

BOOK-POST

To,

If Undelivered Please Return To :
ORBIT EXPORTS LIMITED
REGD. OFFICE : 11, MEHTA CHAMBERS, KALYAN STREET,
P.D'MELLO ROAD, MASJID BUNDER (E), MUMBAI - 400 009.
Ph. : +91-22-6634 6674/75, 6625 6262



Orbit exports limited

26TH ANNUAL REPORT 2008-2009



Orbit exports limited

BOARD OF DIRECTORS

MR. PANKAJ SETH
(Managing Director)
MRS. ANISHA SETH
(Whole Time Director)
MR. MANOJ KUMAR JAIN
MR. YASHWANT R. SHAH (TILL 6TH April, 2008)
MR. GOPIKRISHNA BUBNA
MR. VISHNU AJITSARIA
MR. BRUCE LARRY KIEVAL

BANKERS

STATE BANK OF INDIA
OVERSEAS BRANCH, 2ND FLOOR, WORLD TRADE CENTRE, CUFFE PARADE,
MUMBAI - 400 005

AUDITORS

M/S. KRISHNA R. MOONDRA & ASSOCIATES
CHARTERED ACCOUNTANTS
JBF HOUSE, 1ST FLOOR, OLD POST OFFICE LANE, KALBADEVI ROAD,
MUMBAI - 400 002

REGISTERED OFFICE

11, MEHTA CHAMBERS, KALYAN STREET, P. D'MELLO ROAD, MASJID
BUNDER (E), MUMBAI - 400 009

WORK

PLOT NO. G-99, ADDITIONAL M. I. D. C., JALGAON - 425 003
GATE NO. 447/B, VIKHRAM ROAD, ERANDOL, DIST. JALGAON
D-5/1, DOMBIVALI MIDC INDUSTRIAL AREA, DOMBILVALI (EAST), DIST.
THANE. MAHARASHTRA

REGISTRAR AND TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.
C-13, PANNALAL SILK MILLS COMPOUND, L. B. S. MARG, BHANDUP (WEST),
Mumbai - 400078

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty – Sixth Annual General Meeting of ORBIT EXPORTS LIMITED will be held at the Registered office of the Company at 11, Mehta Chambers, Kalyan Street, P.D'Mello Road, Masjid (E), Mumbai - 400 009 on 25th August, 2009 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

- 1) To consider and adopt the Balance Sheet of the company for the financial year ended 31st March, 2009, the Profit & Loss Account and Cash Flow Statement for the year ended on that date and the Report of the Board of Directors and Auditors' thereon.
- 2) To appoint a Director in place of Mr. Gopikrishna Bubna who retire by rotation and being eligible, offers himself for re-appointment.
- 3) 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:

- 4) **To consider and, if thought fit, to pass the following Resolution as Special Resolution;**

“RESOLVED THAT pursuant to Section 198, 269,309 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956 including any Statutory Modification or re-enactment thereof and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded for re-appointment of Shri Pankaj Seth as Managing Director of the Company for a further period of 3 years with effect from 1st September, 2009, at a remuneration not exceeding Rs. 2,50,000/- per month (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any Financial Year during the aforesaid period with liberty to the Board of Directors to alter, vary and modify the terms and conditions of his appointment as Managing Director in such manner as may be agreed to between the Board of Directors and Shri Pankaj Seth within and in accordance with the limit prescribed in Schedule XIII of the Companies Act., 1956 or any amendment thereto and , if necessary , as

may be agreed to between the Central Government and Board of Directors as may be acceptable to Shri Pankaj Seth.

FURTHER RESOLVED THAT in addition to the remuneration @ Rs. 2,50,000/- per month Shri Pankaj Seth shall also be entitled to the following perquisites

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month salary for each completed year of service, and
- c) Encashment of Leave at the end of the tenure.

FURTHER RESOLVED THAT in the event of any statutory amendments, modifications or relaxations by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration) within such prescribed limit or ceiling.

FURTHER RESOLVED THAT in case of absence or inadequacy of profit, salary and perquisites as above will be payable to Shri Pankaj Seth as minimum remuneration.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.”

- 5) **To consider and, if thought fit, to pass the following Resolution as Special Resolution;**

“RESOLVED THAT pursuant to Section 198, 269,309 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956 including any Statutory Modification or re- enactment thereof and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded for re-appointment of Smt. Anisha Seth , Director – Marketing of the Company for a further period of 3 years with effect from 1st September, 2009, at a remuneration not exceeding Rs. 2,50,000/- per month (including the remuneration to be paid to her in the event of loss or inadequacy of profits in any Financial Year during the aforesaid period with liberty to the Board of Directors to alter, vary and modify the terms and conditions of her appointment as Director - Marketing in such manner as may be agreed to between the Board of Directors and Smt. Anisha Seth within and in accordance with the limit prescribed in Schedule XIII of the Companies Act., 1956 or any amendment thereto and , if necessary , as may be agreed to between the Central Government and Board of Directors as may be acceptable to Smt. Anisha Seth.

FURTHER RESOLVED THAT in addition to the remuneration @ Rs. 2,50,000/- per month, Smt. Anisha Seth shall also be entitled to the following perquisites

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month salary for each completed year of service, and
- c) Encashment of Leave at the end of the tenure.

FURTHER RESOLVED THAT in the event of any statutory amendments, modifications or relaxations by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration) within such prescribed limit or ceiling.

FURTHER RESOLVED THAT in case of absence or inadequacy of profit, salary and perquisites as above will be payable to Smt. Anisha Seth as minimum remuneration.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.”

By order of the Board of Directors,

Sd/-
Pankaj Seth
Managing Director

Place: Mumbai.
Dated: 27th July, 2009

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

NOTES:

- 1) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member.

Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the

commencement of the Annual General Meeting i.e. by 11.30 am on 25th August, 2009.

- 2) Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
- 3) An explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the special business to be transacted at the Annual General Meeting is annexed.
- 4) Members are requested to bring their admission slips along with copy of Annual Report.
- 5) Members who wish to obtain information on the Company may send their queries at least 10 days before the Annual General Meeting to the Company at its Registered Office of the Company.
- 6) All the documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all the working days between 11.00AM to 1.00 PM up-to the date of the Annual General Meeting.
- 7) The Register of Members and Transfer Books in respect of Equity Shares of the Company will be closed from 17th August, 2009 to 25th August, 2009.
- 8) Members are requested to notify change in address, if any immediately to the company at its Registrars M/s. Link Intime India Private Limited Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400078.
- 9) Members may avail nomination facility as provided under Section 109A of the Companies Act, 1956.
- 10) Pursuant to the requirements of the Listing Agreements of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed is given in the Annexure to the Notice.
- 11) Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- 12) As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors is given below.

Annexure to Notice

Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreements)

Name of Director	Shri Gopikrishna Bubna
Age	56
Date of Appointment	03/03/2007
Expertise in specific functional areas	Financial Management and Accounts
Qualifications	F.C.A.
List of Companies in which outside Directorship held as on 27 th July, 2009 (excluding Private Companies)	Nil
Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31 st March, 2009	Nil

Explanatory Statement

Annexure to the notice conveying the Twenty- Sixth Annual General Meeting to be held on Tuesday, 25th August, 2009

Items No. 5

The term of Shri Pankaj Seth as Managing Director expired on 31st August, 2009. The Board of Directors of the Company in its Meeting held on 26th June, 2009 as approved by the Remuneration Committee by way of Resolution, re-appointed Shri Pankaj Seth as Managing Director of the Company for a further period of 3 Years with effect from 1st September, 2009 on terms and conditions as contained in Agreement entered into by the Company with him. The Company has made considerable growth after his appointment as Managing Director. The Company's financial performance has improved during the tenure of Shri Pankaj Seth as Managing Director of the Company. Shri Pankaj Seth has been drawing remuneration @ Rs.2,50,000/- per month prior to expiry of his term as Managing Director.

The proposed Resolution seeks re-appointment of Shri Pankaj Seth as Managing Director for a further period of 3 years with effect from 1st September, 2009, at a remuneration of Rs.2,50,000/- per month (inclusive of all cash allowances and perquisites, excluding Provident Fund, Superannuation Fund or Annuity Fund, Gratuity payment as per Company's Rules and encashment of Leave at the end of his tenure).

The information as required in Schedule XIII Part II Section II (B) are as under:

- i. Payment of remuneration @ Rs.2,50,000/- per month (all inclusive) except perquisites as set out in the resolution has been approved by a Resolution passed by the 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 appointment of Shri Pankaj Seth as Managing Director. The Company has not accepted any deposits nor issued any debentures.

I. General Information

(a) Nature of Industry

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

(b) Date of commencement of commercial production

The Company commenced commercial production in the year 1986.

