c) Raw Material	<b>34,044,218</b>	33,713,781
d) Work in Process	<b>17,412,825</b>	17,287,225
e) Finished Goods	<b>66,898,308</b>	78,130,950
	<b>122,591,748</b>	130,614,136
<b>B) Sundry Debtors</b>		
a) (Unsecured, Considered Good, unless otherwise stated) Debts outstanding for a period exceeding six months	<b>6,303,022</b>	5,719,040
b) Other Debts	<b>117,546,388</b>	78,321,840
	<b>123,849,410</b>	84,040,880
<b>C) Cash &amp; Bank Balances</b>		
a) Cash and Cheques in Hand	<b>584,260</b>	831,505
b) Balances with Scheduled Banks		
In Current Account	<b>451,324</b>	196,515
In Fixed Deposit Account	<b>25,000</b>	25,000
	<b>1,060,584</b>	1,053,020
<b>D) Loans and Advances</b>		
(Unsecured, Considered Good, unless otherwise stated)		
a) Advances Recoverable in Cash or in Kind or for value to be Received	<b>2,396,521</b>	15,617,986
b) Subsidy and Incentive Receivable	<b>37,428,964</b>	
c) Balances with Revenue Authorities	<b>1,679,841</b>	649,956
d) Sundry Deposits	<b>5,725,635</b>	683,473
e) Income Tax paid against demand in appeal	<b>2,511,133</b>	2,511,133
	<b>49,742,094</b>	19,462,547
	<b>297,243,835</b>	235,170,584

**ANNEXED TO AND FORMING PART OF BALANCE SHEET**

<b>PARTICULARS</b>	<b>As At 31st March, 2011 Rs.</b>	<b>As At As at 31st March, 2010 Rs.</b>
<b>SCHEDULE-VIII</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS:</b>		
<b>A) CURRENT LIABILITIES</b>		
a) Sundry Creditors for Capital Goods	<b>6,855,097</b>	-
b) Sundry Creditors for Goods	<b>29,441,325</b>	28,545,929
c) Sundry Creditors for Expenses	<b>8,008,651</b>	-
d) Other Liabilities	-	730,944
e) Interest Accrued but not Due on Loans	<b>1,376,303</b>	249,872
f) Duties & Taxes	<b>1,228,473</b>	392,443
h) Unclaimed Dividends	<b>361,336</b>	139,832
i) Advances from Customers	<b>3,459,925</b>	3,763,925
	<b>50,731,110</b>	33,822,945
<b>B) PROVISIONS</b>		
a) For Taxation (Net of Advance Payment of Taxes)	<b>3,259,514</b>	1,103,700
b) Tax on Distributed Profits	<b>655,319</b>	-
c) for Gratuity and Leave Encashment	<b>3,483,105</b>	2,585,854
d) Proposed Dividend Payable	<b>3,945,330</b>	-
	<b>11,343,268</b>	3,689,554
	<b>62,074,378</b>	37,512,499
<b>SCHEDULE-IX</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off and/or adjusted)		
Miscellaneous Expenditure	<b>456,512</b>	421,374
Deferred Revenue Expenditure	<b>341,409</b>	420,185
Right Issue expenses	<b>286,276</b>	572,553
	<b>1,084,197</b>	1,414,112
<b>SCHEDULE-X</b>		
<b>SALES &amp; SERVICE CHARGES</b>		
a) Sales		
Local	<b>374,391,794</b>	261,279,897
Export	<b>486,625,699</b>	861,017,493
		330,648,952
b) D E P B Sales	<b>35,403,124</b>	24,364,599
c) Duty Drawback	<b>712,570</b>	532,808
d) Export Incentives	<b>1,663,454</b>	(5,932)
	<b>898,796,641</b>	616,820,324
<b>SCHEDULE-XI</b>		
<b>OTHER INCOME</b>		
a) Dividend Received	-	60,000
b) Foreign Exchange Gain/(Loss) (Net)	<b>3,274,457</b>	-
c) Miscellaneous Income	<b>39,476</b>	-
	<b>3,313,933</b>	60,000

