



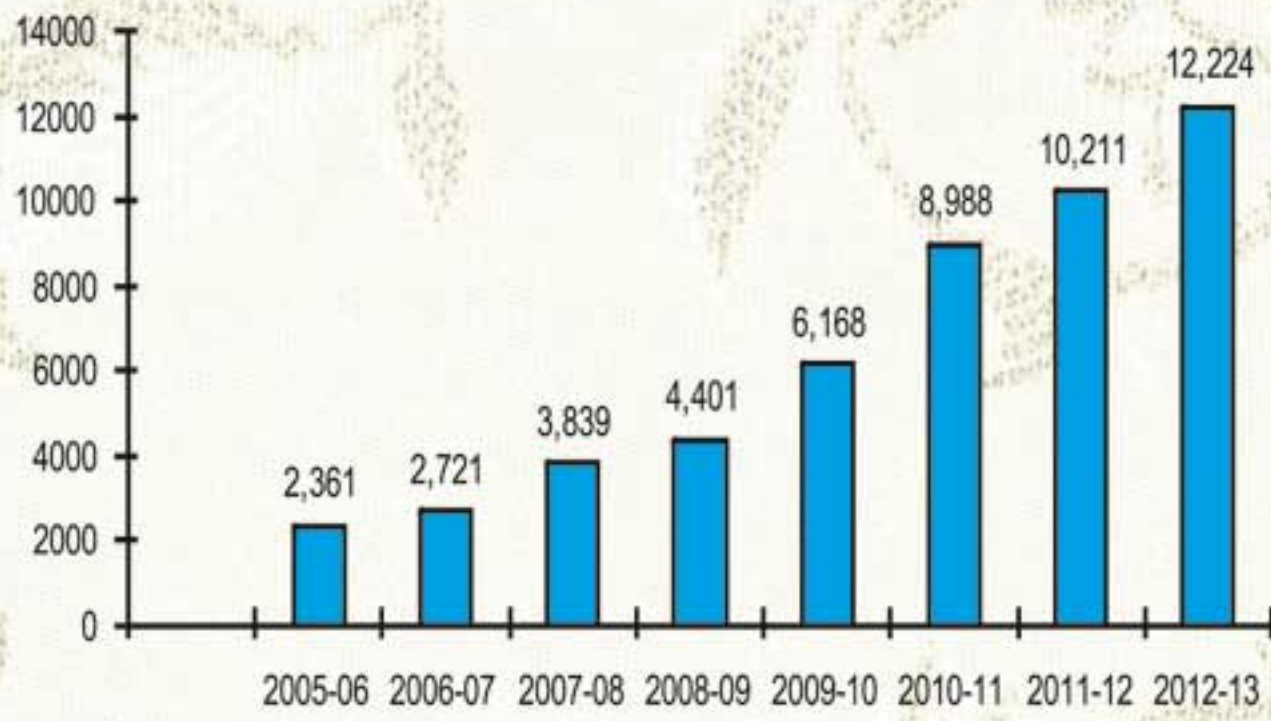
*orbit exports ltd.*



**30th  
ANNUAL REPORT  
2012 - 2013**

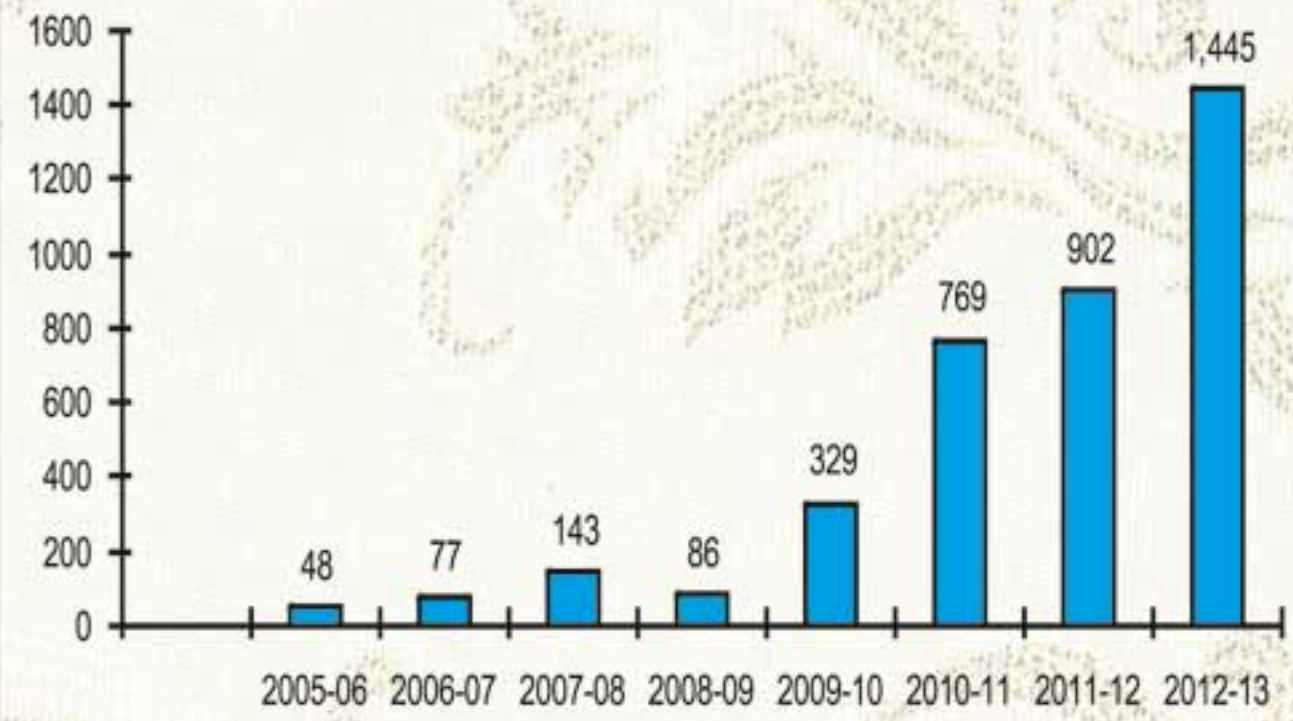


### Turnover



Rs. in Lacs

### Profit After Tax (PAT)

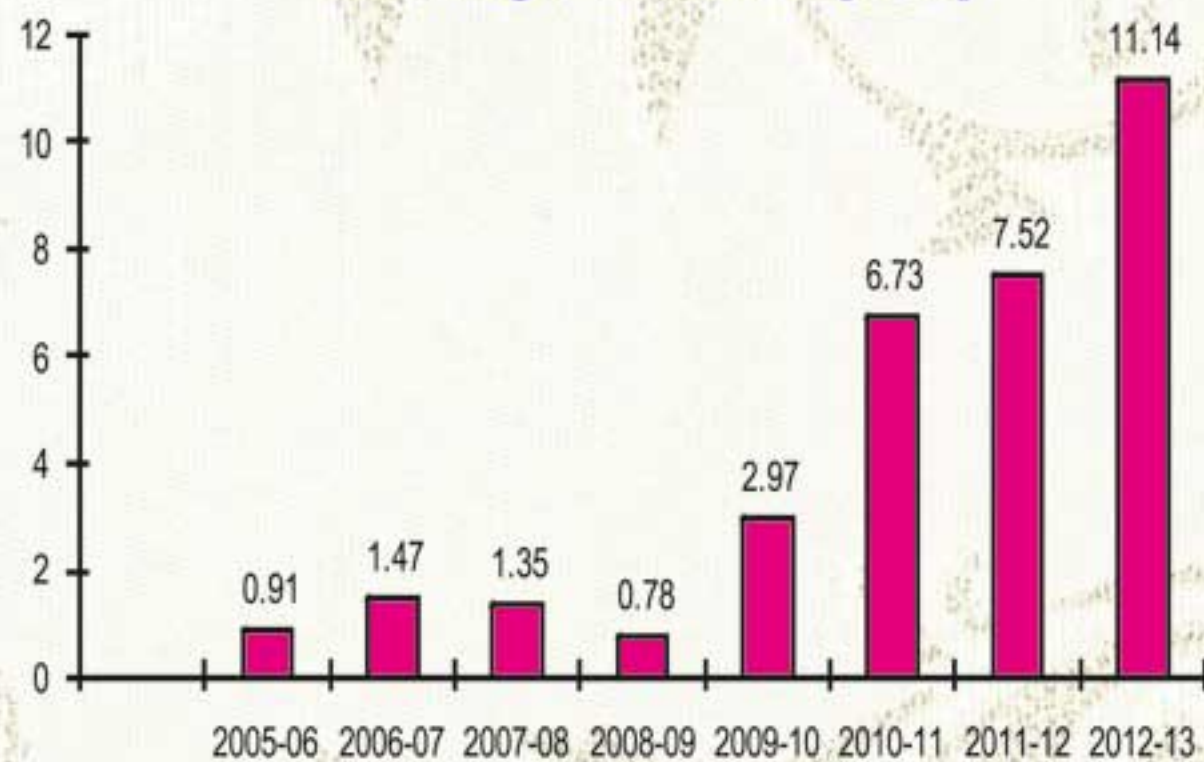


Rs. in Lacs

### Key Ratios

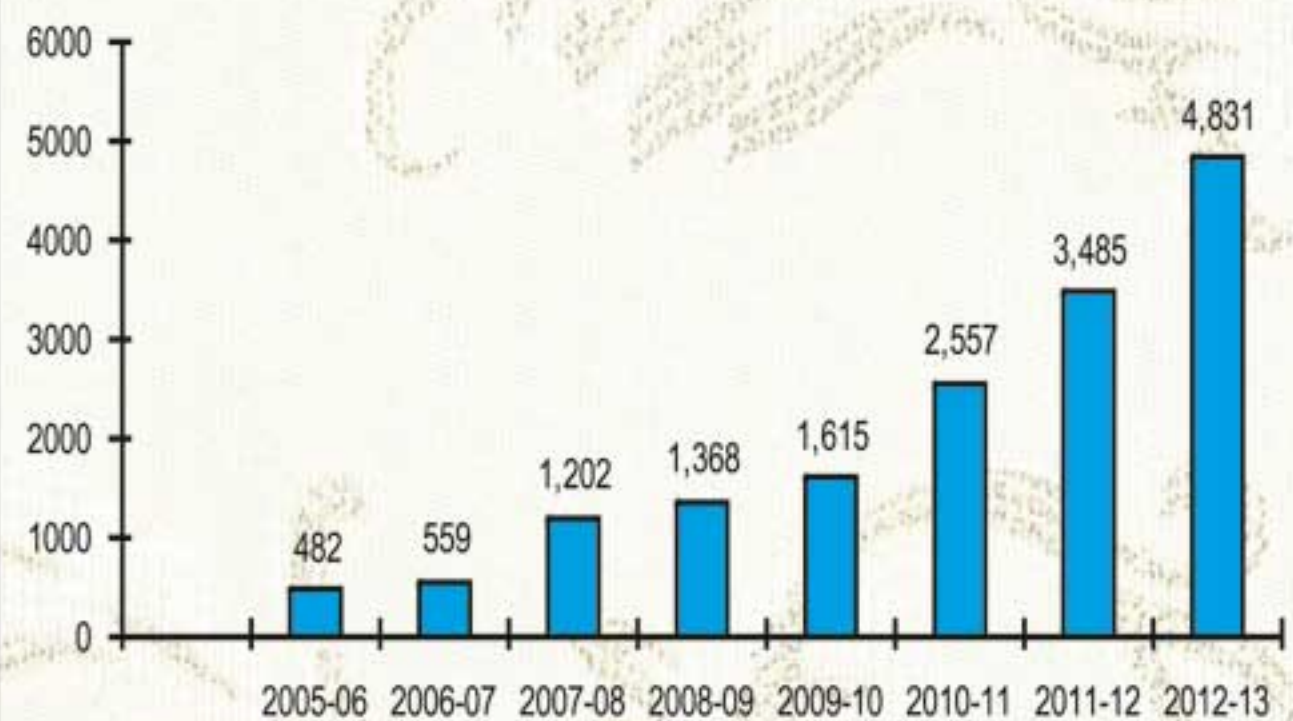
	2012-13	2011-12
Current Ratio	<b>1.69</b>	1.51
Debt Equity Ratio	<b>0.17</b>	0.29
Return on Capital Employed	<b>25.52%</b>	20.01%
Return on Networth	<b>29.87%</b>	25.84%
EBIDTA Margin	<b>20.34%</b>	16.54%
Interest on Sales	<b>1.08%</b>	1.15%
Debtors (In No. of Days)	<b>48.46</b>	52.67
Inventory (In No. of Days)	<b>75.38</b>	97.69
Turnover to capital employed	<b>2.14</b>	2.26

### Earning Per share (EPS)



In Rs. Per Share

### Networth



Rs. in Lacs





*orbit exports ltd.*

*What goes into making Orbit Exports Ltd?*





## *Optimum Utilization of Resources*

At, Orbit we believe in making maximum use of our resources :

**People:-** Encourage growth and provide opportunities utilizing inherent capabilities and training. Attract the best in industry with attractive emoluments and a share in the growth & vision of the Company.

**Technology:-** Use Best in class technology throughout the manufacturing process. We also extend this to all our other processes as well.

**Capital:-** All our Capital is optimally utilized to generate an ROCE of 25.52%.



## *Opportunity*

Your Company's success has been mainly marked by occasions where niche opportunities have presented themselves and we have been able to gainfully address these opportunities. With the establishment of direct selling centers in the Middle East & U.S.A., we have just touched the tip of the iceberg as far as Sales opportunities are concerned. Our fabric has found wide acceptance in the Ladies Apparel Wear market and is retailing at major brands in the U.K. and U.S.A.





## *Optimism*

There is always a secret ingredient behind every successful recipe. Ours is our positive attitude. We view every challenge as an opportunity to prove ourselves. When the world sees a growth downturn, we believe that it presents an opportunity for low cost manufacturers to grow. Our employees imbibe this infectious enthusiasm right from initiation, which makes Orbit an engaging place to work and grow.



## *Orientation*

At the end of the day, what matters to a shareholder is our vision and our line of direction to accomplish that vision. We live by our vision - we see Orbit exports as a market leader in the near future and we strive harder with every passing day to make our vision a reality. But we don't take all the credit for ourselves. The belief that our shareholders place in us; their never say never spirit and their 'can-do' attitude is what keeps us going





## *New Venture*



Orbit Exports Limited has taken a 49% stake in Rainbow Line Trading LLC - UAE, making it an associated company. Rainbow Line has had a presence in Dubai for the last 5 years and has direct access to many African/Gulf Countries. This will give us a wide network in regions which are otherwise difficult to service directly.

