

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

The composition of the Board is in conformity with the Clause 49 of the Listing 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, 2012 have been made by the Directors.
- ii. The Board met 14 (Fourteen) times during the year on 03/05/2011, 24/06/2011, 26/07/2011, 04/08/2011, 09/09/2011, 26/09/2011, 10/10/2011, 14/10/2011, 25/10/2011, 14/11/2011, 17/01/2012, 06/02/2012, 28/02/2012 and 22/03/2012.
- 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 of Directors	No. of Board Meetings attended during the year 2011-12	No. of Directorship in other Public Companies	Number of Other Board Committee		Attendance at the last Annual General Meeting
				As Chairman	As Member	
Mr. Pankaj Seth (Chairman & Managing Director)	Promoter – Executive	11	Nil	Nil	Nil	Yes
Ms. Anisha Seth	Promoter – Executive	13	Nil	Nil	Nil	No
Mr. Bruce Larry Kieval	Executive	0	Nil	Nil	Nil	No
Mr. Manoj Kumar Jain (Resigned w.e.f. 17 th January, 2012)	Non-Executive Independent	6	Nil	Nil	Nil	Yes
Mr. Varun Daga (Appointed w.e.f. 26 th July, 2011)	Non-Executive Independent	6	NIL	Nil	Nil	No
Mr. G. B. Bubna	Non-Executive Independent	6	Nil	Nil	Nil	Yes
Mr. Saumil U. Marfatia	Non-Executive Independent	4	Nil	Nil	Nil	No
Mr. Balkrishna Patil	Non-Executive Independent	4	Nil	Nil	Nil	Yes

Details of Directors being appointed And re-appointed

- (1) Mr. Balkrishna Patil 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. Balkrishna Patil
Age: 61
Qualification: MBA
Expertise: Specialisation in Finance
Other Directorships:
(Excluding Directorship
In Private Limited Companies) NIL

- (2) Mr. Bruce Larry Kieval 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. Bruce Larry Kieval
Age: 55
Qualification: B. Sc.
Expertise: Marketing
Other Directorships:
(Excluding Directorship
In Private Limited Companies) NIL

- (3) Mr. Varun Daga who was appointed as an Additional Director and holds his office upto ensuing Annual General Meeting, is proposed to be confirmed as Director.
(In pursuance of clause 49 of the Listing Agreement)

Name: Mr. Varun Daga
Age: 27
Qualification: B.Com
Expertise: Finance
Other Directorships:
(Excluding Directorship
In Private Limited Companies) NIL

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 Agreement 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 was reconstituted by inducting Mr. Varun Daga as Member of the Audit Committee in place of Mr. Manoj Kumar Jain, Chairman of the Audit Committee who had resigned as Director of the Company w.e.f. 17th January, 2012. The reconstituted Audit Committee comprises of Mr. Gopikrishna Bubna (Chairman), Mr. Saumil U. Marfatia (Member) & Varun Daga (Member).

The Audit Committee met 5 times i.e. 03rd May, 2011, 26th July, 2011, 14th October, 2011, 14th November, 2011 and 06th February, 2012.

Name of Member	Designation	Meetings held	Meetings attended
Mr. Manoj Kumar Jain (Chairman till 16/01/2012)	Chairman	5	4
Mr. Gopikrishna Bubna (Member till 16/01/2012 and Chairman from 17/01/2012)	Chairman	5	4
Mr. Saumil U. Marfatia	Member	5	4
Mr. Varun Daga (Member w.e.f. 17/01/2012)	Member	5	1

iii) The broad powers of the Audit Committee include

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

V. Shareholders' / Investors' Grievance Committee
Terms of Reference:

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

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

Composition:

The Investors Grievance Committee consists of Mr. Gopikrishna Bubna, (Chairman), Mr. Pankaj Seth (Member) and Mr. Saumil U. Marfatia (Member). The Shareholder/ Grievance Committee met 12 times i.e. 03/05/2011, 27/05/2011, 22/06/2011, 26/07/2011, 16/08/2011, 29/08/2011, 15/09/2011, 11/10/2011, 14/11/2011, 24/1/2012, 06/02/2012 and 31/03/2012 and the attendance at the Meetings was as follows.

Name of the Member	Designation	No. of meetings attended
Mr. Gopikrishna Bubna	Chairman	11
Mr. Pankaj Seth	Member	12
Mr. Saumil U. Marfatia	Member	4

There were no Investor complaints pending as on 31st March, 2012.

VI. Remuneration Committee

The Remuneration Committee was reconstituted on 17th January, 2012 by inducting Mr. Varun Daga as Chairman of the Remuneration Committee in place of Mr. Manoj Kumar Jain who had resigned as Director of the Company w.e.f. 17th January, 2012. The reconstituted Remuneration Committee comprises of Mr. Varun Daga (Chairman), Mr. Gopikrishna Bubna (Member) and Mr. Saumil U. Marfatia (Member).