**ANNEXED TO AND FORMING PART OF BALANCE SHEET**

<b>PARTICULARS</b>	<b>31st March, 2011 Rs.</b>	<b>As At Rs.</b>	<b>As at 31st March, 2010 Rs.</b>	<b>As At Rs.</b>
<b>SCHEDULE-XII</b>				
<b>COST OF MATERIAL CONSUMED, PURCHASES, MANUFACTURING EXPENSES</b>				
<b>A) COST OF MATERIAL CONSUMED</b>				
Raw Material Consumed				
Opening Stock	<b>33,713,781</b>		33,379,160	
Add:-Purchases	<b>587,349,822</b>		435,593,627	
	<b>621,063,603</b>		468,972,787	
Less:-Closing Stock	<b>34,044,218</b>		33,713,781	
		<b>587,019,385</b>		435,259,006
<b>B) MANUFACTURING EXPENSES</b>				
Processing Charges	<b>63,901,399</b>		44,489,724	
Power and Fuel	<b>1,639,330</b>		1,490,932	
Designing Charges	<b>569,454</b>		890,125	
Labour Charges	<b>3,748,340</b>		1,345,968	
Water Charges	<b>66,360</b>		55,148	
Machinery Repairs	<b>417,678</b>		372,645	
		<b>70,342,561</b>		48,644,541
		<b>657,361,947</b>		483,903,547
<b>SCHEDULE-XIII</b>				
<b>EXPENSES</b>				
<b>A) PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>				
Salaries, Wages & Bonus	<b>21,158,247</b>		13,593,226	
Provident & Other Fund	<b>768,184</b>		711,603	
Gratuity and Provision	<b>819,384</b>		879,974	
Employee Welfare Expenses	<b>903,221</b>		416,534	
		<b>23,649,036</b>		15,601,337
<b>B) SELLING &amp; DISTRIBUTION EXPENSES</b>				
Packing Expenses.	<b>2,839,045</b>		3,578,959	
Advertisement and Sales Promotion	<b>1,932,970</b>		462,809	
Testing Charges	<b>215,718</b>		404,999	
Insurance (Export)	<b>245,653</b>		141,193	
Brokerage, Commission, Discounts & Claims	<b>1,218,176</b>		2,286,069	
Export Expenses	<b>133,900</b>		72,800	
Sampling Expenses	<b>610,502</b>		575,612	
Freight & Forwarding Expenses	<b>15,863,570</b>		9,656,011	
		<b>23,059,534</b>		17,178,452
<b>C) ADMINISTRATION AND OTHER EXPENSES</b>				
Rent, Rates and Taxes	<b>1,735,791</b>		835,771	
Printing & Stationery	<b>1,270,973</b>		731,017	
Books & Periodicals	<b>1,653</b>		2,365	
Donation	<b>13,154</b>		12,953	
Goodwill written off	<b>-</b>		27,802	
Postage and Telephone Expenses	<b>2,827,427</b>		2,324,384	
Travelling, Conveyance and Vehicle Expenses	<b>11,505,757</b>		8,186,770	
Insurance	<b>566,696</b>		287,305	
Repairs and Maintenance Others	<b>1,171,968</b>		533,895	
Miscellaneous Office Expenses	<b>309,640</b>		145,472	