## *Coming up with New 24 Airjet Looms*





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*orbit exports ltd.*

**Board Of Directors**

**Chairman and Managing Director**

Pankaj Seth

**Whole Time Director**

Anisha Seth

**Executive Director**

Bruce Larry Kieval

**Non Executive Directors**

Gopikrishna Bubna

Saumil U. Marfatia

Balkrishna Patil

Varun Daga

**Chief Financial Officer**

Mukesh Deopura

**Company Secretary & Compliance Officer**

Neha Nangalia

**Auditors**

Krishna R. Moondra & Associates

Chartered Accountants

JBF House, 1st Floor, Old Post Office Lane,

Kalbadevi Road, Mumbai – 400 002

**Bankers**

**State Bank of India**

Overseas Finance Branch, Cuffe Parade,

Mumbai – 400 005

**DBS Bank Ltd.**

3rd Floor, Fort House, 221, Dr. D.N. Road, Fort,

Mumbai – 400 001

**Registrar And Transfer Agents**

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound, L. B. S.

Marg, Bhandup (W), Mumbai – 400 078

Ph.: +91-22 - 25946970; Fax: 25946969;

email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)



## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Thirtieth Annual General Meeting of the Members of ORBIT EXPORTS LIMITED will be held at Babasaheb Dahanukar Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001 on Wednesday 03rd July, 2013 at 04:30 P.M. to transact the following business:

### **ORDINARY BUSINESS:**

- 1) To consider and adopt the audited Balance Sheet of the Company as at 31st March, 2013, Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and the reports of the Board of Directors and Auditors' thereon.
- 2) To declare Final Dividend.
- 3) To appoint a Director in place of Shri G. B. Bubna who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Saumil U. Marfatia 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) TO RE-APPOINT 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(s), 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 04th July, 2011 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 Central Government being obtained, consent of the Company be and is hereby accorded to increase the remuneration being paid to Shri Pankaj Seth, Managing Director of the Company and to re-appoint him as Managing Director of the Company for a period of 3 years i.e. from 1st April, 2013 to 31st March, 2016 at the increased remuneration and on terms and conditions as specified below:

#### **REMUNERATION:**

##### **Basic Salary**

Rs.9,00,000/- p.m. with an annual increment @ Rs.2,00,000/- per month.

##### **Perquisites:**

Not exceeding Rs.24,00,000/- 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.

**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.

**Any retirement linked allowances and benefits:** As Board / Committee of the Board may at its discretion decide and authorized at the time of retirement

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

**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.5,00,000/- p.m. (all inclusive) (other than perquisites not exceeding Rs.12,00,000/- per year) under Clause (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 (for which Central Government approval had already been taken vide SRNo.B15316599/2/2011 - CL-VII dated 05th August, 2011).

**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 whichever 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) TO RE-APPOINT 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 04th July, 2011 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 Central Government being obtained, consent of the Company be and is hereby accorded to increase the remuneration being paid to Smt. Anisha Seth, Whole Time Director of the Company and to re-appoint her as Whole Time Director of the Company for a period of 3 years i.e. from 1st April, 2013 to 31st March, 2016 at the increased remuneration and on terms and conditions as specified below:

**REMUNERATION:**

**Basic Salary**

Rs.8,00,000 p.m. with an annual increment @ Rs.1,80,000/- per month.



**Perquisites:**

Not exceeding Rs. 24,00,000/- 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.

**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.

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

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

**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. 5,00,000/- p.m. (all inclusive) (other than perquisites not exceeding Rs. 12,00,000/- per year) under Clause (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 (for which Central Government approval had already been taken vide SRNo.B15309842/2/2011 - CL-VII dated 03rd August, 2011).

**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 whichever 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.

## **8. AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and is hereby replaced, altered, amended as follows:



To insert Article 8 - A immediately after Article 8 as given below:

**Article 8 - A:**

"The Company in its General Meeting may upon the recommendation of the Board may consider offering fully paid up equity shares of the Company to its permanent employees of the Company working in India or out of India or its Directors whether whole time director or not or the permanent employees of its Subsidiary Company (ies), if any, in India or out of India, its Directors whether whole time director or not or of a holding company of the Company under the Employees Stock Option Plan through a Remuneration and Compensation Committee or such other Committee, appointed by the Board. The allotment of such equity shares under this Plan shall rank pari-passu with the existing equity shares of the Company and shall be in terms of the extant provisions in the Companies Act, 1956, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any other Rules and Regulations of all the applicable Statutes, from time to time."

**9) OFFER OF SHARES TO THE EMPLOYEES OF THE COMPANY UNDER EMPLOYEES STOCK OPTION PLAN**

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

**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the ESOS Guidelines"), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations), and in accordance with the provisions of the Memorandum and Articles of Association of the Company (including any statutory modification(s) or re - enactment of the Act or the ESOS Guidelines for the time being in force), the Listing Agreement entered into with the Stock Exchange where the equity shares of the Company are listed or other relevant authority or any amendment thereof from time to time, to the extent applicable and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee including Remuneration and Compensation Committee to exercise its powers including the powers, conferred by this resolution), consent and approval of the Members of the Company, be and is hereby accorded to the Board to create, offer, issue, grant/ allot upto 4,50,000 Equity Stock Options to the eligible present and/or future permanent employees working in India or outside India and directors of the Company whether whole time director or not, except those who are promoters or belong to the promoter group, through Employee Stock Option Scheme ("ESOP") at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board and/ or the Remuneration and Compensation Committee in accordance with the OEL Employees Stock Option Plan - 2013.

**FURTHER RESOLVED THAT** the ESOP of the Company be and is hereby named as OEL Employees Stock Option Plan- 2013

**FURTHER RESOLVED THAT** the said Equity Shares may be allotted directly to such employees / directors in accordance with OEL Employees Stock Option Plan - 2013 framed in that behalf and that the OEL Employees Stock Option Plan - 2013 may also envisage for providing any financial assistance to the employee(s) to enable the employee(s) to acquire, purchase or subscribe to the Equity Shares of the Company.

**FURTHER RESOLVED THAT** such shares to be issued and allotted by the Company in the manner aforesaid shall rank pari-passu in all respects with the existing equity shares of the Company.

**FURTHER RESOLVED THAT** the Company shall conform to the accounting policies prescribed from time to time under the ESOP Guidelines.



**FURTHER RESOLVED THAT** the Board be and is hereby authorized to take necessary steps for listing of such shares, allotted upon exercise of Options granted under the OEL Employees Stock Option Plan – 2013 with the Stock Exchange(s) where the Company's shares are listed as per the terms and conditions of the Listing Agreement entered into with the Stock Exchange(s) and other applicable guidelines, rules and regulations or any amendments thereof from time to time.

**FURTHER RESOLVED THAT** for the purpose of giving effect to any creation, offer, issue or allotment or listing of such shares under OEL Employees Stock Option Plan - 2013, the Board/Remuneration and Compensation Committee be and is hereby authorized on behalf of the Company to evolve, decide upon and bring into effect and make any modifications, changes, variations, alterations or revisions in the said OEL Employees Stock Option Plan - 2013 or to suspend, withdraw or revive the OEL Employees Stock Option Plan - 2013 from time to time as per the discretion of the Board/Remuneration and Compensation Committee and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board/ Remuneration and Compensation Committee to secure any further consent or approval of the shareholders of the Company.

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

**Pankaj Seth**  
**Managing Director**

Place: Mumbai.

Dated: 15th May, 2013

**Registered Office:-**

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

**NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the Proxy should, however be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the commencement of the Meeting.
2. Members are requested to notify immediately any change in their address.
3. The Register of Members & Share Transfer Book of the Company will remain closed from 27th June, 2013 to 03rd July, 2013 (both days inclusive).
4. Members desiring to submit mandates, to lodge transfer deed(s) for registration of transfer of shares are requested to forward the same so as to reach the Company's Registrar M/s Link Intime India Private Limited, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400078 on or before 26th June, 2013. The Company will not be in a position to act upon any document, which is incomplete or received after 26th June, 2013.
5. In accordance with the provisions of Section 256 of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be re-appointed are given in the Corporate Governance Section.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
7. Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.
8. Members are requested to send their queries to the Company, if any on Accounts at least 10 days before the Meeting.



9. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
10. Members/Proxies should bring the attendance slip duly filled in, for attending the Meeting. The Attendance slip is sent with this Annual Report.
11. The Ministry of Corporate Affairs (MCA) , Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed Companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance.  
Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send Documents like the Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report, etc to the email address provided by you with your depositories.  
We request you to update your email address with your depository participant to ensure that the Annual Report and other documents reach you on your preferred email.
12. Members can avail of the Nomination facility by filing Form 2B with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in demat form, the nomination has to be lodged with their DP.
13. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Transfer Agents, M/s Link Intime India Pvt. Ltd.

### **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)

<b>Name of Director</b>	<b>Shri G. B. Bubna</b>
Age	60
Date of Appointment	03-03-2007
Expertise in specific functional areas	Specialisation in Finance
Qualifications	C.A, ICWA, B.com (Hons)
List of Companies in which outside Directorship held as on 15th May, 2013 (excluding Private Companies)	NIL
Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 15th May, 2013	NIL

<b>Name of Director</b>	<b>Shri Saumil U. Marfatia</b>
Age	53
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 15th May, 2013 (excluding Private Companies)	Nil
Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 15th May, 2013	Nil



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

### **ITEM NO. 6**

#### **RE-APPOINTMENT OF SHRI PANKAJ SETH AS MANAGING DIRECTOR OF THE COMPANY AND INCREASE IN MANAGERIAL REMUNERATION**

The Members of the Company are aware that at the Annual General Meeting held on 04th July, 2011 Shri Pankaj Seth was re-appointed as Managing Director of the Company for a period of 3 years w.e.f. 01st April, 2011 at a remuneration of Rs.4,00,000/- per month with an annual increment @ Rs.50,000/- per month (other than perquisites not exceeding Rs. 12,00,000/- per year) with the approval of Central Government vide SR No.B15316599/2/2011 - CL-VII dated 05th August, 2011.

Under the dynamic leadership of Shri Pankaj Seth, Managing Director and Smt. Anisha Seth, Whole Time Director of the Company, the Company has been performing exceedingly well since last 9 years. The Company's performance in the last 2 years has been par excellence which will be demonstrated from the following table:

(Rs. in lacs)

<b>Financial Year</b>	<b>Turnover</b>	<b>Profit before depreciation, interest &amp; Tax</b>	<b>Profit after interest but before depreciation</b>	<b>Profit after interest and depreciation</b>	<b>Profit after tax</b>
2011-2012	10210.74	1564.11	1446.23	1258.60	902.91
2012-2013	12095.32	2486.01	2355.50	2105.29	1448.98

The Company has made significant growth due to its expansion of Surat Factory and thereby increasing the manufacturing capacity, cost control measures, penetration into new markets, etc. The Company has also planned to increase its manufacturing capacity further at its Surat Plant which will result in substantial increase in volume of export as well as domestic turnover of the Company. The work load of Shri Pankaj Seth in discharging his functions as Managing Director of the Company will thus increase substantially.

The existing remuneration of Shri Pankaj Seth is not commensurate to the increase in his work load and attendant responsibilities.

Based on the approval received from Central Government, the maximum remuneration which can be paid to Shri Pankaj Seth comes to Rs. 5,00,000/- p.m. (other than perquisites not exceeding Rs. 12,00,000/- per year) which is grossly inadequate. Hence, the Board of Directors made an interim review of the remuneration being paid to Shri Pankaj Seth in its Meeting held on 15th May, 2013 on recommendation of Remuneration Committee and decided to re-appoint Shri Pankaj Seth as Managing Director for a fresh period of 3 years w.e.f. 01-04-2013 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.5,00,000/- (all inclusive) p.m. (other than perquisites not exceeding Rs. 12,00,000/- per year) w.e.f. 01-04-2013 which is maximum as per approval of Central Government received.

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.9,00,000 p.m. with an annual increment @ Rs. 2,00,000/- per month



**Perquisites:**

Not exceeding Rs. 24,00,000/- 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.

**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.

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

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

**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 continuance 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 whichever 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 ANNUAL 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 export of novelty fabrics. The Company is a Government recognized Export House engaged. The product in which the Company deals in find



its uses in home furnishings, hi fashion evening wear garments, bridal wear, Christmas/ Carnival/ Halloween/ Easter festivals, etc., bridal wear, etc.

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

The Company commenced commercial production at Jalgaon in Maharashtra in the year 1986. The Company set up a manufacturing plant at Surat which was commenced on 29th September, 2010 and the Company had made further expansion at Surat by installing new machineries in the year 2011-12.

**(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, 2013 and 31st March, 2012 are as under:

(Rs. in lacs)

Particulars	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Sales & Services	12095.32	10210.74
Other Income	128.60	-
PBDIT	2486.01	1564.11
Interest	130.51	117.88
PBDT	2355.50	1446.23
Depreciation	250.21	187.63
Profit before Tax	2105.29	1258.60
Prior Period Items	4.05	0.63
Income Tax including Deferred Tax	656.31	355.69
Profit/(Loss) after Tax	1444.93	902.28
Balance carried to Balance Sheet	2216.74	1409.25

**(d) Export Performance**

Export of Goods on FOB Basis

In the Year 2012-13 Rs. 6472.91 Lacs

In the Year 2011-12 Rs. 4856.59 Lacs

**(iv) Information about the Appointee**

**(i) Back ground details**

Shri Pankaj Seth (49 years) has Masters 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.5,00,000/- per month (all inclusive) (other than perquisites not exceeding Rs.12,00,000/- per year) 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, 2013.

**(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.9,00,000 p.m. with an annual increment @ Rs.2,00,000/- per month other than perquisites not exceeding 24,00,000/- 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.

Documents for Inspection: Copy of the Resolution passed by the Board of Directors in their Meeting held on 15th May, 2013 for reappointment and revision of the remuneration of Shri Pankaj Seth as Managing Director of the Company, is available for inspection at the Registered Office of the Company on working days during the business hours.

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**

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

The Members of the Company are aware that at the Annual General Meeting held on 04th July, 2011 Smt. Anisha Seth was re-appointed as a Whole Time Director of the Company for a period of 3 years w.e.f. 01/04/2011 at a remuneration of Rs. 4,00,000/- per months with an annual increment @ Rs. 50,000/- per month (other than perquisites not exceeding Rs. 12,00,000/- per year) with the approval of Central Government vide SRN No.B15309842/2/2011 - CL-VII dated 03rd August, 2011.

Under the dynamic leadership of Smt. Anisha Seth, Whole Time Director and Shri Pankaj Seth, Managing Director of the Company, the Company has been performing exceedingly well since last 9 years. The Company's



performance in the last 2 years has been par excellence which will be demonstrated from the following table:

(Rs. in lacs)

Financial Year	Turnover	Profit before depreciation, interest & Tax	Profit after interest but before depreciation	Profit after interest and depreciation	Profit after tax
2011-2012	10210.74	1564.11	1446.23	1258.60	902.91
2012-2013	12095.32	2486.01	2355.50	2105.29	1448.98

The Company has made significant growth due to its expansion of Surat Factory and thereby increasing the manufacturing capacity, cost control measures, penetration into new markets, etc. The Company has also planned to increase its manufacturing capacity further at its Surat Plant which will result in substantial increase in volume of export as well as domestic turnover of the Company. The work load of Smt. Anisha Seth in discharging her functions as Whole Time Director of the Company will thus increase substantially.