The Remuneration Committee was constituted to recommend/ review the remuneration package of the Managing/ whole-time Directors, based on their performance and defined assessment criteria.

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

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

Name	Category	No. of Meetings	During the year 2011-12
		Held	Attended
Mr. Manoj Kumar Jain (Chairman till 16/01/2012)	Independent, Non-Executive	1	1
Mr. Gopikrishna Bubna	Independent, Non-Executive	1	1
Mr. Saumil U. Marfatia	Independent, Non-Executive	1	NIL
Mr. Varun Daga (Chairman from 17/01/2012)	Independent, Non-Executive	NIL	NIL

The Meeting of Remuneration Committee was held on 03rd May, 2011

Details of Remuneration for the year ended March 31, 2012:

Shri Pankaj Seth, Managing Director of the Company was paid managerial remuneration @ Rs.4,00,000/- p.m. (Rs.48,00,000/- in the year 2011-2012). He is 48 years of age and holds Master's Degree in Management Studies. He has been instrumental in transforming the Company from loss making to dividend paying Company with consistent track record of profitability.

Smt. Anisha Seth, Whole Time Director of the Company was paid managerial remuneration @ Rs.4,00,000/- p.m. (Rs.48,00,000/- in the year 2011-2012). She is 47 years of age and holds Master's Degree in Management Studies. She has rich experience in trading and export of fancy fabrics. She has traveled extensively for exploring new export markets and during her tenure the exports of the Company have registered significant growth.

Non-Executive Director:

No Remuneration (except sitting fees) was paid to any Non-Executive Directors during the year 2011-2012.

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 3 Annual General Meetings are given below:

AGM No.	Accounting year	Date	Time	Location
28 th	2010-2011	04 th July, 2011	04.30 P.M.	11, Mehta Chambers, Kalyan Street, P.D' Mello Road, Masjid (E), Mumbai – 400 009
27 th	2009-2010	20 th September, 2010	04.30 P.M.	11, Mehta Chambers, Kalyan Street, P.D' Mello Road, Masjid (E), Mumbai – 400 009
26 th	2008-2009	25 th August, 2009	11.30 A.M.	11, Mehta Chambers, Kalyan Street, P.D' Mello Road, Masjid (E), Mumbai – 400 009

(ii) Extra Ordinary General Meeting

An Extra-Ordinary General Meeting of the Members of the Company was held on 25/07/2011. The details are as under:

PARTICULARS	Date	Time	Location	Remarks
Share Holders Meeting was called for passing Special Resolution under Section 81 (1A) of the Companies Act, 1956 read with the guidelines for Preferential Issues contained in Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for Issue and allotment of 4,00,000 Optionally Fully Convertible Warrants of Rs.10/- each at an issue price of Rs.79.30/- each (including premium @ Rs.69.30/- each) on Preferential Issue basis to the Strategic Investors.	25 th July, 2011	04.30 P.M.	11, Mehta Chambers, Kalyan Street, P.D'mello Road, Masjid (E), Mumbai - 400 009	The special Resolution was duly passed with requisite majority.

(iii) Resolution passed through Postal Ballot

The Company through Postal Ballot under Section 192A of the Companies Act, 1956 sought approval of the Members of the Company by Ordinary Resolutions under Section 293 (1)(a) for creation of charge on its assets upto a limit of Rs.400 Crores and under Section 293 (1)(d) for increase in borrowing limit upto Rs.400 Crores and by Special Resolutions under Section 372A for increase in limit of inter corporate loans, investments etc., upto a limit of Rs.400 Crores and under Section 314 (1B) for appointment of Ms. Vishakha Seth, a relative of Two Directors at a monthly remuneration of Rs.40,000/- per month. The Result of Postal Ballot was declared on 09th December, 2011. All the Resolutions were passed with requisite majority.

VIII. Disclosures
Subsidiary Companies

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

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

Disclosures of transactions with Related Parties

The details of related party transactions are duly disclosed in the Notes to Account of the Company for the year ended 31st March, 2012.

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 procedures to inform Board Members about Risk assessment and minimization procedures and these procedures are periodically reviewed.

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

During the year under Report, the Company had issued and allotted 4,00,000 Optionally Fully Convertible Warrants (OFCW) to M/s. Shreyans Credit and Capital Pvt. Ltd., Strategic Investor on 04th August, 2011. The said OFCWs at the option of the said allottee is convertible into one Equity Share of Rs.10/- at an issue price of Rs.79.30/- per share (including Premium @ Rs.69.30/- per share) against one OFCW within a period of 18 months from the date of allotment of OFCWs. The Company had received Rs.79,30,000/- in aggregate being 25% of the total issue proceeds on non refundable basis. The proceeds of the Preferential Issue have been utilized for the objects for which such issue was made.

The Company had allotted 3,50,000 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 22nd March, 2012 to Mr. Pankaj Seth (1,75,000 Equity Shares of Rs.10/- each) and Mrs. Anisha Seth (1,75,000 Equity Shares of Rs.10/- each) holding 3,50,000 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.99,75,000/- in aggregate being balance 75% of the total issued Capital. The proceeds of the Preferential Issue will be utilized for the objects for which such issue was made.