**ANNEXED TO AND FORMING PART OF BALANCE SHEET**

<b>PARTICULARS</b>	<b>31st March, 2011 Rs.</b>	<b>As At Rs.</b>	<b>As At As at 31st March, 2010 Rs.</b>
Auditors Remuneration	220,600		177,034
Miscellaneous Expenditure written off	455,554		430,426
Key Man Insurance	1,946,566		528,466
Directors' Remuneration	6,000,000		5,750,000
Sitting Fees	94,000		48,000
Legal and Professional Charges	10,626,663		3,693,919
Electricity Expenses	942,111		823,446
Security Expenses	439,430		353,651
Sundry bal. W/off	-		2,808,052
Membership & Subscription	198,523		94,455
Bank Charges	4,908,629		2,651,781
Foreign Exchange Gain/(Loss) (Net)	-		322,287
Capital (Gain)/ Loss on sale of Shares	-		1,504,712
(Profit)/ Loss on sale of Fixed assets	-		46,984
Service Tax Paid	278,440		633,914
		<b>45,513,575</b>	32,954,859
		<b>92,222,145</b>	65,734,647
<b>SCHEDULE-XIV</b>			
<b>INTEREST EXPENSES</b>			
Interest on Fixed Loans	9,716,060		735,229
Interest on other Bank Loan	6,744,749		6,356,446
		<b>16,460,809</b>	7,091,675
Less:- Interest Receivable		<b>(6,178,159)</b>	-
		<b>10,282,650</b>	7,091,675
<b>SCHEDULE-XV</b>			
<b>INCREASE / (DECREASE) IN INVENTORIES</b>			
<b>CLOSING STOCK</b>			
a) Finished Goods	66,898,308		78,130,950
b) Work-in-Process	17,412,825		17,287,225
		<b>84,311,133</b>	<b>95,418,175</b>
<b>OPENING STOCK</b>			
a) Finished Goods	78,130,950		79,835,772
b) Work-in-Process	17,287,225		17,760,697
		<b>95,418,175</b>	97,596,469
<b>INCREASE/ (DECREASE) IN INVENTORIES</b>		<b>(11,107,042)</b>	(2,178,294)

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011**

	<b>Year ended 31st March, 2011 Amount in Rs.</b>	<b>Year ended 31st March, 2010 Amount in Rs.</b>
<b>A] CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) Before Tax and Extraordinary Items</b>	122,261,753	48,962,569
Add:		
Depreciation	8,875,037	9,009,592
Misc. Exp. W/off	455,554	430,426
Interest Expenses	10,282,650	7,091,675
Less:		
Direct Tax Paid	(24,759,514)	(13,668,700)
Prior Period Item/Previous Year		
Tax Adjustment	(11,552)	166,495
Extraordinary item	-	-
<b>Operating Profit/(Loss) before working Capital Changes</b>	<b>117,103,927</b>	<b>51,992,057</b>
Decrease/(Increase) in Sundry Debtors and Loans&Advances	(70,088,076)	(30,688,015)
Decrease/(Increase) in Inventory	8,022,388	1,759,284
Increase/(Decrease) in Current Liabilities & Provision	24,561,879	12,118,042
<b>Net Cash Flow From Operating Activities</b>	<b>79,600,118</b>	<b>35,181,368</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition of Fixed Assets	(166,090,099)	(70,284,020)
Reduction in Investments	(20,000)	10,312,943
<b>Net Cash Flow from Investing Activities</b>	<b>(166,110,099)</b>	<b>(59,971,077)</b>

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011**

	<b>Year ended 31st March, 2011 Amount in Rs.</b>	<b>Year ended 31st March, 2010 Amount in Rs.</b>
<b>Cash Flow Statement (Contd...)</b>		
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Share Capital	4,995,600	-
Advance Received Againsts Issue of Convertible Warrants	5,466,680	(12,860,000)
Increase/(Decrease) in Capital Reserve	11,348,830	12,860,000
Increase/(Decrease) Share Premium	13,162,680	-
Increase/(Decrease) in Secured Loans (Net of Repayments)	79,961,708	40,693,914
Deffered Revenue Expenditure	(125,639)	-
Dividend Paid	(18,009,664)	(8,647,218)
Interest Paid	(10,282,650)	(7,091,675)
<b>Net Cash Flow From Financing Activities</b>	<b>86,517,544</b>	<b>24,955,021</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>7,563</b>	<b>165,312</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>1,053,020</b>	<b>887,708</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>1,060,584</b>	<b>1,053,020</b>