The existing remuneration of Smt. Anisha Seth is not commensurate to the increase in her work load and attendant responsibilities.

Based on the approval received from Central Government, the maximum remuneration which can be paid to Smt. Anisha Seth comes to Rs. 5,00,000/- p.m. (other than perquisites not exceeding Rs. 12,00,000/- per year) which is grossly inadequate. Hence, the Board of Directors made an interim review of the remuneration being paid to Smt. Anisha Seth in its Meeting held on 15th May, 2013 on recommendation of Remuneration Committee and decided to re-appoint Smt. Anisha Seth as Whole Time Director for a fresh period of 3 years w.e.f. 01-04-2013 and to fix her 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 @ Rs.5,00,000/- (all inclusive) p.m. (other than perquisites not exceeding Rs.12,00,000/- per year) w.e.f. 01-04-2013 which is maximum as per approval of Central Government received.

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.8,00,000 p.m. with an annual increment @ Rs. 1,80,000/- per month

##### **Perquisites:**

Not exceeding Rs.24,00,000/- 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.

**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.

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

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

## **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 Whole Time 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 whichever 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 ANNUAL 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 export of novelty fabrics. The Company is a Government recognized Export House engaged. The product in which the Company deals in find its uses in home furnishings, hi fashion evening wear garments, bridal wear, Christmas/ Carnival/ Halloween/ Easter festivals, etc., bridal wear, etc.

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

The Company commenced commercial production at Jalgaon in Maharashtra in the year 1986. The Company set up a manufacturing plant at Surat which was commenced on 29th September, 2010 and the Company had made further expansion at Surat by installing new machineries in the year 2011-12.

#### **(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 along with her husband Shri Pankaj Seth took over the Company as new Promoter in the year 2004. Under her dynamic leadership, the Company has been making profits



and the turnover has increased manifold. The financial performance of the Company as on 31st March, 2013 and 31st March, 2012 are as under:

(Rs. in lacs)

<b>Particulars</b>	<b>For the Year ended 31st March, 2013</b>	<b>For the Year ended 31st March, 2012</b>
Sales & Services	12095.32	10210.74
Other Income	128.60	-
PBDIT	2486.01	1564.11
Interest	130.51	117.88
PBDT	2355.50	1446.23
Depreciation	250.21	187.63
Profit before Tax	2105.29	1258.60
Prior Period Items	4.05	0.63
Income Tax including Deferred Tax	656.31	355.69
Profit/(Loss) after Tax	1444.93	902.28
Balance carried to Balance Sheet	2216.74	1409.25

**(d) Export Performance**

Export of Goods on FOB Basis

In the Year 2012-13 Rs. 6472.91 Lacs

In the Year 2011-12 Rs. 4856.59 Lacs

**(iv) Information about the Appointee**

**(i) Back ground details**

Smt. Anisha Seth (48 years) has Masters Degree in 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 her tenure the exports of the Company have registered significant growth.

**(ii) Past remuneration**

Smt. Anisha Seth has been drawing remuneration @ Rs.5,00,000/- per month (other than perquisites not exceeding Rs.12,00,000/- p.a.) 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 she 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, 2013.

**(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.8,00,000 p.m. with an annual increment @ Rs.2,00,000/- per month (other than perquisites not exceeding Rs.24,00,000/- 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.

Documents for Inspection: Copy of the Resolution passed by the Board of Directors in their Meeting held on 15th May, 2013 for reappointment and revision of the remuneration of Smt. Anisha Seth as Whole Time Director of the Company, is available for inspection at the Registered Office of the Company on working days during the business hours.

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 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 Shri Pankaj Seth and Smt. Anisha Seth are interested in the Resolution.

**ITEM NO. 8****AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY**

The Company's Articles of Association do not contain any provision on offer of shares to the employees of your Company under Employees Stock Option Plan. The new article in the Articles of Association of the Company as proposed in the Resolution enables the Company to offer shares to the employees of the Company under Employees Stock Option Plan as per the Companies Act, 1956, SEBI Guidelines and any other Rules and Regulations of all the applicable Statutes, from time to time.

The Board recommends the Resolution as set out in Item No. 8 for approval by the Shareholders.

None of the Directors of the Company is concerned or interested in the Resolution except to the extent of the Options/ Equity Shares that may be offered to them under Employees Stock Option Plan.

**ITEM NO. 9****OFFER OF SHARES TO THE EMPLOYEES OF THE COMPANY UNDER EMPLOYEES STOCK OPTION PLAN**

The Board has identified the need to reward permanent employees/ directors (whether wholetime or not) of the Company. Dedication and Committed contribution of such employees/directors in pursuing growth and financial success is very important. To enhance awareness of creating value for shareholders, attract and retain talent for mutual prosperity, it is proposed to introduce "OEL Employees Stock Option Plan 2013" which has been approved by the board and will be placed before the members at the Annual General Meeting.



The information required as per clause 6.2 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI ESOS Guidelines") is given below:

1.	The total number of Options to be granted	Upto 4,50,000 Options in one or more tranches as may be determined by the Board/ Remuneration and Compensation Committee
2.	Identification of classes of employees entitled to participate in OEL Employees Stock Plan, 2013	All present and future employees of the Company upto certain level, including Directors of the Company whether Whole Time or not but exclude promoters and promoters group as may be decided by the Board/ Remuneration and Compensation Committee.
3.	Requirements of vesting, period of vesting and maximum period within which option shall be vested	There shall be a minimum period of two years between the grant of option and vesting of option.  Options granted under OEL Employee Stock Option Plan, 2013 would vest not earlier than two years and not later than four years from the date of grant of such options.
4.	Exercise price and pricing formula	The exercise price shall be at 10% discount to the market price which shall be the latest available closing price, prior to the date of meeting of the Board/Remuneration and Compensation committee, in which options are granted, on the stock exchange on which the shares of the company are listed. In case shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered or as decided by the Remuneration and Compensation Committee from time to time.
5.	Exercise period and process of exercise	Subject to the provisions of OEL Employee Stock Option Plan, 2013, the exercise shall commence from the date of vesting and will, subject to certain circumstances such as termination of employment, death, disability, etc., expire on completion of one & a half year from the date of vesting. The option holder shall make a written application for the exercise of such option through an exercise Application. Payment of the aggregate exercise price for options vesting may be made by cheque or draft at the time of exercise of the option.
6.	The appraisal process for determining the eligibility of employees to OEL Employees Stock Option Plan, 2013.	The eligibility of such employees to receive performance- linked grants will be determined in terms of OEL Employees Stock Option Plan, 2013 formulated aforesaid. In determining the eligibility of such employees, factors like: a) performance of the employee b) length of service of the employee c) present grade and compensation structure of the employee d) exceptional contribution made by the employee e) integrity and behavior of the employee f) such other parameters as it may decide shall be given due importance.
7.	Maximum number of Option to be issued per Employee and in aggregate	The maximum number of Options that may be granted in one or more tranches under the OEL Employees Stock Option Plan, 2013 to each eligible employee shall not exceed 45,000 Options of this OEL Employees Stock Option Plan - 2013.  The maximum number of options granted to any one Employee in a year will not exceed 1% of the issued Equity Share capital (excluding outstanding warrants and conversions) of the Company at the time of granting of an option.  The limit on the maximum number of shares shall be applicable to Directors, including Independent Directors. The number of Option to be issued per Employee will be determined by the Remuneration and Compensation Committee.
8.	The method the Company shall use to value its option: fair value or intrinsic value	The Company may use the intrinsic value method to value its options. In this respect, intrinsic value means the excess of market price of the shares under ESOS or the exercise price of the Option (including upfront payment, if any).



The Company shall confirm to the Accounting Policies specified in clause 13.1 of the SEBI ESOP Guidelines.

In case the Company calculates the Employee Compensation Cost using the intrinsic value of the Stock Options, the difference between the Employee Compensation Cost so computed and the Employee Compensation Cost that shall have been recognized if it had used the Fair Value of the Options, shall be disclosed in the Directors Report and also the impact of this difference on profit and on EPS of the Company shall also be disclosed in the Director Report.

The Board / Remuneration and Compensation Committee shall have the absolute authority to vary or modify the terms of ESOS in accordance with the Regulation and Guidelines prescribed by SEBI or Regulations that may be issued by any appropriate authority from time to time, unless such variation, modification or alteration is detrimental to the interest of the Company / Directors.

In the terms of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Shareholders consent is sought to authorize the Board to issue Equity Shares in the manner set out in the Resolution aforesaid. The Board recommends the Resolution as set out in Item No. 9 for approval by the Shareholders.

None of the Directors of the Company are in any way, concerned or interested in the Resolution, except to the extent of the Options/ Equity Shares that may be offered to them under OEL Employees Stock Option Plan - 2013.

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

**Pankaj Seth**  
**Managing Director**

Place: Mumbai.

Dated: 15th May, 2013

**Registered Office:-**

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



## DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to presenting their 30th Annual Report and the audited accounts for the financial year ended 31st March, 2013.

### FINANCIAL RESULTS

(Rs. in lacs)

Particulars	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Sales & Services	12095.32	10,210.74
Other Income	128.60	-
<b>Profit before interest, depreciation and tax</b>	<b>2486.01</b>	<b>1564.11</b>
Less: Interest	130.51	117.88
<b>Profit before depreciation and tax</b>	<b>2355.50</b>	<b>1446.23</b>
Less: Depreciation	250.21	187.63
<b>Profit before Tax</b>	<b>2105.29</b>	<b>1258.60</b>
Less: Prior Period Items	4.05	0.63
Less: Current Year Income Tax	593.72	284.32
Less: Deferred tax	62.59	71.37
<b>Profit/(Loss) after Tax</b>	<b>1444.93</b>	<b>902.28</b>
Add: Last Year balance in Profit & Loss Account	1409.25	836.24
	<b>2854.18</b>	<b>1738.52</b>
<b>Less: Appropriation:</b>		
Transferred to General Reserve	250.00	100.00
Proposed Dividend on Equity Shares	132.99	-
Interim Dividend on Equity Shares	199.49	197.27
Corporate Dividend Tax	54.96	32.00
<b>Balance carried to Balance Sheet</b>	<b>2216.74</b>	<b>1409.25</b>

### DIVIDEND

Your Directors had declared and paid an Interim dividend of Rs.1.50/- per Equity Share (15%) on 1,32,99,150 Equity Shares of Rs.10/- each aggregating to Rs.199.49 Lacs for the financial year 31st March, 2013 (against Rs.2.50/- per Equity Share in the previous year). Taking into consideration the profit earned by the Company during the year under report, the Board of Directors of your Company has further recommended a final dividend @ Rs.1.00/- per Equity Share (10%) on 1,32,99,150 Equity Shares of Rs.10/- each aggregating to Rs.132.99 Lacs. The dividend, once approved by members in the ensuing Annual General Meeting, will be paid out of the profits of the Company for the year.

The total dividend payout for the year works out Rs.332.48 Lacs @25% (Previous Year @25% i.e. Rs.197.27 Lacs)

### ISSUE OF BONUS SHARES

Your Directors have pleasure to inform that the Board of Directors in their Meeting held on 12.07.2012 have issued and allotted 42,33,050 Equity Shares as Bonus Shares in the proportion of 1 (one) Equity Share of Rs.10/- each for every 2 (Two) Equity Shares of Rs.10/- each held to the existing Shareholders of the Company whose name appear in the Register of Members as on the record date as decided by the Board of Directors of the Company and on 16.01.2013 have issued and allotted 2,00,000 Equity Shares as Bonus Shares on account of conversion of Warrants into Equity Shares in the proportion of 1 (one) Equity Share of Rs.10/- each for every 2 (Two) Equity Shares of Rs.10/- each which was kept as reserve.



**FINANCIAL PERFORMANCE**

The sales of the Company increased to Rs.12095.32 Lacs from Rs.10,210.74 Lacs in the previous year, at a growth rate of 18.46%. The Profit before Depreciation, Interest and Tax increased from Rs.1564.11 Lacs in the preceding financial year to Rs. 2486.01 Lacs in the year under Report. The Profit after tax increased from Rs.902.28 Lacs to Rs.1444.93 Lacs registering an increase of 60.14% over the preceding year due to its expansion of Surat Factory and thereby increasing the manufacturing capacity, cost control measures and demand of Company's product in local and export market, etc.

**CAPITAL EXPENDITURE**

During the year, we capitalized a total amount of Rs.120.84 Lacs. This comprises of Rs.20.34 Lacs for building development, Rs.58.36 Lacs for Purchasing of new machines for Dombivali Factory and Surat Factory and for electrical equipments for new Corporate Office, Rs.7.24 Lacs for Furniture & Fixtures & Fittings, Rs.19.37 Lacs for office equipments and Rs.15.53 Lacs for Vehicles.

**INCREASE IN SHARE CAPITAL**

During the year, the Company has issued 6,25,440 Equity Shares upon exercise of option to convert equivalent number of Optionally Fully Convertible Warrants (OFCWs) into equivalent number of Equity Shares.

During the year, the Company has issued 44,33,050 Equity Shares as Bonus Shares in the proportion of 1 (one) Equity Share for every 2 (two) Equity Shares held.

As a result of this, the outstanding issued, subscribed and paid-up equity shares increased from 82,40,660 to 1,32,99,150 shares as at 31st March, 2013.

**EXPANSION AND FUTURE PLAN**

- i. The Company is in the process of Expansion of Kosamba Plant by importing new machineries and thereby increasing the manufacturing capacity of the Company.
- ii. During the year under Report, the Company has developed new products and designs which has enabled the Company to develop new markets and in catering the existing customers. The introduction of new products and designs has helped the Company to add new customers in different geographical regions and segments.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri. Saumil Marfatia and Shri Gopikrishna Bubna will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors recommend passing of the Resolution.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:

- a. that in the preparation of annual accounts, the applicable Accounting Standards have been followed and there has been no material departures;
- b. that the Directors have 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 as at 31st March, 2013 and of the Profit of the Company for that period;
- c. that the Directors have 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. that the Directors have prepared the annual accounts on a 'going concern' basis.



**AUDIT COMMITTEE**

The Audit Committee consists of Shri Gopikrishna Bubna (Chairman), Shri. Saumil U. Marfatia (Member) and Shri Varun Daga (Member).

**INVESTORS GRIEVANCE COMMITTEE**

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

**REMUNERATION AND COMPENSATION COMMITTEE**

The Remuneration Committee was reconstituted on 15th May, 2013 by inducting Shri Pankaj Seth in place of Shri Saumil Marfatia and the reconstituted Remuneration Committee be renamed as Remuneration and Compensation Committee. The reconstituted Remuneration and Compensation Committee comprises of Shri Varun Daga (Chairman), Shri Gopikrishna Bubna (Member) and Shri Pankaj Seth (Member).

