



*orbit exports ltd.*

## **Orbit Exports Limited**

**Transcript of the Proceedings of the 38<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2021 at 03.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")**

**Ms. Neha Devpura, Company Secretary & Compliance Officer, Orbit Exports Limited:**

Good Afternoon everyone. Hope you all are healthy & safe. I, Neha Devpura, Company Secretary of Orbit Exports Limited welcome all of you to the 38<sup>th</sup> Annual General Meeting of the Company being held through video conferencing on this day of Wednesday 29<sup>th</sup> September 2021 at 03.00 p.m. This meeting is being conducted through video conferencing or other audio visual means in compliance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India allowing the companies to conduct AGM through VC without the physical presence of the shareholders at a common venue. The deemed venue for this 38<sup>th</sup> AGM will be the registered office of the company. The Directors of the company, the Statutory Auditor and the Secretarial Auditor of the company are attending this meeting from their respective locations. The webcast of this meeting is provided by National Securities and Depositories Limited, i.e., NSDL through its website. I now extend my warm welcome to our Chairman and Managing Director, Mr. Pankaj Seth. Welcome sir. I further extend my warm welcome to our esteemed Director present through video conferencing from remote locations. I welcome Mrs. Anisha Seth, our Whole Time Director who is attending the meeting from our registered office situated at Mumbai. I now welcome Mr. Sunil Buch, Independent Director of the company who is attending the meeting from his residence situated at Thane. Mr. Sunil Buch is also the Chairman of Audit Committee of the company. I welcome Mr. Pradeep Khosla, Independent Director of the company who is attending the meeting from remote location. I now welcome Mrs. Chetna Malaviya, Independent Director of the company who is attending the meeting from Delhi. Mr. Varun Daga might have got some connectivity issue which is why he is not present here. As soon as he joins the meeting we'll present a vote of gratitude towards him. I now welcome Mr. Atul Shah, partner of M/s. G. M. Kapadia and Associates, Statutory Auditor and Dr. S. K Jain, Proprietor of M/s. S. K. Jain and Company, Secretarial Auditor who are present with us through video conferencing from their respective remote locations. I would also like to welcome Mr. Mukesh Deopura, Chief Financial Officer of the company. I now request Mr. Pankaj Seth to take forward the AGM proceedings.

**Mr. Pankaj Seth- Chairman & Managing Director, Orbit Exports Limited:**

Good afternoon to all our shareholders and board members and all our auditors, both statutory and secretarial. I Pankaj Seth, Chairman and Managing Director of the Company would like to welcome all of you for joining the 38<sup>th</sup> Annual General Meeting of the Company by video conferencing through our registered office at Mumbai. I hope you are all healthy and safe and are all doing well. As per the directives issued by the Ministry of Corporate Affairs and SEBI

alike and in order to comply with social distancing norms we are holding this meeting through video conferencing. Participation of the members through video conferencing is reckoned for the purpose of ascertaining quorum in accordance with Section 103 of the Companies Act 2013. As the requisite quorum is present I can now call this meeting to order. I now direct Ms. Neha Devpura, Company Secretary to take over the further proceedings of the meeting and share regulatory matters and general instructions related to the AGM with the members therein.