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

Date : May 3, 2011

**For and on behalf of the board**

**Pankaj S. Seth**  
Managing Director

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

**SCHEDULE 'XVI'- NOTES TO THE ACCOUNTS****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, 1956.

**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) License premium is accounted as and when sale of license take place.
- c) Export incentives are accounted on accrual basis and include the estimated value of export incentives receivable under the Duty Entitlement Pass Book.
- d) Dividend income is recognized when the right to receive the same is established.
- e) Interest income is recognized on a time proportion basis.
- f) 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 of acquisition or construction, less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned 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. Cost is computed on weighted 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 Profit and Loss Account 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:**

Depreciation on assets has been provided on Straight Line Method at the rates prescribed by Schedule XIV to the Companies Act, 1956. Depreciation in respect of additions to/and deletion from assets has been charged on pro-rata basis with reference to the month of addition or deletion.

In respect of Revalued Fixed assets, depreciation is charged on straight line method on gross value of assets as increased by the year on pro-rata basis with reference to the month of addition.

## **10. Foreign Currency Transactions:**

Transactions in foreign currency are recorded at exchange rates prevailing on the day of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign currency transactions are recognized in the Profit & Loss Account.

The Company uses forward exchange contracts to hedge its foreign exchange exposures. Gains or losses on settled contracts is recognized in the profit and loss account. Futures contracts not settled as on the Balance Sheet date are marked at market rates and losses, if any, are recognized in the Profit & Loss Account.

## **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 Profit and Loss Account 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 profit & Loss account.

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

The Company's liability towards gratuity and compensated absences is determined on the basis of year end actual valuation done by independent actuary. The actuarial gains or losses determined by the actuary are recognized in the profit and loss account as income or expense.

## **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:

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognized only when there is a virtual certainty of their realization and on other items when there is reasonable certainty of realization. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

## 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.

## NOTES TO ACCOUNTS:

### 1. 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.	Mr. Shyam Sunder Seth	Father of CMD Mr. Pankaj S. Seth
4.	Mr. Bruce Larry Kieval	Executive Director
5.	Mrs. Vibha Marfatia	Spouse of Mr. Saumil Ushakant Marfatia

#### 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.

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

Particulars	Related Parties		Relative of Key Management Personnel	Total
	Associates	Key Management Personnel		
Rent Expenses incurred	---	6,00,000 (---)	1,20,000 (1,20,000)	7,20,000 (1,20,000)
Professional fess	---	---	41,94,066 (27,06,588)	41,94,066 (27,06,588)
Managerial Remuneration	---	60,00,000 (57,50,000)	---	60,00,000 (57,50,000)
Brokerage & Commission	---	---	3,18,270 (---)	3,18,270 (---)
Balance Receivable as at year end	---	---	---	---
Balance Payable as at year end	---	24,266 (---)	74,725 (---)	98,991 (---)

**Remuneration to Directors** Refer Item No. 5 (b) & (C)

## 2. Earnings Per Share:

Basic and Diluted Earnings per share ("EPS") computed in accordance with Accounting Standard - 20 'Earnings per Share'.

	Particulars		31.03.2011	31.03.2010
a.	<b>Numerator</b> Profit/ (Loss) after tax	Rs.	<b>7,69,30,282</b>	3,28,94,964
b.	<b>Denominator</b> Weighted average number of equity shares	Nos.	<b>76,23,770</b>	73,91,100
c.	Earnings per Share			
	Basic =	Rs.	<b>10.09</b>	4.45
	Diluted =	Rs.	<b>9.38</b>	4.45
	Numerator/Denominator			

## 3 Contingent Liabilities and commitments not provided for:

A list of disputed cases in the matter of Income Tax have been enumerated hereinabove in the Audit Report. The issues are pending before few Income Tax Authorities. The details are as under:-

Sr. No.	Nature of dues	Amount (Rs. in lakhs)	
		2010-11	2009-10
1.	Income Tax (AY.1995-96)	<b>5.11</b>	5.11
2.	Income Tax (AY.1996-97)	<b>24.33</b>	24.33
3.	Letter of Credits	---	551.26