(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 at 31st March, 2008 and 31st March, 2009 are as under:

Particulars	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
Sales & Services	440072.91	383885.69
Other Income	1195.09	32.44
PBDIT	29340.64	43468.62
Interest	6518.89	9024.58
PBDT	22821.75	34444.04
Depreciation	9281.76	8893.47
Prior Period items	(1147.58)	(38.61)
Income Tax including FBT and Deferred Tax Assets	6059.90	11337.91
Profit/(Loss) after Tax	8627.70	14251.27
Balance carried to Balance Sheet	6456.09	(2171.58)

(d) Export Performance

Export of Goods on FOB Basis

In the Year 2007-08 Rs. 17,32,52,237

In the Year 2008-09 Rs. 21,87,75,155

II. Information about the Appointee

(i) Back ground details

Shri Pankaj Seth (46 years) has Master Degree in the Management studies. He has rich experience in trading and export of fancy fabrics. Shri Pankaj Seth has travelled extensively for exploring new export markets and during his tenure the exports of the Company have registered significant growth.

(ii) Past remuneration

Shri Pankaj Seth was drawing Rs.2,50,000/- per month prior to the expiry of his term as Managing Director of the Company. 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 re-appoint him as Managing Director of the Company for a further period of 3 years w.e.f. 01st September, 2009.

(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. 2,50,000/- per month (all inclusive) excluding company's contribution towards Provident Fund, Superannuation Fund, Annuity Fund , Gratuity as per the rules of the Company and Leave Encashment at the end of his tenure.

(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, Director-Marketing is the wife of Shri Pankaj Seth.

(III) Other information

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

Your Directors recommend the approval of proposed Resolution by the Members.

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

Items No. 6

The term of Smt. Anisha Seth, Director-Marketing expired on 31st August, 2009. The Board of Directors of the Company in its Meeting held on 26th June, 2009 as approved by the Remuneration Committee by way of Resolution, re-appointed Smt. Anisha Seth as Director-Marketing for a further period of 3 Years with effect from 1st September, 2009 and on terms and conditions as contained in Agreement entered into by the Company with her. The Company has made considerable growth after her appointment as Director-Marketing. Smt. Anisha Seth has been instrumental in developing new overseas market for export of fabrics produced by the Company. The Company's financial performance has improved during the tenure of Smt. Anisha Seth as Director-Marketing of the Company.

The proposed Resolution seeks re-appointment of Smt. Anisha Seth as Director – Marketing for a further period of 3 years with effect from 1st September, 2009, at a remuneration of Rs.2,50,000/- per month (inclusive of all cash allowances and perquisites, excluding Provident Fund, Superannuation Fund or Annuity Fund, Gratuity payment as per Company's Rules and encashment of Leave at the end of his tenure).

The information as required in Schedule XIII Part II Section II (B) is as under:

- 1 Payment of remuneration at Rs.2,50,000/- per month (all inclusive) except perquisites as set out in the resolution has been approved by a Resolution passed by the Remuneration Committee.
- 2 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 appointment of Smt. Anisha

Seth as Director-Marketing. The Company has not accepted any deposits nor issued any debentures.

I. General Information

a) Nature of Industry

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

b) Date of commencement of commercial production

The Company commenced commercial production in the year 1986.

(c) Financial performance of the Company

The Company has made significant progress during the tenure of Smt. Anisha Seth as Director - Marketing of the Company. The Company had inherited huge accumulated losses when Smt. Anisha Seth took over the Company as new Promoter along with her husband Shri Pankaj Seth in the year 2004. Under her dynamic leadership, the Company has been making profits and the turnover has increased manifold. The financial performance of the Company as at 31st March, 2008 and 31st March, 2009 are as under:

Financial Performance:

Particulars	(Rs. In '000)	
	For the Year Ended 31 st March, 2009	For the Year Ended 31 st March, 2008
Sales & Services	440072.91	383885.69
Other Income	1195.09	32.44
PBDIT	29340.64	43468.62
Interest	6518.89	9024.58
PBDT	22821.75	34444.04
Depreciation	9281.76	8893.47
Prior Period items	(1147.58)	(38.61)
Income Tax including FBT and Deferred Tax Assets	6059.90	11337.91
Profit/(Loss) after Tax	8627.70	14251.27
Balance carried to Balance Sheet	6456.09	(2171.58)

(d) Export Performance

Export of Goods on FOB Basis

In the Year 2007-08 Rs. 17,32,52,237

In the Year 2008-09 Rs. 21,87,75,155

II. Information about the Appointee

(i) Back ground details

Smt. Anisha Seth (45 years) has Master Degree in the Management studies. She has rich experience in trading and export of fancy fabrics. Smt. Anisha Seth has travelled extensively for exploring new export markets and during her tenure the exports of the Company have registered significant growth.

(ii) Past remuneration

Smt. Anisha Seth was appointed as Director-Marketing of the Company. She was drawing Rs.2,00,000/- per month prior to the expiry of her term as Director-Marketing of the Company. 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 re-appoint her as Director-Marketing of the Company for a further period of 3 years w.e.f. 01st September, 2009.

(iii) Recognition or awards.

During her tenure as Director (Marketing), the Company has been recognized as a Government recognized Star Export House.

(iv) Job Profile and his suitability

As a Director (Marketing) 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. 2,50,000/- per month (all inclusive) excluding company's contribution towards Provident Fund, Superannuation Fund, Annuity Fund , Gratuity as per the rules of the Company and Leave Encashment at the end of his tenure.

(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

Mr. Pankaj Seth, Managing Director of the Company is Mrs Anisha Seth's husband.

(III) Other information

The Company has turned the corner during the tenure of Smt. Anisha Seth as Director (Marketing). The Company has taken series of measures to improve its profitability. The Company has forayed into the field of ribbons and home furnishings. The Company is also exploring new overseas markets and is also taking advantage of growing possibility of penetration in developed countries in the post quota free regime.

Your Directors recommend the approval of proposed Resolution by the Members.

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

By order of the Board of Directors,

Sd/-

Pankaj Seth
Managing Director

Place: Mumbai.
Dated: 27th July, 2009

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

DIRECTOR'S REPORT TO THE MEMBERS:-

The Directors have pleasure in presenting their 26th Annual Report and Audited Accounts for the year ended on 31st March, 2009.

I. FINANCIAL RESULTS:-

(Rs. In '000)

Particulars	For the Year ended 31 st March 2009	For the Year ended 31 st March 2008
Sales & Services	440072.91	383885.69
Other Income	1195.09	32.44
PBDIT	29340.64	43468.62
Interest	6518.89	9024.58
PBDT	22821.75	34444.04
Depreciation	9281.76	8893.47
Profit before Tax	13539.98	25550.57
Income Tax including FBT and Deferred Tax	6059.90	11337.90
Profit/(Loss) after Tax	8627.67	14251.27
Prior Period Items	(1147.58)	(38.61)
Balance carried to Balance Sheet	6456.09	(2171.58)

II. DIVIDEND:

Your Directors with a view to conserve the resources do not propose any dividend for the year under review due to carry forward losses.

III. OPERATIONS:

The sales of the Company increased from Rs. 3838.86 Lacs to Rs. 4400.73 Lacs as compared to the last financial year registering an increase of 14.64%. During the year under review the export sales (excluding DEPB Sales and Duty Entitlement) increased to Rs.2187.75 Lacs as compared to Rs. 1732.52 Lacs. The other Income during the year was Rs.11.95 Lacs as against Rs.0.32 Lacs in the previous year mainly due to Foreign Exchange Gain (Net of Rs.11.14 Lacs). The Profit before Depreciation, Interest and Tax decreased from Rs. 434.69 Lacs to Rs. 293.41 Lacs. The Profit after tax decreased from Rs. 142.51 Lacs to Rs. 86.28 Lacs due to inflationary pressure on cost of manufacturing goods and turmoil in USA and European Markets affecting demand and consequent lower realization.

IV. AUDIT COMMITTEE

The Audit Committee consists of Independent Directors, namely, Mr. Manoj Kumar Jain (Chairman), Mr. G. B. Bubna (Member) and Mr. Vishnu Ajitsaria (Member). The constitution of Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

V. INVESTORS GRIEVANCE COMMITTEE

The Investors Grievance Committee consists of Mr. Pankaj Seth, (Chairman), Mr. Vishnu Ajitsaria (Member) and Mr. G. B. Bubna (Member). The constitution of Investor Grievance Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges.

VI. CORPORATE GOVERNANCE:

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

VII. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A Management Discussion, an Analysis Report also forms part of this Report of your Directors as Annexure "B".

VIII. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a. In preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period.

- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors had prepared the annual accounts on a going concern basis.

IX. DEPOSITS

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

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

Particulars with respect to conservation of energy, technology, absorption and foreign exchange earnings and outgo, as per Section 217(a)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009 are annexed to this report.

XI. NOTES ON ACCOUNTS:

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

XII. DIRECTORS

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

The term of Shri Pankaj Seth as Managing Director and of Smt. Anisha Seth as Director- Marketing will expire on 31st August, 2009. The Board of Directors in its Meeting held on 26th June, 2009, subject to the approval of the Members at the ensuing Annual General Meeting has re-appointed Shri Pankaj Seth as Managing Director for a further period of 3 years w.e.f. 01st September, 2009 at Rs.2,50,000/- per month and to re-appoint Smt. Anisha Seth as Director-Marketing at an increased remuneration of Rs.2,50,000/- per month (the present Remuneration of Smt. Anisha Seth is Rs.2,00,000/- per month). Necessary Resolutions for re-appointment of Shri. Pankaj Seth as Managing Director and for re-appointment of Smt. Anisha Seth as Director –Marketing of the Company for consideration and approval of the Shareholders have been included in the Notice relating to forthcoming Annual General Meeting and your Directors recommend passing of the said Resolutions.