Details of Directors' Shareholding

Details of Directors Shareholding in the Company are as under

Name of Director	No. of Equity Shares Held
Mr. Pankaj Seth	32,23,260
Mrs. Anisha Seth	6,79,230
Total	39,02,490

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

Code of Business Conduct and Ethics for Directors and Management Personnel

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

"I hereby confirm that the Company has obtained from all the Members of the Board and Senior Management affirmation that they have complied with the code of Business Conduct and Ethics from Directors and Senior Management in respect of Financial Year 2011-2012"

Pankaj Seth
Managing Director

Code for Prevention of Insider Trading Practices

In compliance with SEBI's Regulations on Prevention of Insider Trading the Company has instituted a comprehensive Code of Conduct for its designated employees. The Code lays down guidelines on procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them of the consequences of violations.

Compliance of Regulatory Requirements

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

Means of Communication

The Annual, half-yearly and quarterly Results are submitted to the Bombay Stock Exchange and published in leading newspapers.

Annual/ Half-yearly/ Quarterly results are normally published in Economic Times (in English), Economic Times (in Gujarathi) and Mumbai Lakshadeep (in Marathi). The Company published the same on its website.

The Management Discussion & Analysis Report

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

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 : 29th Annual General Meeting:**

Date : 27th June, 2012

Time : 4.30 p.m.

Venue : Aacharya Mahapraghn Vidhya Nidhi Foundation, Opp Thaker Bhojnalaya,
32, Dadiseth Agyari Lane, Kalbadevi Road, Mumbai -400002.

Tentative Financial Calendar**Financial Reporting and Limited Review Report**

For the quarter ending 30th June, 2012

For the quarter/half year ending 30th September, 2012

For the quarter ending 31st December, 2012

For the quarter ended 31st March, 2013

Date of submission to Stock Exchanges latest by

upto 14th August, 2012

upto 14th November, 2012

upto 14th February, 2013

upto 15th May, 2013

Results (Audited)

For the year ended March 31, 2013

By the end of May, 2013

i) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday 5th June, 2012 to Thursday 7th June, 2012 (Both Days Inclusive)

ii) Dividend

The Board of Directors had declared and paid an Interim dividend @ Rs.2.50 per Share of Rs.10/- each (25%) aggregating to Rs.1,97,26,650/- (against Rs.2/- per Share in the previous year). The Board of Directors considers Interim Dividend of Rs.2.50/- per Share as Final Dividend. The Company has already deposited Dividend Tax amounting to Rs.32 Lacs/-.

iii) Listing on Stock Exchanges

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

Scrip Code on the Bombay Stock Exchange, Mumbai : 512626

Month	BSE Price (Rs.)	
	High	Low
April, 2011	97.50	66.50
May, 2011	96.45	72.30
June, 2011	90.45	71.90
July, 2011	106.00	87.50
August, 2011	101.00	77.50
September, 2011	115.00	81.00
October, 2011	114.70	98.60
November, 2011	106.80	82.00
December, 2011	101.95	75.00
January, 2012	97.50	77.00
February, 2012	103.95	84.30
March, 2012	97.00	76.50

iv) 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

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, 2012

Category	No. of Shares	% of Shares
Promoter's Holding (including persons acting in concert)	3902490	47.36%
Non Promoter's Holding	NIL	NIL
a) Mutual Funds & UTI		
b) Banks, FIs and Insurance Company		
c) FIIs		
Others		
a) Bodies Corporates	2376860	28.85%
b) Individuals	1635983	19.85%
c) NRIs/OCBs	320040	3.88%
d) Others	5287	0.06%
TOTAL	8240660	100.00 %

XII. Distribution Schedule

No. of Shares Shareholders	No. of Shareholders	% of (in Rs.)	Share Amount	% to Equity
Up to 500	3548	90.8579	4509460	5.4722
501 - 1000	157	4.0205	1281320	1.5549
1001 - 2000	79	2.0230	1243660	1.5092
2001 - 3000	29	0.7426	752060	0.9126
3001 - 4000	15	0.3841	550000	0.6674
4001 - 5000	11	0.2817	512360	0.6217
5001 - 10000	21	0.5378	1520700	1.8455
10001 - above	45	1.1524	72037040	87.4165
TOTAL	3905	100.0000	82406600	100.0000

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) 76,39,848 shares amounting to 92.71% of the capital have been dematerialized by investors as on 31st March, 2012.

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

XIV. Plant Locations
Surat

Plot No. 7 & 8, 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

Erandol

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

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



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

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

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board Members and Senior Management personnel of the Company have affirmed the compliance with Orbit Exports Limited Code of Conduct for the year ended 31st March, 2012.

By order of the Board of Directors

Place: Mumbai
Date: 28th May, 2012

Pankaj Seth
Chairman and Managing Director