

*orbit exports ltd.*

37<sup>th</sup> Annual Report 2019-20

## Chairman's Speech



Dear Shareholders,

It gives me immense pleasure to present the 37<sup>th</sup> Annual Report of the Company to all of you.

I hope you and your family are safe and healthy. We are witnessing the most extraordinary times that none of us could have predicted at the start of this year. Ensuring the safety and well-being of our employees and their families was our highest priority. We enabled work from home as soon as lockdown was announced and continue to do so at certain locations.

During these extraordinary times of the COVID-19 pandemic, our Company has been contributing positively to the social and financial wellbeing towards our employees, customers, stakeholders, investors. In a short time, the pandemic has had a far-reaching impact globally, impacting the economy, our society and human life in all aspects. And yet, amidst all of this, we have seen some magnificent examples of human resilience, solidarity and innovation. In the current context, organisations have to be intensely future-oriented and we remain focused on our long-term strategy. Even though the impact of the pandemic was towards the end of the financial year, the outcome on our operations was substantial.

Coming to the Financials of your Company, the Revenue from operations of the Company on a Standalone basis for the year 2019-20 stood at ₹ 13,969.65 lakhs as against ₹ 13,338.51 lakhs in the previous year, reflecting stability of operations in an otherwise uncertain market. Profit before tax stood at ₹ 3,111.42 lakhs in FY 2019-20 as compared to ₹ 3,043.05 lakhs in the previous year. Net profit after tax stood at ₹ 2,313.12 lakhs for the FY 2019-20 as compared to ₹ 2,311.82 lakhs in the previous year. Even though the growth has been minimal yet your Company has made all the veracious efforts in sustaining with the ever changing dynamics of the market Your Company believes in developing itself with changing times and exploring newer avenues to continue to enhance shareholder value.

Your Company truly believes in giving back to all its stakeholders and the community at large. During the FY 2019-20, your Company had bought back 874,791 Equity Shares at an average price of ₹ 114.23/- per share for an aggregate consideration of ₹ 9,99,24,123.60/- and approved the closure of Buyback of Equity Shares on September 04, 2019. Your Company has further declared an interim dividend of ₹ 3.00/- per Share (i.e. 30%) on Equity Shares having face value of ₹ 10/- each. Your Company strives to improve the lives of others through our CSR efforts. We undertook various CSR activities during the year focussing majorly on imparting education and upliftment of underprivileged and poor section of the society.

In our endeavour to battle the COVID-19 pandemic, the Company is now developing such products which are in line with the Customers' requirement and aspirations, with innovation and hard work being our key motto. The challenges posed by the pandemic have pushed us to accelerate our digitalisation drive, to ensure both business continuity as well as process automation. With the Indian economy gradually opening up and lives getting back to normalcy, we are hopeful that the path ahead will be more illuminating.

Although the world is facing challenging times, your Company is well-positioned to navigate through this crisis and register an acceptable business performance. Focus during the year will be on scaling up our operations, securing cash flows, meticulous execution of the orders in hand, cost containment, acquisition of orders and customer satisfaction. In this direction, your Company has decided to proceed with its new Brownfield expansion in Gujarat for setting up a processing and finishing unit for fabrics. Further, various measures are being undertaken to protect our employees, safeguard our operations and support our business allies through this crisis to ensure business continuity.

I would like to extend my gratitude to all my fellow board members, shareholders, customers, vendors, bankers, suppliers and employees of the Company for their unstinted support. I take this opportunity to thank everyone who has contributed to deliver the performance in fiscal 2019-20 and thank for their continued belief in us.

Regards,

**Pankaj Seth**

Chairman & Managing Director



*orbit exports ltd.*

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

**Mr. Pankaj Seth**

**Mrs. Anisha Seth**

**Mr. Bruce Larry Kieval** (upto September 25, 2019)

**Mr. Varun Daga**

**Mr. Saumil Marfatia**

**Mr. Balkrishna Patil** (upto September 30, 2019)

**Mr. Pardeep Khosla**

**Mr. Sunil Buch**

**Mrs. Chetna Malaviya** (w.e.f. June 22, 2020)

- Chairman and Managing Director
- Whole Time Director
- Executive Director
- Non - Executive Non - Independent Director
- Non - Executive Independent Director
- Non - Executive Independent Director
- Non - Executive Independent Director
- Non - Executive Independent Director
- Non - Executive Independent Director

### Chief Financial Officer

Mr. Mukesh Deopura

### Company Secretary

Mrs. Neha Poddar - upto January 18, 2020

Mrs. Neha Devpura -w.e.f. February 04, 2020

### AUDITORS

#### Statutory Auditors

M/s. G.M. Kapadia & Co.  
Chartered Accountants

#### Internal Auditors

M/s. CNK & Associates LLP  
Chartered Accountants

#### Secretarial Auditors

M/s. S. K. Jain & Co.  
Practicing Company Secretaries

### BANKERS

State Bank of India  
DBS Bank India Ltd.  
HDFC Bank Ltd

### REGISTERED & CORPORATE OFFICE

122, 2<sup>nd</sup> Floor, Mistry Bhavan,  
Dinshaw Wachha Road,  
Churchgate, Mumbai – 400 020  
CIN: L40300MH1983PLC030872s  
Ph.:-91-22-66256262; Fax: + 91-22-22822031;  
email: [investors@orbitexports.com](mailto:investors@orbitexports.com);  
Website: [www.orbitexports.com](http://www.orbitexports.com)

### REGISTRAR AND TRANSFER AGENTS

Link Intime India Pvt. Ltd.  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai - 400083  
Ph.: +91-22 – 49186000; Fax: 49186060;  
email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### PLANT LOCATIONS

#### Surat

Plot No. 6, 7, 8 and 9, Fairdeal Textile Park,  
Village Mahujej, Taluka Mangrol,  
Kosamba, District Surat - 394 102 (Gujarat)

#### Kalyan

Plot No.1, Bldg. No. B-12,  
Asmeeta Textile Park, Sarawali-Kon Village,  
Taluka-Bhiwandi, District – Thane – 421 311



## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of **ORBIT EXPORTS LIMITED** will be held on **Monday, September 28, 2020 at 03.00 p.m** by way of Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt:
  - a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, the Reports of the Board of Directors and Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Varun Daga (DIN: 01932805), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. G.M. Kapadia & Co, Chartered Accountants (Firm Registration No: 104767W) as the Statutory Auditors and pass the following resolution as **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (as amended) and pursuant to the recommendation of Audit Committee, M/s. G.M. Kapadia & Co., Chartered Accountants (Firm Registration No: 104767W) be and are hereby re-appointed as Statutory Auditors of the Company from conclusion of this 37<sup>th</sup> Annual General Meeting till the conclusion of 42<sup>nd</sup> Annual General Meeting of the Company to be held to consider the approval of Financial Statements for the F.Y. 2024-2025 at such remuneration as may be mutually agreed between the Board of Directors and Auditors."

### **SPECIAL BUSINESS:**

#### **4. Ratification of remuneration of Cost Auditors of the Company.**

To consider, and if thought fit, to pass the following Resolution as **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of Members be and is hereby accorded for the payment of remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) per annum plus applicable tax rate and out of pocket expenses that may be incurred during the course of audit to M/s. Balwinder & Associates, Cost Accountants (Firm Registration No. 000201), re-appointed as Cost Auditor, by the Board of Directors of the Company on the recommendation of Audit Committee, to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2021, be and is hereby confirmed, approved and ratified.

**RESOLVED FURTHER THAT** the Board of Directors and/or key managerial personnel of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution."

#### **5. Appointment of Mrs. Chetna Manish Malaviya (DIN: 07300976) as an Independent Director.**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the recommendation of the Nomination and Remuneration Committee, Mrs. Chetna Manish Malaviya (DIN: 07300976), who was appointed as an Additional Director and designated as Independent Director of the Company by the Board of Directors at their Meeting held on June 22, 2020 in terms of Section 161 of the Companies Act, 2013, with effect from June 22, 2020 and meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Rules made thereunder and Regulation 16(1) (b) of SEBI(LODR) Regulations, 2015, "as amended" and who has submitted the declaration of independence and in respect of whom the Company has received a notice in writing in accordance with the Section 160 of the Companies Act, 2013 from a Member proposing



her candidature for the office of Independent Director, be and is hereby appointed as a Woman Independent Director of the Company, whose office shall henceforth not be liable to retire by rotation and to hold office for a term of upto Five (5) consecutive years with effect from June 22, 2020 upto and including June 21, 2025.

**RESOLVED FURTHER THAT** the Board of Directors and/or key managerial personnel of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution."

**6. Re-appointment of Mr. Pardeep Khosla (DIN: 06926523) as an Independent Director.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149,150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination and Remuneration Committee, Mr. Pardeep Khosla (DIN:06926523), Non-Executive & Independent Director, whose period of office expires on ensuing AGM, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for re-appointment for the next term as per the Act and SEBI (LODR) Regulations, 2015 and in respect of whom the Company has received a notice in writing in accordance with Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, whose office shall henceforth not be liable to retire by rotation and to hold office for a term of Five (5) consecutive years effective from September 28, 2020 upto and including September 27, 2025.

**RESOLVED FURTHER THAT** the Board of Directors and/or key managerial personnel of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution."

**7. Approval for entering into Material Related Party Transactions with Rainbow Line Trading L.L.C.,an Associate Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 2(76), 188 and any other applicable provisions of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board & its Powers) Rules, 2014 and the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members of the Company be and is hereby accorded for entering into Material Related Party Transactions with Rainbow Line Trading L.L.C., an Associate Company, for sale of goods upto a sum not exceeding ₹ 7,500 Lakhs during the Financial Year 2021-22 in the Ordinary Course of business at Arm's Length Basis.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

**By order of the Board of Directors**

Place: Mumbai  
Date: August 12, 2020

**Neha Devpura**  
**Company Secretary**

**Registered Office:-**  
122, Mistry Bhavan, 2<sup>nd</sup> Floor,  
Dinshaw Wachha Road,  
Churchgate, Mumbai – 400020



**NOTES:**

1. In the view of massive outbreak of COVID-19 pandemic, social distancing is a norm to be followed and Ministry of Corporate Affairs vide its General Circular No. 20/2020 dated May 05, 2020, read with Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and SEBI vide its Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ('hereinafter collectively referred to as Circulars'), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue.  
  
Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 ("Act") read with the said Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has decided to convene its ensuing 37<sup>th</sup> AGM through VC/ OAVM.
2. **Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to this Notice.**
3. The relevant details as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") in respect of Directors seeking appointment/re-appointment at this AGM is annexed to this Notice.
4. Institutional/Corporate Members (i.e. other than Individuals / HUF, NRI, etc.) intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution (pdf/jpeg format) authorizing their representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [skjaincs1944@gmail.com](mailto:skjaincs1944@gmail.com) with a copy marked at [investors@orbitexports.com](mailto:investors@orbitexports.com) and to the RTA at [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in).
5. Facility of joining the AGM through VC /OAVM shall open Fifteen (15) minutes before the time scheduled for the AGM and the Members can join the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first serve basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website- [www.orbitexports.com](http://www.orbitexports.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. Pursuant to the Circulars mentioned above, the Company has not printed the Annual Reports and hence no hard copies of the Annual Report will be provided.
9. Members who have not registered their e-mail addresses so far are requested to register the same for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically at the website of Link Intime India Pvt Ltd ("RTA" or "Link Intime") in the following manner:
  - a. Log in to the website of our RTA, Link Intime India Private Ltd., [www.linkintime.co.in](http://www.linkintime.co.in)
  - b. Click on the "Investor Services" section;
  - c. Click on the "Email/ Bank Detail Registration";
  - d. Select the Company name <Orbit Exports Limited> from the drop down list;
  - e. Enter the details of Folio No./ DP/Client ID (as may be applicable);
  - f. In case of physical shares, Members will be prompted to provide details like, Name, Certificate No., PAN, Mobile No., Email Id, etc.;



Note:

Members can also update their Bank Details by uploading necessary documents and submitting the same.

In the case of shares held in dematerialized mode, Members may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

10. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 4, 5, 6 and 7 of the Notice is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of a Directors seeking re-appointment at this AGM are also annexed.
11. The Company has notified closure of Register of Members and Share Transfer Books from **Tuesday, September 22, 2020 to Monday, September 28, 2020** (both days inclusive) for the purpose of the Annual General Meeting of the Company.
12. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to convert their holdings to dematerialized form. Members can contact the Company or Link Intime for assistance in this regard.
13. Members are requested to:
  - a) intimate to RTA, changes, if any, in their registered address, in case of shares in physical form;
  - b) intimate to the respective DP, changes, if any, in their registered addresses, in case of shares held in dematerialized form;
  - c) quote their folio number/Client ID/ DP ID in all correspondence.
  - d) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names;
  - e) Register their PAN with DPs, in case of shares held in demat form and in case of shares held in physical form, as directed by SEBI.
14. Members are requested to note that SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Link Intime.
15. Non-Resident Indian Members are requested to inform Link Intime India Pvt. Ltd. / respective DPs, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
16. The Register of Directors and KMP's and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which directors are interested under Section 189 of the Companies Act, 2013 and other relevant documents referred in the accompanying Notice and Explanatory Statements will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investors@orbitexports.com](mailto:investors@orbitexports.com)
17. Members, desiring any information relating to the accounts, are requested to write to the Company atleast 48 hours before the AGM so as to enable the management to keep the information ready for responding at the AGM.
18. Pursuant to Sections 124 and 125 and other relevant provisions of the Act, and Investor Education and Protection Fund ('IEPF') Authority (Accounting Audit, Transfer and Refund) Rules, 2016 as amended from time to time the dividend which remains unpaid/unclaimed for a period of Seven (7) years from the date of transfer to the unpaid/unclaimed dividend account of the Company is required to be transferred to the Investor Education and Protection Fund ('IEPF')





of the Central Government. The unclaimed dividend for the Financial Year 13-14 and all subsequent years must be claimed as early as possible, failing which it would be transferred to IEPF as per the (tentative) dates mentioned herein below.

Sr. No.	Financial Year	Date of Declaration of Dividend	Due Date to transfer of IEPF
1.	2013-14 Interim Dividend	05-Feb-2014	11-Mar-2021
2.	2013-14 Final Dividend	10-Jul-2014	12-Sep-2021
3.	2014-15 Interim Dividend	05-Nov-2014	09-Jan-2022
4.	2014-15 Final Dividend	24-Aug-2015	26-Oct-2022
5.	2015-16 Interim Dividend	10-Feb-2016	16-Mar-2023
6.	2015-16 Final Dividend	30-Sep-2016	02-Dec-2023
7.	2016-17 Interim Dividend	25-Jan-2017	27-Mar-2024
8.	2016-17 Final Dividend	11-Sep-2017	15-Nov-2024
9.	2019-20 Interim Dividend	06-Mar-2020	10-Apr-2027

The Members are requested to encash their Dividend Warrants for these years, if not already done.

In view of the outbreak of COVID-19 pandemic in India, the Company was unable to send individual notices to those Members whose dividend amounts from the FY 2012-13 (Final Dividend) remained unpaid/ unclaimed who have not claimed their dividend for Seven (7) consecutive years or more in accordance with the IEPF Rules. However, the Company had published Newspaper Notice regarding the same, in English daily and a Marathi daily. The Company has uploaded the details of such Members and their shares due for transfer to the IEPF Authority on its website [www.orbitexports.com](http://www.orbitexports.com) under the heading "IEPF" to enable such Members to verify the details of their unencashed dividends and the shares liable to be transferred to the IEPF Authority.

Members are requested to note that no claim shall lie against the Company in respect of any shares/ dividend so transferred to the IEPF Authority.

As per Section 124(5) of the Companies Act, 2013, the Company has transferred the shares of those shareholders whose dividend remained to be encashed/claimed for seven consecutive years or more. The details of such shareholders have been uploaded on the Company's website under the heading "IEPF".

Members who wish to claim dividends, which remained unclaimed, are requested to correspond to the Company at [investors@orbitexports.com](mailto:investors@orbitexports.com). The Members/ Claimants whose unclaimed shares and dividend has been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) alongwith requisite fee as decided by it from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per IEPF Rules.

19. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to Link Intime, in the prescribed Form SH-13 for this purpose. Blank forms will be supplied on request. In case of shares held in Demat form, the nomination has to be lodged with their Depository Participants.
20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the aforesaid Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Pvt Ltd for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as e-voting during the AGM will be provided by Link Intime.
21. The Board of Directors of the Company had appointed S.K. Jain & Co., Company Secretaries (COP: 3076) as the Scrutinizers to scrutinize the remote e-voting process in a fair and transparent manner.
22. The e-voting period commences on **Friday, September 25, 2020 at 10.00 A.M** and ends on **Sunday, September 27, 2020 at 05:00 P.M.** During this period Members of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
23. The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company as on the cut-off date of **Monday, September 21, 2020.**



24. Members are requested to send all communications relating to shares, unclaimed dividends, change of address, etc. to the Registrar & Share Transfer Agent of the Company, at their address: M/s. Link Intime India Private Limited, C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083 or at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The e-voting period commences on **Friday, September 25, 2020 at 10.00 AM** and ends on **Sunday, September 27, 2020 at 05:00 PM**. During this period Members' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the Members, the Members shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company as on the cut-off date of **Monday, September 21, 2020**. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 21, 2020, may obtain the login ID and password by sending a request at [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in) or calling on 022-49186000.

**The instructions for shareholders voting electronically are as under:**

**Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)**

1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. **Shareholders/ Members holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. **Shareholders/ Members holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - c. **Shareholders/ Members holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No. + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

<b>For Shareholders holding shares in Demat Form or Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> <li>• Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.



**If Shareholders/ Members holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case Shareholders/ Members is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder/member can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a Shareholders/ Members and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

For Shareholders/ Members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired.  
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

**General Guidelines for Shareholders/ Members:**

- Institutional Shareholders/ Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

- During the voting period, Shareholders/ Members can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders/ Members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the Shareholders/ Members have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.



4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- 1) Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/ OAVM shall open Fifteen (15) minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
- 2) Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of Fifteen (15) minutes from the scheduled time of the Annual General Meeting. Members with > 2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors, etc. may be allowed to the Meeting without restrictions of first come first serve basis. Members can log in and join Fifteen (15) minutes prior to the schedule time of the Meeting and window for joining shall be kept open till the expiry of Fifteen (15) minutes after the schedule time.
- 3) Members will be provided with InstaMeet facility wherein they shall register their details and attend the Annual General Meeting as under:
  - a) Open the internet browser and launch the URL for InstaMeet at <https://instameet.linkintime.co.in>.
  - b) Select the "**Company**" and '**Event Date**' and register with your following details: -
    - i. Demat Account No or Folio No: Enter your 16 digit Demat Account No. or Folio No
      - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
      - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
      - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
    - ii. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - iii. Mobile No.: Enter your mobile number.
    - iv. Email ID: Enter your email id, as recorded with your DP/Company.
  - c) Click "Go to Meeting"



**Note:**

Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience. Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Please refer the instructions for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

In case the Members have any queries or issues regarding e-voting, they can write an e-mail to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call on 022-49186175.

**INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

1. Members who would like to express their views/ask questions during the meeting must may register themselves as a speaker by sending their request mentioning their name, demat account number/ folio number, e-mail id, mobile number at [investors@orbitexports.com](mailto:investors@orbitexports.com) from September 21, 2020 to September 24, 2020
2. Members will get confirmation on first cum first basis depending upon the provision made by the client.
3. Members will receive "speaking serial number" once they mark attendance for the Meeting.
4. Other Members may ask questions to the panellist, via active chat-board during the Meeting.
5. Members should remember quoting serial number and starting conversation with panellist by switching on video mode and audio on their respective device.

**Note:**

Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the Meeting.

Members are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Members who would like to ask questions, may send their questions in advance mentioning their name, demat account number/ folio number, e-mail id, mobile number at [investors@orbitexports.com](mailto:investors@orbitexports.com). The same will be replied by the Company suitably.



**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")**

**Item No. 4**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. Balwinder & Associates, Cost Accountants (Firm Registration No. 000201), as Cost Auditors to conduct the audit of the cost accounts maintained by the Company to conduct the audit of the cost records of the Company for the Financial Year 2020-21.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor requires to be ratified by the Members of the Company. Accordingly, ratification of the Members is sought as referred to in the Resolution at Item No. 4 of the Notice of the payment of the remuneration amounting to ₹ 75,000/- (Rupees Seventy Five Thousand Only) for Cost Audit plus applicable tax rate and out of pocket expenses payable to the Cost Auditor for the Financial Year 2020-21.

None of the Directors or their Relatives or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution set out under Item no.4 of the Notice.

The Board recommends the resolution set forth in Item no.4 of the Notice for the approval of the Members.

**Item No 5:**

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company on June 22, 2020 appointed Mrs. Chetna Manish Malaviya (DIN: 07300976) as an Additional Women Director of the Company. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the "Act") Mrs. Chetna Manish Malaviya holds office upto the date of the ensuing Annual General Meeting.

In terms of Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended from time to time, Mrs. Chetna Manish Malaviya, is eligible for appointment as an Independent Director of the Company for a term of Five (5) years from June 22, 2020 upto and including June 21, 2025, not liable to retire by rotation.

The Company has received a notice in writing under Section 160(1) of the Act, from a Member proposing the candidature of Mrs. Chetna Manish Malaviya, for the office of Independent Director of the Company.

Mrs. Chetna Manish Malaviya is a MBA in HR from Pune University and is currently associated with Edelweiss Rural & Corporate Services Limited as Senior Vice President- Employee Relations. She has more than 23 years of experience in the field of HR Management. She is a certified Emotional Intelligence Coach, Hogan practitioner, MBTI certified and a DISC profiler. She is recognized and respected for her contributions as a practitioner, consultant, coach and thought leader in the field of Organization Development, Human Resources Management and People risk.

Her insights through Strategic Talent review discussions has helped Edelweiss make Critical Talent decisions in the areas of succession management, promotion, and selection. As head of Employee Relations she has helped set up the People Risk framework and advisory on all people related matters for the group.

The Company is confident that her vast experience in Human Resource management and employee relations will add immense value to the Company.

The Company has received from Mrs. Chetna Manish Malaviya, a declaration in prescribed Form DIR-8 to the effect that she is not disqualified from being appointed as Director in terms of Section 164 of the Act, her consent to act as Director in prescribed Form DIR-2 and her disclosure of interest in prescribed form MBP-1 and declaration that she meets the criteria of Independence.

The Board confirms that Mrs. Chetna Manish Malaviya fulfills the conditions for re-appointment as an Independent Director as specified in the Companies Act, 2013, the rules framed thereunder and the Listing Regulations and that she is independent of the management of the Company. Copy of draft appointment letter setting out the terms and conditions of her appointment are available for inspection by the Members in electronic mode.

The information under Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings is provided in the annexure which forms a part of Notice.

None of the other Directors, Key Managerial Personnel and relatives thereof, are in any way concerned or interested, except Mrs. Chetna Manish Malaviya and his relatives in the resolution at Item No. 5 of this Notice.

The Board recommends passing of the Ordinary Resolution at Item no. 5 of the Notice for the approval of the Members.



**Item No 6:**

The Members of the Company had appointed Mr. Pardeep Khosla (DIN: 06926523) as an Independent Director of the Company at 32<sup>nd</sup> Annual General Meeting for a term of 5 years upto the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2020. In accordance with Section 149 (10 & 11) of the Companies Act, 2013 an Independent director shall hold office for a term up to Five (5) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company and disclosure of such appointment in the Board's Report.