XIII. PERSONNEL

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

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

During the year under Report Mr. Pankaj Seth, Managing Director of the Company was paid Managerial Remuneration at a rate of Rs. 2,50,000 per month from 1st April 2008 till 31st March, 2009. Total Remuneration paid to Mr. Pankaj Seth during the year 2008-2009 was Rs 30 Lacs. Mr. Pankaj Seth is 46 years of age and has a Masters Degree in Management Studies. He has rich experience in trading and export of fancy fabrics of over 21 years. Mr. Pankaj Seth has traveled extensively for exploring new export markets and during his tenure the exports of the Company have registered significant growth.

During the year under Report Mrs. Anisha Seth, Director-Marketing of the Company was paid Managerial Remuneration at a rate of Rs. 2,00,000 per month from 1st April 2008 till 31st March, 2009. Total Remuneration paid to Mrs. Anisha Seth during the year 2008-2009 was Rs 24 Lacs. Mrs. Anisha Seth is 45 years of age and has a Masters Degree in Management Studies. She has rich experience in trading and export of fancy fabrics. Mrs. Anisha Seth has traveled extensively for exploring new export markets and during her tenure the exports of the Company have registered significant growth.

There is no other Employee to whom the Company has paid monthly salary of Rs. 2,00,000 and above per month during any period of Financial year 2008-2009.

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

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

XVI. AUDITORS REMARKS

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

XVII. AUDITORS

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

Committee recommends the re-appointment of M/s Krishna R. Moondra & Associates Chartered Accountants, as Statutory Auditors of the Company.

XVIII. APPRECIATION:

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

By order of the Board of Directors,

Sd/-

PANKAJ SETH

MANAGING DIRECTOR

Place: Mumbai.

Dated: 27th July, 2009

Registered Office:-

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



orbit exports ltd.

11, MEHTA CHAMBERS, KALYAN STREET, P. O'MELLO ROAD, MASJID BUNDER (EAST), MUMBAI - 400 009. (MAH.) INDIA.
TEL.: +91-22-6634 6675 • FAX.: +91-22-2375 6599 • E-mail: info@orbitexports.com • Website: www.orbitexports.com

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31st MARCH, 2009

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

I. BOARD OF DIRECTORS

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

The Company's Board comprised of Six Directors: two are Promoter Executive Directors, one is Non Promoter Executive Director and three are Non-Executive Independent Directors. Half of the Board of Directors comprises of Independent Directors.

The composition of the Board is in conformity with the Clause 49 of the Listing Agreements entered into with the Stock Exchanges and exceeds by far the percentages prescribed in the said Agreements. 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, 2009 have been made by the Directors.
- ii. 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.

The Board met Nine times during the year on 07-04-2008, 22-04-2008, 30-06-2008, 31-07-2008, 03-09-2008, 06-10-2008, 24-10-2008, 17-11-2008 and 27-01-2009

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

Name of Directors	Category of Directors	No. of Board Meetings attended during the year 2008-09	Members of Boards of other Public Companies (excluding directorship in Private Companies)	Total No. of Committee (d) Membership held in Public Limited Companies including in Orbit Exports Limited (excluding Private Limited Companies , Foreign Companies and Companies of Section 25 of the Companies Act,1956		Attendance at the last Annual General Meeting
				As Chairman	As Member	
Mr. Pankaj Seth (Chairman & Managing Director)	Promoter – Executive	9	Nil	1	Nil	Yes
Ms. Anisha Seth	Promoter – Executive	9	Nil	Nil	Nil	Yes
Mr. Yeshwant R. Shah (resigned w.e.f. 07th April, 2008)	Non-Executive Independent	Nil	Nil	Nil	Nil	No
Mr. Bruce Larry Kieval	Executive	Nil	Nil	Nil	Nil	No
Mr. Manoj Kumar Jain	Non-Executive Independent	6	Nil	2	Nil	Yes
Mr. Vishnu Ajitsaria	Non-Executive Independent	5	Aeroflex Industries Limited	Nil	3	No

Mr. G.B. Bubna	Non-Executive Independent	6	Nil	Nil	3	Yes
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DETAILS OF DIRECTORS BEING APPOINTED AND RE- APPOINTED

Mr. Gopikrishan 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. Gopikrishan Bubna

Age: 56

Qualification: F.C.A

Expertise: Financial Management and Accounts

Other Directorships: NIL

(Excluding Directorship

In Private Limited Companies)

III. AUDIT COMMITTEE

i) TERMS OF REFERENCE:

The Audit Committee has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with the Stock Exchanges and covers all the aspects stipulated by the SEBI Guidelines. The terms of reference also fully conform to the requirements of Section 292A of the Companies Act, 1956.

ii) COMPOSITION, NAME OF MEMBER AND CHAIRMAN

The Audit Committee was reconstituted by the Board in its Meeting held on 07th April, 2008. Shri Manoj Kumar Jain was appointed as Chairman of the Audit Committee in place of Shri yeshwant R. Shah who resigned as Director of the Company.

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

The Audit Committee met 5 times i.e. 22nd April, 2008, 30th June, 2008, 31st July, 2008, 24th October, 2008 and 27th January, 2009.

Name of Member	Designation	Meetings held	Meetings attended
Mr. Manoj Kumar Jain	Chairman (appointed as Chairman w.e.f. 07 th April, 2008)	5	5
Mr. G. B. Bubna	Member	5	5
Mr. Vishnu Ajitsaria	Member	5	5
Mr. Yeshwant R. Shah	Chairman (resigned w.e.f. 07 th April, 2008)	0	0

iii) THE BROAD POWERS OF THE AUDIT COMMITTEE INCLUDE:

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

IV. SHAREHOLDER'S/INVESTORS GRIEVANCE COMMITTEE

Terms of Reference:

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

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

Composition:

The Shareholder's/ Investors Grievance Committee was reconstituted by the Board in its Meeting held on 07th April, 2008. Shri Vishnu Ajitsaria was appointed as Member of the Committee in place of Shri Yeshwant R. Shah who resigned as Director of the Company.

The Committee after reconstitution comprised of two Independent Non-Executive Directors and One Managing Director. The Shareholder/ Grievance Committee met 5 times i.e. 22nd April, 2008, 30th June, 2008, 31st July, 2008, 24th October, 2008 and 27th January, 2009. and the attendance at the Meetings was as follows.

Name of the Member	Designation	No. of meetings attended
Mr. Pankaj Seth	Chairman	5
Mr. G.B.Bubna	Member	5
Mr. Vishnu Ajitsaria	Member (appointed w.e.f. 07 th April, 2008)	5
Mr. Yeshwant R. Shah	Member (resigned w.e.f. 07 th April, 2008)	0

There were no Investor complaints pending as on 31st March, 2009.

REMUNERATION COMMITTEE

The Remuneration Committee was reconstituted by the Board in its Meeting held on 07th April, 2008. Shri Vishnu Ajitsaria was appointed as Member of the Committee in place of Shri Yeshwant R. Shah who resigned as Director of the Company.

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 remuneration payable is recommended by the Remuneration Committee to the Board and is approved by the Board.

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 2008-09
		Held	Attended
Mr. Manoj Kumar Jain	Independent, Non-Executive	1	1
Mr. G.B.Bubna	Independent, Non-Executive	1	1
Mr. Vishnu Ajitsaria (appointed w.e.f. 07 th April, 2008)	Independent, Non-Executive	1	1
Mr. Yeshwant R. Shah (resigned w.e.f. 07 th April, 2008)	Independent, Non-Executive	0	0

The Meeting of Remuneration Committee was held on 03/09/2008

Details of Remuneration for the year ended March 31, 2009:

- Remuneration to Shri Pankaj Seth, Managing Director, was Rs. 2,50,000 per month. Shri Pankaj Seth was paid a total Remuneration of Rs. 30 Lacs during the year ended 31st March 2009.
- Remuneration to Smt. Anisha Seth, Director – Marketing was Rs. 1,50,000 per month which was increased to Rs. 2,00,000 per month, w.e.f. 1.04.2008. The same was approved in the Annual General Meeting held on 29.09.2008. Smt. Anisha Seth was paid a total Remuneration of Rs. 24 Lacs during the year ended 31st March, 2009.
- Shri Pankaj Seth –Managing Director and Smt. Anisha Seth- Director Marketing, are also entitled to Gratuity and Leave Encashment as per their terms of employment.

Non-Executive Director:

No Remuneration (including sitting fees) was paid to any Non-Executive Directors during the year 2008-2009.