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

5. a) The computation of Net Profit for the purpose of calculation of directors' remuneration under section 349 of the Companies Act, 1956 is not enumerated, since no commission has been paid to any director.

b) Managing Director's Remuneration

		2010-11	2009-10
		Rs.	Rs.
i.	Salary & Bonus	<b>30,00,000</b>	30,00,000
ii.	Contribution to Provident Fund and Other funds	---	---
iii.	Perquisites	---	---
		<b>30,00,000</b>	30,00,000

c) Whole Time Director's Remuneration

		2010-11	2009-10
		Rs.	Rs.
i.	Salary & Bonus	<b>30,00,000</b>	27,50,000
ii.	Contribution to Provident Fund and Other funds	---	---
iii.	Perquisites	---	---
		<b>30,00,000</b>	27,50,000

**6. Payment to Auditors**

	<b>2010-11</b>	2009-10
	<b>(Rs.)</b>	(Rs.)
For Statutory Audit	<b>2,20,600</b>	1,65,450
For Tax Audit	---	---
For Other Services	<b>29,785</b>	11,584
	<b>2,50,385</b>	1,77,034

7. 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.
8. The Board of Directors have declared interim dividend @ 15% during the year amounting to Rs. 1,14,99,150/- (Rs. 1.50 per share of face value of Rs. 10/- each i.e.15% ).
9. The Company was not required to obtain any license under Industries (Development and Regulation) Act, 1951. Therefore, the details of license capacity are not applicable.

**A. CAPACITY** as registered with respective authorities.

		Unit	<b>2010-11</b>	2009-10
a.	Weaving Looms	Nos.	<b>78</b>	42
b.	Wind Generation Unit	Nos.	<b>1 of 600 KW</b>	1 of 600 KW

**B. INSTALLED CAPACITY** (As certified by the management)

		Unit	<b>2010-11</b>	2009-10
a.	Weaving Looms	Nos.	<b>78</b>	42
b.	Wind Generation Unit	Nos.	<b>1 Unit of 600 KW</b>	1 Unit of 600 KW

**C. ACTUAL PRODUCTION / GENERATION**

a.	In own Factory Fabrics	Mts	9,99,989	10,15,387
b.	Outsourced Fabrics	Mts	90,58,187	72,59,752
c.	Electricity Generation from Wind Mill	Kwh	10,19,397	2,36,614

**10. Quantitative information in respect of Sales, Opening Stock, Closing Stock, and Consumption: -**

		Unit	<b>2010-11</b>		2009-10	
			<b>Quantity</b>	<b>Value (Rs.)</b>	Quantity	Value (Rs.)
1	<b>Opening Stock</b> Fabrics (FG)	Mts	<b>17,33,466</b>	<b>7,04,98,775</b>	16,78,578	7,65,77,229
2	<b>Closing Stock</b> Fabrics (FG)	Mts	<b>11,49,921</b>	<b>5,98,49,456</b>	17,33,466	7,04,98,775
3	<b>Sales</b> Fabrics Yarn Electricity	Mts Kgs. Kwh	<b>1,04,66,067</b> <b>9,462</b> <b>10,19,397</b>	<b>85,37,88,687</b> <b>13,29,722</b> <b>43,63,021</b>	80,39,449 --- 2,36,614	58,71,84,675 --- 10,12,705
4	<b>Raw Material Consumed</b> Yarn, Films and Adhesives Fabrics	Kgs Mts	<b>2,39,153</b> <b>87,57,136</b>	<b>3,67,78,912</b> <b>54,22,50,652</b>	2,20,440 72,73,608	2,97,49,667 39,55,42,006
	<b>Total</b>			<b>57,90,29,564</b>		42,52,91,673