Mr. Pardeep Khosla was appointed as an Independent Director of the Company, in accordance to the provisions of Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ("the Listing Regulations") at the 32<sup>nd</sup> Annual General Meeting of the Company held on August 24, 2015 for a term of Five (5) consecutive years i.e. upto the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company.

Since, Mr. Pardeep Khosla, has completed one term as an Independent Director of the Company, he is eligible for re-appointment for one more term. Mr. Khosla has a degree in M.A. (History), Masters in Science in Physics stream and has Post Graduation Diploma in Computer Management. He is also a Certified Associate of Indian Institute of Bankers and is a Graduate Member of AIMA. He has attended various other trainings in Banking and Management. He has more than three decades experience in Banking & Finance Industry and has been associated with State Bank of India for over three decades at various top level positions. His vast experience in the Banking & Finance field adds immense value to the Company.

Further, based on the Performance Evaluation of the Independent Directors, conducted by the entire Board on various parameters, the Nomination and Remuneration Committee have recommended re-appointment of Mr. Pardeep Khosla for the second term of Five (5) years and that he shall not be liable to retire by rotation.

Mr. Pardeep Khosla is not disqualified from being appointed as Director in terms of Section 164 of the Act and any other applicable law prescribed by Securities and Exchange Board of India. Declaration has been received from Mr. Pardeep Khosla that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations.

The Board confirms that Mr. Pardeep Khosla fulfills the conditions for re-appointment as an Independent Director as specified in the Companies Act, 2013, the rules framed thereunder and the Listing Regulations and that he is independent of the management of the Company.

Further, the Company has also received a notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013 from a Member proposing his candidature for re-appointment as an Independent Director. Copy of draft appointment letter setting out the terms and conditions of his re-appointment are available for inspection by the Members in electronic mode.

The information under Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings is provided in the annexure which forms a part of Notice.

None of the other Directors, Key Managerial Personnel and relatives thereof, are in any way concerned or interested, except Mr. Pardeep Khosla and his relatives in the resolution at Item No. 6 of this Notice.

The Board recommends passing of the Special Resolution at Item no. 6 of the Notice for the approval of the Members.

**Item No. 7**

M/s. Rainbow Line Trading L.L.C., U.A.E. is a 'Related Party' within the meaning of Section 2 (76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI Listing Regulations. M/s. Rainbow Line Trading L.L.C., U.A.E. is an Associate Company of the Company as the shareholding of the Company in the said entity is 49%.

Considering the repetitive nature of sales transactions carried out with M/s. Rainbow Line Trading L.L.C., U.A.E., the Board of Directors of the Company at its Meeting held on August 12, 2020 and on recommendation of Audit Committee approved execution of the sales transaction with M/s. Rainbow Line Trading L.L.C., upto a sum of not exceeding ₹ 7,500 Lakhs during the FY 2021-22 subject to approval of Members of the Company.

The said Related Party Transaction is a Material Related Party Transaction within the meaning of Regulation 23 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as the amount of transactions to be entered in the Financial Year 2021-22 is likely to exceed 10% of the Annual Consolidated Turnover of the Company as per latest Audited Financial Statements and requires approval of the Members under Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under First Proviso to Sub Section (1) of Section 188 of the Companies Act, 2013.

None of the other Directors, Key Managerial Personnel and relatives thereof, are in any way concerned or interested, in the resolution at Item No. 7 of this Notice.

The Board recommends passing of the Ordinary Resolution at Item no. 7 of the Notice for the approval of the Members.



**ANNEXURE TO THE NOTICE**

**Details of the Directors seeking re-appointment at the 37<sup>th</sup> Annual General Meeting**

**{In pursuance of Regulation 26(4) & Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)}**

<b>Nature of Information</b>	<b>Item No. 02</b>	<b>Item No. 05</b>	<b>Item No. 06</b>
Name of the Director	Mr. Varun Pramod Daga	Mrs. Chetna Manish Malaviya	Mr. Pardeep Khosla
Director Identification Number	01932805	07300976	06926523
Nationality	Indian	Indian	Indian
Date of Birth and Age	02/05/1985 35 years	18/06/1972 48 years	04/05/1953 67 years
Qualifications	Graduate in Commerce	MBA in Human Resources	M.A, M.Sc (Hons.) in Physics, MA History, DCM, CAIIB
Date of first appointment on the Board	26/07/2011	22/06/2020	18/07/2014
Experience and Expertise	Mr. Varun Daga by profession is an Investment Fund Manager and co-founder of Girik Advisors LLP. He is a Commerce graduate and completed his Bachelor of Management Studies in Finance. He has rich experience in Investment Banking.	Profile is already furnished in the explanatory statement attached to the Notice of the Annual General Meeting.	Profile is already furnished in the explanatory statement attached to the Notice of the Annual General Meeting.
Terms and Conditions of Re-appointment	Mr. Varun Daga is re-appointed as a Director of the Company liable to retire by rotation.	Ms. Chetna Manish Malaviya is appointed as an Independent Women Director for Five (5) consecutive years w.e.f. June 22, 2020 to June 21, 2025, not liable to retire by rotation.  Independent directors are entitled to sitting fees for attending meetings of the Board & Committees.	Mr. Pardeep Khosla is re-appointed as an Independent Director for Five (5) consecutive years effective from September 28, 2020 upto and including September 27, 2025, not be liable to retire by rotation.  Independent directors are entitled to sitting fees for attending meetings of the Board & Committees.
Shareholding in the Company as on March 31, 2020	2,089,705 Equity Shares	NIL	100 Equity Shares
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel.	Not related to any Director / Key Managerial Personnel.	Not related to any Director / Key Managerial Personnel.





Directorships of other Boards as on March 31, 2020	Swank Properties Private Limited Girik Advisors LLP	EC Commodity Limited ECAP Equities Limited	Acumedia Consulting Private Limited Eyeskape Medicals Private Limited
Memberships/Chairmanship in other Companies	NIL	NIL	NIL

**By order of the Board of Directors**

Place: Mumbai  
Date: August 12, 2020

**Neha Devpura**  
**Company Secretary**

**Registered Office:-**  
122, Mistry Bhavan, 2<sup>nd</sup> Floor,  
Dinshaw Wachha Road,  
Churchgate, Mumbai – 400020

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Report and Audited Accounts of the Company for the year ended March 31, 2020.

### 1. FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2020 is summarized below:

₹ in Lakhs

Particulars	Standalone		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Total Revenue</b>	<b>14,389.30</b>	<b>13,676.69</b>	<b>15,022.95</b>	<b>14,193.86</b>
Profit before Exceptional Items and Tax	3,111.42	3,043.05	3,430.23	3,311.45
Share of Profit/ Loss of Associate	-	-	234.65	230.10
Profit before Tax	3,111.42	3,043.05	3,430.23	3,311.45
Provision for taxation	798.30	731.23	803.75	736.27
<b>Profit after Tax</b>	<b>2,313.12</b>	<b>2,311.82</b>	<b>2,626.48</b>	<b>2,575.18</b>
Other Comprehensive Income	(25.31)	24.87	(81.80)	21.69
<b>Total Comprehensive Income</b>	<b>2,287.81</b>	<b>2,336.69</b>	<b>2,544.68</b>	<b>2,596.87</b>
Balance brought forward from previous year	13,473.03	11,151.14	14,037.36	11,455.71
Appropriations during the year:				
Less: Buy Back of Shares	(911.75)	-	(911.75)	-
Less: Transaction cost on Buy Back of Shares	(9.98)	(14.8)	(9.98)	(14.8)
Less: Dividend on Equity Shares	(821.49)	-	(821.49)	-
Less: Dividend Distribution Tax	(168.86)	-	(168.86)	-
<b>Balance carried forward</b>	<b>13,848.74</b>	<b>13,473.03</b>	<b>14,670.37</b>	<b>14,307.76</b>
Equity Share Capital	2,738.31	2,825.79	2,738.31	2,825.79
Earning Per Share & Diluted)	8.28	8.18	9.40	9.11

### 2. BUSINESS PERFORMANCE

#### Standalone Results

The total revenue of your Company on standalone basis has increased to ₹ 14,389.30 Lakhs during the FY 2019-20 from ₹ 13,676.69 Lakhs during the FY 2018-19, thereby registering an increase of 5.21%. The profit after tax for the FY 2019-20 stands at ₹ 2,313.12 Lakhs against ₹ 2,311.82 in the FY 2018-19, higher by 0.06%.

#### Consolidated Results

The total revenue of your Company on consolidated basis has increased to ₹ 15,022.95 Lakhs during the FY 2019-20 from ₹ 14,193.86 Lakhs during the FY 2018-19, thereby registering an increase of 5.84%. The profit after tax for the FY 2019-20 stands at ₹ 2,626.48 Lakhs against ₹ 2,575.18 in the FY 2018-19, indicating an increase of 1.99%.

### 3. DIVIDEND

During FY 2019-20, the Board of Directors of the Company in their Meeting held on March 06, 2020 declared an Interim Dividend of ₹ 3/- per Equity Share (i.e. 30%) on 27,383,065 Equity Shares of face value of ₹ 10/- each.

### 4. BUY BACK OF SHARES

The Board of Directors on March 18, 2019, approved the buyback of the Company's fully paid-up equity shares of the face value of ₹ 10/- each from its Members (excluding promoters, promoter group and persons acting in concert), by Open Market Mechanism for an aggregate consideration not exceeding ₹ 1,000/- Lakhs and at a price not exceeding



₹ 130/- per Equity Share. The buyback of Equity Shares through the stock exchange commenced on March 29, 2019 and was completed on September 04, 2019 in compliance with SEBI (Buy Back of Securities) Regulations, 2018 and SEBI (Depositories and Participants) Regulations, 2018. During this buyback period, the Company had purchased and extinguished a total of 8,74,791 Equity Shares from the stock exchange at an average buy back price of ₹ 114.23/- per Equity Share comprising 3.10% of the pre buyback paid-up Equity Share Capital of the Company, thereby resulting in reduction of Equity Share Capital of the Company from ₹ 28,25,78,560/- to ₹ 27,38,30,650/-. The buyback resulted in a cash outflow of ₹ 999.24/- Lakhs (excluding transaction costs). The Company funded the buyback by utilizing its free reserves.

## 5. SHARE CAPITAL

Due to the buyback held during the FY 2019-20, the Equity Share Capital of the Company has been reduced to ₹ 27,38,30,650/- divided into 27,383,065 Equity Shares of ₹ 10/- each.

During the FY 2019-20, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

## 6. CONSOLIDATED FINANCIAL STATEMENTS

As stipulated under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has prepared Consolidated Financial Statement in accordance with the applicable accounting standards as prescribed under the Companies (Accounts) Rules, 2014 and the Companies Act, 2013 ("the Act"). The Consolidated Financial Statement reflects the results of the Company and that of its subsidiary and associates. As required under Regulation 34 of Listing Regulations, 2015, the Audited Consolidated Financial Statement together with the Independent Auditors' Report thereon is annexed and forms part of this Report.

## 7. GLOBAL PANDEMIC – COVID-19

Due to outbreak of COVID-19 pandemic globally and consequent lockdown imposed by the Government of India from March 23, 2020 to curb its wide spread, a massive economic disruption and social distress has been witnessed in India. The Company's proactive management in handling the situation ensured not only the safety of its work force but also smooth, uninterrupted and secure business and service continuity. Further, considering the wide spread and varying degree of intensity of pandemic across the country where the Company operates, the economic impact during FY 2020-21 seems evident across the industry. The management is closely analyzing and monitoring the situation and getting adequately prepared to emerge stronger in the longer term.

## 8. SUBSIDIARY COMPANIES AND ASSOCIATE COMPANY

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries is given in Form AOC-1 which forms part of this Annual Report.

As on March 31, 2020, your Company has (Two) Subsidiary Companies and 1 (One) Associate Company.

### Subsidiary Companies

1. Orbit Inc.
2. Excellere (UK) Ltd.

### Associate Company

1. Rainbow Line Trading L.L.C.

The Audited Financial Statements including Consolidated Financial Statements of the Company and all other documents required to be attached thereto and the Financial Statements of Subsidiary Companies and Associate Company, are uploaded on the website of the Company i.e. [www.orbitexports.com](http://www.orbitexports.com) under 'Investor Information' tab and shall also be available for inspection by any Member at the Registered Office of the Company.

Pursuant to SEBI Listing Regulations, the Company has formulated a policy for determining its 'material subsidiaries'. The said Policy may be accessed on the Company's website- [www.orbitexports.com](http://www.orbitexports.com).

## 9. MATERIAL CHANGES AFFECTING THE COMPANY

During the FY 2019-20, there was no material change and commitments affecting the financial position between the end of Financial Year and date of this Report of the Company. There has been no change in the nature of business of the Company.



**10. TRANSFER TO RESERVES**

During the FY 2019-20, your Company has not transferred any amount to the General Reserves.

**11. CHANGE IN THE NATURE OF BUSINESS**

During the period under review, there is no change in the nature of business of the Company

**12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report on the operations of the Company, as required under the Regulation 34 of the SEBI (LODR) Regulations, 2015 is provided in a separate section and forms an integral part of this Annual Report.

**13. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as "**Annexure-I**" to Annual Report and pursuant to the provision of Section 134(3)(a) of Companies Act, 2013, the Annual Return of the Company for the Financial Year 2019-2020 is uploaded on the Company's website – [www.orbitexports.com](http://www.orbitexports.com).

**14. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the FY 2019-20, the following changes occurred in the composition of the Board and the Key Managerial Personnel of your Company:

- i) Cessation of Mr. Bruce Larry Kieval (DIN: 00335336) with effect from September 25, 2019 as Executive Director of the Company;
- ii) Appointment of Mr. Sunil Buch (DIN: 07780539) with effect from September 30, 2019 as an Independent Director of the Company for a period of Five (5) consecutive years;
- iii) Re-appointment of Mr. Saamil Marfatia (DIN: 02774221) with effect from September 30, 2019 as an Independent Director of the Company for a period of Two (2) years;
- iv) Retirement of Mr. Balkrishna Patil (DIN: 02927967) on September 30, 2019 as an Independent Director of the Company upon completion his second term of Directorship on Board;
- v) Resignation of Mrs. Neha Poddar, Company Secretary and Compliance Officer of the Company on January 18, 2020;
- vi) Appointment of Mrs. Neha Devpura as Company and Compliance Officer of the Company with effect from February 04, 2020.

Your Board places on record its appreciation for the outstanding contributions made by Mr. Bruce Larry Kieval, Mr. Balkrishna Patil and Mrs. Neha Poddar during their tenure.

Upon recommendation of the Nomination and Remuneration Committee, the Board in its Meeting held on June 22, 2020, approved the appointment of Mrs. Chetna Manish Malaviya (DIN: 07300976) as an Additional Director (Independent, Non-Executive) of the Company, not liable to retire by rotation for a term of Five (5) consecutive years with effect from June 20, 2020 to June 21, 2020, subject to approval of Members at the ensuing AGM of the Company. Mrs. Malaviya is not related to any Directors of the Company. The Board recommends the appointment of Mrs. Chetna M Malaviya, and brief profile of Mrs. Malaviya proposed to be appointed has been provided in the Notice convening the 37<sup>th</sup> AGM of the Company.

Upon recommendation of the Nomination and Remuneration Committee, the Board in its Meeting held on August 12, 2020, approved the re-appointment of Mr. Pardeep Khosla (DIN: 06926523) as an Independent Director of the Company whose term expires at the ensuing AGM, for a second term of Five (5) consecutive years with effect from September 28, 2020 upto and including September 27, 2025, subject to approval of Members at the ensuing AGM of the Company. Mr. Khosla is not related to any Directors of the Company. The Board recommends the re-appointment of Mr. Pardeep Khosla, not liable to retire by rotation. A brief profile of Mr. Khosla proposed to be appointed has been provided in the Notice convening the 37<sup>th</sup> AGM of the Company.



### Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Rules made thereunder and the Articles of Association of the Company, Mr. Varun Daga (DIN: 01932805), Non -Executive Non Independent Director of the Company retires by rotation at the ensuing AGM, and being eligible, offers himself for re-appointment. Accordingly, the Board recommends the said re-appointment of Mr. Varun Daga and his brief profile has been provided in the Notice convening the 37<sup>th</sup> AGM of the Company.

### Declaration from Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

### Registration on Independent Directors' Data Bank

The Independent Directors have registered themselves in the Data Bank maintained with the Indian Institute of Corporate Affairs, Manesar ("IICA"). However, pursuant to the Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake Proficiency Test within of one year from the date of registration on the Independent Directors' Databank and none of the Directors have exceeded the said period of one year from the date of registration as on the date of this Report.

## 15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b. appropriate accounting policies have been selected and applied consistently and judgments and estimates are made reasonably and prudently so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c. proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared for the financial year ended March 31, 2020 on a 'going concern' basis;
- e. proper internal financial controls are devised to ensure compliance with all the provisions of the applicable laws and that such internal financial controls are adequate and are operating effectively; and
- f. proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 16. NUMBER OF MEETINGS OF THE BOARD

During the FY 2019-20, Five (5) Meetings of the Board of Directors of the Company were convened and held. The particulars of Meetings held and attended by each Director are detailed in the Corporate Governance Report that form part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

## 17. COMMITTEES OF THE BOARD

As per the Companies Act, 2013 and the Listing Regulations, during the FY 2019-20, the Board had four Statutory Committees viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Stakeholders' Relationship Committee. The terms of reference of the said committees along with their composition, number of Meetings held and attendance of Members at each meeting are provided in the Corporate Governance Report which forms a part of this Report.

## 18. CORPORATE GOVERNANCE REPORT AND CERTIFICATE FROM SECRETARIAL AUDITOR

The Company has committed to maintain the highest standards of Corporate Governance and adhere to Corporate Governance requirements set out by the Securities Exchange Board of India (SEBI). As required under Regulation 34(3) of SEBI (LODR) Regulations, 2015, the report of Corporate governance as stipulated under Listing Regulations



forms an integral part of this Annual Report and the requisite certificates required under Regulation 34(3) of Schedule V(E) of the SEBI (LODR) Regulations, 2015 from M/s. S. K. Jain & Co., Practicing Company Secretaries, regarding conditions of Corporate Governance is attached to Report on Corporate Governance.

#### **19. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

In compliance with the requirements of Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Directors, the working of the Company, changes in the regulatory environment, etc.

Apart from above, Independent Directors are also familiarized through various regulatory developments, amendments in laws. A detailed description of the familiarization programs extended to the Independent Directors during the financial year is disclosed on the Company's website at [www.orbitexports.com](http://www.orbitexports.com).

#### **20. BOARD EVALUATION**

Pursuant to the provisions of the Act and the Listing Regulations, your Company conducted the annual performance evaluation of the Board, the Chairman, its various Committees and the Directors individually including Independent Directors. A structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The Board of Directors expressed their satisfaction with the evaluation process.

The criteria applied in the evaluation process are explained in the Report on Corporate Governance, which forms part of the Annual Report.

#### **21. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides for adequate safeguards against victimization of Director(s) or employee(s) or any other person who avail the Mechanism. The Code applies to all Directors, Officers and Employees of the Company.

The Code of Conduct is available on Company's website- [www.orbitexports.com](http://www.orbitexports.com) to report any concerns about unethical behaviour, any actual or suspected fraud.

#### **22. DEPOSITS**

During the Financial Year 2019-20, your Company has not accepted any public deposit covered under the Companies Act, 2013.

#### **23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 is mentioned in the notes to the Financial Statements forming part of this Annual Report.

#### **24. INSURANCE**

All the properties including buildings, plant and machinery and stocks have been adequately insured.

#### **25. PARTICULARS CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the FY 2019-20, all transactions with related parties were placed before the Audit Committee for its approval. An omnibus approval from the Audit Committee was obtained for the related party transactions which are repetitive in nature. All the transactions with related parties, entered into during the year under review were in the ordinary course of business and on arms' length basis in accordance with the provisions of the Act, Rules made thereunder and Listing Regulations. The Audit Committee and the Board, review all the related party transactions entered into, on a quarterly basis.

The transactions of the Company with its wholly-owned subsidiaries are exempted from approval of the Members of the Company and hence such approvals are not obtained. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is attached as "**Annexure - II**".

In accordance with Regulation 23(1) of SEBI (LODR) Regulation, 2015 the Company has formulated a Policy on the Material Related Party Transactions and on dealing with Related Party Transactions, approved by the Board is available on the Company's website i.e. [www.orbitexports.com](http://www.orbitexports.com).



**26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set as "Annexure-III" to Annual Report.

**27. PARTICULARS OF EMPLOYEES**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 is annexed to this Report as "Annexure - IV".

Details of employee remuneration as required under provisions of Section 197 of the Act, and Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of this report. As per the provisions of Section 136 of the Act, the Report and Financial Statement are being sent to the Members of your Company and others entitled thereto, excluding the statement on particulars of employees. In accordance with Section 136 of the Act, 2013, this exhibit is available for inspection by shareholders through electronic mode. Any Member desirous of conducting inspection and/or obtaining a copy of the said information/ Annexure may write to the Company Secretary.

**28. LISTING AT STOCK EXCHANGES**

The Equity shares of your Company continues to be listed on BSE Limited and the National Stock Exchange of India Limited. The applicable listing fees for the F.Y. 2020-21 have been duly paid to the Exchanges.

**29. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets commensurate with its size, scale and complexities of its operations. The internal auditor of the Company checks and verifies the internal control and monitors them in accordance with policy adopted by the Company. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. All the transactions are properly authorised, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

**30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

During the FY 2019-20, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

**31. AUDITORS AND AUDITORS' REPORT**

**STATUTORY AUDITORS**

M/s. G.M. Kapadia & Co., Chartered Accountants (FRN: 104767W), Statutory Auditors of the Company will be completing their 1<sup>st</sup> (first) term of Five (5) years as a Statutory Auditors of the Company at the conclusion of ensuing Annual General Meeting. Therefore pursuant to Section 139 of Companies Act, 2013, M/s. G.M. Kapadia & Co., Chartered Accountants (FRN: 104767W), subject to the approval of Members, are eligible to get re-appointed for 2<sup>nd</sup> (second) term of Five (5) years as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of 42<sup>nd</sup> Annual General Meeting. The Board considered the recommendation of Audit Committee and seeks approval of the Members for re-appointment of M/s. G.M. Kapadia & Co., Chartered Accountants.

The Reports given by M/s. G.M. Kapadia & Co., Chartered Accountants on the standalone and consolidated financial statements of the Company for FY 2019-20 does not contain any qualification, reservation or adverse remarks and forms part of the Annual Report.

**COST AUDITOR**

The Board of Directors, on the recommendation of the Audit Committee, have considered the appointment M/s. Balwinder & Associates, Cost Accountants (FRN: 000201) as Cost Auditors of the Company, for the financial year ending March 31, 2021, on a remuneration as mentioned in the Notice convening the 37<sup>th</sup> Annual General Meeting for conducting the audit of the cost records maintained by the Company.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014, as amended from time to time, the cost audit records maintained by the Company are required to be audited. In terms of the provisions of the Companies Act, 2013, the remuneration payable to Cost Auditors is required to be



ratified by the Shareholders at the ensuing Annual General Meeting and accordingly, a resolution seeking ratification forms part of the Notice of the 37<sup>th</sup> Annual General Meeting of the Company and same is recommended for Members consideration and approval.

The Board had appointed M/s. Balwinder & Associates, Cost Accountants (FRN: 000201) as Cost Auditor of the Company for the FY 2019-20. The Cost Audit Report for FY 2018-19 has been duly filed with the Ministry of Corporate Affairs.

**SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed S. K. Jain & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the FY 2020-21.

The Report of Secretarial Audit in form MR-3 for the financial year ended March 31, 2020 is annexed herewith and marked as "Annexure-V" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**32. REPORTING OF FRAUD BY AUDITOR**

During the FY 2019-20, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

**33. CORPORATE SOCIAL RESPONSIBILITY**

The Board has constituted a Corporate Social Responsibility ("CSR") Committee in terms of the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report, forming part of this Report. The policy is available on the website of the Company- [www.orbitexports.com](http://www.orbitexports.com).

During the FY 2019-20, the Corporate Social Responsibility (CSR) expenditure incurred by the Company was ₹ 154.44 Lakhs. The Annual Report on CSR activities undertaken during the financial year 2019-20 is in accordance with the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and is appended as "Annexure-VI" to this Report. During the year, the Company had successfully completed its CSR obligation and some portion of the pending obligation of previous years.

**34. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to Section 124(6) of the Companies Act, 2013 all shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund ("IEPF"). In view of this, your Company has transferred 35,809 unclaimed Equity Shares pertaining to financial year 2011-2012 to the Demat account of IEPF during September 2019. The details of the said shares transferred are provided on the website of the Company at [www.orbitexports.com](http://www.orbitexports.com).

During the year under review, the Company has transferred unclaimed dividend of ₹ 3,29,283/- for the FY 2011-12 and fractional entitlement of bonus shares of ₹ 4,202/-. As on March 31, 2020, the total amount lying in the Unpaid Dividend accounts of the Company in respect of the last seven years is around ₹ 46.90 Lakhs. Details of unclaimed Dividend and Shares due for transfer with due dates & procedure to claim the same are provided in the Notes to Notice for 37<sup>th</sup> AGM and briefly in the Corporate Governance Report which forms an integral part of this Report.

Details of Nodal Officer are displayed on the Company's website at [www.orbitexports.com](http://www.orbitexports.com).

**35. CREDIT RATING**

As on March 31, 2020, your Company's credit rating stands as follows:

Instrument	Rating
Long Term Debt	ICRA A (Stable)
Short Term Debt	ICRA A1

**36. CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

Your Company has in place a Code of Conduct for Prohibition of Insider Trading, which lays down the process of trading in securities of the Company by the Designated Persons and to regulate, monitor and report trading by the employees of the Company either on his/her own behalf or on behalf of any other person, on the basis of Unpublished





Price Sensitive Information. Also it lays down the procedure for Inquiry in case of leak of Unpublished Price Sensitive Information including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The aforementioned amended Code is available on the website of the Company at [www.orbitexports.com](http://www.orbitexports.com).

### **37. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. Your Company has constituted an Internal Complaints Committee (ICC) which overlooks all Company locations in India to consider and resolve all sexual harassment complaints reported to this Committee. The constitution of the ICC is as per the Act and the Committee includes an external member from NGOs with relevant experience.

During the year under review, no cases were received/filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **38. EMPLOYEES' STOCK OPTION SCHEME**

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Scheme of the Company in accordance with the applicable SEBI (Share Based Employee Benefits) Regulations, 2014, erstwhile SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and as per Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014.

Disclosures with respect to Employees Stock Option Scheme of the Company

Number of options granted: 1,51,000

Exercise Price: 52,000 options granted at an exercise price of ₹ 69.75/- per option, 95,000 options granted at an exercise price of ₹ 342/- per option and 4,000 options granted at an exercise price of ₹ 348.50/-.

Options vested: 52,000 options and 95,000 options and 4,000 options.

Options exercised: On November 05, 2015, company allotted 30,000 equity shares pursuant to exercise of 30,000 stock options by the employees of the Company.

On January 29, 2016, company allotted 13,000 equity shares pursuant to exercise of 13,000 stock options by the employees of the Company.

On April 02, 2016, company allotted 9,000 equity shares pursuant to exercise of 9,000 stock options by the employees of the Company.

### **39. COMPLIANCE WITH SECRETARIAL STANDARDS**

Your Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings and Dividends.

### **40. ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**For and on behalf of the Board of Directors**

Dated: August 12, 2020  
Place: Mumbai

**Pankaj Seth**  
**Chairman & Managing Director**  
**(DIN: 00027544)**

**ANNEXURE - I**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended 31.03.2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L40300MH1983PLC030872
Registration Date	16-09-1983
Name of the Company	Orbit Exports Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	122, Mistry Bhavan, 2nd Floor, Dinshaw Wachha Road, Churchgate, Mumbai - 400020 Ph. No.: + 91-22-66256262 Fax No.: + 91-22-22822031 Email id.: <a href="mailto:investors@orbitexports.com">investors@orbitexports.com</a>
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C -101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400083 Ph. No.: 022-49186270 Fax No.: 022-49186060 Email id: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Fabrics	13122	91.63

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Orbit Inc., 835-B, San Julian Street, Los Angeles, CA 90014	Not Applicable	Subsidiary	100%	2(87)
2	Excellere (UK) Ltd., Kajaine House, 57-67, High Street, Edgware HA 87DD, England	Not Applicable	Subsidiary	100%	2(87)
3	Rainbow Line Trading L.L.C., Dubai, UAE Post Box No: 241196, Shop No. 12, Al Fardan Building, Bur Dubai Wholesale Textile Market, Opp.Siya Mosque, Bur Dubai, Dubai	Not Applicable	Associate	49%	2(6)



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

**(i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	15,150,503	-	15,150,503	53.62	15,410,783	-	15,410,783	56.28	2.66
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2,538,780	-	2,538,780	8.98	2,628,940	-	2,628,940	9.60	0.62
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>17,689,283</b>	<b>-</b>	<b>17,689,283</b>	<b>62.60</b>	<b>18,039,723</b>	<b>-</b>	<b>18,039,723</b>	<b>65.88</b>	<b>3.28</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>17,689,283</b>	<b>-</b>	<b>17,689,283</b>	<b>62.60</b>	<b>18,039,723</b>	<b>-</b>	<b>18,039,723</b>	<b>65.88</b>	<b>3.28</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	1,543	-	1,543	0.01	-	-	-	-	(0.01)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) – Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	<b>1,543</b>	<b>-</b>	<b>1,543</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.01)</b>



<b>(2) Non-Institutions</b>										
<b>a) Bodies Corporate</b>										
i) Indian	1,025,811	5,100	1,030,911	3.65	818,867	4,750	823,617	3.01	(0.64)	
ii) Overseas	-	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>										
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2,514,867	442,241	2,957,108	10.46	1,984,254	386,991	2,371,245	8.66	(1.81)	
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	5,325,546	-	5,325,546	18.85	5,152,978	-	5,152,978	18.82	(0.03)	
<b>c) Others (specify)</b>										
i) IEPF	38,508	-	38,508	0.14	74,217	-	74,217	0.27	0.13	
ii) Trusts	-	-	-	-	-	-	-	-	-	-
iii) Clearing Members	14,713	-	14,713	0.05	2,411	-	2,411	0.01	(0.04)	
iv) Market Maker	912	-	912	0.00	-	-	-	-	-	-
v) NRI (Repat)	619,598	-	619,598	2.19	297,850	-	297,850	1.09	(1.10)	
vi) NRI (Non Repat)	398,707	-	398,707	1.41	63,296	-	63,296	0.23	(1.18)	
vii) Hindu Undivided Family	181,027	-	181,027	0.64	557,728	-	557,728	2.04	1.40	
<b>Sub-Total (B)(2)</b>	<b>10,119,689</b>	<b>447,341</b>	<b>10,567,030</b>	<b>37.40</b>	<b>8,951,601</b>	<b>391,741</b>	<b>9,343,342</b>	<b>34.12</b>	<b>(3.27)</b>	
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>10,121,232</b>	<b>447,341</b>	<b>10,568,573</b>	<b>37.40</b>	<b>8,951,601</b>	<b>391,741</b>	<b>9,343,342</b>	<b>34.12</b>	<b>(3.28)</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>27,810,515</b>	<b>447,341</b>	<b>28,257,856</b>	<b>100.00</b>	<b>26,991,324</b>	<b>391,741</b>	<b>27,383,065</b>	<b>100.00</b>		-

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Pankaj Seth	11,322,112	40.07	-	11,337,112	41.40	-	1.33
2	Mrs. Anisha Seth	3,813,853	13.50	-	4,019,558	14.68	-	1.18
3	M/s. Mediaman Multitrade Private Limited	2,538,780	8.98	-	2,628,940	9.60	-	0.62
4	Ms. Vishakha Seth Mehra	12,000	0.04	-	17,676	0.06	-	0.02
5	Mr. Parth Seth	2,538	0.01	-	26,411	0.10	-	0.09
6	Pankaj S Seth (HUF)	-	-	-	10,026	0.04	-	0.04
	<b>Total</b>	<b>17,689,283</b>	<b>62.60</b>	<b>-</b>	<b>18,039,723</b>	<b>65.88</b>	<b>-</b>	<b>3.28</b>



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Mr. Pankaj Seth</b>				
	At the beginning of the year	11,322,112	40.07	11,322,112	40.07
	Add: Shares acquired on February 28, 2020	14,978	0.05	11,337,090	41.40
	Add: Shares acquired on March 06, 2020	22	-	11,337,112	41.40
	At the end of the year			<b>11,337,112</b>	<b>41.40</b>
2.	<b>Mrs. Anisha Seth</b>				
	At the beginning of the year	3,813,853	13.50	3,813,853	13.50
	Add: Shares acquired on March 23, 2020	180,450	0.66	3,994,303	14.59
	Add: Shares acquired on March 26, 2020	25,255	0.09	4,019,558	14.68
	At the end of the year			<b>4,019,558</b>	<b>14.68</b>
3.	<b>Mediaman Multitrade Pvt. Ltd.</b>				
	At the beginning of the year	2,538,780	8.98	2,538,780	8.98
	Add: Shares acquired on March 23, 2020	90,160	0.33	2,628,940	9.60
	At the end of the year			<b>2,628,940</b>	<b>9.60</b>
4.	<b>Ms. Vishakha Seth Mehra</b>				
	At the beginning of the year	12,000	0.04	12,000	0.04
	Add: Shares acquired on November 22, 2019	1,409	0.01	13,409	0.05
	Add: Shares acquired on November 29, 2019	4,267	0.02	17,676	0.06
	At the end of the year			<b>17,676</b>	<b>0.06</b>
5.	<b>Mr. Parth Seth</b>				
	At the beginning of the year	2,538	0.01	2,538	0.01
	Add: Shares acquired on November 22, 2019	7,065	0.03	9,603	0.04
	Add: Shares acquired on November 29, 2019	1,877	0.01	11,480	0.04
	Add: Shares acquired on December 06, 2019	2,515	0.01	13,995	0.05
	Add: Shares acquired on December 13, 2019	4,969	0.02	18,964	0.07
	Add: Shares acquired on December 20, 2019	1,276	0.00	20,240	0.07
	Add: Shares acquired on December 27, 2019	2,671	0.01	22,911	0.08
	Add: Shares acquired on December 31, 2019	2,000	0.01	24,911	0.09
	Add: Shares acquired on March 27, 2020	1,500	0.01	26,411	0.10
	At the end of the year			<b>26,411</b>	<b>0.10</b>
6.	<b>Pankaj S Seth (HUF)</b>				
	At the beginning of the year	-	-	-	-
	Add: Shares acquired on November 22, 2019	123	-	123	-
	Add: Shares acquired on November 29, 2019	1,140	-	1,263	-
	Add: Shares acquired on December 20, 2019	6,982	0.03	8,245	0.03
	Add: Shares acquired on January 03, 2020	1,781	0.01	10,026	0.04
	At the end of the year			<b>10,026</b>	<b>0.04</b>

**Note:-**

1. Percentage calculated at the beginning of the year is on the basis of paid-up Capital prior to Buy-back (i.e., 28,257,856 Equity Shares)
2. Percentage calculated at the time of acquisition and end of the year is on the basis of paid-up Capital post to Buy-back (i.e., 27,383,065 Equity Shares)



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1.</b>	<b>Varun Daga</b>				
	At the beginning of the year	2,091,971	7.38	2,091,971	7.38
	Less: Shares sold on August 23, 2019	2,062	0.01	2,089,909	7.63
	Less: Shares sold on March 13, 2020	204	-	2,089,705	7.63
	At the end of the year			<b>2,089,705</b>	<b>7.63</b>
<b>2.</b>	<b>Kaushik Daga</b>				
	At the beginning of the year	2,112,396	7.45	2,112,396	7.45
	Add: Purchase of shares on October 18, 2019	6,775	0.02	2,119,171	7.74
	Add: Purchase of shares on October 25, 2019	87	-	2,119,258	7.74
	Add: Purchase of shares on November 22, 2019	200	0.01	2,119,458	7.74
	Less: Shares sold on February 28, 2020	272,000	0.99	1,847,458	6.75
	At the end of the year			<b>1,847,458</b>	<b>6.75</b>
<b>3.</b>	<b>Paras Kumar Daga HUF</b>				
	At the beginning of the year	-	-	-	-
	Add: Purchase of shares on March 06, 2020	293,288	1.07	293,288	1.07
	At the end of the year			<b>293,288</b>	<b>1.07</b>
<b>4.</b>	<b>RVB Enterprise LLP</b>				
	At the beginning of the year	280,978	0.99	280,978	0.99
	At end of the year			<b>280,978</b>	<b>1.03</b>
<b>5.</b>	<b>Own Infracon Private Limited</b>				
	At the beginning of the year	334,061	1.18	334,061	1.18
	Add: Purchase of shares on October 18, 2019	2,725	0.01	336,786	1.23
	Less: Shares sold on March 20, 2020	65,580	0.24	271,206	0.99
	At the end of the year			<b>271,206</b>	<b>0.99</b>
<b>6.</b>	<b>Sandeep Sharma</b>				
	At the beginning of the year	543,373	1.92	543,373	1.92
	Less : Shares sold on March 27, 2020	295,000	1.08	248,373	0.91
	At the end of the year			<b>248,373</b>	<b>0.91</b>
<b>7.</b>	<b>Vinodkumar Harakchand Daga</b>				
	At the beginning of the year	-	-	-	-
	Add: Purchase of shares on December 06, 2019	188,831	0.69	188,831	0.69
	At the end of the year			<b>188,831</b>	<b>0.69</b>
<b>8.</b>	<b>Aditya Vipin Jain</b>				
	At the beginning of the year	60,000	0.21	60,000	0.21
	Add: Purchase of shares on November 15, 2019	11,000	0.04	71,000	0.26
	At the end of the year			<b>71,000</b>	<b>0.26</b>



<b>9.</b>	<b>Shreans Daga HUF</b>				
	At the beginning of the year	-	-	-	-
	Add: Purchase of shares on March 06, 2020	111,301	0.41	111,301	0.41
	At the end of the year			<b>111,301</b>	<b>0.41</b>
<b>10.</b>	<b>Apla Pramod Talsania</b>				
	At the beginning of the year	100,000	0.35	100,000	0.35
	At the end of the year			<b>100,000</b>	<b>0.37</b>

Note 1: At beginning of the year, percentage is calculated on 28,257,856 Equity Shares.

Note 2: As Buyback was closed on September 04, 2019, thereby reducing the paid up share capital to 273,830,650, therefore transactions executed after September 04, 2019, percentage is calculated on 27,383,065 Equity Shares.

Note 3: At end of the year, total paid up share capital of the Company is 273,830,650 therefore percentage is calculated on 27,383,065 Equity Shares.

**(v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1.</b>	<b>Mr. Pankaj Seth</b>				
	At the beginning of the year	11,322,112	40.07	11,322,112	40.07
	Add: Purchase of shares on February 28, 2020	14,978	0.05	11,337,090	41.40
	Add: Purchase of Shares on March 06, 2020	22	-	11,337,112	41.40
	At the end of the year			<b>11,337,112</b>	<b>41.40</b>
<b>2.</b>	<b>Mrs. Anisha Seth</b>				
	At the beginning of the year	3,813,853	13.50	3,813,853	13.50
	Add: Purchase of shares on March 23, 2020	180,450	0.66	3,994,303	14.59
	Add: Purchase of shares on March 26, 2020	25,255	0.09	4,019,558	14.68
	At the end of the year			<b>4,019,558</b>	<b>14.68</b>
<b>3.</b>	<b>Varun Daga</b>				
	At the beginning of the year	2,091,971	7.40	2,091,971	7.40
	Less: Sell of shares on August 23, 2019	2,062	0.01	2,089,909	7.63
	Less: Sell of shares on March 13, 2020	204	-	2,089,705	7.63
	At the end of the year			<b>2,089,705</b>	<b>7.63</b>
<b>4.</b>	<b>Mr. Pardeep Khosla</b>				
	At the beginning of the year	100	-	100	-
	At the end of the year			<b>100</b>	<b>-</b>
<b>5.</b>	<b>Mr. Mukesh Deopura</b>				
	At the beginning of the year	2,457	0.01	2,457	0.01
	At the end of the year			<b>2,457</b>	<b>0.01</b>



<b>6.</b>	<b>Ms. Neha Poddar*</b>				
	At the beginning of the year	1	-	1	-
	At the end of the year			<b>1</b>	-
<b>7.</b>	<b>Ms. Neha Devpura**</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

\* Mrs. Neha Poddar, Company Secretary & Compliance Officer of the Company, resigned from the closing of business working hours on January 18, 2020.

\*\*Mrs. Neha Devpura, appointed as a Company Secretary and Compliance Officer of the Company w.e.f. February 04, 2020.

- As Buyback was closed on September 04, 2019, thereby reducing the paid up share capital to 27,383,065 therefore transactions executed after September 04, 2019, percentage is calculated on 27,383,065 Equity Shares.

**V. INDEBTEDNESS:**

**Indebtedness of the Company including interest outstanding/ accrued but not due for payment**

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness (₹ in Lakhs)</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	980.14	-	-	980.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.82	-	-	5.82
<b>Total (i+ii+iii)</b>	<b>985.96</b>	<b>-</b>	<b>-</b>	<b>985.96</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	628.41	-	-	628.41
• Reduction	-	-	-	-
<b>Net Change</b>	<b>628.41</b>	<b>-</b>	<b>-</b>	<b>628.41</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,607.94	-	-	1,607.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.43	-	-	6.43
<b>Total (i+ii+iii)</b>	<b>1,614.37</b>	<b>-</b>	<b>-</b>	<b>1,614.37</b>





**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sr. No.	Particulars of Remuneration	Mr. Pankaj Seth, MD	Ms. Anisha Seth, WTD	Total Amount (₹ in Lakhs)
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	208.33	208.33	416.66
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>208.33</b>	<b>208.33</b>	<b>416.66</b>
	Ceiling as per the Act	The remuneration paid to Managing Director and Whole-time Director are within the ceiling prescribed under Companies Act, 2013.		

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of Director					Total Amount (₹ Lakhs)
		Mr. Saumil Marfatia	Mr. Balkrishna Patil	Mr. Pardeep Khosla	Mr. Sunil Buch	Mr. Varun Daga	
1	<b>Independent Directors</b>						
	- Fee for attending Board/ Committee Meetings	0.55	0.30	0.90	0.95	-	2.70
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.55</b>	<b>0.30</b>	<b>0.90</b>	<b>0.95</b>	<b>-</b>	<b>2.70</b>
2	<b>Other Non Executive Director</b>						
	- Fee for attending Board/ Committee Meetings	-	-	-	-	0.85	0.85
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.85</b>	<b>0.85</b>
3	<b>Executive Director</b>						
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	<b>Total (3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1+2+3)</b>	<b>0.55</b>	<b>0.30</b>	<b>0.90</b>	<b>0.95</b>	<b>0.55</b>	<b>3.55</b>
	<b>Total Managerial Remuneration (A+B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>420.21</b>
	<b>Overall Ceiling as per the Act</b>	The remuneration paid to other Directors are within the ceiling prescribed under Companies Act, 2013					



**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹ In Lakhs)
		Mr. Mukesh Deopura, Chief Financial Officer	*Ms. Neha Poddar, Company Secretary	**Ms. Neha Devpura, Company Secretary	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33.85	9.44	2.13	45.42
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option (No. of Options)	20,000	6,000	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>33.85</b>	<b>9.44</b>	<b>2.13</b>	<b>45.42</b>

\*Mrs. Neha Poddar has resigned w.e.f. the closing of business working hours on January 18, 2020.

\*\* Mrs. Neha Devpura has been appointed w.e.f. February. 04, 2020

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					



**ANNEXURE II**

**Form No. AOC – 2**

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with, related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto.**

**1. Details of Contracts or arrangements or transactions not at arm’s length basis:**

The Company has not entered into any contracts or arrangements or transactions with its related parties which are not on arm’s length basis during the Financial Year 2019-20.

**2. Details of material contracts or arrangements or transactions at arm’s length basis:**

a	Name of the Related Party and Nature of Relationship	Rainbow Line Trading L.L.C., Associate Company
b	Nature of contracts/ arrangements/ transactions	Sales
c	Duration of contracts/ arrangements/transactions	On – going transaction (Continuous)
d	Salient terms of the contracts or arrangements or transactions including the value, if any	Sales of ₹ 2,189.81 Lakhs to Rainbow Line Trading L.L.C., U.A.E. an associate company.
e	Date(s) of approved by the Board, if any	February 04, 2020
f	Amount paid as advance, if any	-

**For and on behalf of the Board of Directors**

Dated: August 12, 2020  
Place: Mumbai

**Pankaj Seth**  
**Chairman & Managing Director**  
**(DIN: 00027544)**



**ANNEXURE III**

Particulars required under the Clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

**A. CONSERVATION OF ENERGY:**

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

**B. POWER AND FUEL CONSUMPTION:**

Electricity Consumed	Current Year	Previous Year
Unit	80,52,127	83,86,108
Amount (₹ In Lakhs)	429.01	423.44
Rate per unit (₹)	5.33	5.05

**C. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT (R & D):**

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

**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.

**E. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Total Foreign Exchange used and earned:

Total Foreign Exchange used	:	₹ 387.31 Lakhs
Total Foreign Exchange earnings	:	₹ 10,090.77 Lakhs

**For and on behalf of the Board of Directors**

Dated: August 12, 2020  
Place: Mumbai

**Pankaj Seth**  
**Chairman & Managing Director**  
**(DIN: 00027544)**



**ANNEXURE IV**  
**PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**1. The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20:**

Sr. No.	Name of the Director	Ratio to Median Remuneration
1.	Mr. Pankaj Seth	97.49
2.	Mrs. Anisha Seth	97.49

*\* For this purpose, Sitting Fees paid to the Directors has not been considered as remuneration.*

**2. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2019-20 compared to financial year 2018-19:**

Sr. No.	Name of the Director	% increase in Remuneration
1.	Mr. Pankaj Seth	(16.67)
2.	Mrs. Anisha Seth	(16.67)
3.	Mr. Mukesh Deopura	17.45
4.	*Mrs. Neha Poddar	13.86
5	**Mrs. Neha Devpura	NA

*\*Mrs. Neha Poddar resigned w.e.f. the closing of business working hours on January 18, 2020 and hence the details are upto the date of her employment with the Company.*

*\*\* Mrs. Neha Devpura was appointed w.e.f. February 04, 2020, hence there is no comparison from the last period.*

**3. The percentage increase in the median remuneration of employees in the financial year:**

In the financial year 2019-20, there was an increase of 7.43% in the median remuneration of employees.