Name and Address of the Compliance Officer:

Devendra Goyal
Vice President – Finance
ORBIT EXPORTS LIMITED.
11, Mehta Chambers,
Kalyan Street,
P.D'Mello Road, Masjid (E),
Mumbai – 400 009

V. GENERAL BODY MEETINGS

ANNUAL GENERAL MEETINGS

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

AGM No.	Accounting year	Date	Time	Location
25 th	2007-2008	29 th September, 2008	11.30 am	11, Mehta Chambers, Kalyan Street, P.D'mello road, Mumbai 400003
24 th	2006-2007	28 th September, 2007	11.30 am	11, Mehta Chambers, Kalyan Street, P.D'mello road, Mumbai

				400003
23 rd	2005-2006	29 th September, 2006	4.30 pm	11, Mehta Chambers, Kalyan Street, P.D'mello road, Mumbai 400003

EXTRA ORDINARY GENERAL MEETING

There has been no Extra-Ordinary general Meeting held during the year 2008-2009.

VI. 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

During the Financial Year 2008-09 there were no transactions entered into between the Company and its Promoters, Directors, or the Management, Subsidiaries or relatives etc., which may have potential conflict with the interest of the company at large.

DISCLOSURES OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

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

RISK MANAGEMENT

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

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

The Company came out with a Preferential issue of 40,00,000 Warrants of Rs. 32.15 per warrants Convertible into equivalent no of Equity Shares of Rs. 32.15 per share (including Premium @ Rs. 22.15 per share) issued to the Promoter Group as well as

Non-Promoter Group (Strategic Investors) and 3,50,000 Equity Shares of Rs. 32.15 per share (including Premium @ Rs. 22.15 per share) issued to the Promoter Group.

The details of Objects of the Issue, proceeds of the Issue and actual utilization of funds raised through Preferential Issue are as under:

Objects of the Issue	Amount raised through Preferential Issue (350000 Shares issued at the rate of Rs.32.15 amounting to Rs. 1,12,52,500/- and Non Refundable Deposit @ 10% on the 4000000 Warrants convertible into shares at the rate of Rs.32.15 amounting to Rs.1,28,60,000/-. Total amount Rs.2,41,12,500/-	Actual utilization
1) To fund cost of expansion of weaving capacity, working capital requirement and for general corporate purposes.	Rs.2,41,12,500/-	Rs.2,41,12,500/- utilized towards working capital requirement.
Total	Rs.2,41,12,500/-	Rs.2,41,12,500/-

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	27,37,480
Mrs. Anisha Seth	1,96,600
Total	29,34,080

The company does not have any scheme for grant of stock options to its directors or employees.

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND MANAGEMENT PERSONNEL

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

“I hereby confirm that the Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the code of Business conduct and Ethics for directors and Senior Management in respect of Financial Year 2008-2009”

Sd/-
Pankaj Seth
Managing Director

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

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

COMPLIANCE OF REGULATORY REQUIREMENTS

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

MEANS OF COMMUNICATION

The Annual, half yearly and quarterly results are also submitted to the Stock Exchanges and published in leading newspapers. Whenever applicable, the company also displays official new releases.

VII. 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.

VIII. 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 TRANSACTION

AGM	:	VENUE, DATE & TIME
VENUE	:	Orbit Exports Ltd. 11, Mehta Chambers, Kalyan Street, P. D' Mello Road, Mumbai 400009
TIME	:	11.30 A.M.
DAY & DATE:		Tuesday, 25th August, 2009

TENTITIVE FINANCIAL CALENDAR FOR THE YEAR 2009-10

Financial Reporting and Limited Review Report

Date of submission to Stock Exchanges latest by

For the quarter ending 30th June, 2009

By the end of July, 2009

For the quarter/half year ending 30th September, 2009

By the end of October, 2009

For the quarter ending 31st December, 2009

By the end of January, 2010

For the quarter ended 31st March, 2010

By the end of April, 2010

Results (Audited)

For the year ended March 31, 2010

By the end of June, 2010

X. BOOK CLOSURE:

The Register of Members and Share Transfer Books of the Company shall remain closed from 17.08.2009 to 25.08.2009 (Both Days Inclusive)

XI. DIVIDEND:

The Company has not declared any dividend.

XII. 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, 08	33.90	19.05
May, 08	37.30	26.75
June, 08	29.90	24.45
July, 08	25.90	19.20
August 08	26.45	19.25
September, 08	26.40	16.50
October, 08	21.00	08.25
November, 08	19.50	13.45
December, 08	17.70	12.65
January, 09	17.80	10.96
February, 09	18.45	11.75

March, 09	13.55	07.00

XIII. 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**

XIV. SHAREHOLDING PATTERN AS ON 31st MARCH, 2009:

Category	No. of Shares	% of Shares
Promoter's Holding (including persons acting in concert)	2934080	39.70%
Non Promoter's Holding	NIL	NIL
a) Mutual Funds & UTI		
b) Banks, FIs and Insurance Company		
c) FIIs		
Others		
a) Bodies Corporates	2525422	34.17 %
b) Individuals	1813413	24.53 %
c) NRIs/OCBs	2720	0.04 %
d) Others	115465	1.56 %
TOTAL	7391100	100.00 %

DISTRIBUTION SCHEDULE

No. of Shares	No. of Shareholders	% of Shareholders	Share Amount (in Rs.)	% to Equity
Up to 500	3778	89.0618	5164930	6.9880
5001 - 1000	207	4.8798	1756410	2.3764
1001 - 2000	108	2.5460	1660610	2.2468
2001 - 3000	43	1.0137	1151560	1.5580
3001 - 4000	13	0.3065	472040	0.6387
4001 - 5000	20	0.4715	951170	1.2869
5001 - 10000	36	0.8487	2576550	3.4860
10001 - above	37	0.8722	60177730	81.4192
TOTAL	4242	100.00	73911000	100.00

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board Members of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2009.

Place: Mumbai
Date: 26th June, 2009

Sd/-
PANKAJ SETH
(MANAGING DIRECTOR AND CEO)

CEO / CFO CERTIFICATE

We (1) Pankaj Seth, CEO and Managing Director of ORBIT EXPORTS LTD. appointed in terms of the Companies Act, 1956 and (2) Devendra Goyal CFO and Head of the finance function of the Company certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2009 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee

having a significant role in the Company's internal control system over financial reporting.

Sd/-

Pankaj Seth
(Managing Director and CEO)

Sd/-

Devendra Goyal
(Vice President (Finance) & CFO)

Place: Mumbai

Date: 27th July, 2009

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of:
ORBIT EXPORTS LIMITED**

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

We have examined the compliance of the condition of Corporate Governance by **ORBIT EXPORTS LTD.** for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

**For S. K. Jain & Co.,
Company Secretaries**

Sd/-

**(S. K. Jain)
Partner**

Place: **Mumbai**

Date: **27/07/2009**



11, MEHTA CHAMBERS, KALYAN STREET, P. D'MELLO ROAD, MASJID BUNDER (EAST), MUMBAI - 400 009. (MAH.) INDIA.
TEL.: +91-22-6634 6675 • FAX: +91-22-2375 6599 • E-mail: info@orbitexports.com • Website: www.orbitexports.com

ANNEXURE – B

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

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

A. Industry Structure and Developments

Textile Industry:

The Textile Industry occupies a unique place in our country by contributing 14% of the country's industrial production and 4% of India's GDP. India is the 2nd largest producer of cotton and exports 24% of country exports. In fact, it is the largest foreign exchange earning sector in the country. Moreover, it provides employment to over 35 million people.

In the year 2000, the Government of India formulated a comprehensive textile policy called as Vision 2010 aimed at developing a globally competitive textile industry in India through modernization and consolidation. This policy is intended to take advantage of the free quota regime and increase India's export turnover to \$ 50 Billion by 2010.

B. Opportunity and Threats

Textile Industry

With the abolition of the quota regime, the mood in the Indian Textile Industry is upbeat with new investment flowing for the industry. As a result of various initiatives taken by the Government, there has been new investment of Rs.50,000 Crores in the textile industry in the last five years. Further, India's cotton production increased by 57% over the last five years; The textile industry is undergoing a major reorientation towards non-clothing applications of textiles, known as technical textiles, which are growing roughly at twice rate of textiles for clothing applications and now account for more than half of total textile production. There is ample scope in the market by promoting research and development in this sector.

According to industry's vision statement, the textile sector will need investment of Rs. 194000 Crores in the next five years to capture a domestic market of \$ 60 billion and exports of US 50 billion (FOB basis) by the end of the current 11 plan period. Textile industry is poised to have 7% share of the expected world export trade in textile of US \$ 700 billion in the next 5 years as compare to current 4%.

There will be opportunities as well as challenges for the Indian textile industry in the post-MFA era. But India has natural advantages which can be capitalized on strong raw material base - cotton, man-made fibers, jute, silk; large production capacity (spinning - 21% of world capacity and weaving - 33% of world capacity but of low technology); vast pool of skilled manpower; entrepreneurship; flexibility in production process; and long experience with US/EU (European Union). At the same time, there are constraints relating to fragmented industry, constraints of processing, quality of cotton, concerns over power cost, labour reforms and other infrastructural constraints and bottlenecks. A rising rupee has also put Indian exporters at disadvantage in relation to Indonesia, Bangladesh, Sri Lanka and Pakistan.