**Ms. Neha Devpura, Company Secretary & Compliance Officer, Orbit Exports Limited:**

Thank you sir. I would like to put forth relevant instructions with respect to smooth participation in this meeting. The facility for participation at the AGM through VC/OAVM is being made available to the members on first come first serve basis. The large shareholder that is shareholders holding 2% or more shares in the company, promoters, directors, key managerial persons, the chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee, auditors etc., are allowed to attend this meeting without any restriction on account of first come first serve principle. Since this meeting is being held through VC in accordance with applicable MCA and SEBI circular, physical attendance of members has been dispensed with. Accordingly the facility for appointment of proxies by the members is not being made available for this AGM. The members who have joined us in this meeting are placed on mute by the host to avoid disturbance arising from background noise. As question and answer session starts the names of the members who have registered themselves as speaker at the meeting will be called one by one for question and answer. The speaker shareholder will be unmuted by the moderator. While speaking shareholders are requested to click the video button on. If the shareholder is not able to connect the video for any reason the shareholder can still connect through audio mode. While speaking shareholders are requested to use earphones so that what we are seeing will be clearly audible. We also request them to minimize the background voice for disruption. If at all there is any connectivity error with the speaker then we can ask the speaker to join again as and when the connectivity issue gets resolved. We would request shareholders to limit their speech up to 3 minutes. In case of connectivity issues members can also contact NSDL on the helpline numbers which have been mentioned in the notice of the 38<sup>th</sup> AGM dated 6<sup>th</sup> September 2021. Members are further informed that in accordance with the provisions of Section 108 of the Companies Act 2013 there is Rule 20 of Companies Management and Administration Rules 2014 and Regulation 44 of SEBI LODR. Your company has provided facility of remote E-Voting to its members to cast their votes in respect of the resolution proposed in the Notice of the AGM. The remote E-Voting period began on Sunday September 26, 2021 at 9.00 am and ended on Tuesday September 28, 2021 at 5.00 pm. Members who have not casted their vote through remote E-Voting are being extended the voting facility to cast their vote at the meeting. This voting facility is being administered by NSDL and will be activated once the proceedings of the meeting are open. The window for voting will be open for 15 minutes to the members to cast their votes. Members may note that company cannot receive any communication with respect to queries on audited financial statement for the year ended March 31<sup>st</sup>, 2021. Members may also note that the statutory register required under Companies Act 2013 and the relevant and other documents referred to in the accompanying notice and explanatory statement were made electronically available for the inspection of members. The statutory registers and certificate issued by our Statutory Auditor confirming implementation of ESOP Scheme are available on the website of

the company and can be viewed by the members during the continuance of the meeting. With this I now request the Chairman Sir to take forward the AGM proceedings.

**Mr. Pankaj Seth- Chairman & Managing Director, Orbit Exports Limited:**

Thank you Neha. So the Notice of the 38<sup>th</sup> Annual General Meeting along with Annual Report has already been circulated to all the shareholders whose email addresses are registered with the company within the stipulated period. With your permission I now take the Notice of the 38<sup>th</sup> AGM of the company as read. The Statutory Auditor's Report on standalone consolidated financial statements forms part of the Annual Report and has been duly circulated to all the members. Since the Auditor's Report does not have qualifications, observations or comments on financial transactions or matters which have a very adverse effect on the functioning of the company, hence the same is not being read out. Now with your permission I take the Statutory Auditor's Report on standalone and consolidated financial statements as read. The Board's Report and the financial statements, both standalone and consolidated along with the Secretarial Auditor's Report forms part of the Annual Report and have been duly circulated to all the members.

The Secretarial Audit Report issued by M/s. S. K. Jain and Company, Practicing Company Secretary have made an observation which is read and under. The company was required to appoint one Independent Woman Director on its Board of Directors on April 1<sup>st</sup>, 2020 as per Regulation 17(1) of the SEBI Regulations 2015. The company has however appointed Mrs. Chetna Manish Malaviya as an Additional Independent Woman Director with effect from June 22, 2020. NSE vide its letter dated 27/7/2020 had made an observation that there was no woman independent director on the board during the period from April 1 to June 21, 2020. The company vide its letter dated 30/7/2020 has given its clarification stating that there was a series of lockdowns imposed by the State Government and Central Government, local administrative authority due to which the company could not appoint one woman independent director on its board. The company has not received any further observation from NSE in this regard.

We wish to inform the members that the said delay was caused due to the Covid scenario prevailing at that time. However your company has made all the right efforts to appoint the apt person as soon as the situation improved. Apart from this observation the report does not contain any qualifications, observations or any adverse remarks. With the permission of members I now take the Financial statements and Secretarial Audit Report as read.