**4. The number of permanent employees on the rolls of company:**

There were 417 Permanent employees on the rolls of Company as on March, 31 2020.

**5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentage increase made in the salaries of employees other than the managerial personnel for the Financial Year i.e. 2019-20 was 8.04% whereas there was decrease in the managerial remuneration for the same Financial Year by 16.67%.

**6. Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

**For and on behalf of the Board of Directors**

Dated: August 12, 2020  
Place: Mumbai

**Pankaj Seth**  
**Chairman & Managing Director**  
**(DIN: 00027544)**



**Annexure VI**  
**FORM NO. MR - 3**

**Secretarial Audit Report**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

To,  
The Members,  
**Orbit Exports Limited.**  
122, 2nd Floor, Mistry Bhavan,  
Dinshaw Wachha Road,  
Churchgate, Mumbai - 400020

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by **M/S ORBIT EXPORTS LIMITED** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the **M/S ORBIT EXPORTS LIMITED** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period April 01, 2019 to March 31, 2020 ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/S ORBIT EXPORTS LIMITED** ("the Company") as given in **Annexure I**, for the period 1st April, 2019 to 31st March, 2020 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - (iii) The Depositories Act, 1996 and Regulations & the Bye-laws, 1996 thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
    - v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - vi. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as the Company has not issued/listed/propose to list its Debt Securities to any Stock Exchange during the Financial Year under review)**
  - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not listed/propose to delist its Equity Shares from any Stock Exchange during the Financial Year under review)**
  - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;



The Company has complied with following specific laws applicable to the Company

- i. Information Technology Act, 2000;
  - ii. Essential Commodities Act, 1955;
  - iii. The Textiles (Development and Regulation) Order, 2001;
  - iv. Public Liability Insurance Act, 1991.
3. I have relied on the Representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis. The list of major head/groups of Acts, Laws and Regulations as generally applicable to the Company is given in **Annexure II**.
4. In case of Direct and Indirect Tax Laws like Income Tax Act, Goods and Services Tax (GST) and Custom Acts I have relied on the Reports given by the Statutory Auditors of the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act.

Adequate Notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the year/audit period under report, the Company has undertaken the following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards, etc.

1. Mr. Bruce Larry Kieval (DIN: 00335336) resigned from the Directorship with effect from 25/09/2019.
2. The Annual General Meeting held on 30/09/2019 where:
  - Mr. Sunil Buch (DIN: 07780539) has been regularized as Director from Additional Director under section 161 of the Companies Act, 2013 and designated him as Non – Executive Independent Director not liable to retire by rotation, who shall hold his office upto next 5 years i.e., from 04/02/2019 to 03/02/2024.
  - Mr. Saumil Ushakant Marfatia (DIN: 02774221) has been re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of 02 (two) years consecutive years i.e., up to September 09, 2021.
  - Mr. Pankaj Seth (DIN: 00027554) has been re-appointed as Managing Director of the Company for 5 years w.e.f. 01/04/2020.
  - Mrs. Anisha Seth (DIN: 00027611) has been re-appointed as Whole-time Director of the Company for 5 years w.e.f. 01/04/2020.
3. Ms. Neha Poddar, resigned from the post of Company Secretary and Compliance Officer w.e.f. the closing of business working hours on 18/01/2020.
4. Mrs. Neha Devpura was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 04/02/2020.



5. The Company has bought back 8,74,791 Equity Shares at an average price of ₹ 114.23/- per Equity Share for an aggregate consideration of ₹ 9,99,24,123.60/- excluding Transaction Costs, which represents 99.92% of the Maximum Buy-back Size. Further, the number of Equity Shares bought back under the Buy-back does not exceed 25% of the total number of Equity Shares of the Company.

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

**(S.K. Jain)**

FCS: 1473

COP: 3076

UDIN NO.: F001473B000360260

Place: Mumbai

Date : 20/06/2020

#### **ANNEXURE - I**

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made thereunder the Memorandum & Articles of Association of the Company with regard to:-

1. Minutes of the Meetings of the Board of Directors, Committee meetings held during the Financial Year under Report;
2. Minutes of General Meetings held during the Financial Year under report;
3. Maintenance of various Statutory Registers and Documents and making necessary entries therein;
4. Notice and Agenda papers submitted to all the Directors for the Board Meetings;
5. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
6. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Obligations and Disclosure Requirements during the financial year under Report;
7. Disclosure of Interest and Concerns in contracts and arrangement, shareholdings and Directorships in other Companies and interest in other entities by Directors;
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report;
9. Appointment and remuneration of Internal and Statutory Auditor;
10. Closure of Register of Members/record date for dividends;
11. Declaration and payment of dividend.

#### **ANNEXURE - II**

##### **List of applicable laws to the Company**

1. The Maharashtra Shops & Establishment Act, 1948 and rules made thereunder;
  - a) Contract Labour (Regulation and Abolition) Act, 1970
  - b) The Employment Provident Fund and Miscellaneous Provision Act, 1952
  - c) The Factories Act 1948
  - d) Air(Prevention and Control of Pollution)Act, 1981
  - e) The Employees State Insurance Act, 1948
  - f) The Payment of Bonus Act, 1965
  - g) The Minimum Wages Act, 1948
  - h) The Payment of Wages Act, 1936
  - i) The Code on wages, 2019





2. Other act applicable to the company are:-
- a) The Maternity Benefit Act, 1961;
  - b) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - c) The Payment of Gratuity Act, 1972;
  - d) Professional Tax Act, 1975;
  - e) Employment Compensation Act;
  - f) Employment Exchange Act;
  - g) Bureau of Indian Standard Act, 2016
  - h) The Employment Provident Funds Scheme, 1952

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

**(S.K. Jain)**

FCS: 1473

COP: 3076

UDIN NO.: F001473B000360260

Place: Mumbai

Date : 20/06/2020

**ANNEXURE VI**  
**ANNUAL REPORT ON THE CSR ACTIVITIES**

**Report on Corporate Social Responsibility as per Rule 8 of the Companies  
(Corporate Social Responsibility Policy) Rules, 2014**

We present our report on Corporate Social Responsibility for the Financial Year 2019-20 including an overview of projects or programs proposed to be undertaken by the Company.

Your Company focuses on CSR initiatives that promotes the areas identified in its policy which covers promoting health care and education to the weaker section of the society, medical assistance to poor people, schemes for unemployment to earn a livelihood, construction and development of parks, yoga centers.

The CSR Policy of the Company is available on website of the Company on [www.orbitexports.com](http://www.orbitexports.com).

**1. Composition of CSR Committee:**

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR policy. The composition of CSR Committee as on March 31, 2020 of is as follows:

Sr. No.	Name	Designation
1.	Mr. Pankaj Seth	Chairman of the Committee and Managing Director
2.	Mrs. Anisha Seth	Whole-Time Director (Member)
3.	Mr. Pardeep Khosla	Independent Director (Member)

**2. Average Net Profit of the Company for Last three Financial Years:**

Net Profit	For the Financial Year ended March 31, 2020 (₹ In Lakhs)		
	2018-19	2017-18	2016-17
	3,106.25	3,271.06	2,907.66
Average Net Profit for the preceding three Financial Years	3,094.99		

**3. Prescribed CSR Expenditure (2% of Average Net Profit): ₹ 61.90 Lakhs**

**4. Details of CSR spent during the Financial Year:**

- (a) **Total amount spent for the financial year:** During the Financial Year 2019-20, the Company has spent ₹ 154.40 Lakhs/- towards CSR Expenditure.

The amount has been spent in the following manner:

Financial Years	Amount considered as CSR expenditure which had been spent in the Financial Year 2019-20 (₹ in Lakhs)
F.Y. 2016-17	45.86
F.Y. 2017-18	46.67
F.Y. 2019-20	61.89

- (b) **Amount unspent**, if any: ₹ 73.86 Lakhs (belonging to previous years)



(c) Manner in which amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Amount spent: Direct or through implementing agency
1.	Child Rights, Care and Protection of Children, Education	Promoting Education	Local Area, Mumbai, Maharashtra	4.14	Direct- CSR is given as Donation to various Institutions / Trusts
2.	Helping poor marginalized people by providing them health services & providing them livelihood.	Helping poor people by providing health services	Ahmedabad, Gujarat	25.00	
3.	Betterment of life of economically and socially weaker section of the society, promotion of quality education and employment, environment protection, protection and development of art and culture	Environment Protection and Betterment of life of economically weaker section of society	Nathdwara, Rajasthan	1,250.00	

**Note:** During the Financial Year 2019-20, the Company had spent ₹ 154.44 Lakhs towards CSR Expenditure. Out of the above spent amount, the Company had spent ₹ 61.89 Lakhs for the FY 2019-20, ₹ 46.67 Lakhs for the FY 2017-18 and ₹ 45.86 Lakhs for the FY 2016-17.

**5. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

Not Applicable

**6. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company:**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and CSR policy of the Company.

**For and on behalf of the Board of Directors**

Dated: August 12, 2020  
Place: Mumbai

**Pankaj Seth**  
**Chairman & Managing Director**  
**(DIN: 00027544)**



## **CORPORATE GOVERNANCE REPORT**

The Board of Directors present Company's report on Corporate Governance in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations" as amended, for the year ended March 31, 2020 and the report contains the details of Corporate Governance systems and processes at Orbit Exports Limited (OEL).

At **ORBIT EXPORTS LIMITED**, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. At **ORBIT EXPORTS LIMITED**, we consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. The Company believes that, the building of Business depends upon trust, commitments and hard work.

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Your Company's philosophy on Corporate Governance is to achieve business excellence and to meet the expectations of its customers, shareholders, employees, business associates, the society at large and in complying with the dictates of the regulatory frame work. The Company is committed to transparency in all its dealings and places high emphasis on business ethics. The Company emphasizes on the need for complete transparency and accountability in all its dealings to protect stakeholder interests. We believe that Corporate Governance is voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also by being responsive to our stakeholders needs. The Company has extremely stood by the core principles of Corporate Governance. The Board and its Committees guide, support and complement the management team's ideas and initiatives, which in turn assumes accountability strives to achieve the set objectives and enhances stakeholder value.

### **Best Corporate Governance practices**

Your Company maintains the highest standards of corporate governance. It is the Company's constant endeavor to adopt the best corporate governance practices. Your Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable, with regard to Corporate Governance. Some of the best implemented global governance norms include the following:

1. All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Board of Directors.
2. The Company's Internal Audit is conducted by Independent Auditors.
3. The Company also undergoes Secretarial Audit conducted by an Independent Company Secretary who is in whole-time practice. The annual secretarial audit report placed before the Board is included in the Annual Report.

### **BOARD OF DIRECTORS**

The Board of the Company comprises of an optimum combination of Executive, Non-Executive and Independent Directors.

The Board is composed of Directors with rich professional experience in diverse fields. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve the Company's objectives for value creation through sustainable profitable growth. The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behavior and ensures compliance with laws and regulations impacting the Company's business.

#### **a) Composition of the Board**

The composition of the Board is in conformity with the requirements of Regulation 17 of the SEBI (LODR) Regulations, 2015 and comply with Section 149 of Companies Act, 2013.

As on March 31, 2020, the Board comprises of Six Directors out of which Two (2) are Promoter & Executive Directors, one being Managing Director and the other is Whole Time Director. Three (3) Directors are Non-Executive Independent Directors and One (1) Director is a Non-Executive Non-Independent Director. The Chairman of the Board is an Executive Director (Promoter), therefore in conformity with the Regulation 17 of the SEBI (LODR) Regulations, 2015 read with Section 149 of the Act, 50% of the Board comprises of Non-Executive Directors. The profiles of our Directors are available at our website at [www.orbitexports.com](http://www.orbitexports.com).



The relevant details of Composition, Category, Directorship and Committee Membership in other Companies held on March 31, 2020 by each Member of Board are as follows:

Name of Directors	Category	No. of Shares held	Number of Directorship in other Public Limited Companies#	Number of Membership/ Chairmanship in Committees of other Boards of other Public Limited Companies		List of Directorship held in other listed companies and category of directorship	Inter-se Relationship between Directors
				Chairman	Member		
Mr. Pankaj Seth (DIN: 00027554)	Promoter/ Chairman and Managing Director	11,337,112	-	-	-	-	Husband of Mrs. Anisha Seth
Mrs. Anisha Seth (DIN: 00027611)	Promoter/ Whole-time Director	4,019,558	-	-	-	-	Wife of Mr. Pankaj Seth
Mr. Pardeep Khosla (DIN: 06926523)	Non-Executive, Independent Director	-	-	-	-	-	-
*Mr. Bruce Larry Kieval (DIN: 00335336)	Executive Director	-	-	-	-	-	-
Mr. Saumil Marfatia (DIN: 02774221)	Non-Executive, Independent Director	-	-	-	-	-	-
**Mr. Sunil Buch (DIN: 07780539)	Non-Executive, Independent Director	-	-	-	-	-	-
***Mr. Balkrishna Patil (DIN: 02927967)	Non-Executive, Independent Director	-	-	-	-	-	-
Mr. Varun Daga (DIN: 01932805)	Non-Executive Non-Independent Director	2,089,705	-	-	-	-	-

**Notes:**

- # Excludes Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.
- \* Mr. Bruce Larry Kieval, Executive Director ceased to be Director of the Company w.e.f. September 25, 2019.
- \*\* Mr. Sunil Ramesh Buch was appointed as an Independent Director for a term of Five (5) consecutive years in the Annual General Meeting held on September 30, 2019.
- \*\*\* Mr. Balkrishna Patil, Independent Director of the Company retired on September 30, 2019 upon completion of his second term of Directorship on Board.

**b) Meetings and Attendance**

During the Financial Year 2019-20, Five (5) Board Meetings were held, i.e., on May 13, 2019, August 13, 2019, November 12, 2019, February 04, 2020 and March 06, 2020. The maximum gap between any two Board meetings was not more than One Hundred and Twenty (120) days, as stipulated under Regulation 17(2) of the Listing Regulations. The notice and detailed agenda along with the relevant notes and other material information were sent in advance separately to each Director. The Agenda for the Board and Committee Meetings covered items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable.



The details of Attendance of each Director at the Meetings of Board and the last Annual General Meeting are as follows:

Name of the Director	Attendance at Board Meeting held during FY 2019-20		Attendance at Last AGM held on September 30, 2019
	Number of Board Meetings held	Number of Meetings attended	
Mr. Pankaj Seth (DIN: 00027554)	5	5	Yes
Mrs. Anisha Seth (DIN: 00027611)	5	5	No
Mr. Pardeep Khosla (DIN: 06926523)	5	5	Yes
*Mr. Bruce Larry Kieval (DIN: 00335336)	2	1	No
Mr. Saumil Marfatia (DIN: 02774221)	5	4	Yes
Mr. Sunil Buch (DIN: 07780539)	5	5	No
**Mr. Balkrishna Patil (DIN: 02927967)	2	2	No
Mr. Varun Daga (DIN: 01932805)	5	5	No

\* Mr. Bruce Larry Kieval, Executive Director ceased to be Director of the Company w.e.f. September 25, 2019.

\*\* Mr. Balkrishna Patil, Independent Director of the Company retired on September 30, 2019 upon completion of his second term of Directorship on Board.

Date wise attendance of each Director in the Meeting of the Board:

Name of the Director	Attendance at Board Meeting held during FY 2019-20				
	May 13, 2019	August 13, 2019	November 11, 2019	February 04, 2020	March 06, 2020
Mr. Pankaj Seth (DIN: 00027554)	Yes	Yes	Yes	Yes	Yes
Mrs. Anisha Seth (DIN: 00027611)	Yes	Yes	Yes	Yes	Yes
Mr. Pardeep Khosla (DIN: 06926523)	Yes	Yes	Yes	Yes	Yes
*Mr. Bruce Larry Kieval (DIN: 00335336)	Yes	No#	NA	NA	NA
Mr. Saumil Marfatia (DIN: 02774221)	Yes	Yes	No#	Yes	Yes
Mr. Sunil Buch (DIN: 07780539)	Yes	Yes	Yes	Yes	Yes
**Mr. Balkrishna Patil (DIN: 02927967)	Yes	Yes	NA	NA	NA
Mr. Varun Daga (DIN: 01932805)	Yes	Yes	Yes	Yes	Yes

# Were given leave of absence on request.

\* Mr. Bruce Larry Kieval, Executive Director ceased to be Director of the Company w.e.f. September 25, 2019.

\*\* Mr. Balkrishna Patil, Independent Director of the Company retired on September 30, 2019 upon completion of his second term of Directorship on Board.



**c) Familiarization Programme:**

The Familiarization Program aims to provide insight to the Independent Directors in order to enable them to understand the business of the Company in depth, to acclimatize them with the processes and functionalities of the Company and to assist them in understanding their role and responsibilities. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarize them with the Company's policies, procedures and practices. The Independent Directors are also updated as and when required of their role, rights and responsibilities under applicable provisions of the Companies Act, 2013, Listing Regulations and Secretarial Standards and such other Compliances as applicable.

They are also informed of the important policies of the Company, including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading in securities by Insiders, etc. The terms of appointment of Independent Directors which inter alia, explains the role, functions, duties and responsibilities and his/her expectations by the Board are disseminated on website of the Company at [www.orbitexports.com](http://www.orbitexports.com).

**d) Evaluation of Board:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of Independent Directors was carried out by entire Board of Directors on the basis of performance of the Directors, fulfillment of the independence criteria as specified in these regulations and their ability to bring an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

**e) Independent Director**

All the Independent Directors have confirmed that they meet the criteria of independence as laid out under Section 149 of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereto. None of the Independent Directors have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgment in any manner. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management. During the Financial Year 2019-20, none of the Independent Directors have tendered their resignation before the expiry of their tenure.

The tenure of Mr. Pardeep Khosla (DIN: 06926523), Non-Executive Independent Directors expires at the ensuing Annual General and is proposed to be re-appointed for another term of Five (5) years. After March 31, 2020, Mrs. Chetna M Malaviya (DIN: 07300976) has been appointed as Woman Non-Executive Independent Director for a term of Five (5) years subject to approval of Members in the General Meeting.

**f) Separate Meeting of Independent Directors:**

In accordance with Section 149 read with Schedule IV to the Companies Act, 2013 ("the Act") and Regulation 25(3) of Listing Regulations, the Independent Directors of the Company meets without the presence of management. During the year, the Independent Directors in their separate Meeting held on March 13, 2020 have inter-alia:

1. Reviewed the performance of the Non-Independent Directors and Board as a whole;
2. Reviewed the performance of the Chairperson of the Board by the other Independent Directors taking into account the views of Executive Director and Non-Executive Directors; and
3. Assessed the flow of information between the Management and the Board and its Committees.



**g) Chart / Matrix setting out the skills / expertise / competence of the Board of Directors:**

In terms of requirement of Listing Regulations, the Board has identified the following core skills / expertise / competencies of the Directors in the context of the Company's business for effective functioning as given below:

Competency	Description
Commercial acumen	Experience of leading operations with deep understanding of complex business processes, regulatory and governance environment, risk management and ability to visualize and manage change.
Business Strategies and innovations	Expertise in developing and implementing strategies for sustainable and profitable growth of the Company in various segments.
Finance	Finance field skills/competencies/expertise for intricate and high quality financial management and financial reporting processes.
Governance and Regulatory framework knowledge	Knowledge and experience in regulatory and governance requirements and ability to identify key risks affecting the governance of the Company.
Building High Performance Teams	Build and nurture talent to create strong and competent future business leaders.

**Details of the skills/ expertise/ competencies possessed by the Directors who were part of the Board as on March 31, 2020, are as follows :**

Competency	Name of Directors who have Skills, Expertise and Competence					
	Mr. Pankaj Seth	Mrs. Anisha Seth	Mr. Pardeep Khosla	Mr. Saumil Marfatia	Mr. Sunil Buch	Mr. Varun Daga
Commercial acumen	√	--	--	√	√	√
Business Strategies and innovation	√	√	--	√	√	√
Finance	√	√	√	√	√	√
Governance and Regulatory framework knowledge	--	√	√	--	--	√
Building High Performance Teams	√	√	√	--	√	--

**h) Directors seeking appointments / re-appointments:**

The details of directors seeking appointments / re-appointments forms part of the Notice of the 37<sup>th</sup> Annual General Meeting of the Company.

**COMMITTEES OF THE BOARD:**

With a view to have a more focused attention on business and for better Corporate Governance and accountability, the Board has constituted the following mandatory Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and their relevance is reviewed from time to time.

Meetings of each of these Committees are convened by the respective Chairman and Members of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The Board has constituted various committees in accordance with Companies Act, 2013 and Listing Regulations, with specific terms of reference and scope. The details of the committees constituted by the Board are given below:





**a) Audit Committee**

The Audit Committee of the Board meets the criteria as laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

**Terms of reference of the Audit Committee are as under:**

The Audit Committee of the Company is entrusted with the responsibility to perform the following functions:

- i. Oversight the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report;
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the listed entity with related parties;
- ix. Scrutiny of inter-corporate loans and investments made by the Company;
- x. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- xv. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xvi. Reviewing the functioning of the Whistle Blower mechanism;
- xvii. Approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xviii. Carrying out any other function as is mentioned in the terms of reference of the audit committee;



- xix. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- xx. Review of Management discussion and analysis of financial condition and results of operations;
- xxi. Reviewing statement of significant related party transactions (as defined by the audit committee), submitted by management;
- xxii. Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- xxiii. Reviewing internal audit reports relating to internal control weaknesses;
- xxiv. Reviewing appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the audit committee.
- xxv. Reviewing Statement of deviations:
  - a. Quarterly statement of deviations(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in the terms of Regulation 32(7).

**Composition, Meetings and Attendance:**

The Committee comprises of Three (3) Members, out of which the Two (2) Members are Non-Executive Independent Director and One (1) Member is Non-Executive Non-Independent Director. The Chairman of the Committee is Non-Executive Independent Director. The Committee invites the representatives of the Statutory and Internal Auditors in its Meetings. Further, the Chief Financial Officer also attends the Audit Committee Meeting(s). The Company Secretary acts as a Secretary to the Audit Committee.

Mr. Pardeep Khosla is the Chairman of the Committee and was present at the last Annual General Meeting of the Company held on September 30, 2019.

During the FY 2019-20, Four (4) Meetings were held of the Committee on May 13, 2019, August 13, 2019, November 12, 2019 and February 04, 2020. The gap between two consecutive meetings was not more than 120 days.

The Composition of the Committee and Members' attendance at the Meeting are as under:

Name	Designation	Category of Directorship	Attendance of the Meeting during FY 2019-20	
			No of Meetings held	No. of Meetings attended
Mr. Pardeep Khosla	Chairman	Non-Executive Independent Director	4	4
Mr. Varun Daga	Member	Non-Executive Non- Independent Director	4	4
*Mr. Balkrishna Patil	Member	Non-Executive Independent Director	2	2
**Mr. Sunil Buch	Member	Non-Executive Independent Director	2	2

\* Ceased to be Committee Member on September 30, 2019.

\*\* Appointed as Committee Member in the Committee Meeting held on August 13, 2019.

**b) Nomination and Remuneration Committee**

The Nomination & Remuneration Committee has been constituted in accordance with the provisions of Section 178 (1) of the Companies Act, 2013 and Regulation 19 (4) read with Part-D of Schedule-II of Listing Obligations and Regulations.