**CORPORATE GOVERNANCE**

In Compliance with Clause 49 of the Listing Agreement with the Stock Exchange, a detailed Corporate Governance Report forms part of the annual report.

The requisite certificate from the Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In Compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed Management Discussion and Analysis Report forms part of the annual report.

**AUDITORS AND AUDITORS' REPORT**

M/s Krishna R. Moondra & Associates, Chartered Accountants, Mumbai (Statutory Auditors), will retire at the ensuing Annual General Meeting and being eligible are proposed to be reappointed. The Audit Committee recommends the re-appointment of M/s Krishna R. Moondra & Associates Chartered Accountants, as Statutory Auditors of the Company.

The observations of the Auditors in their report, read with the accounts are self-explanatory and therefore do not require further explanation.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Particulars with respect to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(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, 2013 are annexed to this report.

**PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1) (b) (iv) of the said Act, the annual report, excluding the aforesaid information, is being sent to all the Company members and others entitled thereto. Members interested in obtaining such particulars may write to the Company Secretary at the Company's Registered Office.



**DEPOSITS**

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

**ACKNOWLEDGEMENTS**

Your Board of Directors is pleased to place on record their appreciation of the cooperation and support extended by all India financial institutions, banks, Central and State Government authorities, Customers, Vendors and members during the year under review.

Your Directors also wish to place on record its appreciation of the valuable services rendered by the executives, staff and workers of the Company.

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

**Pankaj Seth**  
Chairman & Managing Director

Place: Mumbai.

Dated: 15th May, 2013

**Registered Office:-**

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



## ANNEXURE TO THE DIRECTORS REPORT

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

### CONSERVATION OF ENERGY:

- A) Energy Conservation majors taken:
- 1) In both the units further process improvements were undertaken to minimize heat losses and increase efficiency resulting in reduction in energy related cost.
  - 2) Shutting down all electrical machineries and appliances at appropriate time to avoid the wastage of energy.
  - 3) Regular checks and preventive maintenance of all electrical equipments and installations are being conducted to avoid leakage of energy due to faulty operation.
- B) Impact of the majors at (a) for reduction of consumption of energy and consequent impact on the cost of production of goods:
- All efforts are being made to further reduce energy consumption and this will be a continuous process.
- C) Total Energy consumption and Energy Consumption per unit of production

### AS PER FORM – “A”

#### A) POWER AND FUEL CONSUMPTION

Electricity Consumed	Current Year	Previous Year
Unit	25,51,849	8,70,269
Amount (Rs. In Lacs)	133.19	58.94
Rate per unit (Rs.)	5.22	6.77

### FORM – “B”

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

1. Specific areas in which R & D carried out by the Company
  - a) Company's R & D Wing is continuously carrying out the developments in existing products based on feedback in the product development, optimization of raw material consumption, cost reduction and Energy saving.
  - b) Development of indigenous sources of material / material upgradation / substitutes.
2. Benefits derived as a result of above R&D: better productivity and quality improvement with reduction in cost of manufacturing. Reduced cost of energy by controlling the electric equipment efficiency and preventive maintenance.
3. Future plan of action:
  - a) Company's efforts will continue in the areas of cost reduction, productivity improvement and import substitution.
  - b) To ensure international quality continuously through process modification, technology upgradation.
  - 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.468.71 Lacs

Total Foreign Exchange earnings : Rs.6575.89 Lacs

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

**Pankaj Seth**  
Managing Director

Place: Mumbai.

Dated: 15th May, 2013

**Registered Office:-**

E 27-29, Adi Marzaban Street (Manglore Street),

S. Bhagat Singh Road, Ballard Estate,

Mumbai – 400 038



## REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

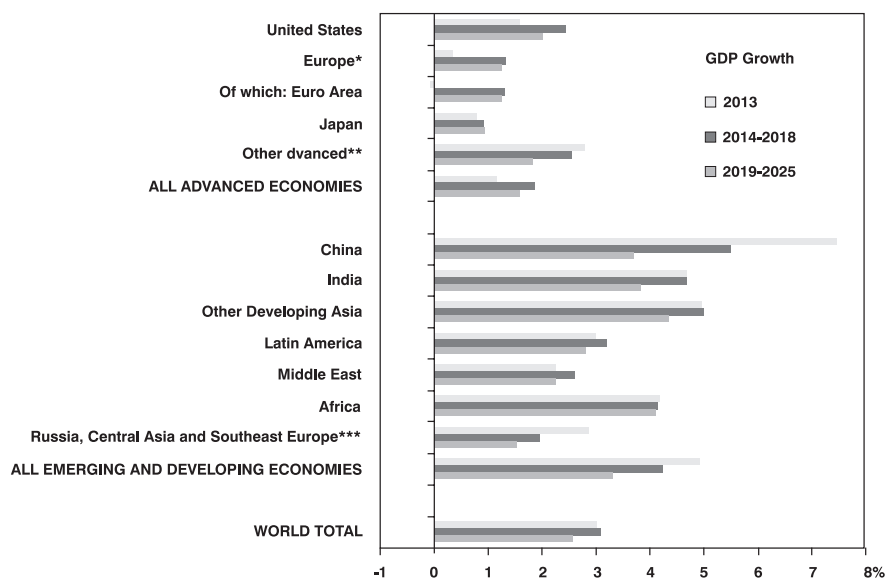
The Management of ORBIT EXPORTS LIMITED presents its Analysis report covering performance and outlook of the Company. The Report has been prepared in compliance with the requirement of Corporate Governance as laid down in the Listing Agreement. The Management accepts responsibility for the integrity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

### GLOBAL ECONOMIC SCENARIO

The global economy has yet to improve the fallout from the crisis of 2008-2009. Global growth dropped to almost 3 percent in 2012, which indicates that about a half a percentage point has been shaved off the long-term trend since the crisis emerged. This slowing trend will likely continue. Mature economies are still healing the scars of the 2008-2009 crisis. But unlike in 2010 and 2011, emerging markets did not pick up the slack in 2012, and won't do so in 2013. Uncertainty across the regions – from the post-election 'fiscal debate' question in the U.S. to the Chinese leadership transition and reforms in the Euro Area – will continue to have global impacts in sluggish trade and tepid foreign direct investment.

### MAIN RESULTS:

- Across the advanced economies, the Outlook predicts 1.2 percent growth in 2013, compared to 1.1 percent in 2012. The slight uptick is largely due to Europe, which is expected to return to very slow growth of 0.3 percent after the -0.2 percent contraction in 2012. U.S. growth is expected to fall from 2.2 percent in 2012 to 1.6 percent in 2013.
- A more significant slowdown is expected for less mature economies over the next year – and beyond. Overall, growth in developing and emerging economies is projected to drop from 5.5 percent in 2012 to 5.0 percent in 2013, with growth falling in China from 7.8 to 7.5 percent and in India from 5.5 to 4.7 percent. From 2019-2025 emerging and developing countries are projected to grow at 3.3 percent.
- The long-term global slowdown we project to 2025 will be driven largely by structural transformations in the emerging economies. As China, India, Brazil, and others mature from rapid, investment-intensive 'catch-up' growth to a more balanced model, the structural 'speed limits' of their economies are likely to decline, bringing down global growth despite the recovery we expect in advanced economies after 2013.
- World trade continued to recover in 2011, albeit at a much slower pace than in 2010. The volume growth of world trade is expected to moderate to about 5.0% in 2012-2013.



## **INDIAN ECONOMIC SCENARIO**

GDP growth is likely to improve in 2012-13. Growth of private consumption, which accounts for around 60% of GDP at market prices, is expected to improve to an extent from around 5.1% in April-December 2011 to around 6.5-7.0% in 2012-13 which will lead to high inflation and decline in interest rates. In addition to the impact of monetary easing, the growth performance of the manufacturing and mining sectors is likely to display some improvement given the base effect. Service sector growth, which has remained healthy despite the slowdown in industrial growth in, 2011-12, is expected to support overall economic growth in 2012-13. However, given the healthy estimated output of a number of major agricultural commodities in 2011-12, agricultural growth is expected to remain low in 2012-13, even if the monsoon conditions are normal. Also, investment growth is expected to remain sluggish in 2012-13, given the slowdown in concrete announcements of fresh projects and capacity enhancement in the recent months as well as the likely delay in commissioning of certain projects, particularly in the power sector.

There is a hopes for a mild recovery in economic activity in the second half of the financial year, which ends in March, with the government now projecting economic growth of 4.6 percent between October 2012 and March 2013, compared with 5.4 percent in the first half of the fiscal year.

The government's estimate for the fiscal year 2012/13 pegged farm output growth at 1.8 percent, while the manufacturing sector was expected to show growth of 1.9 percent. The services sector, which makes up more than half of India's GDP, is forecast to slow down to 6.6 percent from 8.2 percent a year ago.

## **GLOBAL TEXTILE INDUSTRY**

The Global textile market is worth more than US\$400 billion. In the present global environment, the industry faces high competition as well new opportunities have also been continuously knocking doors. Textile and clothing markets are likely to remain subdued in 2012, given the considerable uncertainty in the global economy, and the fact that the debt crisis in the euro zone continues to hit business and consumer confidence. In the EU economy, the recovery which started in 2010 is expected to be snuffed out in 2012. Forecasts suggest that the EU economy will suffer a second dip in 2012 with GDP down in real terms by 0.5%. A partial recovery is predicted for 2013 but GDP is expected to grow by only 0.8%.

The views of European textile manufacturers reflect this outlook. Having reported a notable recovery in their markets in 2011, the recovery slowed markedly in the last quarter of the year and the view now is that the effects of Europe's economic turbulence will continue to have an adverse effect on trade during the remainder of 2012 and perhaps beyond. Indeed, in the first quarter of 2012, EU clothing imports were down in volume by a dramatic 12.0%.

The prospects for the USA are less pessimistic. In 2012 GDP growth is expected to accelerate to 2.2%, from 1.7% in 2011, before falling back slightly to 2.1% in 2013. Nevertheless, clothing imports continue to be affected, with the volume of imports in the first quarter of 2012 down by 3.9%.

Weak market conditions in the EU and the USA affected exports from several Asian countries in the first quarter of 2012, following strong growth in 2011 as a whole. In Indonesia, for example, textile and clothing exports rose in value by 18.2% in 2011 but fell by 5.2% in the first quarter of 2012. In Thailand, exports rose in value by 7.5% in 2011 but declined by a sharp 15.3% in the first quarter of 2012. And in the Philippines clothing export growth slowed in value to just 1.1% in the first quarter of 2012 following an 11.4% rise in 2011. Export growth also slowed in several other countries.

## **INDIAN TEXTILE INDUSTRY**

The Indian textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14% to industrial production, 4% to the GDP, and 17% to the country's export earnings. It provides direct employment to over 35 million



people, which includes a substantial number of SC/ ST, and women. The Textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation. India's textiles products, including handlooms and handicrafts, are exported to more than a hundred countries. However, the USA and the EU, account for about two-thirds of India's textiles exports. The other major export destinations are Europe, U.S.A, China, U.A.E., Sri Lanka, Saudi Arabia, Republic of Korea, Brazil, Hong-Kong, Canada and Egypt etc.

A booming economy, growing young population, rising house hold income levels, growth of organized retail sector, increasing passion for branded and lifestyle products, growth of semi urban and rural markets, increasing working female population, etc. have propelled the Indian Textile market.

### **TEXTILES EXPORTS AND IMPORTS 2012-13**

The targets for textiles exports for 2012-13 initially set at USD 38 billion have been revised upwards to USD 40.50 billion, following the Foreign Trade Policy Annual Supplement in June, 2012. The export Council-wise targets are (i) Apparel Export Promotion Council (AEPC) – USD 18.00 billion (ii) The Cotton Textiles Export Promotion Council (Texprocil) & The Power loom Development Export Promotion Council (PDEXCIL) – USD 9.00 billion

The total imports of T&C products by India reached US\$ 5.22 billion during the calendar year 2012. Cotton was the biggest import amongst T&C items, with a share of USD 0.77 billion followed by impregnated textile fabric (USD 0.74 billion) and Man-made Filaments with a share of USD 0.73 billion. The imports have increased by 5.26% during the calendar year 2012 in dollar terms over the corresponding period in calendar year 2011.

### **SLOWDOWN IN EXPORTS OF THE TEXTILE SECTOR**

Textiles & clothing worth USD 26.82 billion was exported during 2010-11 and USD 33.31 billion during 2011-12. During April-Oct'12, exports of textiles & clothing were of the order of USD 16.86 billion as against USD 17.95 billion in April-Oct'11, recording a negative growth 6.04%.

### **SWOT ANALYSIS OF INDIAN TEXTILE INDUSTRY**

#### **Strength:**

India's biggest strength lies in its big pool of cheap and talented workforce. However, apart from it there are few other important factors which contributes to its strength like

- Huge Domestic Market consumption (due to its own population).
- Tremendous Export Potential (Indian products are in great demand among the western importers)
- The new age creative and risk taking entrepreneurs.
- Use of latest technology which produces high quality multi-fiber raw material.
- Supportive government policies.
- Indian textile industry is an independent and self-reliant industry.
- Abundant raw material availability helps industry to control costs and reduces the lead-time across the operation. It accounts for about 22 percent of the global cotton production.
- India exports 25 percent of its cotton yarn production.
- Industry has manufacturing flexibility that helps to increase the productivity.

- More and more buyers have come to trust India as a competent manufacturing country.
- India's textile industry is seeing an increase in collaboration between national and international companies.

**Challenges:**

- Organizational flaws in weaving and processing.
- A fragmented and scientifically backward textile processing sector.
- Infrastructural logjams in terms of power, road transport etc.
- Calculating the Return on Investment and workflow automation in the textile machinery.
- Textile is more complex in operation, so to connect every machine for getting the real data without any manual intervention.

**Opportunities:**

- Growth rate of the domestic textile industry is a significant 6-8 percent per annum
- Large, potential domestic and international market still waiting to be tapped
- Availability of greater investment and FDI opportunities
- Emerging retail industry and malls provide significant opportunities for the apparel, handicraft and other segments of the industry as the market is gradually shifting towards branded readymade garments
- Increased per capita income, disposable income and purchasing power of the Indian customer provides huge growth opportunities
- India's share of the global textile industry is expected to grow from 4.5 percent in 2010 to 8 percent by 2020.

**Threats:**

- Entry of multinational in domestic markets.
- Stiff competition from other countries (The performance of global competitor's in fabrics and garments indicates that there are at least 4 countries ie, China, Indonesia, Thailand and Pakistan).
- Slow improvement in quality to international standards and adoption to fast changing fashion demands.

**GOVERNMENT INITIATIVES**

In an effort to increase India's share in the world textile market, the government has introduced a number of progressive steps.

- 100 per cent FDI allowed through the automatic route.
- The government extended 10 per cent capital subsidy and 5 per cent interest subsidy on installation of Spinning Machines and 5% interest subsidy on installation of Knitting Machines under the TUFs.



