

## 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:**

Name	Category
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:

Name of Directors	Sitting Fees (Rs.)
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.

Name of the Member	Status	No. of meetings attended
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:

AGM for Financial Year	Date	Time	Location
2011-2012	27th June, 2012	04.30 P.M.	Aacharya Mahapraghn Vidhya Nidhi Foundation, Opp. Thaker Bhojnalaya, 32, Dadiseth Agyari Lane, Kalbadevi Road, Mumbai - 400002
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 Lakshdeep (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, Oricon 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

**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

**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