**Terms of Reference of the committee inter-alia includes:**

- i. Setup and composition of the Board, its Committees and Senior Management/Executive team of the Company including Key Managerial Personnel ("KMP" as defined under the Act);
- ii. Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;
- iii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iv. Identifying persons who are qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- v. Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- vi. Devising a policy on Board diversity;
- vii. Recommending the Board whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance valuation of Independent Directors;
- viii. Oversight of the Familiarisation Programme of Directors; and
- ix. Performing such other functions or duties as may be delegated by the Board

**Composition, Meetings and Attendance:**

As on March 31, 2020, the Committee comprises of Four (4) Members, out of which Two (2) Members are Non-Executive Independent Director, One (1) Member is Non-Executive Non-Independent Director and One (1) Member is Chairman of the Company being Executive & Promoter Director. The Chairman of the Committee is Non-Executive Independent Director. The Company Secretary acts as a Secretary to the Audit Committee.

During the FY 2019-20, Three (3) Meetings were held of the Committee on May 13, 2019, November 12, 2019 and February 04, 2020.

The Composition of the Committee and members' attendance at the Meeting are as under:

Name	Designation	Category of Directorship	Attendance of the Meeting during FY 2019-20	
			No of Meetings held	No. of Meetings attended
Mr. Pardeep Khosla	Chairman	Non-Executive Independent Director	3	3
Mr. Sunil Buch	Member	Non-Executive Independent Director	3	3
Mr. Varun Daga	Member	Non-Executive Non-Independent Director	3	3
Mr. Pankaj Seth	Member	Managing Director (Executive & Promoter)	3	3

**Performance Evaluation Criteria for Independent Directors**

The criteria for performance evaluation of the Independent Directors included aspects on contribution to the Board and Committee meetings like knowledge of business, preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, concern for stakeholders, attentive to the internal controls mechanism and ethical conduct issues.

Performance Evaluation of Independent Directors is done by the entire Board of Directors except the Director whose evaluation is being done. The Board also evaluates if the Independent Directors fulfills the criteria of independence as laid down in the Companies Act, 2013, and Listing Regulations.



**Remuneration to Directors:**

**i. Remuneration Policy**

The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. and the same is available on the Company’s website - [www.orbitexports.com](http://www.orbitexports.com).

The Remuneration Policy has laid down the criteria for determining qualifications, positive attributes, Independence of Director and Board diversity. The Policy lays down the factors for determining remuneration of Executive Directors, Non-Executive Directors, Key Managerial Personnel and other employees. The policy also lays down the evaluation criteria of the Independent Directors and the Board.

The Nomination and Remuneration Committee decides the remuneration for the Executive Directors.

**ii. Remuneration to Executive Directors**

As of March 31, 2020, there are two Executive Directors of the Company, i.e., Managing Director and the Whole-Time Director. Payment of remuneration to the Managing Director and the Whole-Time Director is within the limits set out in Section 197 and Schedule V to the Companies Act, 2013 and is governed by the recommendation of the Nomination and Remuneration Committee and duly approved by the Members of the Company. Their remuneration structure comprises salary, Company’s contribution to Provident Fund and pension scheme, house rent allowance (HRA), medical expenses, club fees etc. and other perquisites and allowances in accordance with the rules of the Company, applicable from time to time. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof. Terms of the service and the notice period are as per the terms of agreement entered into by him with the Company.

Details of remuneration paid to the Managing Director and Whole Time Director during the year along with the shareholding are provided in form MGT – 9 forming part of this Annual Report.

The Executive Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

**Details of Remuneration paid during the Financial Year 2019-2020:**

Sr. No.	Name	Salary & Other Benefits (₹ in Lakhs)
1.	Mr. Pankaj Seth, Managing Director	₹ 208.33/-
2.	Mrs. Anisha Seth, Whole- Time Director	₹ 208.33/-

**iii. Remuneration to Non-Executive Directors**

The Non-Executive Directors are paid remuneration by way of sitting fees for each meeting of the Board or Committee attended by them as recommended by Nomination and Remuneration Committee. No stock options are granted to Non-Executive Directors of the Company.

The Company has no pecuniary relationship or transaction with its non-executive and independent directors other than payment of sitting fees to them for attending Board and Committee meetings.

The details of sitting fees paid to the Directors are given in Form MGT-9 forming part of the Directors’ Report.

**iv. Criteria for making payment to Non-Executive Directors**

The Company has formulated a Nomination and Remuneration Policy which indicates criteria for making payment to Non-Executive Directors. As per the said Policy, the remuneration to Non-Executive Directors shall be in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force.

The Non-Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committees thereof. The amount of such fees shall not exceed the maximum amount as provided in the Act per meeting of the Board or Committees. The said Policy is available on the Company’s website- [www.orbitexports.com](http://www.orbitexports.com).

**v. Details of service contracts, notice period and severance fees of the Executive Directors**

Name of Director	Mr. Pankaj Seth	Mrs. Anisha Seth
Date of contract	April 01, 2020	April 01, 2020
Term of contract	3 years	3 years
Notice Period	NA	NA
Severance Fees	NA	NA



**c) Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 read with Part-D of Schedule-II of Listing Regulations.

**Terms of Reference of the Committee are as under:**

- i. Resolving the grievances of the security shareholders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new duplicate certificates, general meetings, etc;
- ii. Reviewing measures taken for effective exercise of voting rights by shareholders;
- iii. Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. Reviewing the various measures and initiatives taken by the Company for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- v. Approving and monitoring transfer, transmission, split, consolidation and dematerialization, rematerialization of shares and/or securities and issue of duplicate share and/or security certificates of the Company over and above the delegated power;
- vi. Reviewing of correspondence with the shareholders vis-à-vis legal cases and take appropriate decisions in that regard;
- vii. Reviewing the measures taken for effective exercise of voting rights by shareholders;
- viii. Reviewing the performance of the Registrar & Share Transfer Agent and recommend the measures for overall improvement in the quality of investor services;
- ix. Considering and reviewing such other matters, as the Committee may deem fit, from time to time.

**Composition, Meetings and Attendance:**

As on March 31, 2020, the Committee comprises of Three (3) Members, out of which Two (2) Members are Non-Executive Independent Director and One (1) Member is Executive Director. The Chairman of the Committee is Non-Executive Independent Director. The Company Secretary acts as a Secretary to the Audit Committee.

Mr. Saumil Marfatia is the Chairman of the Committee and was present at the last Annual General Meeting of the Company held on September 30, 2019.

During the FY 2019-20, Four (4) Meetings were held of the Committee on May 13, 2019, August 13, 2019, November 12, 2019 and February 04, 2020.

The Composition of the Committee and Members' attendance at the Meeting are as under:

Name	Designation	Category of Directorship	Attendance of the Meeting during FY 2019-20	
			No of Meetings held	No. of Meetings attended
Mr. Saumil Marfatia	Chairman	Non-Executive Independent Director	4	3
Mr. Sunil Buch	Member	Non-Executive Independent Director	4	4
Mr. Pankaj Seth	Member	Managing Director (Executive & Promoter)	4	4

**Details of Compliance Officer:**

Mrs. Neha Poddar acted as the Company Secretary and Compliance Officer of the Company upto the closing of business hours of January 18, 2020. The Board of Directors, thereafter appointed Ms. Neha Devpura as Company Secretary and Compliance Officer in terms of the provisions under Section 203 of the Companies Act, 2013 and Regulation 6(1) of the Listing Regulations w.e.f. February 04, 2020.



**The communication details of the Compliance Officer are as under:**

Mrs. Neha Devpura  
 Company Secretary & Compliance Officer  
 Orbit Exports Limited  
 122, 2<sup>nd</sup> Floor, Mistry Bhawan,  
 Dinshaw Wachha Road,  
 Churchgate, Mumbai – 400020  
 Ph No.:022- 66256228/ 7738021120  
 Email id: [investors@orbitexports.com](mailto:investors@orbitexports.com)

**Status Report of Investor Complaints for the year ended March 31, 2020**

The status of shareholder complaints received and resolved during the Financial Year 2019-20 is as under:

Pending complaints as on April 01, 2019	Complaints received during the year	Complaints disposed during the year	Complaints pending as on March 31, 2020
2	5	7	0

**Number of Complaints not solved to the satisfaction of shareholders**

During the FY 2019-20, there were no such complaints which were not resolved satisfactorily.

**d) Corporate Social Responsibility (CSR) Committee**

The Corporate Social Responsibility has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 and the corresponding Rules framed thereunder. The Committee is constituted to oversee and give direction to the Company’s CSR activities.

**Terms of Reference of the Committee are as under:**

- i. Formulating and recommending to the Board, the CSR policy and indicating activities to be undertaken as specified in Schedule VII of the Act.
- ii. Deciding the CSR Projects or Programs to be taken up by the Company either directly or through registered trust or registered society or a Company established by the Company or its holding or subsidiary or associate Company under Section 8 of the Act or otherwise;
- iii. Recommending the Board about the CSR projects or programs proposed to be undertaken up by the Company;
- iv. Defining and monitoring the Budgets for the carrying out the CSR Projects or Programs;
- v. Recommending the amount of expenditure for the CSR activities;
- vi. Overseeing the progress of the CSR Projects or Programs rolled out under this Policy as may be required;
- vii. Submission of Report to the Board on all CSR Activities undertaken during the Financial Year; and monitoring and reviewing the implementation of the CSR Policy.

**Composition, Meetings and Attendance:**

As on March 31, 2020, the Committee comprises of Three (3) Members, out of which One (1) Member is Non-Executive Independent Director and Two (2) Members are Executive Directors. The Chairman of the Committee is an Executive Director. The Company Secretary acts as a Secretary to the Audit Committee. Mr. Pankaj Seth, Managing Director is the Chairman of the Committee.

During the FY 2019-20, Two (2) Meetings were held of the Committee on November 12, 2019 and March 06, 2020.

The Composition of the Committee and Members’ attendance at the Meeting are as under:

Name	Designation	Category of Directorship	Attendance of the Meeting during FY 2019-20	
			No of Meetings held	No. of Meetings attended
Mr. Pankaj Seth	Chairman	Managing Director (Executive & Promoter)	2	2
Mrs. Anisha Seth	Member	Whole-time Director (Executive & Promoter)	2	2
Mr. Pardeep Khosla	Member	Non- Executive Independent Director	2	2



The details regarding CSR activities carried out by the Company during the FY 2019-20 forms part of the Directors' Report as Annexure VI.

### GENERAL BODY MEETINGS

Details of location, time & date of last three (3) Annual General Meetings (AGM) are given below:

AGM for Financial Year	Date	Time	Location
2018 – 2019	September 30, 2019	04:00 P.M.	Babubhai Chinai Committee Room, 2 <sup>nd</sup> Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.
2017 – 2018	September 12, 2018	04:00 P.M.	Babasaheb Dubhash Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 <sup>th</sup> Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001.
2016 – 2017	September 11, 2017	04:30 P.M.	Babasaheb Dubhash Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 <sup>th</sup> Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001.

### Special Resolutions passed:

Date of AGM	No. of Special Resolution passed	Special resolution passed, if any
September 30, 2019	3	i. Re-appointment of Mr. Pankaj Seth (DIN: 00027554) as Managing Director of the Company for a term of Five (5) years w.e.f. April 01, 2020. ii. Re-appointment of Mrs. Anisha Seth (DIN: 00027611) as Whole-Time Director of the Company for a term of Five (5) years w.e.f. April 01, 2020. iii. Re-appointment of Mr. Saumil Ushakant Marfatia as an Independent Director of the Company for a term of Two (2) years w.e.f. September 09, 2019.
September 12, 2018	1	Approval of Reclassification of the Promoters of the Company.
September 11, 2017	Nil	--

### Resolutions passed through postal ballot & details of voting pattern:

During the year under review, no resolution was passed through postal ballot.

### Special Resolution proposed to be conducted through postal ballot & procedure thereof:

As at March 31, 2020, no Special Resolution is proposed to be conducted through Postal Ballot. Postal Ballot whenever conducted will be carried out as per the procedure mentioned in Rule 22 of Companies (Management and Administration) Rules, 2014, including any amendment thereof.

### MEANS OF COMMUNICATION

The Company follows a robust process of communicating with stakeholders and investors. The Company provides adequate and timely information to Stock Exchanges and Shareholders. It provides multiple channels of communications i.e. through dissemination of information on the Stock Exchanges, through Annual Reports, Newspaper Publication and by placing relevant information on its website.

#### i. Financial Results and Publication

The Quarterly/ Half Yearly/ Annual Financial Results (Standalone and Consolidated) are sent to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board.

The Financial Results and various notices are published in the newspapers viz. Business Standard (English) (All India Editions) and Mumbai Lakshdeep or Navshakti (Marathi) and are also posted on the website of the Company [www.orbitexports.com](http://www.orbitexports.com).

**ii. Website & News Release**

In compliance with Regulation 46 of the SEBI Listing Regulations, 2015 a separate dedicated section under 'Investors Relation' is available on the Company's website - [www.orbitexports.com](http://www.orbitexports.com) wherein information on various announcements made by the Company, Annual Report, financial results, various notices, details related to IEPF along with the applicable policies of the Company are displayed shortly after its submission to the Stock Exchange.

**iii. Stock Exchanges**

The Company has complied with filing of submissions through BSE's and NSE's Online Portal. All Financial and other vital information are promptly communicated to the Stock Exchanges where the Company's shares are listed.

**iv. Whether it also displays official news releases**

The Company has not made any official news release during the year under review. Hence, there is no question of displaying the same.

**v. The presentations made to institutional investors or to the analysts**

Nil. During the year, no presentation was made to institutional investor or analysts.

**GENERAL SHAREHOLDER INFORMATION**

a)	<b>37th Annual General Meeting- Date, Time and Venue:</b>	:	Monday, September 28, 2020 at 03.00 p.m. (IST)  Venue - Meeting is being conducted through Video Conference or Other Audio Visual Means (OAVM) pursuant to the circular of Ministry of Corporate Affairs dated May 05, 2020 and hence there is no requirement for physical venue of the meeting.
b)	<b>Financial Year</b>	:	April 01, 2020 to March 31, 2021
c)	<b>Financial Calendar</b>		
	Financial reporting for		Tentative Board / Annual General Meeting schedule
	Quarter ended June 30, 2020	:	On or before August 14, 2020
	Half Year ending September 30, 2020	:	On or before November 14, 2020
	Quarter ending December 31, 2020	:	On or before February 14, 2021
	Year ending March 31, 2021	:	On or before May 30, 2021
	Annual General Meeting for the year ending March 31, 2021	:	On or before September 30, 2021
d)	<b>Book Closure Dates</b>		September 22, 2020 (Tuesday) to September 28, 2020 (Monday) (Both days inclusive)
e)	<b>Registered Office</b>		122, 2 <sup>nd</sup> Floor, Mistry Bhavan, Dinshaw Wachcha Road, Churchgate, Mumbai – 400020
f)	<b>CIN</b>		L40300MH1983PLC030872
g)	<b>Listing on Stock Exchanges</b>		1) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.  2) National Stock Exchange of India Ltd Exchange Plaza, Plot No. C/1 G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
h)	<b>Stock Code</b>	:	BSE Limited – 512626 National Stock exchange of India Ltd- ORBTEXP
i)	<b>ISIN</b>	:	INE231G01010
j)	<b>Listing Fees</b>	:	The Annual Listing Fees has been paid to each of the above Stock Exchanges, for the FY 2019-20.

**Market Price Data**

The month wise high low and closing prices and the volume of shares of the Company traded for FY 2019-20 on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) are given below:



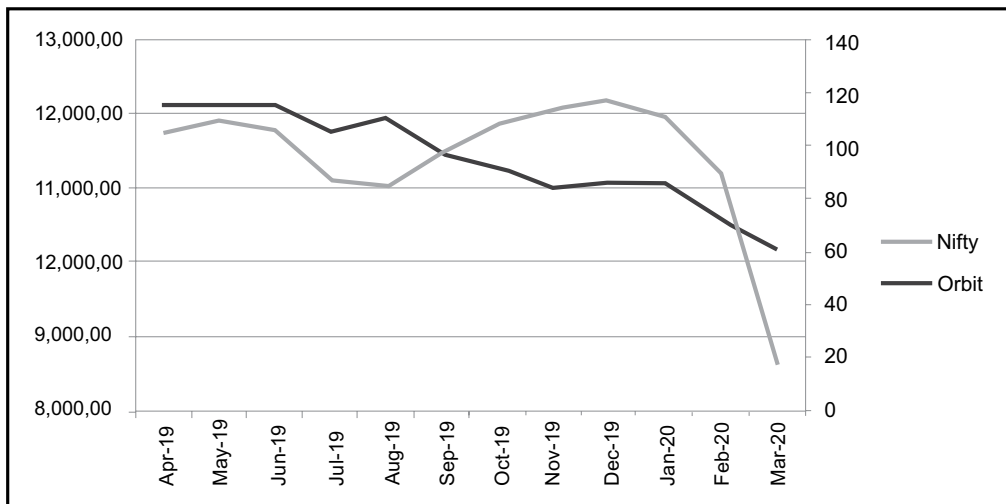
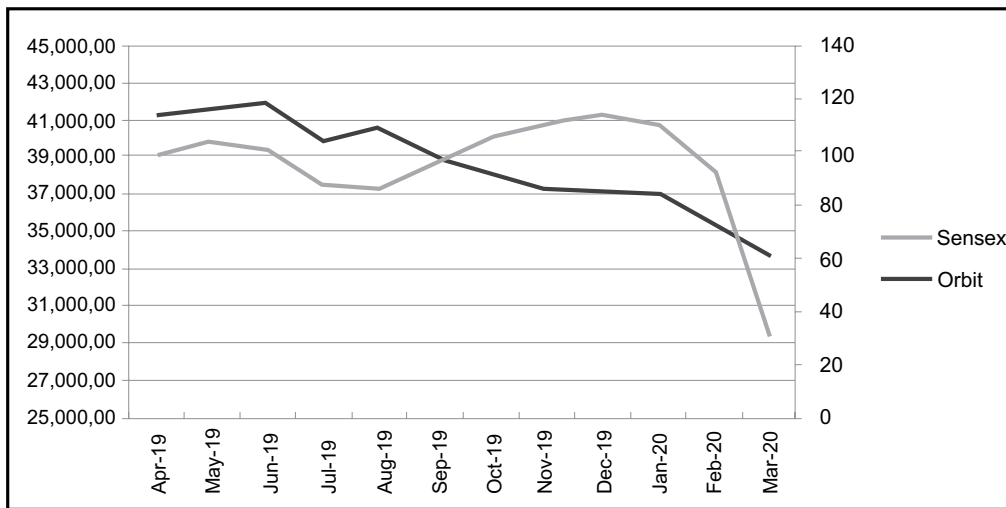


Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of Shares traded during the month (Nos.)	High (₹)	Low (₹)	Volume of Shares traded during the month (Nos.)
April, 2019	120.00	92.35	10,788	118.05	104.00	1,63,922
May, 2019	135.00	112.00	10,632	119.00	111.60	1,49,387
June, 2019	119.00	114.00	7,422	119.00	112.05	1,33,837
July, 2019	124.70	104.10	12,682	123.00	103.55	1,42,548
August, 2019	120.00	93.15	155,640	119.45	93.00	2,32,533
September, 2019	118.90	97.50	3,466	118.00	95.15	1,36,414
October, 2019	103.00	80.00	9,976	100.00	84.05	1,50,594
November, 2019	94.30	75.45	19,204	94.80	78.00	80,252
December, 2019	94.50	76.20	19,352	91.00	78.00	60,631
January, 2020	102.00	80.00	12,887	88.60	79.35	74,465
February, 2020	86.00	70.60	2,15,596	87.00	70.90	3,48,609
March, 2020	85.00	47.00	1,82,427	84.75	49.20	4,20,022

\*Sources: The information is compiled from the data available on the respective websites of BSE and NSE

**Performance of shares price in comparison with the broad-based indices viz. BSE Sensex and NSE Nifty:**

The Chart below shows the comparison of your Company's share price movement on BSE and NSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended March 31, 2020 (based on month end closing):



**Disclosure for securities that are suspended from trading : NA****Registrar and Transfer Agents:****Link Intime India Private Limited**

(Formerly known as Intime Spectrum Registry Ltd.)

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400083

Ph.: +91-22 – 49186000; Fax: 49186060;

email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)**Share Transfer System:**

The Registrars and Share Transfer Agent have put in place an appropriate Share Transfer system to ensure timely share transfers. Share transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days. The certificate received from a Practicing Company Secretary to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub division, consolidation and renewal as required under to the provisions of Regulation 40(9) of the SEBI Listing Regulations is submitted by the Company to the Stock Exchanges, on half yearly basis. In terms of the directives issued by SEBI, effective April 01, 2019, the requests for effecting transfer of securities held in physical form (except in case of transmission or transposition of securities) are not to be processed unless the securities are held in the dematerialised form with a depository.

**Distribution of Shareholding as on March 31, 2020:**

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% to Shareholding
Up to 500	6,703	86.71	1,006,407	3.68
501 - 1000	473	6.12	351,964	1.29
1001 - 2000	257	3.32	375,985	1.37
2001 - 3000	92	1.19	234,661	0.86
3001 - 4000	41	0.53	148,306	0.54
4001 - 5000	30	0.39	134,970	0.49
5001 - 10000	59	0.76	412,998	1.51
10001 - above	75	0.97	24,717,774	90.27
<b>TOTAL</b>	<b>7,730</b>	<b>100.00</b>	<b>27,383,065</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2020:**

	Category	No. of Holders	No. of Shares held	% of Shareholding
<b>A</b>	<b>Promoters' Holdings:</b>			
	Individuals	5	15,410,783	56.28
	Bodies Corporate	1	2,628,940	9.60
	<b>Sub Total</b>	<b>6</b>	<b>18,039,723</b>	<b>65.88</b>
<b>B</b>	<b>Non Promoters' Holdings:</b>			
	Individuals/ HUFs	7,294	8,081,951	29.51
	Bodies Corporate	81	823,617	3.01
	Non Resident Indians	187	361,146	1.32
	Clearing Members	15	2,411	0.01
	IEPF	1	74,217	0.27
	<b>Sub Total</b>	<b>7,578</b>	<b>9,343,342</b>	<b>34.12</b>
	<b>Grand Total</b>	<b>7,584</b>	<b>27,383,065</b>	<b>100.00</b>

Note: As per the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017, the number of Members mentioned here are consolidated on a PAN basis.



**Dematerialization of Shares and Liquidity:**

As on March 31, 2020, 26,991,324 Equity Shares aggregating to 98.56% of the issued, subscribed and paid-up Equity Share Capital of the Company were held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The break-up of Equity Shares held in Physical and dematerialized form as on March 31, 2020, is given below:

Category	No. of Shares	Percentage
NSDL	22,594,496	82.51
CDSL	4,396,828	16.06
Physical	391,741	1.43
<b>Total</b>	<b>27,383,065</b>	<b>100.00</b>

**Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity**

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments.