Members now before getting on the business items proposed to be transacted at this meeting I would like to brief the members on the operations and the overall performance of the company.

Dear shareholders, the year gone by has been one of the most challenging year globally as Covid-19 disrupted industries, supply chains, demand and most importantly the prevailing healthcare situation across the world. The revenue of the operations of the company on a standalone basis for the year 2021 stood at 64.59 crores as against 139.69 crores in the previous year. Profit Before Tax EBT stood at 56.82 lakhs in FY 2021 as compared to 31.11 crores in the previous year. Net Profit After Tax- PAT stood at 93.57 lakhs for the Financial Year 2021 as compared to 23.13 crores in the previous year. 2020 is perhaps the most challenging year we've had as management of Orbit since we took over the control of the company in 2004. As you saw

demand for our products declined drastically due to our focus on the niche categories of occasion wear and novelty made-ups.

In addition to the unprecedented decline in demand the situation was further worsened by supply chain disruptions, the container shortage and worst of all the fire we faced at our warehouse in March 2021, as a result of which all our shipments which were ready to ship were destroyed. Despite this being the toughest year yet I am certain that we are coming out a lot stronger than we went in to the next year. We've diversified our business from the extremely niche business of womenswear and have expanded our offering to include menswear. Our teams have undergone training to better service our customers and we've had significant learnings on expansion of our product line as well.

On a positive note the company did not deter from its Brownfield expansion plans.

Orbit acquired the industrial land and building at Sarigam, Gujarat and started with the setting up of the Process House/Dyeing House on the said location. I am delighted to announce that the setting up of the Process House has been completed and we expect operations to begin by end of September.

The company has also acquired industrial land and building at Fairdeal Textile Park, near our existing manufacturing plant, where we have installed waterjet looms to enhance capacity for plain dyed fabrics.

Our focus with this significant CAPEX is to turn our focus from our occasion wear fabrics to a diversified portfolio, which will also include casual fabrics and more specifically to expand our product offerings to include more polyester plain dyed fabrics, which were previously not in our camp.

We are confident that with this renewed focus and our new product lines we will emerge much stronger and will scale new heights that our company hasn't seen before.

At the outset I would like to extend my gratitude to all my fellow board members, shareholders, customers, vendors, bankers, suppliers and employees of the company for their support. Most importantly I thank the shareholders for your continuous trust, support and confidence in the company.

As highlighted in my speech duly published in the Annual Report I am pleased to inform members present that your company has successfully completed in setting up an ambitious Process House in Sarigam. It gives me immense pleasure to inform you all that the operations have been started in this place. Further the operations have also been implemented at our new Process House at Surat where we've installed waterjet looms. With the starting of operations at both these units we are hoping to achieve the required boost in the growth of the Company.

Moving forward I now direct Ms. Neha, Company Secretary to move on with the agenda items set out as under in the Notice of the 38<sup>th</sup> Annual General Meeting for approval.

**Ms. Neha Devpura, Company Secretary & Compliance Officer, Orbit Exports Limited:**

Thank you sir. Dear members, there are six business items which are supposed to be transacted through this meeting by the Notice of the 38<sup>th</sup> AGM of the company dated 6<sup>th</sup> September 2020.

- Item number 1 is the resolution for approval and adoption of the Audited Financial Statements of the company for the Financial Year ended March 31<sup>st</sup>, together with the reports of the Board of Directors and auditors thereon. And the audited consolidated financial statements of the company for the Financial Year ended March 31<sup>st</sup> 2021 present with the report of auditors there. The said resolution is proposed to be passed as ordinary resolution.
- Item Number 2 for approval of appointment of director in place of Mrs. Anisha Seth who retires by rotation and being eligible offers herself for reappointment. The said resolution is proposed to be passed as ordinary resolution.
- Item Number 3 is for rectification of remuneration to be given to M/S Balwinder and Associates, Cost Accountant having firm registration number 000201, who have been appointed as Cost Auditor of the company. The said resolution is also proposed to be passed as ordinary resolution.
- Item Number 4 is for approval of entering into material related party transactions with Rainbow Line Trading LLC, which is an associate company. The said resolution is proposed to be passed as ordinary resolution.
- Item Number 5 is the resolution for approval of Orbit Exports Limited Employees Stock Option Scheme 2021. The said resolution is proposed to be passed as special resolution.
- Item Number 6 is for approval for grant of employee stock option to employees of the subsidiaries. The said resolution is proposed to be passed as special resolution.