**FINANCIAL PERFORMANCE OF THE COMPANY**

Your Company continued to progress in utilizing all the opportunities during 2012- 2013. The highlights of the financial performance are:

- 1) Net Sales increased by 18.46% from Rs.10210.74 Lacs in 2011-2012 to Rs.12095.32 Lacs in 2012-2013.
- 2) Earnings before interest, depreciation, tax (EBIDTA) increased by 58.94 % to Rs.2486.01 Lacs in 2012-2013 against Rs.1564.11 Lacs in 2011-2012.
- 3) Profit after tax (PAT) was Rs.1444.93 Lacs registering a growth of 60.14% over Rs.902.28 Lacs PAT generated in 2011-2012.

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

**INTERNAL CONTROL SYSTEM**

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Audit Committee periodically reviews the adequacy of the internal audit functions.

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

The Company treats its human resources as its important asset and believes in its contribution to the all round growth of the Company. The Company takes steps, from time to time, to upgrade and enhance the quality of its assets and strives to maintain it in responsive form. The Company constantly reviews the man-power requirements and has a well equipped department to take care of the requirements. The Company is confident that its Human Capital will effectively contribute to the long term value enhancement of the organization.

The focus of Human resource is on building and developing intellectual capital through innovative ideas. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

**RESEARCH AND DEVELOPMENT**

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

**CAUTIONARY STATEMENT**

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

## CORPORATE GOVERNANCE REPORT

### I. Company's philosophy on Corporate Governance:

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

### II. Board of Directors

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

The Company's Board comprises of 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 Agreement 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, 2013 have been made by the Directors.
- ii. The Board met 09 (Nine) times during the year on 27th April, 2012, 28th May, 2012, 19th June, 2012, 12th July, 2012, 31st July, 2012, 25th October, 2012, 11th December, 2012, 16th January, 2013 and 08th February, 2013.
- 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.

### III. Composition, Category, their Directorship and Committee Membership in other Companies

Name of Directors	Category	No. of Board Meetings attended during the year 2012-13	Attendance at the last AGM	No. of Directorships in other Public Companies		No. of Directorship in other Public Companies
				Chairman	Member	
Mr. Pankaj Seth (Chairman & Managing Director)	Promoter Executive	6	Yes	Nil	Nil	Nil
Ms. Anisha Seth	Promoter Executive	8	No	Nil	Nil	Nil
Mr. Bruce Larry Kieval	Executive	0	No	Nil	Nil	Nil
Mr. Varun Daga	Non-Executive Independent	6	No	Nil	Nil	Nil
Mr. G. B. Bubna	Non-Executive Independent	6	Yes	Nil	Nil	Nil
Mr. Saumil U. Marfatia	Non-Executive Independent	2	Yes	Nil	Nil	Nil
Mr. Balkrishna Patil	Non-Executive Independent	7	Yes	Nil	Nil	Nil



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

- (1) Mr. Gopikrishna 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 Bubna  
 Age : 60  
 Qualification : C.A, ICWA, B.com (Hons)  
 Expertise : Specialisation in Finance  
 Other Directorships : NIL

(Excluding Directorship In Private Limited Companies)

- (2) 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 : 53  
 Qualification : MBA  
 Expertise : Textile Business  
 Other Directorships : NIL

(Excluding Directorship In Private Limited Companies)

**IV. 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. Gopikrishna Bubna (Chairman), Mr. Saumil U. Marfatia (Member) & Varun Daga (Member).

During the year under review, the Committee met five times i.e. on 23rd May, 2012, 28th May, 2012, 31st July, 2012, 25th October, 2012 and 8th February, 2013.

<b>Name of Member</b>	<b>Status</b>	<b>No. of Meetings attended</b>
Mr. Gopikrishna Bubna	Chairman	5
Mr. Saumil U. Marfatia	Member	2
Mr. Varun Daga	Member	4

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

- To oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
- To review the findings of the Internal Auditor relating to various functions of the Company.

- To review with the management the quarterly financial statements before submission to the Board for approval.
- To review with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- To make recommendations to the Board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports.

## **V. Remuneration Committee**

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

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

<b>Name</b>	<b>Category</b>
Mr. Varun Daga (Chairman)	Independent, Non-Executive
Mr. Gopikishna Bubna	Independent, Non-Executive
Mr. Saumil U. Marfatia	Independent, Non-Executive

During the year no meeting of Remuneration Committee was held because there was no matter that took place which required consideration by Remuneration Committee during the year 2012-2013.

### **Details of Remuneration for the year ended March 31, 2013:**

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

Basic : Rs.54,00,000/- p.a.  
 Perquisites : Rs.9,00,000/- p.a.

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

Basic : Rs.54,00,000/- p.a.  
 Perquisites : Rs.9,00,000/- p.a.

### **Non-Executive Director:**

The details of sitting fees paid to Non-Executive Directors during the year 2012-2013 are as given below:

<b>Name of Directors</b>	<b>Sitting Fees (Rs.)</b>
Mr. Saumil Marfatia	12,000/-
Mr. G. B. Bubna	32,000/-
Mr. Balkrishna Patil	14,000/-
Mr. Varun Daga	20,000/-



## **VI. Shareholders' Investor Grievance Committee**

### **Terms of Reference:**

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

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

### **Composition:**

The Investors Grievance Committee consists of Mr. Gopikrishna Bubna (Chairman), Mr. Pankaj Seth (Member) and Mr. Saumil U. Marfatia (Member). The Shareholders' Investors Grievance Committee met 5 times i.e. 27th April, 2012, 28th May, 2012, 31st July, 2012, 25th October, 2012 and 08th February, 2013 and the attendance at the Meetings was as follows.

<b>Name of the Member</b>	<b>Status</b>	<b>No. of meetings attended</b>
Mr. Gopikrishna Bubna	Chairman	5
Mr. Pankaj Seth	Member	5
Mr. Saumil U. Marfatia	Member	2

During the year, 42 Complaints were received from the shareholders, which were attended and resolved to the satisfaction of the shareholders. There were 3 complaints pending as on 31st March, 2013 since the Complaints were received in the last week of March, 2013.

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

**Ms. Neha Nangalia**

Company Secretary

#### **ORBIT EXPORTS LIMITED.**

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

## **VII. General Body Meetings**

### **(i) Annual General Meetings**

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

<b>AGM for Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
2011-2012	27th June, 2012	04.30 P.M.	Acharya Mahapraghn Vidhya Nidhi Foundation, Opp. Thaker Bhojnalaya, 32, Dadiseth Agyari Lane, Kalbadevi Road, Mumbai - 400002
2010-2011	04th July, 2011	04.30 P.M.	11, Mehta Chambers, Kalyan Street, P.D' Mello Road, Masjid (E), Mumbai – 400 009
2009-2010	20th September, 2010	04.30 P.M.	11, Mehta Chambers, Kalyan Street, P.D' Mello Road, Masjid (E), Mumbai – 400 009

### **(ii) Extra Ordinary General Meeting**

No Extra-Ordinary General Meeting of the Members of the Company was held during the Financial Year 2012-2013.

**(iii) Resolution passed through Postal Ballot**

In April, 2012, the Company had obtained the approval of its Members under Section 192A of the Companies Act, 1956, pertaining to:

**Resolution No. (1):** Ordinary Resolution under Section 293 (1)(a) of the Companies Act, 1956 for sale of Company's Plant including Land, Building, Plant & Machinery, etc situated at Gat No.447/B, Vikhran Road, Erandol, Dist. Jalgaon. to competitive buyer.

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

**VIII. Disclosures****Disclosure on materially significant related party transactions**

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

**Compliance of Regulatory Requirements**

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

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

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

**Risk Management**

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

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

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

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

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

**Management Discussion & Analysis Report**

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

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

The Company had allotted 2,25,440 Equity Shares of Rs.10/- each at an issue price of Rs.38/- per Share (including Premium @ Rs.28/- per Share) in the Board Meeting held on 27th April, 2012 to Mr. Pankaj Seth (1,12,720 Equity Shares of Rs.10/- each) and Mrs. Anisha Seth (1,12,720 Equity Shares of Rs.10/- each) holding 2,25,440 Optionally Fully Convertible Warrants (OFCWs) of Rs.38/- each in aggregate upon exercise of option to convert each OFCW into 1 Equity Share of the Company. The Company has received Rs.64,25,040/- in aggregate being balance 75% of the total issued Capital.



The Company had also allotted 4,00,000 Equity Shares of Rs.10/- each at an issue price of Rs.79.30/- per Share (including Premium @ Rs.69.30/- per Share) in the Board Meeting held on 16th January, 2013 to M/s. Shreyans Credit & Capital Pvt. Ltd. holding 4,00,000 Optionally Fully Convertible Warrants (OFCWs) of Rs.79.30/- each in aggregate upon exercise of option to convert each OFCW into 1 Equity Share of the Company. The Company has received Rs.2,37,90,000/- in aggregate being balance 75% of the total issued Capital.

The aggregate proceeds amounting to Rs.3,02,15,040/- received during the year through Conversion of Warrants has been utilized for the object for which such issue was made.

### **Means of Communication**

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

### **Compliance with Mandatory Requirements**

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

## **IX. General Shareholder Information**

AGM	:	30th Annual General Meeting:
Date	:	03rd July, 2013
Time	:	04.30 P.M.
Venue	:	Babasaheb Dahanukar Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Orion House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001

### **Tentative Financial Calendar**

<b>Financial Reporting and Limited Review Report</b>	<b>Date of submission to Stock Exchanges latest by</b>
For the quarter ending 30th June, 2013	upto 14th August, 2013
For the quarter/half year ending 30th September, 2013	upto 14th November, 2013
For the quarter ending 31st December, 2013	upto 14th February, 2014

### **Results (Audited)**

For the year ended March 31, 2014	By the end of May, 2013
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#### **i) Book Closure**

The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday 27th June, 2013 to Wednesday 3rd July, 2013 (Both Days Inclusive).

#### **ii) Dividend**

The Board of Directors had declared and paid an Interim dividend @ Rs.1.50 per Share of Rs.10/- each (15%) aggregating to Rs.1,99,48,725/- on 08th February, 2013.

The Board has recommended Dividend of Rs.1.00/- per share i.e. 10% on Equity Share Capital as Final Dividend aggregating to Rs.1,32,99,150/-.

The total dividend for the year 2012-13 will be Rs.2.50/- per share i.e. 25%.

**iii) Listing on Stock Exchanges**

Stock Exchange	:	BSE Limited
Address	:	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Stock Code	:	512626
ISIN	:	INE231G01010

**iv) Market Price Data**

The monthly high and low (based on the closing prices) during the year 2012-13 on the Bombay Stock Exchange:

Month	BSE Limited Price (Rs.)	
	High	Low
<b>PRE-BONUS ISSUE</b>		
April, 2012	93.85	80.00
May, 2012	90.00	72.00
June, 2012	90.00	75.40
July, 2012	94.00	77.30
<b>POST – BONUS ISSUE</b>		
July, 2012	57.95	41.00
August, 2012	59.90	46.00
September, 2012	57.50	48.90
October, 2012	65.00	48.55
November, 2012	68.45	60.55
December, 2012	65.85	55.25
January, 2013	74.25	60.00
February, 2013	79.30	63.90
March, 2013	70.00	59.00

**v) Registrar and Transfer Agents**
**Link Intime India Private Limited**

(Formerly known as Intime Spectrum Registry Ltd.)

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West)  
Mumbai – 400 078.

Ph.: +91-22 – 25946970; Fax: 25946969;  
email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**X. Share Transfer System**

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



**XI. Shareholding Pattern as on 31st March, 2013**

Category	No. of Shares	% of Total
Promoter's Holding (including persons acting in concert)	64,93,987	48.83%
Non Promoter's Holding		
a) Mutual Funds & UTI	00	00
b) Banks, FIs and Insurance Company	00	00
c) FIIs	81	00.00
Others		
a) Bodies Corporates	41,12,225	30.92
b) Individuals	20,90,806	15.72
c) NRIs/OCBs	4,81,795	03.62
d) Market Maker	650	00.01
e) Clearing Member	1,05,294	00.79
f) HUF	14,312	00.11
<b>TOTAL</b>	<b>1,32,99,150</b>	<b>100.00</b>

**XII. Distribution of Shareholding as on 31st March, 2013**

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% to Equity
Upto 500	3431	86.38	5,35,352	4.02
501 - 1000	234	5.89	1,76,551	1.33
1001 - 2000	137	3.45	1,96,083	1.47
2001 - 3000	54	1.36	1,39,661	1.05
3001 - 4000	17	0.43	59,256	0.45
4001 - 5000	14	0.35	62,280	0.47
5001 - 10000	24	0.60	1,63,177	1.23
10001 - above	61	1.54	1,19,66,790	89.98
<b>TOTAL</b>	<b>3972</b>	<b>100.00</b>	<b>1,32,99,150</b>	<b>100.00</b>

**XIII. Dematerialisation of Shares and Liquidity**

The Company's shares are available for dematerialization on both the depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) 1,27,40,538 shares amounting to 95.80% of the capital have been dematerialized by investors as on 31st March, 2013.

ISIN: INE231G01010

Address of registrars for dematerialization of shares

**M/s. Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West), Mumbai - 400 078

Ph.: +91-22 - 25946970; Fax: 25946969;

email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**XIV. Plant Locations**
**Surat**

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

**Jalgaon**

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

**Dombivali**

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

**XV. Address for Correspondence**

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

**M/s. Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai - 400 078  
Ph.: +91-22 - 25946970; Fax: 25946969;  
email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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

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

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board Members and Senior Management personnel of the Company have affirmed the compliance with Orbit Exports Limited Code of Conduct for the year ended 31st March, 2013.

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

**Pankaj Seth**  
Chairman & Managing Director

Place : Mumbai.

Dated : 15th May, 2013



**CEO / CFO CERTIFICATE**

To

The Board of Directors

**Orbit Exports Limited**

Mumbai.

We Pankaj Seth, Chief Executive Officer and Managing Director of **ORBIT EXPORTS LIMITED** appointed in terms of the Companies Act, 1956 and Mukesh Deopura, Chief Financial Officer and Head of the finance function of the Company certify to the Board that:

- (a) We have reviewed the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and the Director's Report for the year ended 31st March, 2013 and based upon our knowledge and information certify that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain the statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) 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 the responsibility for establishing and maintaining internal controls for financial reporting for the Company and we have:
  - (i) evaluated the effectiveness of internal control systems of the Company.
  - (ii) disclosed to the Auditors and the Audit Committee of the Board, deficiencies in the design or operation of such internal controls, if any, of which we are aware and
  - (iii) necessary steps taken or propose to be taken to ratify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that there have been:
  - (i) No significant changes in internal control over financial reporting during the year 2012-13;
  - (ii) No significant changes in accounting policies during the period 2012-13;
  - (iii) No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**Pankaj Seth**  
CEO & Managing Director

**Mukesh Deopura**  
Chief Financial Officer

Place : Mumbai

Date : 15th May, 2013

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of:

**ORBIT EXPORTS LIMITED**

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

We have examined the compliance of the conditions of Corporate Governance by **ORBIT EXPORTS LTD.** for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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 conditions 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 conditions 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 no 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  
CP No. 3076

Place : Mumbai  
Date : 15th May, 2013



**AUDITORS' REPORT**

To,

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

1. We have audited the attached Balance Sheet of **M/s. Orbit Exports Limited**, as at 31st March, 2013, the Statement of Profit & Loss and Cash Flow Statement of the Company for the year ended on that date both 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003(CARO) 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
4. Further to comments in the Annexure referred to in paragraph 3 above, 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion the Balance Sheet, Statement of Profit & Loss 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, 2013;
    - ii) in the case of the Statement of Profit & Loss, 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
5. On the basis of the written representations received from the Directors as on 31st March, 2013 and taken on record, none of the directors of the Company is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

(Referred to in paragraph (3) of our report to even date)

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. The other sub clauses 3(b) to 3(d) of the Report are not applicable.
- 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. The other sub clauses 3(f) to 3(g) of the Report are not applicable.