**Plant Locations**

<p><b>Surat</b> Plot No. 6, 7, 8 &amp; 9, Fairdeal Textile Park, Village Mahuvej, Taluka Mangrol, Dist – Surat – 394 102 (Guj.)</p>	<p><b>Kalyan</b> Plot No 1, Building No B-12, Asmeeta Infratech Textile Park, Additional Kalyan Bhiwandi Industrial Area, Sarawali – Kon Village, Taluka - Bhiwandi, Dist Thane – 421 311</p>
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**Address for Correspondence:**

Investors can communicate at the following addresses:

<p>The Company Secretary, Orbit Exports Limited 122, 2<sup>nd</sup> Floor, Mistry Bhavan, Dinshaw Wachha Road, Churchgate, Mumbai – 400020 Ph.: -91-22-66256262; Fax: +91-22-22822031; email: <a href="mailto:investors@orbitexports.com">investors@orbitexports.com</a></p>	<p><b>Registrar and Share Transfer Agent:</b> M/s. Link Intime India Private Limited C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai – 400083 Ph.: +91-22-49186000; Fax: 49186060; email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></p>
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**Credit Ratings**

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by ICRA Limited during the FY 2019-20 as given below:

Instrument	Rating
Long Term Debt	ICRA A (Stable)
Short Term Debt	ICRA A1

**Commodity price risk or foreign exchange risk and hedging activities**

The Company does not trade in commodities. The relevant details of foreign exchange exposure & risk / hedging activities are provided in the notes to the Standalone Financial Statements.

**Custodian Fees**

The Company has paid custodian fees for folios maintained by National Securities Depository Limited and Central Depository Services (India) Limited for the FY 2019-20, as per the Invoices received.

**OTHER DISCLOSURES**

**a) Compliances with Governance Framework**

The Company is in compliance with all mandatory requirements under the Listing Regulations.

**b) Disclosure on Materially significant related party transactions that may have potential conflict with the interest of listed entity at large**

There are no materially significant transactions with the related parties that had potential conflict with the interest of the Company. All these transactions are in the normal course of business and are carried out on



an arm's length basis. The Company presents a statement of related party transactions before the Audit Committee on a quarterly basis specifying inter alia the nature & value of the transactions. Transactions with related parties are conducted in a transparent manner in the interest of the Company and are approved by the Audit Committee. The disclosure of transactions with related parties is disclosed in the Notes to accounts of the Standalone Financial Statements.

The Company has formulated a policy on Materiality of and dealing with Related Party Transactions. The Policy on Related Party Transactions has been uploaded on website of the Company and can be accessed at [www.orbitexports.com](http://www.orbitexports.com).

**c) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years:**

There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last Three (3) Financial years.

**d) Vigil Mechanism /Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for establishing a vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Policy has been uploaded on website of the Company and can be accessed at [www.orbitexports.com](http://www.orbitexports.com).

**e) Material Subsidiary**

During the FY 2019-20, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the SEBI Listing Regulations. The Company has framed the policy for determining material subsidiary as required under Regulation 16 of the SEBI Listing Regulations and the same is disclosed on the Company's website . The Policy has been uploaded can be accessed at [www.orbitexports.com](http://www.orbitexports.com).

**f) Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**g) Commodity price risk and Commodity hedging activities**

The Company does not have any exposure of any commodity and accordingly, no hedging activities for the same are carried out.

**h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

**i) Certificate from Company Secretary in practice**

The Company has received a certificate from Dr. S. K. Jain, Proprietor of M/s. S. K. Jain & Co., Practicing Company Secretaries, Mumbai that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

**j) Where the board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year**

During the FY 2019-20, the Board has accepted all the recommendations of its Committees.

**k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

Details relating to fees paid to the Statutory Auditors are given in Note 3.08 to the Standalone Financial Statements and Note 3.08 to the Consolidated Financial Statements.



**l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder and same is posted on the website of the Company and can be accessed at [www.orbitexports.com](http://www.orbitexports.com).

During the FY 2019-20, no complaint under above said policy has been received.

**m) Compliance with corporate governance requirements specified in regulation 17 to 27 and regulation 46(2)**

The Company has complied with the mandatory requirements of Corporate Governance as specified in Regulations 17 to 27 and 46(2) of Listing Regulations.

**n) Non-mandatory requirements:**

Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to-time. The status of compliance with non-mandatory requirements of the Listing Regulations is as under:

**i. The Board**

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

**ii. Shareholders Right**

The Quarterly / Half-Yearly / Annual Results of the Company are published in English and Vernacular newspapers and are also displayed on the Company's website, [www.orbitexports.com](http://www.orbitexports.com) and at the website of the stock exchanges, where the shares of the Company are listed /traded, as soon as the results are approved by the Board. These are not sent individually to the Members.

**iii. Modified Opinion(s) in Audit Report**

There is no audit qualification in the Company's financial statements for the year ended on March 31, 2020. The Company continues to adopt best practices to ensure the regime of unqualified financial statements.

**iv. Reporting of Internal Auditor**

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

**o) CEO/CFO Certification:**

As required under Regulation 17(8) of the Listing Regulations, Mr. Pankaj Seth, Chairman & Managing Director and Mr. Mukesh Deopura, Chief Financial Officer of the Company have certified that the Financial Statements for the FY 2019-20 do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs and the same is annexed to this Report.

**p) Code of Conduct**

The Company has framed and adopted the Code of Conduct for all its Board Members and Senior Management Personnel. The Code of Conduct for Board Members and the Senior Management Personnel is posted on the website of the Company at the link <http://orbitexports.com/wp-content/uploads/2016/06/CodeofConduct.pdf>

The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year 2019-2020. A declaration to this effect in terms of Regulation 26 of the Listing Regulations forms part of the Annual Report.

**q) Prohibition of Insider Trading**

The Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons and code of practices and procedures for fair disclosures of unpublished price sensitive information ("Code") in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 and any statutory amendment (s)/ modification(s) thereof.

In compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, ("Amendment Regulations"), Company has amended the Code. The Code is applicable to Directors, Employees, Designated Persons and other Connected Persons of the Company. The Code is published on the website of the Company and can be accessed at <http://orbitexports.com/wp-content/uploads/2020/05/Code-of-Conduct-for-Prevention-of-Insider-Trading-2018.pdf>



**r) Compliance with Secretarial Standards**

During the FY 2019-20, the Company has complied with the Secretarial Standards issued by Institute of Company Secretaries of India and notified by MCA.

**s) Unpaid and Unclaimed Dividends**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unpaid or unclaimed dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund (the IEPF), a fund established under sub-section (1) of section 125 of the Act. The details of unclaimed/unpaid dividend are available on the website of the Company viz. [www.orbitexports.com](http://www.orbitexports.com).

**t) Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules.

The Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPFA, to take immediate action in the matter. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their dividend for a period of 7 years to claim the same from the Company before they are transferred to IEPFA. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

**u) Details of Demat / Unclaimed Suspense Account**

As per Regulation 34(3) read with Schedule V of the listing Regulations, none of the shares of the Company is laying in the Suspense Account. The Company is in process of identifying the shares which are unclaimed and requires to be transferred to suspense account. In this regards, the Company shall send requisite reminder letters to it's Members. If the same are not claimed within reasonable period, such shares will be transferred to unclaimed suspense account.

## DECLARATIONS

### Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Orbit Exports Limited Code of Business Conduct and Ethics for the year ended March 31, 2020.

**For and on behalf of the Board of Directors**

Dated: August 12, 2020  
Place: Mumbai

**Pankaj Seth**  
**Chairman & Managing Director**  
**(DIN: 00027544)**



### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**ORBIT EXPORTS LTD.**  
122, 2<sup>nd</sup> Floor, Mistry Bhavan,  
Dinshaw Wachha Road,  
Churchgate, Mumbai – 400020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ORBIT EXPORTS LTD having CIN L40300MH1983PLC030872 and having Registered Office at 122, 2<sup>nd</sup> Floor, Mistry Bhavan, Dinshaw Wachha Road, Churchgate, Mumbai – 400020 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	PANKAJ SHYAMSUNDER SETH	00027554	01/09/2004
2.	ANISHA PANKAJ SETH	00027611	01/09/2004
3.	VARUN PRAMOD DAGA	01932805	26/07/2011
4.	SAUMIL USHAKANT MARFATIA	02774221	29/09/2009
5.	PARDEEP ANANT RAM KHOSLA	06926523	18/07/2014
6.	SUNIL RAMESH BUCH	07780539	04/02/2019

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR S. K. JAIN & CO.**  
Practicing Company Secretary

**Dr. S. K. JAIN**  
FCS 1473  
C. P. NO. 3076  
UDIN: F001473B000360304

Place: Mumbai  
Date: June 20, 2020



**CEO / CFO CERTIFICATION**

To,  
The Board of Directors,  
**Orbit Exports Limited**  
Mumbai

We, the undersigned, in our respective capacities as the Chairman and Managing Director and CEO and Chief Financial Officer of Orbit Exports Limited ("the Company") to the best of our knowledge and belief hereby certify that:

- (a) We have reviewed the Financial Statements and Cash Flow Statement of Orbit Exports Limited for the year ended March 31, 2020 and to the best of our knowledge and information we certify that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain the statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) We further state that 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 hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (d) We accept the responsibility for establishing and maintaining internal controls for financial reporting for the Company and we have
  - (i) evaluated the effectiveness of internal control systems of the Company;
  - (ii) disclosed to the Auditors and the Audit Committee of the Board, deficiencies in the design or operation of such internal controls, if any, of which we are aware; and
  - (iii) necessary steps taken or propose to be taken to ratify these deficiencies.
- (e) We have indicated to the Auditors and the Audit Committee that there have been:
  - (i) No significant changes in internal control over financial reporting during the year 2019-20;
  - (ii) That there are changes in accounting policies during the year on account of Ind-AS adoption and the same have been disclosed in the notes to the financial statement; and
  - (iii) No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**For Orbit Exports Limited**

**For Orbit Exports Limited**

**Pankaj Seth**  
**Managing Director**  
**(DIN: 00027544)**

**Mukesh Deopura**  
**Chief Financial Officer**

Place: Mumbai  
Date: August 12, 2020





## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE REPORT**

To,  
The Members of  
**ORBIT EXPORTS LTD.**  
122, 2nd Floor, Mistry Bhavan,  
Dinshaw Wachha Road,  
Churchgate, Mumbai – 400020

We have examined the compliance of conditions of Corporate Governance by **ORBIT EXPORTS LTD** for the year ended on **March 31, 2020**

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### **Managements Responsibility**

The Compliance of conditions of Corporate Governance is responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

### **Opinion**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.

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

### **Restriction on Use**

The certification is addressed to and provided to the members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **S. K. JAIN & CO.**  
Practicing Company Secretaries

**Dr. S.K. JAIN**  
Proprietor  
C. P. NO. 3076

Place: Mumbai  
Date: June 20, 2020



## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management of **ORBIT EXPORTS LIMITED** presents its Analysis report covering performance and outlook of the Company. The Report has been prepared in compliance with the requirements of Corporate Governance as laid down in the Listing Regulations.

### **DISCLAIMER**

Readers are cautioned that this discussion and analysis contains forward looking statements that involve risks and uncertainties. When used in this discussion, the words "anticipate," "believe," "estimate," "intend," "will," and "expected" and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Actual results, performances or achievements, risks and opportunities could differ materially from those expressed or implied in these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements as these are relevant at a particular point of time & adequate restraint should be applied in their use for any decision making or formation of an opinion.

The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

### **Global Economy**

The global economy experienced a slump in FY20 due to reduced global trade and investments. Both advanced (especially the European) nations and Emerging Markets and Developing Economies (EMDEs) experienced a slowdown. Crucial economic factors fell down to their lowest levels since the worldwide financial crisis. International Monetary Fund (IMF) in its latest outlook note has forecasted a 4.9% contraction in global GDP for the year 2020, 1.9% points below the April 2020 estimate. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. As a result of the pandemic, the global economy is projected to contract sharply by 3% in 2020, much worse than the one during 2008–09 financial crisis. In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 % in 2021 as economic activity normalizes, helped by policy support.

### **Indian Economy**

In line with the global trend, the Indian economy had also remained sluggish in FY 2019-20. Growth during this period came in at 4.2%, which has been much lower than initial estimates for the year and also weaker than the Country's economic expansion in recent years. Economic slowdown resulted in a declining trend in each consecutive quarter and was already estimated to decelerate further in the fourth quarter even before the disruption caused by the virus.

According to International Monetary Fund (IMF), India's economy is projected to contract by 4.5% following a longer period of lockdown and slower recovery than anticipated in April.

However, going forward, continuation of structural reforms, additional policy measures to boost the investment climate as well as expansion of consumption may help the country revert to its growth trajectory.

In India, GDP is expected to reach 2610.00 USD Billion by the end of 2020, according to Trading Economics global macro models and analysts expectations. In the long-term, the Indian GDP is projected to trend around 2950.00 USD Billion in 2021 and 3200.00 USD Billion in 2022, according to certain economists. The Foreign Direct Investment has seen a surge in India in FY 2019-20 which stood at US\$ 49.97 billion and is expected to rise to US\$ 75 billion over the next five years as per the report by UBS.

### **Impact of COVID-19 on Economy**

The economy was in the midst of turbulent tides in the final few quarters of FY 2019-20. Any hopes of revival in the final quarter of the fiscal year were put down by the outbreak of COVID-19. The outbreak has impacted nearly every sector of the economy, the worst affected being tourism, hospitality and aviation. The retail sector has taken a significant hit with supermarkets, malls and theatres being closed. This comes on the back of minimum to no activity in sectors like entertainment, construction, etc. The pandemic is expected to cost Indian trade \$348 million. India is one of the top 15 nations which is directly affected due to the manufacturing slowdown in China. Considering the challenges being faced by



businesses and consumers, numerous agencies have revised their growth projections for Indian for the years 2020 and 2021. With travel restrictions, subdued consumption, supply chains disruptions and low investment levels, the country has an uphill task of adapting to the scenario and bringing the economy back on track.

### **Global Textile Industry**

The Textile Industry is an ever-growing market, with key competitors being China, the European Union, the United States, and India. The global textile market is expected to decline from \$673.9 billion in 2019 to \$655.2 billion in 2020 at a compounded negative annual growth rate (CAGR) of 2.8%. The market is then expected to recover and grow at a CAGR of 7% from 2021 and reach \$795.4 billion in 2023.

### **Indian Textile Industry**

The textiles and apparel industry in India strengths across the entire value chain from fiber, yarn, fabric to apparel. It is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool and silk products to the organized textile industry. The organized textile industry is characterized by the use of capital-intensive technology for mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing.

During FY 2019-20, India's textiles industry contributed 7% of the industry output (in value terms) and 15% of the country's export earnings. The textiles and apparel industry in India is the second-largest employer in the country providing employment to 45 million people which is expected to increase to 55 million by 2020. The domestic textiles and apparel market stood at an estimated US\$ 100 billion in FY 2019-20.

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 3.44 billion from April 2000 to March 2020.

Due to the COVID-19 pandemic, businesses and supply chains are witnessing a drastic shift from traditional products to new ones such as PPEs, N-95 masks, technical textiles, synthetic material, etc. Before the outbreak of the pandemic, the PPE requirement in India was approximately 50,000 [units] per year. However, since the outbreak, India has become self-reliant in these segments with production capacity of PPE coveralls reaching 450,000 [units] per day, from zero production capacity. India has also become the second-largest manufacturer of PPE in the world. More than 600 companies in India are certified to produce PPEs today, whose global market worth is expected to be over \$92.5 bn by 2025, up from \$52.7 bn in 2019.

With various Government initiatives like proposal of National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of ₹ 1,480 crore (US\$ 211.76 million) in the Union Budget 2020-21, the future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

### **Impact of Covid-19 Pandemic on Textile & Apparel Industry**

Among the massive impact that Covid-19 has had on the economies, fashion is one of the hardest-hit industries. Due to pandemic, the Indian Textile Industry fell as the yarn and ready-made garments exports fell by 90% during April. Apparel exports are expected to fall due to drying up of order in the last quarter of FY 2020-21, working capital issues and lack of clarity on the duties and incentives especially when exporters from Bangladesh, Sri Lanka and Vietnam receive preferential access.

It is estimated that the combined apparel consumption of EU and the US might fall to about US\$ 308 billion, 40-45% lower than the 2020 projected consumptions. This will be a tough time for Indian apparel exporters as about 60% of the country's apparel exports are destined for EU and the US markets.

However, on the brighter side, a number of countries around the world, such as the USA & Japan, have decided to learn lessons from this calamity and look for alternate production sources other than China. India could capitalize on this situation and present itself as a credible alternative to increase its textile and apparel exports share. Further, manufacturers may incorporate digital strategy in the buying process and can also enter markets other than the US & Europe such as Japan and South Korea.



### **Financial Performance of the Company**

Your Company continued to progress in utilizing all the opportunities during FY 2019-20. The highlights of the financial performance are:

- 1) Net Sales increased by 4.44% from ₹ 12,991.93 Lakhs in FY 2018-19 to ₹ 13,568.39 Lakhs in FY 2019-20.
- 2) Earnings before interest, depreciation, tax (EBIDTA) increased by 9.36% from ₹ 4,045.65 Lakhs in FY 2018-19 to ₹ 4,424.41 Lakhs in FY 2019-20.
- 3) Profit after tax (PAT) marginally increased by 0.06% from ₹ 2,311.82 Lakhs in FY 2018-19 to ₹ 2,313.12 Lakhs in FY 2019-20.
- 4) Depreciation and Amortization expenses increased by 36.46% from ₹ 855.57 Lakhs in FY 2018-19 to ₹ 1,167.47 Lakhs in FY 2019-20.
- 5) Interest expenses decreased marginally by 1.03% from ₹ 147.03 Lakhs in FY 2018-19 to ₹ 145.52 Lakhs in FY 2019-20.

### **Consolidated Financial Performance of the Company**

The key highlights of the consolidated financial performance are:

- 1) Net Sales increased by 5.13% from ₹ 13,509.10 Lakhs in FY 2018-19 to ₹ 14,202.04 Lakhs in FY 2019-20.
- 2) Earnings before interest, depreciation, tax (EBIDTA) increased by 8.45% from ₹ 12,118.02 Lakhs in FY 2018-19 to ₹ 13,142.04 Lakhs in FY 2019-20.
- 3) Profit after tax (PAT) marginally increased by 1.99% from ₹ 2,575.18 Lakhs in FY 2018-19 to ₹ 2,626.48 Lakhs in FY 2019-20.
- 4) Depreciation and Amortization expenses increased by 36.19% from ₹ 858.48 Lakhs in FY 2018-19 to ₹ 1,169.15 Lakhs in FY 2019-20.
- 5) Interest expenses decreased marginally by 1.03% from ₹ 147.03 Lakhs in FY 2018-19 to ₹ 145.52 Lakhs in FY 2019-20.

### **Future Outlook**

The overall economy and the sector had been in the downward curve in the whole of the FY 2019-20 due to overall economic slowdown.

The ongoing Covid-19 outbreak and its impact on economy have pushed sentiments in textile especially fashion fabric segment to its all-time lowest level in the quarter ended March and the first quarter of FY 2020-21.

Your Company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. The Company is planning to expand its business by starting a process house wherein the installation of new and high tech machinery will push volume growth. The Company's business is committed to achieve world benchmark quality besides expanding on new product offering from new clients. Further the business will continue to focus on improving its cost competitive position. Due to the own manufacturing facilities, the Company is able to maintain safety of products high quality & productivity in the finished goods manufactured. Barring unforeseen circumstances the Company is confident of achieving better results in the current year.

Although the COVID-19 pandemic makes the future demand look bleak, your Company has decided to proceed with setting up of a new Brownfield expansion in Gujarat for setting up a processing and finishing unit for fabrics at an estimated Capital Expenditure of approximately ₹ 50 Crores. This will enable your Company to improve quality drastically and make inroads into new product lines.

### **Opportunities and Threats**

Our brand sees enormous opportunity in product and design innovations to address the changing preferences of young vibrant India. E-commerce will lead the way for growth and your Company intends on working with leading E-Commerce players across Fashion and Home Textiles segments to grow this category.

### **Risks and concerns**

Subdued demand due to COVID presents a major concern for your Company going forward for the next year. The pandemic



has disrupted the main business of high fashion in which your Company operates. A prolonged recovery can lead to low capacity utilizations at our factories which would have a negative impact on the financials of the business.

**Internal Control Systems and their Adequacy**

Identification and monitoring the internal control systems play a crucial role in an organization. The Company has a well-established system of internal controls including Internal Financial Controls and its adequacy is constantly supervised by the Management. The internal control system implemented by the Company strikes at achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with all applicable laws and regulations. Key controls have been tested during the year and corrective and preventive actions are taken for any weakness. Regular internal audits are conducted by outsourced audit teams. The Audit Committee reviews adequacy and effectiveness of the Company’s internal financial controls in timely manner. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

**Human Resources/Industrial Relations**

Your Company continues to place significant importance on its Human Resources and enjoys cordial relations at all levels. Our constant endeavour is to invest in people and people processes to improve human capital for the organization and service delivery to our stake holders. The Company believes in attracting, developing and retaining the right talent. New talent was inducted into the organization to fill the gaps at various levels within the organization this year. The Company’s HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The Company has 417 employees as on March 31, 2020.

**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.

**Key Financial Ratios**

Particulars	FY 2019-20	FY 2018-19	Change (%)
Debtors Turnover	4.53	4.32	4.88
Inventory Turnover	2.88	3.00	(4.01)
Interest Coverage Ratio	22.38	21.70	3.15
Current Ratio	3.75	5.31	(29.43)
Debt Equity Ratio	0.32	0.28	16.12
Operating Profit Margin	23.31%	23.92%	(2.52)
Net Profit Margin	16.56%	17.33%	(4.46)
Return on Net worth	0.14	0.14	(1.68)

**Detailed explanation of ratios:**

**1. Current Ratio**

The change is mainly attributed to the additional short term loan availed by the Company against Fixed Deposit.

**Cautionary Statement**

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

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Orbit Exports Limited

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of **Orbit Exports Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended and notes to standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statement in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules framed thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statement.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters:

Sr.No	Key Audit Matters (KAMs)	How the KAMs were addressed in our audit
1	<p><b>Implementation of new accounting standard on revenue recognition</b></p> <p>Refer note 1.5 (a) of the Statement of Significant Accounting Policies.</p> <p>The accuracy of recognition, measurement, presentation and disclosure of revenues and other related balances in terms of Ind AS 115 "Revenue from Contracts with Customers" involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue.</p>	<ul style="list-style-type: none"> <li>Our audit approach consisted testing of the effectiveness of the internal controls relating to such process including substantive testing, which included review of terms and conditions of selected sample of existing contracts and new contracts.</li> <li>We <i>inter alia</i> tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations, determination of transaction price, criteria relating to transfer of control over the promised goods and measurement and recording of revenue.</li> <li>We performed cut-off testing for samples of revenue transactions recorded before and after the financial year-end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period.</li> </ul>

##### Information Other than the Standalone Financial Statements and Our Report thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in Annual Report, but does not include the standalone financial statements and our report thereon. The entire Annual Report is expected to be made available to us after the date of this report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our



knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged With Governance and take appropriate actions in accordance with Standards on Auditing.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS and relevant provisions of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatement in the standalone financial statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the standalone financial statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the



audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (Including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid the standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act;
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed details of pending litigations, however, it does not have adverse impact on its financial position. Refer note 4.03 to standalone financial statements;
    - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **G. M. Kapadia & Co.**  
Chartered Accountants  
Firm's Registration No: 104767W

**Atul Shah**  
Partner

Membership No: 039569  
UDIN: 20039569AAAAEU5317

Place : Mumbai.  
Dated : June 22, 2020





**Annexure A - referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report on even date, to the members of the Company on the standalone financial statements for the year ended March 31, 2020**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its property, plant and equipment;
- (b) The Company has a regular programme of physical verification of property, plant and equipment by which all property, plant and equipment of the Company are being verified in a phased manner over a period of three year, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of property, plant and equipment has been physically verified by the management during the year and no material discrepancies were noticed on verification conducted during the year as compared with the book records; and
- (c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable; and
- (b) The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(a) to (c) of the Order regarding terms and conditions of such loans and repayment of such loans etc. are not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under that section.
- (v) The Company has complied with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act, and the rules framed there under, to the extent applicable. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.
- (vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act, for the products manufactured by the Company. We have broadly reviewed the books of account maintained and are of the opinion, prima facie, that the prescribed accounts and records have been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other applicable statutory dues with the appropriate authorities. No undisputed statutory dues payable were in arrears as at March 31, 2020, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no outstanding disputed dues payable by the Company in case of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax or cess as on March 31, 2020.
- (viii) The Company has not defaulted in repayment of dues to any financial institutions, banks, government or debenture holders.
- (ix) The Company has raised term loans during the year which have been applied for the purpose for which they were raised.



- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of the section 197, read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanation given to us , the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of standalone financial statements and according to information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, the Company has not entered into non-cash transactions with directors. We have been informed that no such transaction have been entered into with person connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For **G. M. Kapadia & Co.**  
Chartered Accountants  
Firm's Registration No: 104767W

**Atul Shah**  
Partner  
Membership No: 039569  
UDIN: 20039569AAAAEU5317

Place : Mumbai.  
Dated : June 22, 2020

**Annexure B - referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of Orbit Exports Limited on the Standalone Financial Statements for the year ended March 31, 2020**

**Report on the Internal Financial Controls under section 143(3)(i) of the Act**

We have audited the internal financial controls with reference to standalone financial statements of **Orbit Exports Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020 based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ( "Guidance Note") issued by the Institute of Chartered Accountants of India.

**Management's Responsibility for Internal Financial Controls with reference to Standalone Financial Statements**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components



of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for Internal Financial Controls with reference to Standalone Financial Statements**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **G. M. Kapadia & Co.**  
Chartered Accountants  
Firm's Registration No: 104767W

**Atul Shah**  
Partner  
Membership No: 039569  
UDIN: 20039569AAAAEU5317

Place : Mumbai.  
Dated : June 22, 2020



**Standalone Balance sheet as at March 31, 2020**

₹ in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	2.01	9,591.96	10,241.10
Right of Use Assets	4.02	210.47	-
Capital work-in-progress	2.01	26.43	197.76
Other Intangible assets	2.02	63.87	61.28
Financial Assets			
Investments	2.03	692.35	692.35
Loans	2.04	154.37	151.25
Other financial assets	2.05	46.23	24.65
Non Current tax assets (net)	2.12	29.44	47.06
Other non-current assets	2.07	244.17	170.11
<b>Total Non-current Assets</b>		<b>11,059.29</b>	<b>11,585.56</b>
<b>Current Assets</b>			
Inventories	2.08	3,094.47	2,826.50
Financial Assets			
Trade receivables	2.09	3,081.64	3,085.89
Cash and cash equivalents	2.10	478.56	890.11
Bank balances other than (2.10) above	2.11	1,703.62	1,556.23
Loans	2.04	2.87	2.79
Other financial assets	2.05	1,320.50	183.37
Current tax assets (net)	2.12	27.64	27.65
Other current assets	2.07	1,137.05	641.52
<b>Total Current Assets</b>		<b>10,846.35</b>	<b>9,214.06</b>
<b>TOTAL ASSETS</b>		<b>21,905.64</b>	<b>20,799.62</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	2.13	2,738.31	2,825.79
Other Equity	2.14	13,848.74	13,473.03
<b>Total Equity</b>		<b>16,587.05</b>	<b>16,298.82</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Borrowings	2.15	429.65	607.79
Lease Liabilities	4.02	42.04	-
Other financial liabilities	2.17	159.00	309.00
Deferred tax liabilities (net)	2.06	1,145.16	1,202.76
Other non-current liabilities	2.18	482.95	549.25
Provisions	2.19	163.76	95.86
<b>Total Non-current Liabilities</b>		<b>2,422.56</b>	<b>2,764.66</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	2.15	1,000.00	-
Lease Liabilities	4.02	171.14	-
Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	2.16	76.26	125.22
Total outstanding dues of creditors other than Micro and Small Enterprises	2.16	252.08	206.45
Other financial liabilities	2.17	940.15	975.86
Other current liabilities	2.18	388.12	282.56
Provisions	2.19	66.21	77.30
Current Tax Liabilities (Net)	2.20	2.07	68.75
<b>Total Current Liabilities</b>		<b>2,896.03</b>	<b>1,736.14</b>
<b>Total Equity and Liabilities</b>		<b>21,905.64</b>	<b>20,799.62</b>
Significant Accounting Policies	1		
The accompanying notes are an integral part of standalone financial statements.			

As per our report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm Registration No. 104767W

**Atul Shah**  
Partner  
Membership No. 39569  
Place : Mumbai  
Date : June 22, 2020

For and on behalf of the Board of Directors

**Pankaj Seth** Managing Director  
DIN : 00027554  
**Anisha Seth** Whole-time Director  
DIN : 00027611

**Mukesh Deopura** Chief Financial Officer  
**Neha Devpura** Company Secretary  
Membership No. A36961

Place : Mumbai  
Date : June 22, 2020



**Standalone Statement of Profit and Loss for the year ended March 31, 2020**

₹ in Lakhs

Particulars	Note No.	2019-20	2018-19
<b>INCOME</b>			
Revenue from operations	3.01	<b>13,969.65</b>	13,338.51
Other income	3.02	<b>419.65</b>	338.18
<b>Total Income</b>		<b>14,389.30</b>	13,676.69
<b>EXPENSES</b>			
Cost of materials consumed	3.03	<b>5,542.95</b>	4,887.30
Changes in inventories	3.04	<b>(427.80)</b>	(17.12)
Employee benefits expense	3.05	<b>2,071.71</b>	2,079.11
Finance costs	3.06	<b>145.52</b>	147.03
Depreciation, amortisation and impairment expense	3.07	<b>1,167.47</b>	855.57
Other expenses	3.08	<b>2,778.03</b>	2,681.75
<b>Total Expenses</b>		<b>11,277.88</b>	10,633.64
<b>Profit / (loss) before exceptional items and tax</b>		<b>3,111.42</b>	3,043.05
Exceptional items		-	-
<b>Profit / (loss) before tax</b>		<b>3,111.42</b>	3,043.05
<b>Tax expenses</b>	3.09		
Current tax		<b>847.03</b>	655.74
Tax adjustments for earlier years		<b>0.37</b>	(148.82)
Deferred tax liability / (asset) incl. MAT credit		<b>(49.10)</b>	224.31
<b>Profit for the year</b>		<b>2,313.12</b>	2,311.82
<b>Other comprehensive income / (loss)</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		<b>(33.82)</b>	35.09
Income tax relating to items that will not be reclassified to profit or loss		<b>8.51</b>	(10.22)
<b>Total other comprehensive income / (loss)</b>		<b>(25.31)</b>	24.87
<b>Total comprehensive income for the period</b>		<b>2,287.81</b>	2,336.69
Earnings per equity share (Face Value of ₹ 10/- each)	4.01		
Basic (in Rs.)		<b>8.28</b>	8.18
Diluted (in Rs.)		<b>8.28</b>	8.18
Significant Accounting Policies	1		
The accompanying notes are an integral part of standalone financial statements.			

As per our report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm Registration No. 104767W

**Atul Shah**  
Partner  
Membership No. 39569

Place : Mumbai  
Date : June 22, 2020

For and on behalf of the Board of Directors

**Pankaj Seth**  
Managing Director  
DIN : 00027554

**Anisha Seth**  
Whole-time Director  
DIN : 00027611

**Mukesh Deopura**  
Chief Financial Officer

**Neha Devpura**  
Company Secretary  
Membership No. A36961

Place : Mumbai  
Date : June 22, 2020

**Standalone Statement of changes in equity for the year ended March 31, 2020**

₹ in Lakhs

<b>A. EQUITY SHARE CAPITAL</b>	<b>Note No.</b>	<b>Amount</b>
Balance as at April 1, 2018	2.13	2,825.79
Changes in equity share capital during the year		-
Balance as at March 31, 2019	2.13	2,825.79
Buy back of shares		(87.48)
<b>Balance as at March 31, 2020</b>	<b>2.13</b>	<b>2,738.31</b>

₹ in Lakhs

<b>B. OTHER EQUITY</b>	<b>Reserves and Surplus (refer note 2.14)</b>			
	<b>General Reserve</b>	<b>Capital Redemption Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at April 01, 2019</b>	31.08	44.44	13,397.49	13,473.03
Profit for the year	-	-	2,313.12	2,313.12
Other Comprehensive Income / (loss)	-	-	(25.31)	(25.31)
<b>Total Comprehensive Income for the year</b>	-	-	2,287.81	2,287.81
Buyback of equity shares	(31.08)	87.48	(968.15)	(911.75)
Payment of dividends	-	-	(821.49)	(821.49)
Payment of dividend distribution tax	-	-	(168.86)	(168.86)
Transaction cost relating to buy back	-	-	(9.98)	(9.98)
<b>Balance as at March 31, 2020</b>	-	<b>131.92</b>	<b>13,716.82</b>	<b>13,848.74</b>
Balance as at April 01, 2018	31.08	44.44	11,075.62	11,151.14
Profit for the year	-	-	2,311.81	2,311.81
Other Comprehensive Income / (loss)	-	-	24.87	24.87
Total Comprehensive Income for the year	-	-	2,336.68	2,336.68
Transaction cost relating to buy back	-	-	(14.81)	(14.81)
Balance as at March 31, 2019	31.08	44.44	13,397.49	13,473.03
Significant Accounting Policies (Refer Note 1)				
The accompanying notes are an integral part of standalone financial statements.				

As per our report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm Registration No. 104767W

**Atul Shah**  
Partner  
Membership No. 39569

Place : Mumbai  
Date : June 22, 2020

For and on behalf of the Board of Directors

**Pankaj Seth**  
Managing Director  
DIN : 00027554

**Anisha Seth**  
Whole-time Director  
DIN : 00027611

**Mukesh Deopura**  
Chief Financial Officer

**Neha Devpura**  
Company Secretary  
Membership No. A36961

Place : Mumbai  
Date : June 22, 2020



**Standalone Cash Flow Statement for the year ended March 31, 2020**

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
Profit/(loss) before tax	3,111.42	3,043.05
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortisation expense	1,167.47	855.57
Internal expense	145.52	147.03
Bad debts written off	61.04	17.57
Amortisation of deferred revenue	(66.30)	(58.67)
Unrealised foreign exchange loss / (gain)	(340.57)	1.32
Mark-to-market (gain)/loss on derivative financial instruments	219.65	(114.14)
Dividend Income	-	(0.03)
Provision for gratuity, leave encashment and bonus	71.13	(16.66)
Interest income	(187.35)	(123.90)
(Profit)/Loss on disposal of property, plant and equipment	74.77	35.09
Unwinding of lease rent	-	5.56
Allowances for bad and doubtful debts	0.77	34.50
Interest income on financial asset at amortised cost	(5.61)	(5.04)
<b>Operating Profit before Change in operating assets and liabilities</b>	<b>4,251.94</b>	<b>3,821.25</b>
<b>Change in operating assets and liabilities :</b>		
(Increase)/Decrease in trade receivables	283.02	(23.13)
(Increase)/Decrease in inventories	(267.97)	(85.70)
(Increase)/Decrease in other financial assets	(116.76)	26.92
(Increase)/Decrease in other current/non-current assets	(461.72)	194.06
Increase/(Decrease) in trade payables	(3.33)	(13.27)
Increase/(Decrease) in provisions	(48.14)	55.22
Increase/(Decrease) in other current/non-current liabilities	105.56	270.55
Increase/(Decrease) in current financial liabilities	157.74	(132.65)
Increase/(Decrease) in non-current financial liabilities	(150.00)	(150.00)
<b>Cash generated from operations</b>	<b>3,750.34</b>	<b>3,963.26</b>
Direct taxes paid (net of refunds)	(896.45)	(532.44)
<b>Net cash flow from/(used in) operating activities (A)*</b>	<b>2,853.89</b>	<b>3,430.81</b>
<b>Cash flow from investing activities</b>		
Payments for acquisition of property, plant and equipment	(332.43)	(1,446.59)
Proceeds from sale of property, plant and equipment	63.64	18.97
Repayments / (Disbursements) of loans given	2.41	(23.57)
Deposit in Escrow Account for Capital Investment	(1,451.74)	-
Dividend Income	-	0.15
Interest Received	187.35	127.73
Changes in Fixed Deposit other than Cash and Cash Equivalent:		
Redemption of fixed deposit	3,296.55	1,416.17
Investments made in fixed deposit	(3,903.81)	(2,354.10)
Redemption of Corporate Deposit	2,125.00	-
Investments made in Corporate deposit	(1,475.00)	-
Proceeds from sale of investments	-	0.32
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(1,488.03)</b>	<b>(2,260.92)</b>



**Standalone Cash Flow Statement for the year ended March 31, 2020 (Contd.)**

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flows from financing activities</b>		
Proceeds from/(Repayments) of current borrowings	<b>1,000.00</b>	-
Proceeds from/(Repayments) of non-current borrowings	<b>(372.19)</b>	(420.27)
Repayment of Lease liabilities	<b>(260.72)</b>	-
Dividend on Equity Shares (including dividend distribution tax)	<b>(990.35)</b>	-
Buyback of Equity Shares	<b>(999.24)</b>	(14.81)
Transaction cost relating to buyback	<b>(9.98)</b>	-
Interest and finance charges	<b>(144.93)</b>	(144.58)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(1,777.41)</b>	(579.66)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+ C)</b>	<b>(411.55)</b>	590.25
Cash and cash equivalents at the beginning of the year	<b>890.11</b>	299.86
<b>Cash and cash equivalents at the end of the year</b>	<b>478.56</b>	890.11
<b>Notes:</b>		
<b>(a) Reconciliation of cash and cash equivalents as per the cash flow statement :</b>		
Cash and cash equivalents		
Balances with banks:		
In current accounts		
Escrow Account	-	25.00
Cash Credit	<b>146.24</b>	81.26
Others	<b>98.96</b>	184.28
Deposits with original maturity of less than 3 months	<b>212.99</b>	581.26
Cash on hand	<b>20.37</b>	18.31
<b>Balance as per the cash flow statement</b>	<b>478.56</b>	890.11

(b) The Standalone Cash Flow Statement has been prepared using indirect method set out in the Ind AS 7 - 'Statement of Cash Flows'.

(c) Changes in Liabilities arising from financing activities:

Particulars	As at March 31, 2019	Cash Flow	Non Cash Changes	As at March 31, 2020
Current borrowings (Refer note 2.15)	-	1,000.00	-	1,000.00
Non-current borrowings (including current maturities of Non-current borrowings) (Refer note 2.15)	980.13	(372.19)	-	607.94

Particulars	As at March 31, 2018	Cash Flow	Non Cash Changes	As at March 31, 2019
Current borrowings (Refer note 2.15)	-	-	-	-
Non-current borrowings (including current maturities of Non-current borrowings) (Refer note 2.15)	1,400.40	(420.27)	-	980.13

\* Amount spent in Cash towards Corporate Social Responsibility is ₹ 154.44 lakhs (March 31, 2019: ₹ 116.06 lakhs)  
The accompanying notes are an integral part of standalone financial statements.

As per our report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm Registration No. 104767W

**Atul Shah**  
Partner  
Membership No. 39569

Place : Mumbai  
Date : June 22, 2020

For and on behalf of the Board of Directors

**Pankaj Seth**  
Managing Director  
DIN : 00027554

**Anisha Seth**  
Whole-time Director  
DIN : 00027611

**Mukesh Deopura**  
Chief Financial Officer

**Neha Devpura**  
Company Secretary  
Membership No. A36961

Place : Mumbai  
Date : June 22, 2020





## **Notes to Standalone Financial Statements for the year ended March 31, 2020**

### **Background**

Orbit Exports Limited, a Public Limited Company incorporated under Companies Act 1956, principally operates in two business segments: Manufacturing of Textile and Renewable Source of Energy. The equity shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange of India Limited.

### **Authorisation of standalone financial statements**

The Standalone Financial Statements were authorized for issue in accordance with a resolution of the directors on June 22, 2020.

### **1. Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the presentation of these standalone financial statements.

#### **1.1 Basis of Preparation**

##### **(i) Compliance with Ind AS**

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), and relevant rules issued thereunder and the relevant provisions of the Act. In accordance with provision to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards.

##### **(ii) Historical cost convention**

The standalone financial statements have been prepared on a historical cost basis, except for the following :

- a) certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
- b) defined benefit plans - plan assets measured at fair value.

#### **1.2 Rounding of Amounts**

All amounts disclosed in the Standalone Financial Statement and notes have been rounded off to the nearest Lakhs, except where otherwise indicated.

#### **1.3 Current versus Non-Current classification**

The Company presents its assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current if it is :

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) the cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if it is:

- a) it is expected to be settled in normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its normal operating cycle.



## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 1.4 Use of Judgements, Estimates and Assumptions

While preparing standalone financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements are as below:

#### Key assumptions:

##### (i) Financial Instruments: (Refer note 4.09)

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

##### (ii) Useful lives of Property, Plant and Equipment and Intangible Assets: (Refer notes 1.6, 1.7 and 1.8)

The company reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

##### (iii) Valuation of Inventories: (Refer note 1.10)

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

##### (iv) Assets and obligations relating to employee benefits: (Refer note 4.07)

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These interalia include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### (v) Recognition and measurement of other Provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

### 1.5 Revenue Recognition

#### a) Revenue From Contracts With Customers

The Company derives revenues primarily from sale of products and services. Revenue from sale of goods is recognised net of returns and discounts.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services.

To recognise revenues, the Company applies the following five step approach :

1. Identify the contract with a customer;



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenues when a performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognised over time:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

- b) Export incentives are accounted on accrual basis and include the estimated value of export incentives receivable under the Duty Draw Back Scheme and other applicable schemes.
- c) Dividend Income is recognised when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.
- d) Revenue from services is recognised when all relevant activities are completed and the right to receive income is established.
- e) Revenue in respect of insurance/other claims, commission, interest for delayed payment etc. is recognised only when it is reasonably certain that the ultimate collection will be made.
- f) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate method (EIR).

**1.6 Property, Plant and Equipment**

- a) Property, Plant and Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.
- b) The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the Property, Plant and Equipment have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.
- c) An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net realisable value and the carrying amount of the asset) is included in the Statement of Profit and Loss.
- d) The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

- e) Long-term lease arrangements in respect of land are treated as Property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land. Cost in respect of the same is amortised over the period of respective lease arrangement.

**1.7 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred. Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Standalone Statement of Profit and Loss.

**1.8 Depreciation and Amortisation**

Depreciation on Property, Plant and Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II to the Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant and Equipment and has adopted the useful lives and residual value as prescribed therein except following cases which are based on internal technical assessment:

Particulars	Useful Life of Assets
Leasehold Land	Remaining period of Lease
Software	5 Years
Windmill	25 Years
Plant & Machinery	14 Years

**1.9 Impairment of Financial Assets**

Carrying amount of Tangible assets and Intangible assets, investments in Subsidiaries and Associates (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or company's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**1.10 Inventories**

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost in case of Raw material and Packing material, Stores and Spare and Traded Goods include purchase cost net of refundable taxes and other overheads incurred in bringing such items of inventory to its present location and condition.

Cost of raw materials, components and stores and spares which do not meet the recognition criteria under Property, Plant and Equipment is determined on a weighted average basis.

Finished goods and work-in-progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Provision is made for the cost of obsolescence and other anticipated losses, wherever considered necessary.



## Notes to Standalone Financial Statements for the year ended March 31, 2020

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory in determining net realisable value include ageing of inventory, price changes and such other related factors.

### 1.11 Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprises of cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

For the purpose of statement of cashflows, cash and cash equivalents consist of cash, short-term deposits as defined above, bank overdrafts and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value as they are considered as an integral part of the Company's management.

### 1.12 Government Grant

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

The above criteria is also used for recognition of incentives under various schemes notified by the Government. When the grant relates to an asset, it is recognised as deferred income and amortised over the useful life of such assets.

### 1.13 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

#### Initial Recognition and Measurement- Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Standalone Statement of Profit and Loss.

#### Classification and Subsequent Measurement : Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive Income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following :

- the entity's business model for managing the financial assets; and
- the contractual characteristics of financial asset.

#### Amortised Cost

A financial asset is classified and measured at amortised cost if both of the following conditions are met :

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



## Notes to Standalone Financial Statements for the year ended March 31, 2020

### **FVTOCI**

A financial asset is classified and measured at FVTOCI if both of the following conditions are met :

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **FVTPL**

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### **Impairment of Financial Assets**

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

### **(Classification and Subsequent Measurement: Financial Liabilities)**

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

### **Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon Initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Standalone Statement of Profit and Loss.

### **Other Financial Liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Derecognition of Financial Asset and Financial Liabilities**

The Company de-recognises a financial asset when the contractual rights to the cash flow from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its Standalone Statement of Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Standalone Statement of Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.



## Notes to Standalone Financial Statements for the year ended March 31, 2020

### 1.14 Financial Liabilities and Equity Instruments

#### Classification as Debt or Equity :

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity Instruments :

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

### 1.15 Investments in Subsidiary and Associate

A Subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following:

- (i) Power over the investee;
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect the amount of the investor's returns.

An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Company's investments in its Subsidiary and Associate are accounted at cost.

### 1.16 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 1.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

#### Contingent Liabilities are disclosed in the case of :

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

### 1.18 Gratuity and other Post-Employment Benefits

#### a) Short-Term Obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Standalone Statement of Profit and Loss of the year in which the related services are rendered

#### b) Post-Employment Obligations

The Company operates the following post-employment schemes :

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.



## Notes to Standalone Financial Statements for the year ended March 31, 2020

### Gratuity Obligations

The liability or asset recognised in the Standalone Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cashoutflows by reference to market yields at the end of the reporting period on government bonds that have term approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Standalone Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity and in the Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Standalone Statement of Profit and Loss as past service cost.

### c) Other Long Term Employee Benefit Obligations

The Leave Encashment are presented as short term provision in the Standalone Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### d) Bonus Plan

The company recognises a liability for expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 1.19 Taxes on Income

### (i) Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Standalone Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### (ii) Deferred Tax

Deferred tax is provided using the Standalone Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Standalone Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.





## Notes to Standalone Financial Statements for the year ended March 31, 2020

The break-up of the major components of the deferred tax assets and liabilities as at Standalone Balance Sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

### (iii) MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the Standalone Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Standalone Statement of Profit and Loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

### 1.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.21 Foreign currency translation

#### a) Functional and presentation currency

The Company's financial statements are prepared in INR, which is also the Company's functional and presentation currency.

#### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Standalone Statement of Profit and Loss.

In case of advance payment for purchase of assets/goods/services and advance receipt against sales of products/services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Standalone Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Standalone Statement of Profit and Loss on a net basis within other gains / (losses).

#### Non - Monetary items :

Non - monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### 1.22 Dividend Distribution

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 1.23 Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' using the modified retrospective approach, under which the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised. Accordingly, the comparative information has not been restated and continues to be reported under Ind AS 17 'Lease'. Additionally,



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

the disclosure requirements in Ind AS 116 have not generally been applied to comparative information. The following is the summary of the new and/or revised significant accounting policies related to Leases. Refer Note 1 'Significant Accounting policies', in the Company's 2019 Annual Report for the policies in effect for Leases prior to April 1, 2019. The effect of transition on Ind AS 116 was insignificant.