**11. Value of import on CIF basis**

	<b>2010-11</b>	2009-10
Capital Goods	<b>10,99,38,448</b>	---
Stores & Spares	---	---
Raw Material	---	29,74,230
Total	<b>10,99,38,448</b>	29,74,230

**12. Expenditure in Foreign Currency**

	<b>2010-11</b>	2009-10
Traveling Expenses	<b>34,85,536</b>	32,56,302
Professional Fees	<b>93,59,076</b>	27,06,588
Sales Promotion Expenses	<b>15,60,538</b>	95,160
Capital Goods	<b>9,62,14,088</b>	1,36,82,893
Total	<b>11,06,19,238</b>	1,97,40,943

**13. Remittance in foreign currency**

		<b>2010-11</b>	2009-10
i.	on account of dividend Number of non-resident shareholders	---	12
ii.	Number of shares held by them on which dividend was due	---	35,645
iii.	Year to which dividend relates	---	2009-10
iv.	Amount remitted	---	35,645

**14. Earnings in foreign exchange**

	<b>2010-11</b>	2009-10
Export of goods on FOB basis	<b>48,66,25,699</b>	33,06,48,952
Freight on Export	<b>1,23,90,218</b>	67,12,195
Export Insurance	<b>2,45,653</b>	1,41,193
Total	<b>49,92,61,570</b>	33,75,02,340

**15. Value of Imports & Indigenous Material Consumption**

		<b>2010-11</b>		2009-10	
		<b>Value (Rs.)</b>	<b>% of cons</b>	Value (Rs.)	% of cons
<b>A. Raw Material</b>	Indigenous	58,49,92,801	99.65	43,34,12,704	99.78
	Imported	20,26,585	0.35	9,47,645	0.22
		<b>58,70,19,386</b>	<b>100.00</b>	43,43,60,349	100.00
<b>B. Stores &amp; Spares</b>	Indigenous	10,27,552	100.00	9,31,657	100.00
	Indigenous	---	---	---	---
	Imported	<b>10,27,552</b>	<b>100.00</b>	9,31,657	100.00

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

17. The major components of Deferred Tax Liability / Assets arising on account of timing differences are:-

<b>A) Deferred Tax Liability</b>	<b>2010-11</b>	<b>2009-10</b>
a) Depreciation	<b>26,453,536</b>	5,048,397
<b>B) Deferred Tax Assets</b>		
a) Expenses debited to Profit & Loss Account allowed in subsequent years under Section 43B	<b>689,471</b>	-
<b>Total</b>	<b>25,764,065</b>	<b>5,048,397</b>

18. The Company has created Capital Reserve amounting to Rs.1,13,48,830/- during the year. The balance in Capital Reserve is Rs. 2,92,08,830/- (2010 Rs. 1,78,60,000/-). Current year Capital Reserve has been created out of the Government Grant in the nature of promoter's fund for setting up new textile unit at Surat.

19. The Company has issued 2,75,000 Equity Share @ 35 including the premium of Rs. 25/- and issued 2,24,560 OFCWs warrants to Promoters @ Rs. 38/- including Sahre Premium of Rs 28/-

20. 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 Rs 10,28,166/- (Previous Year Rs. 9,16,365/- for the year ended 31 March 2011).

ii. Defined benefit plans for Gratuity:

The following table sets out the status of the gratuity plan for the year ended 31 March 2011 as required under AS 15 (Revised)

<b>Particulars Gratuity</b>	<b>Gratuity (funded) as on 31 March 2011</b>	<b>Gratuity (funded) as on 31 March 2010</b>
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	<b>25,85,854</b>	22,46,584
Current Service Cost	<b>2,46,068</b>	2,03,320
Interest Cost	<b>2,13,333</b>	1,79,727
Actuarial (gain)/ loss	<b>6,90,983</b>	4,96,927
Benefits Paid	<b>(5,15,276)</b>	(5,40,704)
Present Value of Defined Benefit Obligation as on 31/03/2011	<b>32,20,962</b>	25,85,854
Change in Fair Value of assets		
Opening Fair value of Plan assets	<b>Nil</b>	Nil
Expected Return on Plan Assets	<b>Nil</b>	Nil
Actuarial Gain/ (Loss) on Plan assets	<b>Nil</b>	Nil
Actual Contributions	<b>5,15,276</b>	5,40,704
Actual Benefits Paid	<b>5,15,276</b>	5,40,704
Closing Fair Value of Plan Assets	<b>Nil</b>	Nil