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 R 5.00 lacs 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.
10. The Company does not have accumulated losses at the end of the financial year, nor has it incurred any 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.  
M.No. 130883/ F.R.No. 114488W

Place : Mumbai.  
Dated : 15th May, 2013.

**BALANCE SHEET AS AT MARCH 31, 2013**

(Rs. in Lacs)

PARTICULARS	Note No.	2012-2013		2011-2012	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholder's funds</b>					
(a) Share Capital	1	1,329.92		824.07	
(b) Reserves and Surplus	2	3,506.82		2,567.35	
(c) Money received against share warrants		-		100.72	
			<b>4,836.74</b>		<b>3,492.14</b>
<b>2. Share Application Money Pending Allotment</b>			-		-
<b>3. Non Current Liabilities</b>					
(a) Long-term Borrowings	3	825.07		1,016.67	
(b) Deferred Tax Liabilities (Net)	4	390.05		327.45	
(c) Other Long-term Liabilities		-		-	
(d) Long-term Provisions	5	42.24		34.51	
			<b>1,257.36</b>		<b>1,378.63</b>
<b>4. Current Liabilities</b>					
(a) Short-term Borrowings	6	1,895.88		2,024.52	
(b) Trade Payables	7	290.08		230.65	
(c) Other Current Liabilities	8	263.34		273.02	
(d) Short-term Provisions	9	212.45		19.85	
			<b>2,661.75</b>		<b>2,548.05</b>
<b>TOTAL</b>			<b>8,755.85</b>		<b>7,418.82</b>
<b>II ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Fixed Assets	10				
(i) Tangible Assets		3,331.92		3,525.10	
(ii) Intangible Assets		-		-	
(iii) Capital work-in-progress		45.79		8.26	
(b) Non-Current Investments	11	250.72		1.49	
(c) Deferred Tax Assets (net)		-		-	
(d) Long-term Loans and Advances	12	625.59		36.47	
(e) Other Non-Current Assets		-		-	
			<b>4,254.02</b>		<b>3,571.31</b>
<b>2. Current Assets</b>					
(a) Current Investments	13	553.97		-	
(b) Inventories	14	1,549.68		1,798.89	
(c) Trade Receivables	15	1,628.19		1,493.58	
(d) Cash and Bank Balances	16	195.02		31.30	
(e) Short-term Loans and Advances	17	549.79		501.39	
(f) Other Current Assets	18	25.18		22.35	
			<b>4,501.83</b>		<b>3,847.51</b>
<b>TOTAL</b>			<b>8,755.85</b>		<b>7,418.82</b>
Significant Accounting Policies and Notes to Accounts					

As per our report of even date

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

**Manish Kumar Gupta**  
Partner  
M.No. : 130883  
FRN No. : 114488W

Place : Mumbai  
Date : 15th May 2013

**Signature to the balance Sheet and Notes & Other Notes to Accounts**
**For and on behalf of the board**
**Pankaj S. Seth**  
Managing Director

**Mukesh Deopura**  
Chief Financial Officer

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

**Neha Nangalia**  
Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST, MARCH, 2013**

(Rs. in lacs)

	PARTICULARS	Note No.	2012 - 2013		2011 - 2012	
I	Revenue from Operations	19		12,095.32		10,210.74
II	Other Income	20		128.60		-
III	Total Revenue (I + II)			<b>12,223.92</b>		<b>10,210.74</b>
IV	<b>Expenses</b>					
	Cost of Materials consumed	21	7,333.91		7,004.31	
	Purchases of Stock in Trade		-		-	
	Changes in inventories of finished goods, work in progress and Stock-in- trade	22	68.72		(374.43)	
	Employee Benefits Expenses	23	455.91		391.41	
	Finance Costs	24	130.51		117.88	
	Depreciation and Amortization Expenses	10	250.21		187.63	
	Other Expenses	25	1,879.37		1,625.35	
	<b>Total Expenses</b>			<b>10,118.62</b>		<b>8,952.15</b>
V	Profit Before Exceptional Item and extraordinary item and Tax (III-IV)			<b>2,105.29</b>		<b>1,258.60</b>
VI	Exceptional Items			-		-
VII	Profit before extraordinary item and Tax (V-VI)			<b>2,105.29</b>		<b>1,258.60</b>
VIII	Extraordinary Items			-		-
IX	Profit before Tax (VII-VIII)			<b>2,105.29</b>		<b>1,258.60</b>
X	<b>Tax Expense:</b>					
	(1) Current Tax		593.72		331.20	
	Less : MAT credit Entitainment		-		46.88	
	Net Current Tax		593.72		284.32	
	(2) Deferred Tax		62.59		71.37	
				<b>656.31</b>		<b>355.68</b>
				<b>1,448.98</b>		<b>902.91</b>
	Tax Adjustment in Respect of Previous Year			4.05		0.63
XI	Profit/(Loss) for the Period from continuing operation (IX-X)			<b>1,444.93</b>		<b>902.28</b>
XII	Profit/(Loss) from discontinuing operations			-		-
XIII	Tax expenses from discontinuing operations			-		-
XIV	Profit/(Loss) from discontinuing operations (after Tax)(XII-XIII)			-		-
XV	Profit/(Loss) for the period (XI+XIV)			<b>1,444.93</b>		<b>902.28</b>
XII	<b>Earnings per Equity Share:</b>					
	(1) Basic (in Rs.)	26		11.14		7.52
	(2) Diluted (in Rs.)			11.14		6.97
	Significant Accounting Policies and Notes to Accounts					

As per our report of even date

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

**Manish Kumar Gupta**  
Partner  
M.No. : 130883  
FRN No. : 114488W

Place : Mumbai  
Date : 15th May 2013

**Signature to the balance Sheet and Notes & Other Notes to Accounts**
**For and on behalf of the board**
**Pankaj S. Seth**  
Managing Director

**Mukesh Deopura**  
Chief Financial Officer

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

**Neha Nangalia**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>A] CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) Before Tax and Exceptional Items</b>	<b>2,105.29</b>	<b>1,258.60</b>
<b>Add: Adjustment for</b>		
Depreciation	250.21	187.63
Misc. Exp. W/off	1.91	4.78
Interest Expenses	130.51	117.88
Less: Direct Tax Paid	(593.72)	(284.32)
Prior Period Item/Previous Year Tax Adjustment	(4.05)	(0.64)
Extraordinary item	-	-
<b>Operating Profit/(Loss) before working Capital Changes</b>	<b>1,890.16</b>	<b>1,283.93</b>
Decrease/(Increase) in Inventory	249.22	(572.98)
Decrease/(Increase) in Trade Receivable	(134.62)	(255.08)
Decrease/(Increase) in Loans & Advances & Other Current Assets	(640.37)	(51.94)
Increase/(Decrease) in Trade and Other Payable and long term Liability	250.08	(62.72)
<b>Net Cash Flow From Operating Activities</b>	<b>1,614.47</b>	<b>341.21</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	(216.56)	(1,103.31)
Sale of Fixed Assets	122.01	2.25
Increase/(Decrease) in Investments	(803.20)	(0.06)
<b>Net Cash Flow from Investing Activities</b>	<b>(897.75)</b>	<b>(1,101.12)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Share Capital	505.85	35.00
Advance Received Againsts Issue of Convertible Warrants	(100.72)	46.05
Increase in Reserves and Surplus	-	-
Increase/(Decrease) in Capital Reserve	4.54	72.51
Increase/(Decrease) Share Premium	(102.98)	98.00
Increase/(Decrease) Revaluation Reserve	(19.57)	-
Increase/(Decrease) in Secured Loans (Net of Repayments)	(320.24)	880.96
Deferred Revenue Expenditure	(1.91)	(4.76)
Dividend Paid	(387.44)	(229.27)
Interest Paid	(130.51)	(117.88)
<b>Net Cash Flow From Financing Activities</b>	<b>(553.00)</b>	<b>780.61</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>163.72</b>	<b>20.70</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>31.30</b>	<b>10.60</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>195.02</b>	<b>31.30</b>

As per our report of even date

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

**Manish Kumar Gupta**  
Partner  
M.No. : 130883  
FRN No. : 114488W

Place : Mumbai  
Date : 15th May 2013

**Signature to the balance Sheet and Notes & Other Notes to Accounts**
**For and on behalf of the board**
**Pankaj S. Seth**  
Managing Director

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

**Mukesh Deopura**  
Chief Financial Officer

**Neha Nangalia**  
Company Secretary



**NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT & LOSS****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 takes place.
- c) Export incentives are accounted on accrual basis and include the estimated value of export incentives receivable under the Duty Draw Back Scheme.
- 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. Raw Material is valued at cost on weightage average basis. Finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Provision is made for the cost of obsolescence and other anticipated losses, wherever considered necessary.

**7. Impairment of Assets:**

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 (AS-28) "Impairment of Assets". An impairment loss is charged to the 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 Statement of Profit & Loss.

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

**11. Government Grants:**

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

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

**12. Employee Benefits:****i. Defined contribution plans:**

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

**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 Statement of Profit & Loss 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.

#### NOTE 1 - SHARE CAPITAL

(Rs. in lacs)

	CY		PY	
	Number	Amt	Number	Amt
<b>Authorised</b> Equity Shares of Rs 10 each	150.00	1,500.00	150.00	1,500.00
<b>Issued</b> Equity Shares of Rs 10 each	132.99	1,329.92	82.41	824.07
<b>Subscribed &amp; Paid up</b> Equity Shares of Rs. 10/- each fully paid up	132.99	1,329.92	82.41	824.07
<b>Total</b>	<b>132.99</b>	<b>1,329.92</b>	82.41	824.07

#### Notes :

- a)
- During the year, the Company has issued and allotted 2,25,440 equity shares of Rs.10/- each on account of conversion of OFCW's at a premium of Rs.28/- per share to Mr. Pankaj Seth and Ms. Anisha P. Seth on preferential issue basis. The issue proceeds aggregating to Rs.64.25 lakhs have been utilised for the object for which it has been issued.
  - During the year, the Company has issued and allotted 4,00,000 equity shares of Rs.10/- each on account of conversion of OFCW's at a premium of Rs.69.30 per share to M/s. Shreyans Credit & Capital Pvt. Ltd. on preferential basis. The issue proceeds aggregating to Rs.237.90 lacs have been utilised for the object for which it has been issued.
  - During the year, the Company has issued and allotted 44,33,050 equity shares of Rs.10/- each as bonus shares in the ratio of 1 Equity Share for every 2 equity shares held.

#### b) Terms/ Rights attached to Equity Shares

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

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

(Rs. in lacs)

Particulars	CY		PY	
	Number	Amt	Number	Amt
Shares outstanding at the beginning of the year	8,240,660	824.07	7,890,660	789.07
Shares Issued during the year	5,058,490	505.85	350,000	35.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	13,299,150	1,329.92	8,240,660	824.07

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

Name of Shareholder	CY		PY	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Pankaj Seth	5,129,092	38.57	3,223,260	39.11
Mrs. Anisha Seth	1,364,895	10.26	679,230	8.24
Mediaman Multitrade Pvt. Ltd.	1,191,479	8.96	774,000	9.39

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

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

**Additional disclosure**
**Terms of Warrants:**

8 lacs Optionally Fully Convertible Warrants were issued to Mr. Pankaj Seth and Mrs. Anisha P. Seth on 1st Nov, 2010 at a price of Rs. 38/- each out of which 25% amount received at the time of allotment. Each warrant to be converted into 1 equity share of Rs. 10/- each within a period of 18 months from the date of allotment i.e. on or before 30th April, 2012. The details of conversion in the FY 2010-11 & 2011-12 & 2012-13 are as mentioned below :-

31st March, 2011	224,560	lock in for 3 years till 30th March, 2014
22nd March, 2012	350,000	lock in for 3 years till 21st March, 2015
27th April, 2012	225,440	lock in for 3 years till 26th April, 2015
<b>Total</b>	<b>800,000</b>	

4 lacs Optionally Fully Convertible Warrants were issued to Shreyans Credit & Capital Pvt. Ltd. on 4th August, 2011 at a price of Rs.79.30/- each, out of which 25% amount received at the time of allotment of warrants. Each warrant to be converted into 1 equity share of Rs. 10/- each within 18 months from the date of allotment i.e. to be converted on or before 3rd February, 2013. The details of conversion in 2012-13 is as mentioned below:-

16th January, 2013	400,000	lock in for 1 year till 15th January, 2014
<b>Total</b>	<b>400,000</b>	

**NOTE 2 - RESERVES & SURPLUS**

(Rs. in lacs)

Particulars	CY	PY
<b>Capital Reserve</b>		
Opening Balance	364.60	292.09
(+) Current Year Transfer	4.54	72.51
(-) Written Back in Current Year	-	-
Closing Balance	<b>369.14</b>	<b>364.60</b>
<b>Securities Premium Account</b>		
Opening Balance	529.26	431.26
(+) Premium Received on Allotment of shares	340.32	98.00
(-) Issue of Bonus Shares	443.31	-
(-) Expenses on Issue of Debentures and Debenture Premium	-	-
Closing Balance	<b>426.28</b>	<b>529.26</b>
<b>Revaluation Reserve</b>		
Opening Balance	19.57	19.81
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	19.57	0.24
Closing Balance	<b>0.00</b>	<b>19.57</b>
Particulars	CY	PY
<b>General Reserve</b>		
Opening Balance	244.67	144.67
(+) Transfer from Profit and Loss	250.00	100.00
(-) Written Back in Current Year	-	-
Closing Balance	<b>494.67</b>	<b>244.67</b>
<b>Surplus</b>		
Opening balance	1,409.25	836.24
(+) Net Profit / (Loss) for the Current Year	1,444.93	902.28
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	132.99	
(-) Interim Dividends	199.49	197.27
(-) Tax on Distributed Profit	54.96	32.00
(-) Transfer to General Reserves	250.00	100.00
Closing Balance	<b>2,216.74</b>	<b>1,409.25</b>
<b>Total</b>	<b>3,506.82</b>	<b>2,567.35</b>

Notes :

- Capital Reserve has increased due to receipt of Government Grant in the nature of Promoters' Contribution in respect of its textile unit in the state of Gujarat.
- Out of profit earned during the year an amount of Rs. 2.5 cr. has been transferred to General Reserve as per the provisions of the Companies (Transfer of Profits to Reserves) Rules, 1975.