The textile industry is undergoing a major reorientation towards non-clothing applications of textiles, known as technical textiles, which are growing roughly at twice rate of textiles for clothing applications and now account for more than half of total textile production. There is ample scope in the market by promoting research and development in this sector. Disbandment of 84% of quota from January 2005 is expected to trigger a US\$ 500 billion (roughly three-fold) rise in global textile trade.

a) Segment-wise performance

The Company has only one segment namely Textile.

b) Outlook

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

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

c) Risk and Concern

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trend

may differ materially from historical results, depending on variety of factors. There risk and concerns faced by the Company are similar to those faced by any growing organization in today dynamic industrial and economic scenario

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

e) Internal Control system and their adequacy

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

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

f) Financial Performance vs. Operational Performance

The sales of the Company increased from Rs. 3838.86 Lacs to Rs. 4400.72 Lacs as compared to the last financial year registering an increase of 14.64%. During the year under review the export sales (excluding DEPB Sales and Duty Entitlement) increased to Rs.2187.75 Lacs as compared to Rs. 1732.52 Lacs. The other Income during the year was Rs.11.95 Lacs as against Rs.0.32 Lacs in the previous year mainly due to Foreign Exchange Gain (Net of Rs.11.14 Lacs). The Profit before Depreciation, Interest and Tax decreased from Rs. 368.42 Lacs to Rs. 294.65 Lacs. The Profit after tax decreased from Rs. 142.13 Lacs to Rs. 74.80 Lacs registering a decrease of Rs.67.33 Lacs over the preceding year due to inflationary pressure on cost of manufacturing goods and turmoil in USA and European Markets affecting demand and consequent lower realization.

g) Development in Human Resources/Industrial Relation front

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

h) 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.

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trend may differ materially from historical results, depending on variety of factors

On behalf of Board of Directors,

Sd/-

Pankaj Seth

Managing Director

Place: Mumbai.

Dated: 27th July, 2009

ANNEXURE 'C' TO THE DIRECTORS REPORT

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

CONSERVATION OF ENERGY:

A) Energy Conservation majors taken:

- 1) In both the units further process improvements were undertaken to minimize heat losses and increase efficiency resulting in reduction in energy related cost.
- 2) Shutting down all electrical machineries and appliances at appropriate time to avoid the wastage of energy.
- 3) Regular checks and preventive maintenance of all electrical equipments and installations are being conducted to avoid leakage of energy due to faulty operation.

B) Impact of the majors at (a) for reduction of consumption of energy and consequent impact on the cost of production of goods:

All efforts are being made to further reduce energy consumption and this will be a continuous process.

C) Total Energy consumption and Energy Consumption per unit of production

As per Form – “A”

A) POWER AND FUEL CONSUMPTION

	Current Year	Previous Year
<u>Electricity Consumed</u>		
Unit	2,87,075	2,95,841
Amount (Rs.)	19,47,326	18,76,683
Rate per unit (Rs.)	6.78	6.34

Form – “B”

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

1. Specific areas in which R & D carried out by the Company

- a) Company's R & D Wing is continuously carrying out the developments in existing products based on feedback in the product development, optimization of raw material consumption, cost reduction and Energy saving.
- b) Development of indigenous sources of material/material up gradation/ substitutes.

2. Benefits derived as a result of above R&D: better productivity and quality improvement with

reduction in cost of manufacturing. Reduced cost of energy by controlling the electric equipment efficiency and preventive maintenance.

3. Future plan of action:

- a) Company's efforts will continue in the areas of cost reduction, productivity improvement and import substitution.
- b) To ensure international quality continuously through process modification, technology up-gradation.
- c) To launch new products to substitute imports and facilitate exports.

4. Expenditure on R & D : No major specific expenditure have been incurred on R & D

Technology Absorption, Adaptation and Innovation

1 & 2 Efforts, in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result of above efforts e.g. product development, import substitution etc.

Using lower denier yarns to improve costs, change in fabric finish and feel of fabrics to provide better handle and durability.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports, initiatives taken to increase exports, development of exports markets for products and services and exports plans.

The Company plans to increase exports in South East Asian Countries, Middle East, Europe and North America by pushing sales in the fashion apparel trade & made ups.

Total Foreign Exchange used and earned:-

Total Foreign Exchange used	: Rs. 66,72,466/-
Total Foreign Exchange earnings	: Rs. 22,30,08,621/-

On Behalf of the Board of Directors

**Sd/-
PANKAJ SETH
MANAGING DIRECTOR**

Place: Mumbai

Dated: 27th July, 2009

AUDITORS' REPORT

To,

The members of

Orbit Exports Limited,

We have audited the attached Balance Sheet of **M/s. Orbit Exports Limited**, as at 31st March, 2009 and also the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

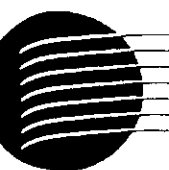
We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence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

1. 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.
2. 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 the books of accounts.
3. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with this report are in agreement with the books of account.
4. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in Sub Section 3 C of Section 211 of the Companies Act, 1956 except reported separately.
5. In our opinion and on the basis of the information & explanations given to us and on the basis of the written representations received from the Directors and taken on record, none of the directors of the Company is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
6. Subject to above, 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;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii. in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and



Orbit exports limited

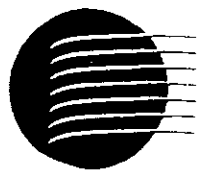
- iii. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.
7. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we further state on the matters specified in paragraphs 4 and 5 of the said Order that;
1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars details including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
 2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, 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 has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification as compared to the book records.
 3. In respect of loans, secured or unsecured granted by the Company to/from companies, firms or other parties covered in the register maintained and compared under section 301 of the Companies Act, 1956:
 - a. The Company has not granted any loans during the year.
 4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any major weaknesses in internal controls.
 5. In respect of transactions covered under section 301 of the Companies Act, 1956:



Orbit exports limited

- a. In our opinion and according to the information given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, where such transactions are in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. The Company does not have any external internal auditor; however, in our opinion the internal control systems of the Company are commensurate with its size 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 accounts 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. In respect of statutory dues:
- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.
 - b. The disputed statutory dues aggregating to Rs. 2.71 lakhs, that have not been deposited on account of matters pending before appropriate authorities are as under: -

Sr. No.	Name of the Statute	Nature of dues	Forum where dispute is pending	Amount (Rs. in lakhs)
1.	The Maharashtra Sales Tax Act.	Sales Tax (A.Y.1999-00)	Sales Tax Tribunal, Maharashtra	2.71
10. The Company does not have accumulated losses of at the end of the financial year covered by our audit. The Company has not incurred any cash losses during the year under Audit and immediately preceding financial year.
11. According to the explanations and information given to us that the Company has not defaulted in repayment of dues to Banks during the year.



Orbit exports limited

12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, clauses 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. The Company has maintained the proper records of transactions and contracts in respect of trading in securities, debentures and other investments.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised new term loan during the year. The term loan outstanding at the beginning of the year has been applied for the purpose for it was raised.
17. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized any part of short term loan for financing long term assets.
18. During the year, the Company has made preferential allotment of 3,50,000 Equity shares of Rs. 10/- (Rupees ten only) each at a premium of Rs. 22.15 (Rupees twenty two and paise fifteen only) per Share to Promoters.
19. The Company has not issued any Debentures.
20. The Company has not raised any money by way off public issue during the year.
21. In our opinion and according to the information and explanations given to us, 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

Rajesh Kumar Moondra
Partner.

M.No. 45008.

Place : Mumbai.

Dated : 26th June, 2009.



Orbit exports limited

ORBIT EXPORTS LIMITED BALANCE SHEET AS AT 31ST MARCH, 2009

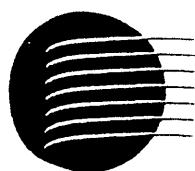
PARTICULARS	Schedule	Rs.	As At 31.03.2009 Rs.	Rs.	As At 31.03.2008 Rs.
SOURCES OF FUNDS					
SHAREHOLDERS FUNDS					
a) Capital	I	73,911,000		70,411,000	
b) Share Application Money received	I-A	12,860,000		16,075,000	
c) Reserves & Surplus	II	51,915,377		37,730,736	
			138,686,377	-	124,216,736
LOAN FUNDS					
a) Secured Loans	III	95,409,216		98,058,323	
b) Unsecured Loans	IV	-		215,000	
			95,409,216		98,273,323
Deferred Tax Liability (net)			2,482,997		3,612,646
TOTAL			236,578,590		226,102,705
APPLICATION OF FUNDS					
FIXED ASSETS					
	V				
a) Gross Block			204,041,335		200,501,587
b) Depreciation			160,466,546		151,322,298
c) Net Block			43,574,790		49,179,289
INVESTMENTS	VI		10,412,943		13,498,743
CURRENT ASSETS, LOANS & ADVANCES					
	VII				
a) Inventories			132,373,420		129,575,450
b) Sundry Debtors			44,721,749		38,287,827
c) Cash & Bank Balances			887,708		984,778
d) Loans and Advances			28,116,663		27,357,820
			206,099,540		196,205,875
LESS:- CURRENT LIABILITIES & PROVISIONS					
	VIII				
a) Current Liabilities			21,614,335		33,187,567
b) Provisions			3,738,886		3,640,343
			25,353,220		36,827,910
NET CURRENT ASSETS			180,746,320		159,377,965
MISCELLANEOUS EXPENDITURE	IX		1,844,538		1,875,132
(to the extent not written off and/or adjusted)					
PROFIT & LOSS ACCOUNT			-		2,171,576
TOTAL			236,578,590		226,102,705
NOTES FORMING PART OF ACCOUNTS	XV				

As per our report of even date
for Krishna R. Moondra & Associates
Chartered Accountants

for and on behalf of the board

Rajesh Kumar Moondra
Partner
M.No. : 45008.
Place : Mumbai
Date : 26th June, 2009

Pankaj S. Seth Anisha P. Seth
Managing Director Whole-time Director



Orbit exports limited

ORBIT EXPORTS LTD.