**Expense to be recognized in statement of Profit and Loss Account**

Current Service Cost	<b>2,46,068</b>	2,03,320
Interest on Defined Benefit Obligation	<b>2,13,333</b>	1,79,727
Expected Return on Plan Assets	<b>Nil</b>	Nil
Actuarial (gain)/ loss	<b>6,90,983</b>	4,96,927
Total Included in Employment Expenses	<b>11,50,384</b>	8,79,974
Investment details of plan assets:		
Actual Return on Plan Assets	<b>Nil</b>	Nil
Category of Assets	<b>Nil</b>	Nil
Insurer Managed Fund	<b>Nil</b>	Nil

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

<b>Particulars</b>	<b>For the year ended 31 March 2011</b>	<b>For the year ended 31 March 2010</b>
Discount rate	<b>8.25%</b>	8.25%
Rate of increase in compensation levels of covered employees	<b>5%</b>	4.5%
Expected Rate of return on plan assets	<b>Nil</b>	Nil

Signatures to Schedules I to XVI

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. 114488 W

**Pankaj S. Seth**

Managing Director

Place : Mumbai.

Dated : 3rd May, 2011.

**Anisha P. Seth**

Whole-time Director





# ORBIT EXPORTS LIMITED

Registered Office: 11, Mehta Chambers, Kalyan Street, P.D'mello Road,  
Masjid Bunder (E), Mumbai-400 009.

## ADMISSION SLIP

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of members of the Company held at 11, Mehta Chambers, Kalyan Street, P.D'mello Road, Masjid Bunder (E), Mumbai-400 009 on 4<sup>th</sup> July, 2011 at 4.30 p.m.

DP Id*	
Client Id*	

Folio No.	
No. of shares	

Name of Member/Proxy .....  
(who will attend the meeting)

Signature of Member/Proxy .....  
(who will attend the meeting)

1. Please complete and hand over the slip at the entrance.
2. Please quote FOLIO NUMBER clearly.

\* Applicable for investors holding shares in electronic form

----- . TEAR HERE -----

# ORBIT EXPORTS LIMITED

Registered Office: 11, Mehta Chambers, Kalyan Street, P.D'mello Road,  
Masjid Bunder (E), Mumbai-400 009.

## PROXY FORM

I/We .....

of .....

in the district of ..... being member(s) of Orbit Exports LIMITED, hereby appoint

Shri/Smt./Miss .....

of .....

in the district of .....

or failing him/her Shri/Smt./Miss .....

of .....

in the district of .....

as my/our proxy to attend and vote for me/us on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company to be held at 11, Mehta Chambers, Kalyan Street, P.D'mello Road, Masjid Bunder (E), Mumbai-400 009 on 4<sup>th</sup> July, 2011 at 4.30 p.m.

Name .....

Signed on ..... at .....

DP Id*	
Client Id*	

Folio No.	
No. of shares	

Address .....

Signature .....

Affix  
revenue  
stamp

\* Applicable for investors holding shares in electronic form

- Notes:**
1. The proxy need NOT be a member.
  2. THE PROXY FORM, DULY SIGNED ACROSS A REVENUE STAMP SHOULD REACH THE COMPANY'S CORPORATE OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
  3. The proxy form should be filled in completely including 'Folio No.' and 'Address'.

## BOOK POST

If undelivered please return to:

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Regd. Office: 11, Mehta Chambers,  
Kalyan Street, R. D'mello Road,  
Masjid Bunder (E), Mumbai - 400 009.  
Tel.: +91-22-6634 6674 / 75, 6625 6262