**NOTE 3 - LONG TERM BORROWINGS**

(Rs. in lacs)

Particulars	CY	PY
<b>Secured</b>		
Term Loans from Banks	825.07	1,016.67
<b>Total</b>	<b>825.07</b>	<b>1,016.67</b>



**Additional disclosure**
**Long-term Borrowings**

- 1) Term Loan from State Bank of India are secured by 1st mortgage on the fixed assets of the Company located Plot No. 6,7,8 & 9, Faideal Textile Park, Village Mahuvej, Taluka Mangrol, Distt. Surat - 394 102 both present and future and hypothecation on all the movable assets of the Company installed at the above said unit.
- 2) The above financial assistance from State Bank of India are additionally secured by 1st mortgage on the Company's fixed assets located at MIDC, Dombivali, and MIDC, Jalgaon. The above said financial assistance are additionally secured by hypothecation of the Wind Turbine Generation unit located in Rawat ka Gaon, Tah. Shiv, Distt. Barmer in the state of Rajasthan.
- 3) The above loans are additionally secured by way of pledge of Fixed Deposits aggregating to Rs. 168 lacs standing in the name of the company.
- 4) All the above loans are personally guaranteed by the Promoter Directors of the Company.
- 5) Terms for Repayment of Term Loan-1 : Loan shall be repaid in 66 monthly instalment of Rs. 24 lacs commencing from 1st April, 2011 and one instalment shall be of Rs. 26 lacs.
- 6) Terms for Repayment of Term Loan-2 : Loan shall be repaid in 39 monthly instalment of Rs. 20 lacs each commencing from 1st January, 2014, and 21 monthly instalments of Rs. 21 lacs each commencing from 1st April, 2017.

**NOTE 4 - DEFERRED TAX**

(Rs. in lacs)

	Particulars	CY	PY
1.	<b>Deferred Tax Liability</b>		
	a. Depreciation	404.87	336.40
2.	<b>Deferred Tax Assets</b>		
	a. Tax Disallowances	14.82	8.95
	<b>Total</b>	<b>390.05</b>	<b>327.45</b>

**NOTE 5 - LONG TERM PROVISIONS**

(Rs. in lacs)

	Particulars	CY	PY
(a)	Provision for Employee Benefits		
	Contribution to PF/ESIC	-	-
	Gratuity (Non Funded)	42.24	34.51
(b)	Provision for Other Expenses	-	-
	<b>Total</b>	<b>42.24</b>	<b>34.51</b>

**NOTE 6 - SHORT TERM BORROWINGS**

(Rs. in lacs)

	Particulars	CY	PY
	<b>Secured</b>		
(a)	Loans Repayable on Demand from Banks	1,547.88	1,736.52
(b)	Term Loan repayable with one year	348.00	288.00
	<b>Total</b>	<b>1,895.88</b>	<b>2,024.52</b>

**Additional disclosure**
**Short-term Borrowings**

- 1) Working Capital limits from State Bank of India and Development Bank of Singapore are secured by hypothecation on all the current assets both present & future of the Company.
- 2) The financial assistance from State Bank of India is additionally secured by 1st mortgage on the Company's fixed assets located at MIDC, Dombivli, and MIDC, Jalgaon. The Financial Assistance from State Bank of India are further secured by hypothecation of the Wind Turbine unit located in Rawat ka Gaon, Tah. Shiv, Distt. Barmer in the state of Rajasthan.
- 3) The loans from State Bank of India are additionally secured by way of pledge of Fixed Deposits aggregating to Rs. 168 lacs standing in the name of the company.
- 4) The Financial Assistance from Development Bank of Singapore (DBS) is additionally secured by way of Equitable Mortgage over the immovable property located at Office No. 11, Mehta Chambers, Kalyan Street, Mumbai - 400 009.
- 5) All the above loans are personally guaranteed by the Promoter Directors of the Company.

**NOTE 7 - TRADE PAYABLES**

(Rs. in lacs)

	Particulars	CY	PY
(a)	Due to Micro, Small and Medium Enterprises	-	-
(b)	Others	290.08	230.65
	<b>Total</b>	<b>290.08</b>	<b>230.65</b>

**NOTE 8 - OTHER CURRENT LIABILITIES**

(Rs. in lacs)

	Particulars	CY	PY
(a)	Interest accrued and due on borrowings	-	0.85
(b)	Advances recd. From Customers	145.24	137.55
(c)	Unclaimed dividends	11.77	10.91
(d)	Taxes, Duties and Other Levies Payable	15.13	16.07
(e)	Other payables and liability	91.21	107.64
	<b>Total</b>	<b>263.34</b>	<b>273.02</b>

**NOTE 9 - SHORT TERM PROVISIONS**

(Rs. in lacs)

	Particulars	CY	PY
(a)	Provision for Employee Benefits		
	Salary & Reimbursements	-	5.25
	Contribution to PF/ESIC	-	1.76
	Gratuity (Non Funded)	-	-
	Bonus	2.75	3.37
	Leave Encashment (Non Funded)	0.68	1.46
(b)	Provision for Taxes (Net of Advance Payment of Taxes)	7.62	-
(c)	Provision for Dividend	132.99	-
(d)	Provision for Tax on Distributed Profits	22.60	-
(e)	Provision for Other Expenses	45.80	8.00
	<b>Total</b>	<b>212.45</b>	<b>19.85</b>



**NOTE 10 - FIXED ASSETS**

(Rs. in lacs)

Assets		Gross Block						Accumulated Depreciation					Net Block		
		Opening	Additions	Acquired through business combinations	Other Adjust-ments	Sub Total	Disposals	Gross block at the year end	Opening	Depreci-ation charge for the year	Other Adjust-ments	On disposals	Closing	As at 31st March, 2013	As at 31st March, 2012
a	Tangible Assets*														
	Freehold Land	14.50			-	14.50	14.50	-	-	-	-	-	-	-	14.50
	Leasehold Land	240.66			-	240.66		240.66	-	3.00			3.00	237.66	240.66
	Buildings	651.99	20.34		(4.31)	668.02	69.31	598.71	101.99	18.60		45.51	75.07	523.63	550.00
	Plant and Machinery	4,183.35	58.36		(15.26)	4,226.45	1,227.81	2,998.64	1,691.53	194.87		1,227.81	658.58	2,340.05	2,491.83
	Furniture, Fixtures and Fittings	219.40	7.24			226.63	6.73	219.91	62.82	12.36		6.73	68.45	151.46	156.58
	Office equipment	117.93	19.37			137.30	0.41	136.89	64.26	15.44		0.41	79.30	57.59	53.67
	Vehicles	65.09	15.53			80.62	12.28	68.35	47.23	5.94		6.33	46.83	21.52	17.86
	5,492.92	120.84	-	(19.57)	5,594.18	1,331.04	4,263.15	1,967.82	250.21	-	1,286.80	931.23	3,331.92	3,525.10	
													3,331.91		
b	Intangible Assets														
	Goodwill	-	-	-	-	-		-	-	-	-	-	-	-	-
	Computer software	-	-	-	-	-		-	-	-	-	-	-	-	-
c	Capital Work In Progress	8.26	95.73	-	-	103.99	58.20	45.79	-	-	-	-	-	45.79	8.26
	Total	5,501.18	216.56	-	(19.57)	5,698.17	1,389.23	4,308.93	1,967.82	250.21	-	1,286.80	931.23	3,377.70	3,533.35
	Less: Withdrawn from Revaluation Res.									-					
	Total	5,501.18	216.56		(19.57)	5,698.17	1,389.23	4,308.93	1,967.82	250.21	-	1,286.80	931.23	3,377.70	3,533.35
	Previous Year	4,399.18	1,099.28		-	5,498.46	5.54	5,492.92	1,783.24	187.63	-	(3.29)	1,967.82	3,533.35	2,620.16



**NOTE 11 - NON CURRENT INVESTMENTS**

(Rs. in lacs)

	Particulars	CY	PY
<b>A</b>	<b>Trade Investments</b>		
	(a) Investement in Equity instruments	-	
	(b) Investment in Mutual Fund	200.00	-
	(c) Investment in Commodity	-	-
	<b>Total</b>	<b>200.00</b>	<b>-</b>
<b>B</b>	<b>Other Investments</b>		
	(a) Investment in Equity instruments	50.20	1.00
	(b) Investments in Government or Trust securities	0.53	0.49
	<b>Total (B)</b>	<b>50.72</b>	<b>1.49</b>
	<b>Grand Total (A + B)</b>	<b>250.72</b>	<b>1.49</b>
	Less : Provision for dimution in the value of Investments	-	-
	<b>Total</b>	<b>250.72</b>	<b>1.49</b>

(Rs. in lacs)

Particulars	CY	PY
Aggregate amount of quoted investments [Market value Rs. ____ (Previous Year Rs. ____)]	-	-
Aggregate amount of unquoted investments	<b>250.72</b>	<b>1.49</b>

**Additional disclosure**

- Investment in Govt or trust securities include NSC made for Gujrat and Rajasthan Sales Tax registration.
- Investment in Equity inst. includes investment made to Kurla Nagrik Sahakari Bank Ltd. Rs. 1,00,000/-
- The Company has invested an amount of Rs. 49.20 lacs in Rainbow Line Trading LLC,Dubai.

**NOTE 12 - LONG TERM LOANS AND ADVANCES**

(Rs. in lacs)

	Particulars	CY	PY
a.	Capital Advances	579.99	-
b.	Security Deposits		
	Secured, considered good		
	Unsecured, considered good	45.60	36.47
	Doubtful		
	Less: Provision for doubtful deposits		
		<b>625.59</b>	<b>36.47</b>
c.	Loans and Advances to Related Parties	-	-
d.	Amount due from ESOP Trust	-	-
e.	Dues from Govt. Authorities	-	-
f.	Advance Tax (net of Provisions)	-	-
g.	Misc Loans and Advances	-	-
	<b>Total</b>	<b>625.59</b>	<b>36.47</b>

**NOTE 13 - CURRENT INVESTMENTS**

(Rs. in lacs)

	Particulars	CY	PY
	<b>Trade Investments</b>		
(a)	Investment in Equity instruments	-	-
(b)	Investment in Mutual Fund	300.00	-
(c)	Investment in Commodity	253.97	-
	<b>Total</b>	<b>553.97</b>	<b>-</b>
	Aggregate amount of quoted investments [Market value Rs. ____ (Previous Year Rs. ____)]	-	-
	Aggregate amount of unquoted investments	<b>553.97</b>	<b>-</b>

**NOTE 14 - INVENTORIES**

(Rs. in lacs)

	Particulars	CY		PY	
a.	Raw Materials and components	388.76		561.92	
	Goods-in transit	-		6.74	
	(Including Packing Material)		388.76		568.66
b.	Work-in-progress	102.81		272.95	
	Goods-in transit	-		-	
			102.81	-	272.95
c.	Finished goods	1,046.01		944.59	
	Goods-in transit	-		-	
			1,046.01	-	944.59
e.	Stores and spares	12.09		12.69	
	Goods-in transit	-		-	
		-	12.09	-	12.69
	<b>Total</b>		<b>1,549.68</b>		<b>1,798.89</b>

**NOTE 15 - TRADE RECEIVABLES**

(Rs. in lacs)

Particulars	CY	PY
<b>Trade Receivables outstanding for a period exceeding six months from the due date of Payment</b>		
Secured, considered good	-	-
Unsecured, considered good	115.01	117.81
Unsecured, considered doubtful	-	-
	115.01	117.81
Less: Provision for doubtful debts	-	-
	<b>115.01</b>	<b>117.81</b>
<b>Trade Receivables Others</b>		
Secured, considered good	-	-
Unsecured, considered good	1,513.19	1,375.76
Unsecured, considered doubtful	-	-
	1,513.19	1,375.76
Less: Provision for doubtful debts	-	-
	<b>1,513.19</b>	<b>1,375.76</b>
<b>Total</b>	<b>1,628.19</b>	<b>1,493.58</b>

(Rs. in lacs)

	<b>CY</b>	<b>PY</b>
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a director	-	-
Private Company in which director is a member	-	-
	-	-

**NOTE 16 - CASH AND BANK BALANCE**

(Rs. in lacs)

	<b>Particulars</b>	<b>CY</b>		<b>PY</b>	
<b>A.</b>	<b>Cash and cash Equivalents</b>				
	<b>Balances with banks</b>				
	Unpaid Dividend	11.77		10.91	
	Others	9.51	21.28	9.19	20.10
	Cheques, drafts on hand		-		-
	Cash on hand		5.49		10.95
			<b>26.77</b>		<b>31.05</b>
<b>B.</b>	<b>Other Bank Balances</b>				
	Bank deposits with less than 12 months maturity*	153.25		0.25	
	Bank deposits with more than 12 months maturity*	15.00		-	
			<b>168.25</b>		<b>0.25</b>
	<b>Total</b>		<b>195.02</b>		<b>31.30</b>

Note :

\* The Fixed Deposits aggregating to Rs. 168 lacs has been pledged with State Bank of India as collateral security against the financial assistance extended by the bank.