ANNEXED TO AND FORMING PART OF BALANCE SHEET

	As at 31st March, 2009	As at 31st March, 2008
	Rs.	Rs.
SCHEDULE - I		
SHARE CAPITAL		
AUTHORISED		
1,50,00,000 Equity Shares of Rs.10/-each	150,000,000	150,000,000
(P.Y. 1,50,00,000 Equity Shares of Rs. 10/- each)		
ISSUED SUBSCRIBED AND PAID UP		
ISSUED AND SUBSCRIBED		
73,91,100 Equity Shares of Rs.10/- each	73,911,000	70,411,000
(P.Y. 70,41,100 Equity Shares of Rs. 10/- each)		
PAID UP		
73,91,100 Equity Shares of Rs.10/- each	73,911,000	70,411,000
(P.Y. 70,41,100 Equity Shares of Rs. 10/- each)		
TOTAL	73,911,000	70,411,000

NOTE: Of the above Equity shares 19,20,000 were issued as fully paid Bonus shares by way of capitalisation of Reserves and 3,50,000 equity shares were issued on Preference basis during current year)

SCHEDULE - I - (A)

ADVANCE RECEIVED AGAINST ISSUE OF SHARES AND WARRANTS ON PREFERENCE BASIS

Share Application money	-	11,252,500
Advance against convertible warrants	12,860,000	4,822,500
	12,860,000	16,075,000

SCHEDULE-II

RESERVES & SURPLUS

A) REVALUATION RESERVE

Balance as per last year	2,053,042	2,076,994
Less:- Transferred to Profit & Loss Account	23,952	23,952
	2,029,090	2,053,042

B) GENERAL RESERVE

8,467,195

C) CAPITAL INVESTMENT SUBSIDY

Balance as per last year	5,000,000	5,000,000
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D) SHARE PREMIUM ACCOUNT

Balance as per last year	29,963,000	22,210,500
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E) INVESTMENT ALLOWANCE RESERVE (UTILISED)

Balance as per last year	2,295,220	2,295,220
Less: transfer to general reserve	2,295,220	-

F) EXPORT PROFIT RESERVE

Balance as per last year	2,000	2,000
Less: transfer to general reserve	2,000	-

G) CAPITAL RECONSTRUCTION RESERVE

Balance as per last year	6,169,975	6,169,975
Less: transfer to general reserve	6,169,975	-

H) PROFIT AND LOSS A/C

6,456,093

TOTAL

51,915,377

37,730,736



Orbit exports limited

SCHEDULE-III

SECURED LOANS

A) TERM LOANS

Car Loan from HDFC

Term Loan from Kurla Nagarik Sahakari Bank Ltd
(Repayable with one year Rs. 10,02,752 /-)

Term Loan from State Bank of India
(Repayable with one year Rs. 36,00,000 /-)

Interest Accrued but not due on Loans from Banks

As at 31st March, 2009

Rs.

Rs.

As at 31st March, 2008

Rs.

Rs.

2,421,269

204,657

7,794,770

3,600,000

7,200,000

41,237

76,263

6,062,506

15,275,690

B) WORKING CAPITAL LOANS

State Bank of India

Packing Credit - Expots

Cash Credit & ODBD

Bill Discounting (Local & Foreign)

86,709,760

74,925,715

1,031,622

1,060,047

1,605,328

89,346,710

6,796,870

82,782,632

TOTAL

95,409,216

98,058,323

NOTES :-

- Term Loan from Kurla Nagarik Sahakari Bank Ltd. secured by 1st mortgage on the office premises located at Mehta Chambers, Mumbai.
- Loan from State Bank of India is secured by 1st mortgage on all the fixed assets of the company both present & future and hypothecation on all the current assets of the company both present & future.
- All the above loans are personally guaranteed by the Promoter Directors of the Company.

SCHEDULE-IV

UNSECURED LOANS

From Promoter Directors

From Bodies Corporates

From Others

TOTAL

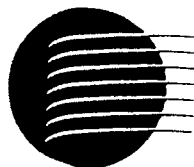
215,000

215,000

SCHEDULE - 'V'

FIXED ASSETS & DEPRECIATION

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT	Addition During	Deletion During	AS AT	UP TO	FOR THE	ADJUSTMENT	TOTAL	AS ON	AS ON
		01.04.2008	the Year	the Year	31.03.2009	01.04.2008	YEAR	RTS	31.03.2009	31.03.2009	31.03.2008
1	GOODWILL	27,802	-	-	27,802	-	-	-	-	27,802	27,802
2	LAND LEASE HOLD	5,798,073	-	-	5,798,073	-	-	-	-	5,798,073	5,798,073
3	LAND FREEHOLD	1,450,000	-	-	1,450,000	-	-	-	-	1,450,000	1,450,000
4	OFFICE PREMISES	12,211,581	-	-	12,211,581	-	-	-	-	12,211,581	12,211,581
5	FACTORY BUILDING	16,758,622	796,233	-	17,554,855	906,621	407,867	-	1,314,488	10,897,093	11,304,960
6	PLANT & MACHINERY	149,204,760	63,700	-	149,268,460	4,802,140	570,760	-	5,372,900	12,181,955	11,956,482
7	ELECTRICAL INSTALLATIONS	2,463,946	54,053	-	2,517,999	1,754,534	7,092,114	-	143,503,829	5,764,631	12,793,045
8	FURNITURE & FIXTURES	4,446,231	898,596	-	5,344,827	1,893,891	316,821	-	1,872,199	648,800	709,412
9	COMPUTERS	1,995,488	114,942	-	2,110,430	1,230,744	333,723	-	2,210,712	3,134,115	2,552,340
10	OFFICE EQUIPMENTS	1,018,100	59,804	-	1,077,904	619,177	50,414	-	1,564,468	545,963	764,744
11	AIRCONDITIONERS	957,037	-	-	957,037	728,888	45,459	-	669,590	408,314	398,923
12	VEHICLES	4,169,947	2,026,722	474,300	5,722,369	2,974,588	370,886	161,461	774,347	182,690	228,149
	TOTAL	200,501,587	4,014,050	474,300	204,041,337	151,322,298	9,305,709	161,461	160,466,546	2,538,356	1,195,359
	Previous year	180,033,062	20,468,525	-	200,501,587	142,404,878	89,174,211	-	151,322,298	49,179,289	37,628,185



Orbit exports limited

SCHEDULE-VI INVESTMENTS

A) Quoted Investments (Trade)

	As at 31st March 2009	As at 31st March 2008
60,000 Equity Shares of Rs. 1/- each (P.Y. 12,000 Equity shares of Rs. 10/- each) Fully paid up in Century Plyboard Ltd.	3,085,848	6,171,648
6,800 Equity Shares of Rs. 10/- each Fully paid up in Shubhkam Capital Ltd.	7,227,095	7,227,095
(Market Value of Quoted Investment is Rs. 32,06,000/-)	10,312,943	13,398,743

B) Unquoted (Non Trade)

10000 Equity shares of Rs. 10/- each Fully paid up in kurla nagrik Sahakari bank Ltd.	100,000	100,000
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TOTAL

10,412,943

13,498,743

SCHEDULE-VII

CURRENT ASSETS, LOANS & ADVANCES

A) Inventories

(at cost except finished goods which are at
lower of cost or net realisable value)

(As per inventory taken valued and certified by the Directors)

Packing Material	951,830	1,428,675
Stores & Spares	445,960	809,308
Raw Material	33,379,160	36,448,432
Work in Process	17,760,697	13,346,200
Finished Goods	79,835,772	77,542,835
	132,373,420	129,575,450

M/S. ORBIT EXPORTS LTD.

B) Sundry Debtors

(Unsecured. Considered Good)

Due for a period exceeding six months
Others

As at 31st March, 2009
Rs. Rs. As at 31st March, 2008
Rs. Rs.