Members may please note that since this meeting is being held through video conferencing the resolutions mentioned in the Notice convening this AGM has been already put to vote through remote E-Voting and there will be no proposing and seconding of resolution.

Dr. S. K. Jain, Proprietor of S. K. Jain and Company practicing Company Secretary has been appointed as scrutinizer to scrutinize the votes casted by the members.

I request the members who did not cast their vote to cast their vote by the end of the meeting. With the permission of Chairman I will now call out the members names who have expressed their desire to speak at the AGM. We have received requests from three members. I will call out the name of the speakers one by one, after which they will be unmuted. Speakers are requested to ask their questions then. Our first speaker is Mr. Yusuf Yunus Rangwala. I request the moderator to unmute the speaker.

**Mr. Abhishek Lad- Moderator:**

Mr. Yusuf you can ask your question.

**Ms. Neha Devpura, Company Secretary & Compliance Officer, Orbit Exports Limited:**

Mr. Yusuf, you are live. You can ask your question. I think we can move forward to our second speaker Mr. Kirti Jayantilal Shah. Moderator can you please help us out and please unmute him.

**Mr. Abhishek Lad- Moderator:**

He has not joined the meeting.

**Ms. Neha Devpura, Company Secretary & Compliance Officer, Orbit Exports Limited:**

Okay. Moving forward our speaker number 3 is Mr. Vimal Kumar Agarwal. I request moderator to unmute him.

**Mr. Abhishek Lad- Moderator:**

He has also not joined the meeting.

**Ms. Neha Devpura, Company Secretary & Compliance Officer, Orbit Exports Limited:**

So can we connect to Mr. Yusuf Younus Rangwala again?

**Mr. Abhishek Lad- Moderator:**

Mr. Yusuf you can ask your question.

**Mr. Pankaj Seth- Chairman & Managing Director, Orbit Exports Limited:**

Send him an email request and reply.

**Ms. Neha Devpura, Company Secretary & Compliance Officer, Orbit Exports Limited:**

I suppose he is not able to connect to us.

**Mr. Pankaj Seth- Chairman & Managing Director, Orbit Exports Limited:**

Let him email

**Ms. Neha Devpura, Company Secretary & Compliance Officer, Orbit Exports Limited:**

So we will ask them to mail us any queries if they have. Moving forward since we don't have any speaker who has joined us I will request Chairman sir to give concluding remarks.

**Mr. Pankaj Seth- Chairman & Managing Director, Orbit Exports Limited:**

I thank all the speakers for contributing in this meeting, although there was nobody. The voting results with respect to this meeting will be announced on or before 48 hours from the conclusion of this meeting and the same will be submitted to the Stock Exchanges where the shares of the company are listed and approved in company's website and on NSDL website. All resolutions contained in the Notice have been deemed to be passed with requisite majority. The meeting is being concluded. The members who have not casted their vote through remote E-Voting can now exercise their option by casting vote on all the resolutions as set out in the Notice dated 6<sup>th</sup> September 2021. The window for voting shall remain open for 15 minutes from now. I thank all the shareholders for your continued support to the company and look forward to your support in future as well. Thank you all for attending the meeting. Stay healthy. Stay safe.

**Ms. Neha Devpura, Company Secretary & Compliance Officer, Orbit Exports Limited:**

Thank you everyone for joining the meeting.

**Mr. Abhishek Lad- Moderator:**

Thank you.

The Annual General Meeting concluded at 3.22 p.m. (IST).