**NOTE 17 - SHORT-TERM LOANS AND ADVANCES**

(Rs. in lacs)

	<b>Particulars</b>	<b>CY</b>		<b>PY</b>	
a.	Loans and Advances to Related Parties				
b.	Security Deposits				
c.	Advances to suppliers	181.42		-	
d.	Amount due from ESOP Trust				
e.	Amount lying with Govt. Authorities				
	VAT Receivable	10.69		6.44	
	Duty Draw Back/DEPB Receivable	194.08		98.53	
	Subsidy receivable	106.37		339.15	
	Service Tax Receivable	1.51		6.02	
	Income Tax	36.51		41.07	
			<b>530.58</b>		<b>491.21</b>
f.	Misc Loans and Advances				
	Secured, considered good			-	
	Unsecured, considered good	19.22		10.17	
	Doubtful	-		-	
	Less: Provision for doubtful loans and advances	-		-	
			<b>19.22</b>		<b>10.17</b>
			<b>549.79</b>		<b>501.39</b>



(Rs. in lacs)

<b>Given to</b>	<b>CY</b>	<b>PY</b>
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a director	-	-
Private Company in which director is a member	-	-
	-	-

**NOTE 18 - OTHER CURRENT ASSETS**

(Rs. in lacs)

<b>Particulars</b>	<b>CY</b>	<b>PY</b>
Accrued Interest	1.02	-
Prepaid Expenses	18.90	15.18
Others (specify nature)- Miscellaneous Exp.	5.26	7.17
<b>Total</b>	<b>25.18</b>	<b>22.35</b>

**NOTE 19**

(Rs. in lacs)

<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
<b>Revenue from Operations (Gross)</b>		
Sale of Products	11,726.59	9,867.36
<b>Other Operating Revenues</b>		
Miscellaneous Income (Export Incentives)	368.72	343.38
	<b>12,095.32</b>	<b>10,210.74</b>
Less : Excise Duty	-	-
<b>Revenue from Operations (Net)</b>	<b>12,095.32</b>	<b>10,210.74</b>

**NOTE 20 - OTHER INCOME**

(Rs. in lacs)

<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
Net Gain on Foreign Currency Translations and Transactions	25.94	-
Misc Non-operating Income	102.66	-
<b>Total</b>	<b>128.60</b>	-

**NOTE 21 - MATERIAL CONSUMED**

(Rs. in lacs)

<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
Opening Inventory	568.66	362.43
Add : Purchases (Net)	7,154.01	7,210.54
	<b>7,722.67</b>	<b>7,572.97</b>
Less Closing Inventory	388.76	568.66
<b>Cost of Materials Consumed</b>	<b>7,333.91</b>	<b>7,004.32</b>

**NOTE 22 - INVENTORY CHANGE**

(Rs. in lacs)

	<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
	Opening Inventory		
(a)	Finished Goods	944.59	668.98
(b)	Traded Goods	-	-
(c)	Work-in-Progress	272.95	174.13
		<b>1,217.54</b>	<b>843.11</b>
	Less: Closing Inventory		
(a)	Finished Goods	1,046.01	944.59
(b)	Traded Goods	-	-
(c)	Work-in-Progress	102.81	272.95
		<b>1,148.82</b>	<b>1,217.54</b>
	(Increase) / Decrease in Inventory	<b>68.72</b>	<b>(374.43)</b>

**NOTE 23 - EMPLOYEE BENEFITS EXPENSE**

(Rs. in lacs)

	<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
(a)	Salaries and Wages	417.05	334.77
(b)	Contributions to Provident and Other Funds	29.39	27.39
(c)	One time settlement with worker	-	20.47
(d)	Staff Welfare Expenses	9.48	8.78
	<b>Total</b>	<b>455.91</b>	<b>391.41</b>

**NOTE 24 - FINANCE COST**

(Rs. in lacs)

	<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
	Interest Expenses	130.51	117.88
	Other Borrowing Costs	-	-
	<b>Total</b>	<b>130.51</b>	<b>117.88</b>

**NOTE 25 - OTHER EXPENSES**

(Rs. in lacs)

	<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
	Consumption of Stores & Spare Parts	25.56	33.59
	Power and Fuel	133.19	58.94
	Rent	68.52	63.12
	<b>Repairs and Maintenance</b>		
	Plant and Machinery	9.02	13.02
	Others	21.17	23.75
	Insurance	22.42	15.63
	Rates & Taxes	20.11	11.99
	Miscellaneous Expenses	1.47	1.21
	Processing and Other Manufacturing Expenses	694.06	571.82
	Labour Charges	33.90	30.45
	Travelling and Conveyance	127.38	103.03

**NOTE 25 - OTHER EXPENSES (CONT...)**

(Rs. in lacs)

Particulars	2012-13	2011-12
<b>Payment to Auditors</b>		
As Auditor	3.65	2.81
For Other Services	0.61	0.35
Legal and Professional Charges	276.67	200.73
Donations	0.49	1.05
Sales Promotion Expenses	37.06	23.46
Advertising & Publicity	4.98	4.34
Selling & Distribution Expenses	94.70	60.47
Freight & Forwarding Expenses	172.69	157.76
Security Expenses	7.55	6.54
Electricity	10.58	7.82
Commission & Brokerage	14.05	17.39
Discount	10.91	1.93
Net Loss on Sale of Fixed Assets	-	0.12
Net Loss on Foreign Currency Translations and Transactions	-	104.10
Printing & Stationery	10.14	17.51
Postage & Telephone	32.94	29.18
Bank Charges	37.64	42.01
Membership & Subscription	3.02	3.58
Miscellaneous Expenses W/off	1.91	4.78
Others	2.94	12.88
<b>Total</b>	<b>1,879.37</b>	<b>1,625.36</b>

**NOTE 26 - EARNING PER SHARE**

(Rs. in lacs)

Particulars	2012-13	2011-12
Net Profit After Tax	144,493,080	90,228,318
Weighted Average Number of Equity Shares		
For Calculation of Basic EPS	12,965,283	11,998,994
For Calculation of Diluted EPS	12,965,283	12,937,154
Earning Per Share Before and After Extraordinary Items		
Basic	11.14	7.52
Diluted	11.14	6.97

**PART - B**
**OTHER NOTES TO ACCOUNTS:**
**NOTE 27 - CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR:**

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

Sr. No.	Nature of Commitment	Amount (Rs. in lacs)	
		2012-13	2011-12
1.	Commitments on Capital Account	1,180.84	---



**NOTE 28 - 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.	Ms. Vishakha Seth	Daughter of Mr. Pankaj Seth

**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			Rs. in Lacs
	Associates	Key Management Personnel	Relative of Key Management Personnel	Total
Rent Expenses incurred	---	6.00 (6.00)	1.20 (1.20)	7.20 (7.20)
Professional fess	---	---	47.85 (62.72)	47.85 (62.72)
Managerial Remuneration	---	126.00 (96.00)	---	126.00 (96.00)
Salary	---	---	2.40 (2.98)	2.40 (2.98)
Brokerage & Commission	---	---	---	---
	---	---	(1.35)	(1.35)
Balance Receivable as at year end	---	---	---	---
	---	---	(---)	(---)
Balance Payable as at year end	---	---	---	---
	---	---	(4.85)	(4.85)

**NOTE 29**

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

**a) Managing Director's Remuneration**

(Rs. in Lacs)

	Particulars	2012-13	2011-12
i.	Salary & Bonus	54.00	48.00
ii.	Contribution to Provident Fund and Other funds	---	---
iii.	Perquisites	9.00	---
		<b>63.00</b>	<b>48.00</b>

**b) Whole Time Director's Remuneration**

(Rs. in Lacs)

		<b>2012-13</b>	<b>2011-12</b>
i.	Salary & Bonus	54.00	48.00
ii.	Contribution to Provident Fund and Other funds	---	---
iii.	Perquisites	9.00	---
		<b>63.00</b>	<b>48.00</b>

**NOTE 30**

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.

**NOTE 31**

The Board of Directors have declared interim dividend @ 15% during the year amounting to Rs. 199.48 lacs (Rs. 1.50 per share of face value of Rs. 10/- each i.e.15%) excluding Dividend Distribution Tax of Rs. 32.36 lacs.

**NOTE 32 - VALUE OF IMPORT ON CIF BASIS**

(Rs. in lacs)

<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
Capital Goods	190.37	847.61
Stores & Spares	2.43	---
Raw Material	---	---
<b>Total</b>	<b>192.80</b>	<b>847.61</b>

**NOTE 33 - EXPENDITURE IN FOREIGN CURRENCY**

(Rs. in lacs)

<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
Travelling Expenses	57.05	22.42
Professional Fees	203.69	176.13
Sales Promotion Expenses	15.17	21.02
Capital Goods & Spares	192.80	755.45
<b>Total</b>	<b>468.71</b>	<b>975.02</b>

**NOTE 34 - REMITTANCE IN FOREIGN CURRENCY**

(Rs. in lakh)

	<b>Particulars</b>	<b>2012-13</b>		<b>2011-12</b>
<b>A. Non Institutional</b>				
i.	on account of dividend Number of non-resident shareholders	---	---	---
ii.	Number of shares held by them on which dividend was due	---	---	---
iii.	Year to which dividend relates	---	---	---
iv.	Amount remitted (Rs. in lacs)	---	---	---
<b>B. Institutional</b>				
i.	on account of dividend Number of non-resident shareholders	---	---	---
ii.	Number of shares held by them on which dividend was due	---	---	---
iii.	Year to which dividend relates	---	---	---
iv.	Amount remitted (Rs. in lacs)	---	---	---

**NOTE 35 - EARNINGS IN FOREIGN EXCHANGE**

(Rs. in lacs)

Particulars	2012-13	2011-12
Export of goods on FOB basis	6,472.91	4,856.59
Freight on Export	101.37	131.00
Export Insurance	1.61	3.29
<b>Total</b>	<b>6,575.89</b>	<b>4,990.88</b>

**NOTE 36 - VALUE OF IMPORTS & INDIGENOUS MATERIAL CONSUMPTION**

(Rs. in lacs)

	Particulars	2012-13		2011-12	
		Value	% of cons	Value	% of cons
<b>A. Raw Material</b>					
	Indigenous	7,333.91	100%	7,004.32	100%
	Imported	---	---	---	---
		<b>7,333.91</b>		<b>7,004.32</b>	
<b>B. Stores &amp; Spares</b>					
	Indigenous	22.56	100%	33.59	100%
	Imported	---	---	---	---
		<b>22.56</b>		<b>33.59</b>	

**NOTE 37**

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

**NOTE 38**

The Company has created Capital Reserve amounting to Rs.4.54 lacs during the year. The balance in Capital Reserve is Rs. 369.14 lacs (2012 Rs. 364.60 lakh). Current year Capital Reserve has been created out of the Government Grant in the nature of promoters' fund for setting up new textile unit at Surat.

**NOTE 39 - 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. 12.46 lacs (Previous Year Rs. 10.28 lacs) for the year ended 31st March, 2013.

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

The following table sets out the status of the gratuity plan for the year ended 31st March, 2013 as required under AS 15 (Revised)

(Rs. in lacs)

Particulars Gratuity	Gratuity (funded) as on 31st March 2013	Gratuity (funded) as on 31st March 2012
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	34.51	32.21
Current Service Cost	5.04	4.23
Interest Cost	3.01	2.66
Actuarial (gain)/ loss	0.88	9.70
Benefits Paid	(1.22)	(14.29)
Present Value of Defined Benefit Obligation as on 31/03/2013	42.23	34.51



(Rs. in lacs)

<b>Particulars Gratuity</b>	<b>Gratuity (funded) as on 31st March 2013</b>	<b>Gratuity (funded) as on 31st March 2012</b>
<b>Change in Fair Value of assets</b>		
Opening Fair value of Plan assets	Nil	Nil
Expected Return on Plan Assets	Nil	Nil
Actuarial Gain/ (Loss) on Plan assets		
Actual Contributions	(7.72)	(14.29)
Actual Benefits Paid	(1.22)	(14.29)
Closing Fair Value of Plan Assets	Nil	Nil

**Expense to be recognized in statement of Statement of Profit & Loss**

(Rs. in lacs)

Current Service Cost	5.04	4.23
Interest on Defined Benefit Obligation	3.01	2.66
Expected Return on Plan Assets	Nil	Nil
Actuarial (gain)/ loss	0.89	9.70
Total Included in Employment Expenses	8.95	16.59
Investment details of plan assets:		
Actual Return on Plan Assets	Nil	Nil
Category of Assets	Nil	Nil
Insurer Managed Fund	Nil	Nil

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

<b>Particulars</b>	<b>For the year ended 31st March 2013</b>	<b>For the year ended 31st March 2012</b>
Discount rate	8.25%	8.25%
Rate of increase in compensation levels of covered employees	6.00%	6.00%
Expected Rate of return on plan assets	Nil	Nil

**Signatures to Note 1 to Note 39**

As per our report of even date

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

**Manish Kumar Gupta**  
Partner  
M. No. : 130883  
F.R. No. 114488 W

Place : Mumbai.  
Dated : 15th May, 2013

**For and on behalf of the Board**
**Pankaj S. Seth**  
Managing Director

**Mukesh Deopura**  
Chief Financial Officer

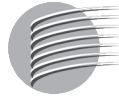
**Anisha P. Seth**  
Whole-time Director

**Neha Nangalia**  
Company Secretary









*orbit exports ltd.*

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

### **ATTENDANCE SLIP**

I hereby record my presence at the 30th Annual General Meeting of the Company at Babasaheb Dahanukar Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001 on Wednesday 03rd July, 2013 at 04.30 P.M..

DP Id*	
Client Id*	

Folio No.	
No. of shares	

Name of Shareholder/Proxy .....

\_\_\_\_\_  
Signature of Shareholder /Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the meeting.

\* Applicable for investors holding shares in electronic form

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*orbit exports ltd.*

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

### **PROXY FORM**

DP Id*	
Client Id*	

Folio No.	
No. of shares	

I/We ..... of .....

..... being a member/ members of ORBIT EXPORTS LIMITED hereby appoint .....

of ..... or failing him ..... of ..... as my/our proxy to attend and vote for me/us on my / our behalf at the **30th ANNUAL GENERAL MEETING** of the Company to be held on Wednesday 03rd July, 2013 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Affix  
revenue  
stamp

Signature across Revenue Stamp

#### **Notes:**

- The proxy, in order to be effective, should be duly stamped, completed and signed must be deposited at the Registered Office of the Company, not less than 48 hours before the time of the Meeting.
- The Proxy need not be a Member of the Company









*orbit exports ltd.*

Registered Office:

E 27-29, Adi Marzaban Street (Mangalore Street),  
S. Bhagat Singh Road, Ballard Estate, Mumbai - 400 038.

Ph.: +91-22-6625 6262 • Fax.: +91-22-2375 6599

Mail: [investors@orbitexports.com](mailto:investors@orbitexports.com) • Website: [www.orbitexports.com](http://www.orbitexports.com)

Factories:

**Surat:**

Plot No. 6 - 9, Fairdeal Textile Park, Village Mahuvej, Taluka Mangrol, Dist - Surat - 394 102 (Gujarat)

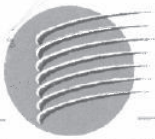
**Jalgaon:**

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

**Dombivali:**

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





*orbit exports ltd.*

E 27-29, ADI MARZABAN STREET (MANGLORE STREET), BALLARD ESTATE, MUMBAI - 400 038. (MAH.) INDIA.  
TEL.: +91-22-6625 6262 • FAX : +91-22-2375 6599 • E-mail : reception@orbitexports.com • Website : www.orbitexports.com

# FORM A

## COVERING LETTER OF THE ANNUAL AUDIT REPORT

1	Name of the Company	Orbit Exports Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A
5	Signed By	<p><i>Pankaj Seth</i> (Pankaj Seth)</p> <p><i>Mukesh</i> (Mukesh Deopura)</p> <p><i>Manish</i> (Manish Kumar Gupta)</p> <p><i>Gopikrishna</i> (Gopikrishna Bubna)</p>

MD & CEO	MKT PLACE	SECRET	SP&P	HR	INVEST & A/C
RCD					DOT/DIT
LEGAL	BSE LTD. 11 JUN 2013				DOT 3RD FLR
MS&D					DOSS
BD & M					DCS
IPF					U.S.E.
INTER'L RELA					
BTI	INTER CONT'L	INF PRCD	ONE	ESTATE	CORP. COMM
BSE/BOOK	DIS	CSC & U.S.	ADMIN	SECUR	LISTING