5,535,280			
39,186,469	44,721,749	38,287,827	

C) Cash & Bank Balances

Cash & Cheques in hand
In Current Account with scheduled Banks
In Fixed Deposit Account

783,452		745,849	
79,256		213,929	
25,000	887,708	25,000	

984,778

D) Loans and Advances

(Unsecured. Considered Good)

Advances Receivable in Cash or in
kind or for value to be received

Income Tax Refundable

Deposits and balances with other authorities

Income Tax paid against demand in appeal

26,206,875	26,454,672
179,865	144,825
729,923	758,323
1,000,000	

Total

28,116,663	27,357,820
206,099,540	196,205,875

SCHEDULE-VIII

CURRENT LIABILITIES & PROVISIONS:

A) CURRENT LIABILITIES

Sundry Creditors (Goods & Expenses)

Other Liabilities

Duties & Taxes

Advances from Customers

19,204,820	31,513,458
511,077	36,521
775,534	700,617
1,122,903	936,970

21,614,335

33,187,567

B) PROVISIONS

Income Tax

Fringe Benefit Tax

Deferred Taxation

for Gratuity

1,341,366	1,464,960
150,936	26,283
-	-
2,246,584	2,149,100

3,738,886

3,640,343

25,353,220

36,827,910

SCHEDULE-IX

MISCELLANEOUS EXPENDITURE

(To the extent not written off and/or adjusted)

Miscellaneous Expenditure

Deferred Revenue Expenditure

Right Issue expenses

486,747	152,288
498,961	577,737
858,830	1,145,107
1,844,538	1,875,132

TOTAL



Orbit exports limited

ORBIT EXPORTS LIMITED

SCHEDULE 'XV'- NOTES FORMING PART OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements are prepared under historical cost convention on an accrued basis and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) referred to in Section 211 (3C) of the Companies Act, 1956.

a) General:

- i) Accounting policies not specifically referred to otherwise are in consistence with earlier years and in consonance with generally accepted accounting principles.
- ii) Expenses and income considered payable and receivable respectively are accounted for on accrual basis.

b) Sales:

- i) Sales are accounted on mercantile basis, when the sale of goods is completed.
- ii) Sales are exclusive of sales tax.
- iii) Licence premium is accounted on sale of licence.

c) Valuation of Inventories

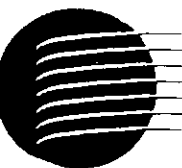
Inventories are valued at cost except finished goods, which are at lower of cost or net realisable value.

d) Fixed Assets & Depreciation:

- i. Fixed assets are capitalised at cost inclusive of interest, freight, duties, taxes and all incidental expenses related thereto.
- ii. 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.
- iii. 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.

e) Foreign Currency Transactions:

Foreign Currency transactions are recorded in the books by applying the exchange rates as on the date of the transaction. Foreign Currency Assets & Liabilities are converted at the exchange rate prevailing on the date of the Balance Sheet and the resultant exchange difference is adjusted to the profit & Loss account.



Orbit exports limited

f) Retirement Benefits

The Company has provided for Gratuity Liability on accrual basis on the basis of Actuarial Valuation. The Company is granting leave encashment on yearly basis to its employees on actual basis.

g) Contingencies:

Contingencies arising from Claim, Litigation, Assessments, Fines and Penalties etc. are provided for when it is probable that a liability may be incurred and the amount can be reasonably estimated.

h) Impairment:

At each Balance Sheet date, the Company determines whether a provision should be made for Impairment loss on Fixed Assets (including Intangible Assets) by considering the indications that an Impairment Loss may have occurred in accordance with Accounting Standard (AS) – 28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India. Where the recoverable amount of any Fixed Assets is lower than its carrying amount, a provision for Impairment Loss on Fixed Assets is made.

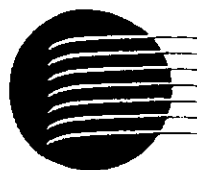
i) Taxes on Income

- i) Income Tax is computed in accordance with AS 22, Accounting for Taxation on Income issued by the ICAI.
- ii) Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and net profit or loss before tax for the year, as per the financial statements, are identified and the tax effect of the deferred tax asset and deferred tax liability is recorded for timing differences i.e. differences that originate in one accounting period and reverse in another.

Deferred tax Liabilities for current year has been recognized and will be reviewed for the appropriateness of their respective carrying values at each balance sheet date.

2. Contingent Liabilities and commitments not provided for :-

Sr. No.	Name of the Statute	Nature of dues	Forum where dispute is pending	Amount (Rs. in lakhs)
1.	Income Tax Act, 1961	Income Tax (A.Y.1995-96)	The CIT Appeal, Mumbai	5.11
2.	Income Tax Act, 1961	Income Tax (A.Y.1996-97)	The CIT Appeal, Mumbai	24.33
3.	Bank Guarantee			0.25



Orbit exports limited

3. Balances of Sundry Debtors, Creditors, Unsecured Loans, Loans & Advances are subject to confirmation and reconciliation, if any.
4. Stocks are valued as certified by Management.
5. Except otherwise mentioned herein in the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.
6. The Company has received application for Preferential Allotment of Convertible Warrants and Equity Shares during the year to promoters and other strategic investors and raised money amounting to Rs. 160.75 lakhs. The allotment of 3,50,000 Equity Shares to Promoters at Rs. 32.15 per equity share at a premium of Rs. 22.15 per equity share has been completed on 22nd April, 2008. The Company has issued 30,00,000 Convertible Warrants with an option to convert 1 equity share for each warrant at Rs. 32.15 per equity share at a premium of Rs. 22.15 per equity share within a period of 18 months from the date of allotment.
7. a) The computation of Net Profit for the purpose of calculation of directors' remuneration under section 349 of the Companies Act, 1956 is not enumerated, since no commission has been paid to any director.

b) **Managing Director's Remuneration**

		2008-09	2007-08
		Rs.	Rs.
i.	Salary & Bonus	30,00,000	27,00,000
ii.	Contribution to Provident Fund and Other funds	---	---
iii.	Perquisites	---	---
		30,00,000	27,00,000

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

		2008-09	2007-08
		Rs.	Rs.
i.	Salary & Bonus	24,00,000	15,00,000
ii.	Contribution to Provident Fund and Other funds	---	---
iii.	Perquisites	---	---
		24,00,000	15,00,000

8 **Related Party Transactions.**

The list of related parties and nature of their relationship is furnished below:

Related parties with whom transactions have taken place during the year:

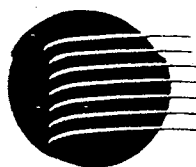
Directors of the Company

Managing Director

Mr. Pankaj S. Seth

Whole-time Director

Ms. Anisha P. Seth



Orbit exports limited

Other Related Parties/Associates

- Mr. Shyam Sunder Seth
- Golden Bo Tree Impex Co. Ltd.

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

Particulars	Related Parties			
	Associates	Key Management Personnel	Relative of Key Management Personnel	Total
Rent Expenses incurred	---	---	1,20,000	1,20,000
Professional fess	(---)	(---)	(1,20,000)	(1,20,000)
	---	---	21,72,415	21,72,415
Managerial Remuneration	---	---	(---)	(---)
	---	54,00,000	---	54,00,000
	---	(42,00,000)	---	(42,00,000)
Loan Repaid/Given	---	---	---	---
	---	(1,71,07,104)	---	(1,71,07,104)
Interest Paid on Loan	---	---	---	---
	---	(7,14,896)	---	(7,14,896)
Advance against salary/Remuneration	---	15,22,234	---	15,22,234
	---	(2,70,732)	---	(2,70,732)
Balance Receivable as at year end	---	15,22,234	---	15,22,234
	---	(2,70,732)	(14,61,798)	(17,32,530)
Balance Payable as at year end	---	---	66,584	66,584
	---	---	(2,25,000)	(2,25,000)

Remuneration to Directors Refer Item No. 8 (b) & (C)

9. Segment Information:

Textile business is the Company's only business segment, hence disclosure of segment-wise information is not applicable.

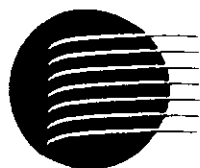
10. The Company does not have any subsidiary hence the provisions of Accounting Standard - 21 are not applicable.

11. As per Accounting Standard 22 "Accounting of Taxes on Income", issued by ICAI which requires companies to provide for deferred tax Assets/Liabilities as of Balance Sheet dates.

The Company has recognized the deferred tax Liabilities (net) as at 31st March, 2009 amounting to Rs. 2 4,82,997/- in accordance with Accounting Standard - 22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI).

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

	Particulars		31.03.2009	31.03.2008
a.	Numerator			
	Profit/ (Loss) after tax	Rs.	86,27,670	1,42,51,270
b.	Denominator			
	Weighted average number of equity shares	Nos.	73,70,005	70,41,100
c.	Earnings per Share (Basic & Diluted) = Numerator/Denominator	Rs.	1.17	2.02



Orbit exports limited

13. Payment to Auditors

	2008-09	2007-08
	(Rs.)	(Rs.)
For Audit	71,695	56,180
For Tax Audit	16,545	11,236
	88,240	67,416

14. The Company has provided for Gratuity Liability as prescribed under "Accounting for Retirement Benefits of Employees" - AS 15 issued by the ICAI based on the Actuarial valuation Report.

15. The amount outstanding payable to Small S scale Industries as at the end of year was Rs. Nil (P.Y. Nil). There were no outstanding amounts payable to SSI's for more than 12 months.

16. The Company was not required to obtain any license under Industries (Development and Regulation) Act, 1951. Therefore, the details of license capacity are not applicable.

A. CAPACITY as registered with Textile Commissioner.

	Unit	2009	2008
a. Weaving Looms	Nos.	42	42

B. INSTALLED CAPACITY (As certified by the management)

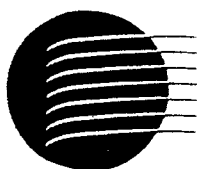
	Unit	2009	2008
a. Weaving Looms	Nos.	42	42

C. ACTUAL PRODUCTION

a. In own Factory			
Fabrics	Mtrs.	7,32,817	6,96,148
b. Outsourced			
Fabrics	Mtrs.	64,22,855	59,73,678

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

	Unit	2008-09		2007-08	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
1 Opening Stock					
Fabrics (FG)	Mtrs.	14,50,205	7,75,42,835	9,69,550	5,38,48,687
2 Closing Stock					
Fabrics (Finished Goods)	Mtrs.	16,78,578	7,65,77,229	14,50,205	7,75,42,835
3 Sales					
Fabrics	Mtrs.	68,71,473	43,32,04,313	62,63,290	37,18,60,372
Job work & Other receipts					
4 Raw Material Consumed					
Yarn Films and Adhesives	Kgs	1,58,150	2,25,33,728	1,57,759	2,18,46,582
Fabrics	Mtrs	65,22,885	29,11,21,801	59,95,938	28,42,00,289
			31,36,55,529		30,60,46,871



Orbit exports limited

18. Value of import on CIF basis

	2008-09	2007-08
Capital Goods	---	---
Stores & Spares	---	---
Raw Material	---	---
Total	---	---

19.. Expenditure in Foreign Currency

Traveling Expenses	66,72,466	47,97,764
--------------------	-----------	-----------

20. Remittance in foreign currency

i.	on account of dividend Number of non-resident shareholders	4	4
ii.	Number of shares held by them on which dividend was due	Nil	Nil
iii.	Year to which dividend relates	Nil	Nil
iv.	Amount remitted	Nil	Nil

21. Earnings in foreign exchange

Export of goods on FOB basis	21,87,75,155	17,32,52,237
Freight on Export	41,72,690	46,58,064
Export Insurance	60,776	52,658

22. Value of Imports & Indigenous Material Consumption

		2008-09		2007-08	
		Value (Rs.)	% of cons	Value (Rs.)	% of cons
A.	Raw Material				
	Indigenous	33,29,97,957	100.00	30,60,46,871	100.00
	Imported	---	---	---	---
		33,29,97,957	100.00	30,60,46,871	100.00
B.	Stores & Spares				
	Indigenous	68,163	100.00	2,09,876	100.00
	Imported	---	---	---	---
		68,163	100.00	2,09,876	100.00

23. Investment allowance reserve, export, profit reserve and capital reconstruction reserve has been transferred to general reserve as they are no longer.

24. Previous years figures have been regrouped and recasted wherever necessary. Figure in brackets represent corresponding figure for the previous year.

25. Information required as per part IV of Schedule VI of the Companies Act, 1956.

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

Pankaj Seth
(Managing Director)

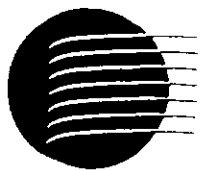
Rajesh Kumar Moondra
Partner.

Anisha Seth
(Whole-time Director)

M.No. 45008.

Place : Mumbai.

Dated : 26th June, 2009.



Orbit exports limited

ORBIT EXPORTS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2009.

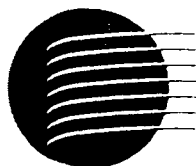
	Year ended 31st March, 2009 Amount in Rs.	Year ended 31st March, 2008 Amount in Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	13,664,138	18,924,658
Depreciation	9,281,757	8,893,468
Provision for Doubtful Advance	-	-
Misc. Exp. W/off	394,078	394,078
Interest Received	-	-
Short Term capital gain on sale of shares	45,683	6,625,912
Profit/Loss on Sale of Fixed Assets(Net)	(169,839)	-
Operating Profit/(Loss) before working capital changes	23,215,817	34,838,116
Adjustment for : -		
Trade and other receivables	(7,192,765)	(1,726,295)
Inventories	(2,797,970)	(35,965,694)
Trade Payables	(11,474,689)	17,210,428
Cash Generated from Operations	1,750,393	14,356,555
Interest Paid	6,518,895	9,024,583
Direct Tax Paid	(7,189,545)	(4,266,283)
Prior Period item	1,147,583	38,605
Extraordinary item	-	-
Net cash flow operating activities	2,227,327	19,153,460
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,701,210)	(20,468,525)
Sale of Fixed Assets	-	-
Reduction in Investments	3,085,800	(13,398,743)
Net cash flow from investing activities	(615,410)	(33,867,268)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share Capital	3,500,000	35,204,000
Advance recd. From issue of Preference shares and warrants	(3,215,000)	16,075,000
Share Premium Receipts	7,752,500	-
Loan Borrowed (Net of Repayment)	(2,864,108)	(28,827,283)
Deferred Revenue Expenditure	(363,484)	(1,569,407)
Interest Received	-	-
Interest Paid	(6,518,895)	(9,024,583)
Net cash flow from Financing Activities	(1,708,987)	11,857,727
Net increase/(Decrease) in Cash	(97,070)	(2,856,081)
Opening balance of cash & cash equivalents	984,778	3,840,859
Closing balance of cash & cash equivalents	887,708	984,778

As per our report of even date
for **Krishna R. Moondra & Associates**
Chartered Accountants

for and on behalf of the board

Rajesh Kumar moondra
Partner
M. No. : 45008
Place : Mumbai

Managing Director Whole-time Director



Orbit exports limited

ORBIT EXPORTS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 30872 State Code 11
Balance Sheet Date 31.03.2009

II. Capital Raised during the year (Amount in Rs. thousands)

Direct Subscription	Right Issue	Bonus Issue	Equity Issue on Pref. Basis
Nil	Nil	Nil	3,500

III. Position of Mobilisation and Deployment of Funds (Rs.' thousand)

Total Liabilities		Total Assets	
2,36,578.59		2,36,578.59	
Source of Funds			
Paid-up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
73,911	51915.38	95,409.21	0.00
Share Application Money		Deferred Tax Liability	
12,860.00		2483.00	
Application of Funds			
Net Fixed Assets	Investments	Net Current Assets	Deferred Tax Asset
43,574.79	10,412.94	1,80,746.32	0.00
Misc. Expenditure	Accumulated Losses		
1,844.54	Nil		

IV. Performance of Company (Amount Rs. in Thousands)

Turnover	Total Expenditure	Profit Before Tax	Profit After Tax
4,47,975.44	4,33,287.88	1,46,87.56	8,627.67
Earning Per Share	Dividend rate %		
1.17	0		

V. Generic Names of Three Principal Products/Services of Company

(as per monetary terms)

Item Code No. (ITC Code)

Product 5407 : WOVEN FABRICS OF SYNTHETIC FILAMENT YARN
5801 : WOVEN PILE FABRICS OF MAN MADE FIBRES.

Signatures to Schedules I to XII

As per our report of even date

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

For and on behalf of the Board

Rajesh Kumar Moondra
Partner.
M.No. : 45008.

Pankaj S. Seth
Managing Director

Place : Mumbai.
Dated : 26th June, 2009.

Anisha P. Seth
Whole-time Director



Orbit exports limited

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Regd. Office : 11, Mehta Chambers, Kalyan Street, P.D'Mello Road, Masjid Bunder (E), Mumbai-400 009
L.F. No. _____ No. of Shares held _____

ATTENDANCE SLIP

I hereby record my presence at TWENTY SIXTH ANNUAL GENERAL MEETING of the company at 11, Mehta Chambers, Kalyan Street, P.D'Mello Road, Masjid Bunder (E), Mumbai-400 009 on 25th August 2009

SIGNATURE OF THE ATTENDING MEMBER /PROXY

NOTES:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to this meeting and hand it over at the entrance duly signed.
2. Shareholder/Proxy Holder desiring to attend the meeting should bring this copy of the Annual Report for reference at the meeting.

Orbit exports limited

Regd. Office : 11, Mehta Chambers, Kalyan Street, P.D'Mello Road, Masjid Bunder (E), Mumbai-400 009
L.F. No. _____ No. of Shares held _____

PROXY FORM

I/We _____ of _____ in the district of _____ being a member/members of the above named company, hereby appoint _____ of _____ or falling him _____ of _____ in the districts of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING of the company to be held on 25th August 2009 and at any adjournment thereof.

Signed this _____ day of _____ 2009

Signature _____

Affix Rs.
1/-
revenue
stamp

NOTES : The proxy must be returned so as to reach the **Regd Office** of the company 11, Mehta Chambers, Kalyan Street, P.D'Mello Road, Masjid Bunder (E), Mumbai-400 009.