**Company as a lessee**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and Right of Use assets representing the right to use the underlying assets as below.

**Right of Use (ROU) assets**

The Company recognises Right of Use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of Use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of Right of Use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of Use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**Lease Liabilities**

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease liabilities are remeasured with a corresponding adjustment to the related ROU assets.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**Notes to Standalone Financial Statements for the year ended March 31, 2020**

**2.01 Property, Plant and Equipment**

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Carrying Amount		
	As at April 1, 2019	Addi- tion/ Adjust- ments	Dis- posal/ Adjust- ments	As at March 31, 2020	For the Year	As at March 31, 2020	Elimina- tion on Disposal/ Adjust- ments	As at March 31, 2020	As at March 31, 2019
<b>Own Assets:</b>									
Buildings	1,870.10	279.10	-	<b>2,149.20</b>	52.64	<b>164.31</b>	-	<b>1,984.89</b>	1,758.43
Plant and Machinery	9,504.83	71.51	220.47	<b>9,355.87</b>	732.49	<b>2,395.80</b>	82.15	<b>6,960.07</b>	7,759.37
Furniture, Fixtures and Fittings	398.08	25.87	-	<b>423.95</b>	48.06	<b>171.22</b>	-	<b>252.73</b>	274.92
Computers	59.23	4.94	-	<b>64.17</b>	8.79	<b>52.22</b>	-	<b>11.95</b>	15.79
Office Equipments	109.99	4.63	-	<b>114.62</b>	21.84	<b>82.33</b>	-	<b>32.29</b>	49.50
Electrical Installations	183.45	-	-	<b>183.45</b>	23.71	<b>94.91</b>	-	<b>88.54</b>	112.25
Vehicles	46.23	0.56	0.09	<b>46.70</b>	6.08	<b>19.58</b>	-	<b>27.12</b>	32.73
<b>Total (A)</b>	<b>12,171.91</b>	<b>386.61</b>	<b>220.56</b>	<b>12,337.97</b>	<b>893.61</b>	<b>2,980.37</b>	<b>82.15</b>	<b>9,357.59</b>	<b>10,002.99</b>
<b>Leased Assets</b>									
Land (Long term - refer note 1.6(e))	-	<b>238.11</b>	-	<b>238.11</b>	3.74	<b>3.73</b>	-	<b>234.37</b>	-
<b>Total (B)</b>	-	<b>238.11</b>	-	<b>238.11</b>	<b>3.74</b>	<b>3.73</b>	-	<b>234.37</b>	-
<b>Assets taken on Finance Lease:</b>									
Land	246.13	-	246.13	-	-	-	8.02	-	238.11
<b>Total (C)</b>	<b>246.13</b>	-	<b>246.13</b>	-	-	-	<b>8.02</b>	-	<b>238.11</b>
<b>Total (A+B+C)</b>	<b>12,418.04</b>	<b>624.97</b>	<b>466.68</b>	<b>12,576.08</b>	<b>879.35</b>	<b>2,984.10</b>	<b>90.16</b>	<b>9,591.96</b>	<b>10,241.10</b>
<b>Capital Work in Progress</b>	197.76	240.84	412.18	26.43	-	-	-	26.43	197.76
<b>Total (D)</b>	<b>197.76</b>	<b>240.84</b>	<b>412.18</b>	<b>26.43</b>	-	-	-	<b>26.43</b>	<b>197.76</b>

**Notes to Standalone Financial Statements for the year ended March 31, 2020**
**2.01 Property, Plant and Equipment (Cont.)**

₹ in Lakh

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Carrying Amount		
	As at April 1, 2018	Addition	Disposal	As at March 31, 2019	As at April 1, 2018	For the Year	Elimination on disposal	As at March 31, 2019	As at March 31, 2018
<b>Own Assets:</b>									
Buildings	1,870.10	-	-	1,870.10	74.28	37.39	-	1,758.43	1,795.82
Plant and Machinery	7,604.49	1,972.08	71.74	9,504.83	1,081.37	687.64	23.55	7,759.37	6,523.12
Furniture, Fixtures and Fittings	387.82	10.26	-	398.08	78.21	44.95	-	274.92	309.62
Computers	49.59	9.64	-	59.23	33.17	10.26	-	15.79	16.43
Office Equipments	102.75	7.24	-	109.99	38.98	21.51	-	49.50	63.76
Electrical Installations	177.89	5.56	-	183.45	47.14	24.06	-	112.25	130.75
Vehicles	55.84	-	9.61	46.23	10.09	7.16	3.75	32.73	45.75
<b>Total (A)</b>	<b>10,248.49</b>	<b>2,004.78</b>	<b>81.35</b>	<b>12,171.91</b>	<b>1,363.23</b>	<b>832.97</b>	<b>27.30</b>	<b>10,002.99</b>	<b>8,885.25</b>
<b>Assets taken on Finance Lease: #</b>									
Leasehold Land	216.13	30.00	-	246.13	5.17	2.85	-	238.11	210.95
<b>Total (B)</b>	<b>216.13</b>	<b>30.00</b>	<b>-</b>	<b>246.13</b>	<b>5.17</b>	<b>2.85</b>	<b>-</b>	<b>238.11</b>	<b>210.95</b>
<b>Total (A+B)</b>	<b>10,464.61</b>	<b>2,034.78</b>	<b>81.35</b>	<b>12,418.04</b>	<b>1,368.40</b>	<b>835.82</b>	<b>27.30</b>	<b>10,241.10</b>	<b>9,096.20</b>
Capital Work in Progress	182.82	2,054.75	2,039.80	197.76	-	-	-	197.76	182.82
<b>Total (C)</b>	<b>182.82</b>	<b>2,054.75</b>	<b>2,039.80</b>	<b>197.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197.76</b>	<b>182.82</b>

# The Leasehold Land classified as Finance Lease is recognised under Property, Plant and Equipment as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company.

**Notes to Standalone Financial Statements for the year ended March 31, 2020**

**2.02 Intangible Assets**

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Carrying Amount	
	As at April 1, 2019	Addition	Disposal	As at March 31, 2020	For the Year	Elimination on disposal	As at March 31, 2020	As at March 31, 2019
ERP Software	114.00	25.56	-	139.56	22.97	-	75.69	61.28
<b>Total</b>	<b>114.00</b>	<b>25.56</b>	<b>-</b>	<b>139.56</b>	<b>22.97</b>	<b>-</b>	<b>75.69</b>	<b>61.28</b>

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Carrying Amount	
	As at April 1, 2018	Addition	Disposal	As at March 31, 2019	For the Year	Elimination on disposal	As at March 31, 2019	As at March 31, 2018
ERP Software	108.97	5.03	-	114.00	19.76	-	52.72	76.02
<b>Total</b>	<b>108.97</b>	<b>5.03</b>	<b>-</b>	<b>114.00</b>	<b>19.76</b>	<b>-</b>	<b>52.72</b>	<b>76.02</b>

Range of remaining period of amortisation as at March 31, 2020 of intangible assets is as below:

₹ in Lakhs

Assets	< 5 Years
ERP Software	63.87



Notes to Standalone Financial Statements for the year ended March 31, 2020

2.03 Non Current Investments

₹ in Lakhs

Particulars	Face value	As at March 31, 2020		As at March 31, 2019	
		No of Shares	Amount	No of Shares	Amount
<b>Investments (measured at cost)</b>					
<b>Investment in Subsidiaries and Associates Unquoted (fully paid up)</b>					
<b>(i) Investment in Equity Shares of Subsidiaries</b>					
Orbit Inc.	\$1	1,000,000	633.97	1,000,000	633.97
Excellere (UK) Limited	£ 1	1,000	0.82	1,000	0.82
<b>(ii) Investment in Equity Shares of Associate</b>					
Rainbow Line Trading L.L.C.	AED 1,000	147	56.19	147	56.19
<b>Investments (measured at FVTPL)</b>					
<b>Investment in equity shares of other entities</b>					
The Kurla Nagrik Sahakari Bank Limited	₹ 10	10,000	1.00	10,000	1.00
<b>Investment (measured at amortised cost)</b>					
<b>Unquoted</b>					
<b>(i) Investments in Government securities</b>					
National Savings Certificate*		-	0.37	-	0.37
<b>Total non - current investments</b>			692.35		692.35
<b>Aggregate amount of quoted investments</b>			-		-
<b>Aggregate amount of unquoted investments</b>			692.35		692.35
<b>Aggregate amount of impairment in value of investments</b>			-		-

\*Lodged with Sales tax and Government authorities

2.04 Loans

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Security Deposits - Utility</b>				
Unsecured, considered good	84.40	82.73	-	-
<b>Total (A)</b>	84.40	82.73	-	-
<b>Security Deposits - Rental</b>				
Unsecured, considered good	69.97	68.52	-	-
<b>Total (B)</b>	69.97	68.52	-	-
<b>Loans to employees</b>				
Unsecured, considered good	-	-	2.87	2.79
<b>Total (C)</b>	-	-	2.87	2.79
<b>Total (A+B+C)</b>	154.37	151.25	2.87	2.79

Note : No amount is due from any of the directors or officers of the company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

**Notes to Standalone Financial Statements for the year ended March 31, 2020****2.05 Other Financial Assets**

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Bank deposits with more than twelve months of original maturity	46.23	24.65	1,250.00	-
Dividend Receivable	-	-	-	-
Others	-	-	1.90	8.05
Interest accrued but not due on bank deposits	-	-	56.80	56.80
Rent Receivable	-	-	11.00	3.24
Interest Receivable	-	-	-	-
Receivable from Related Party	-	-	0.80	0.80
Forward Contracts - Assets	-	-	-	114.48
<b>Total</b>	<b>46.23</b>	24.65	<b>1,320.50</b>	183.37

Note: The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision, as required under any law/ accounting standards for material foreseeable losses on such long term contracts including derivative contracts, has been made in the books of account.

**2.06 Deferred Tax Assets / Liabilities (Net)**

Significant components of deferred tax assets / (liabilities) recognised in the Standalone Financial Statements are as follows :

₹ in Lakhs

Particulars	Non Current	
	As at March 31, 2020	As at March 31, 2019
<b>Deductible temporary differences</b>		
Provision for employee benefit	59.34	27.87
Allowance for doubtful debts	20.86	23.90
Deferred tax impact on OCI	(8.51)	10.22
MAT Credit Available	-	36.44
<b>Taxable temporary differences</b>		
Property, Plant and Equipment	(1216.84)	(1300.98)
Forward Contracts	-	(0.21)
<b>Total</b>	<b>(1145.16)</b>	(1202.76)



Notes to Standalone Financial Statements for the year ended March 31, 2020

₹ in Lakhs

	As at March 31, 2020	(Charged)/ Credited to Profit and Loss/ OCI//Retained Earning	As at March 31, 2019	(Charged)/ Credited to Profit and Loss/ OCI/ Retained Earning	As at March 31, 2018
<b>Deferred tax (liabilities)/ assets in relation to :</b>					
Property, Plant and Equipment	<b>(1216.84)</b>	<b>84.14</b>	(1300.98)	(287.70)	(1013.28)
Forward Contract	-	<b>0.21</b>	(0.21)	8.97	(9.18)
Provision for employee benefit	<b>59.34</b>	<b>31.47</b>	27.87	(15.07)	42.94
Allowance for doubtful debts	<b>20.86</b>	<b>(3.05)</b>	23.90	12.61	11.29
Deferred tax impact on OCI	<b>(8.51)</b>	<b>(18.73)</b>	10.22	10.22	-
MAT Credit Available	-	<b>(36.44)</b>	36.44	36.44	-
<b>Total</b>	<b>(1145.16)</b>	<b>57.61</b>	(1202.76)	(234.53)	(968.23)

2.07 Other Assets

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Capital Advances	<b>171.95</b>	64.08	-	-
<b>Advances other than Capital Advances</b>				
Prepaid expenses	<b>2.42</b>	14.09	<b>63.16</b>	66.63
Staff Advances	-	-	<b>11.11</b>	12.07
Advances to suppliers	-	-	<b>34.89</b>	47.07
<b>Balances with governmental authorities</b>				
Electricity Duty Receivable	-	-	<b>13.69</b>	10.70
GST Refund receivable	-	-	<b>615.57</b>	94.96
VAT/Sales tax Receivable	<b>52.27</b>	52.27	-	-
MEIS & Duty draw back receivable	-	-	<b>248.20</b>	171.46
Subsidy Receivable	-	-	<b>111.20</b>	127.43
Accrued Interest on Windmill	<b>17.53</b>	39.67	<b>22.14</b>	37.30
GST Receivable	-	-	<b>17.10</b>	73.91
<b>Total</b>	<b>244.17</b>	170.11	<b>1137.05</b>	641.52

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.



**Notes to Standalone Financial Statements for the year ended March 31, 2020****2.08 Inventories (Valued at lower of cost or net realisable value, unless otherwise stated)**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Raw material		
In hand	<b>533.20</b>	678.16
Goods-in-transit	-	40.78
Stores and spares	<b>84.85</b>	58.94
Work-in-progress	<b>504.84</b>	347.02
Finished goods	<b>1,971.58</b>	1,701.60
<b>Total</b>	<b>3,094.47</b>	2,826.50

**2.09 Trade Receivable**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	<b>3,081.64</b>	3,085.89
Unsecured, credit impaired	<b>82.86</b>	82.09
<b>Total</b>	<b>3,164.50</b>	3,167.98
Less : Provision for impairment	<b>(82.86)</b>	(82.09)
<b>Total</b>	<b>3,081.64</b>	3,085.89

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

**2.10 Cash and cash equivalents**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
In current accounts		
Escrow Account**	-	25.00
Cash Credit***	<b>146.24</b>	81.26
Others	<b>98.96</b>	184.28
Deposits with original maturity of less than 3 months	<b>212.99</b>	581.26
Cash on hand	<b>20.37</b>	18.31
<b>Total</b>	<b>478.56</b>	890.11

\*\* The Company utilised these balances only towards buyback of shares

\*\*\* Cash Credit facility sanctioned to the company is secured by hypothecation of Inventory, Book Debts and entire current assets of the Company, present and future, on pari passu basis.



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

**2.11 Bank Balances**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity for more than 3 months but less than 12 months (Refer Note 1)	204.98	1,519.30
Deposit in Escrow Account for Capital Investment (Refer Note 2)	1,451.74	-
Unclaimed dividend accounts	46.90	36.93
<b>Total</b>	<b>1,703.62</b>	1,556.23

Note 1: The Fixed Deposits aggregating to ₹ 48.18 Lakhs (March 31, 2019: ₹ 22.23 Lakhs) has been pledged with State Bank of India, ₹ 266.02 Lakhs (March 31, 2019: ₹ 262.96 Lakhs) has been pledged with HDFC Bank and ₹ 150 Lakhs (March 31, 2019: ₹ 125 Lakhs) has been pledged with DBS Bank as collateral security against the financial assistance extended by the respective banks and Nil (March 31, 2019: ₹ 0.36 Lakhs) with Central Bank of India.

Note 2: The Company is in the process of acquisition of Leasehold Land and Building. As per tri-partite agreement dated March 12, 2020 between Bank, Vendor and the Company, the above amount has been deposited in an Escrow Account.

**2.12 Tax Assets (net)**

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Tax assets :				
Taxes paid	29.44	47.06	3,739.97	3,078.43
<b>Total (A)</b>	<b>29.44</b>	47.06	<b>3,739.97</b>	3,078.43
Tax liabilities :				
Provision for Taxation	-	-	3,712.33	3,050.78
<b>Total (B)</b>	<b>-</b>	-	<b>3,712.33</b>	3,050.78
<b>Total (A-B)</b>	<b>29.44</b>	47.06	<b>27.64</b>	27.65

**2.13 Equity Share Capital**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised share capital :</b>		
3,50,00,000 (March 31, 2019: 3,50,00,000) Equity shares of Rs.10/- each	3,500.00	3,500.00
<b>Total</b>	<b>3,500.00</b>	3,500.00
<b>Issued, Subscribed and Paid up Capital</b>		
2,73,83,065 (March 31, 2019: 2,82,57,856) Equity shares of Rs.10/- each fully paid up	2,738.31	2,825.79
<b>Total</b>	<b>2,738.31</b>	2,825.79

**a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period :**

Equity shares	As at March 31, 2020	As at March 31, 2019
	No. of Shares	No. of Shares
<b>At the beginning of the period</b>	<b>28,257,856</b>	28,257,856
Less: Buy back of shares	(874,791)	-
<b>Outstanding at the end of the period</b>	<b>27,383,065</b>	28,257,856

**Notes to Standalone Financial Statements for the year ended March 31, 2020**

The Board of Directors, at its meeting in March 18, 2019, had approved the buyback of the Company's fully paid-up Equity Shares of the face value of ₹ 10/- each from its shareholders/beneficial owners excluding promoters, promoter group and persons acting in concert, via the "open market" route through the stock exchanges, for a total amount not exceeding ₹ 1,000/- Lakhs ("Maximum Buyback Size"), and at a price not exceeding ₹ 130/- per Equity Share ("Maximum Buyback Price").

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons acting in concert) under the open market route through the stock exchanges. The buyback of Equity Shares through the stock exchange commenced on March 29, 2019 and was completed on September 04, 2019. During this buyback period, the Company had purchased and extinguished a total of 8,74,791 Equity Shares from the stock exchange at an average buy back price of ₹ 114.23/- per Equity Share comprising 3.10% of the pre buyback paid-up Equity Share Capital of the Company. The buyback resulted in a cash outflow of ₹ 999.24 Lakhs (excluding transaction costs). The Company funded the buyback from utilization of its free reserves. The total number of Equity Shares outstanding as on March 31, 2020 post buyback stands at 27,383,065.

**b. Rights, preference and restrictions attached to equity shares:****Equity Shares**

The Company has issued only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

The dividend proposed is as recommended by the Board of Directors and subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of share holders holding more than 5% shares in the company**

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Mr. Pankaj Seth	11,337,112	41.40	11,322,112	40.07
Mrs. Anisha Seth	4,019,558	14.68	3,813,853	13.50
M/s. Mediaman Multitrade Pvt. Ltd.	2,628,940	9.60	2,538,780	8.98
Mr. Kaushik Daga	1,847,458	6.75	2,112,396	7.48
Mr. Varun Daga	2,089,705	7.63	2,091,971	7.40

**d. Aggregate number of shares issued as bonus during 5 years immediately preceding March 31, 2020**

Particulars	No. of Shares
Number of equity shares issued as bonus by the Company - FY 2016-17*	14,351,150

\*Bonus shares were issued by capitalisation of balance in securities premium and general reserve amounting to ₹ 1,435.12 Lakhs in the ratio of one equity share for every one equity share held by member(s) having face value of ₹ 10 each held on the record date.

Basic and diluted earnings per share for the previous periods has been presented to reflect the adjustment for bonus share in accordance with Indian Accounting Standard 33 Earnings Per Share.

**Additional Disclosure****Terms of Warrant**

- A.** 10 lakhs Optionally Fully Convertible Warrants were issued to Mr. Pankaj Seth and Mrs. Anisha Seth on September 10, 2013 at a price of ₹ 76.57 each, out of which 25% amount received at the time of allotment of warrants. Each warrant was to be converted into 1 equity share of ₹ 10/- each within 18 months from the date of allotment i.e. on or before March 9, 2015. The details of conversion are as mentioned below:-

**Notes to Standalone Financial Statements for the year ended March 31, 2020**

December 16, 2013	400,000	lock in for 3 year till December 15, 2016
March 20, 2014	150,000	lock in for 3 year till March 19, 2017
June 18, 2014	450,000	lock in for 3 year till June 17, 2017
<b>Total</b>	<b>1,000,000</b>	

**2.14 Other Equity**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
General reserve	-	31.08
Retained Earnings	<b>13,716.82</b>	13,397.49
Capital Redemption Reserve	<b>131.92</b>	44.44
<b>Total</b>	<b>13,848.74</b>	13,473.03

**Description of the nature and purpose of each reserve within equity is as follows:**

**(a) General Reserve :**

The Company had transferred a portion of the net profit of the Company before declaring dividend to the general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve before declaration of dividend is not required under the Companies Act, 2013.

**(b) Retained Earnings :**

Retained earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves etc., amount distributed as dividend and adjustments on account of transition to Ind AS.

**(c) Capital Redemption Reserve :**

The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

**2.15 Borrowings**

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Term Loans</b>				
Secured				
From Banks	607.94	980.13	1,000.00	-
Less : Current maturities of non-current borrowings (Refer Note 2.17)	178.29	372.34	-	-
<b>Total</b>	<b>429.65</b>	607.79	<b>1,000.00</b>	-



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

**(a) Nature of Security and terms of repayment for secured non-current borrowings:**

₹ in Lakhs

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2020	As at March 31, 2019
1	Term loan - 3 from State Bank of India, Details of securities are mentioned below*	Repayable in 60 monthly installments commencing from Aug 1, 2014, exclusive of a moratorium period of 12 months, 36 monthly installments of ₹ 15 Lakhs each, next 23 installments of ₹ 16 Lakhs each and last installment of ₹ 17 Lakhs. Last installment is due in July, 2019.	-	65.00
2	Term loan - 1 from HDFC Bank Limited. Details of securities are mentioned below**	Repayable in 60 equated monthly installments from October 2014 till September, 2019.	-	87.08
3	Term loan - 2 from HDFC Bank Limited. Details of securities are mentioned below**	Repayable in multiple equated monthly installments starting from September, 2015 till September, 2019.	-	55.94
4	Term loan - 3 from HDFC Bank Limited. Details of securities are mentioned below**	Repayable in 60 equated monthly installments starting from May, 2018 till May, 2023	<b>607.94</b>	772.11
*	<p><b>Primary Security:</b> The Company has provided hypothecation on entire present and future stocks of trading goods and book debts, receivables, actionable claims and all present and future claims and first pari passu charge on entire Property, Plant and Equipment (excluding Plant and Machineries financed by other banks/ financial institutions of the borrower) as primary security.</p> <p><b>Collateral Security:</b> Equitable Mortgage and hypothecation charge over entire Property, Plant and Equipment of the Company including Land and Building, Plant and Machineries, situated at Plot No.6, 7 and 8, Village Mahuvej, Taluka Mangrol, Dist- Surat - 394102;</p> <p><b>Guarantee:</b> Personal Guarantee of Promoter Directors, Mr. Pankaj Seth and Mrs. Anisha Seth.</p>			
**	<p><b>Primary Security:</b> Hypothecation by way of First Pari Passu Charge on entire Current Assets of Company (Including Stock and Book Debts both present and future) with State Bank of India and DBS for entire limit and Hypothecation by way of first and exclusive charge on Plant and Machinery funded by HDFC Bank Limited.</p> <p><b>Collateral Security:</b> Equitable Mortgage of the Textile building bearing No.B-12, Asmeeta Texpa ITP, MIDC Plot No.1, Additional Kalyan Bhiwandi Industrial Area, Village - Kon, Sub-District Bhiwandi, District Thane,</p> <p><b>Guarantee:</b> Personal Guarantee of Mr. Pankaj Seth, Promoter Director.</p>			

**(b) Assets pledged as security:**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Inventories	<b>3,094.47</b>	2,826.50
Receivables	<b>3,081.64</b>	3,085.90
<b>Non Current</b>		
Property plant and equipment of the company including Land and Building, Plant and Machineries situated at Surat	<b>7,090.74</b>	7,890.35
Asmeeta Textile Building located at Kalyan	<b>1,018.00</b>	762.80
<b>Total</b>	<b>14,284.85</b>	14,565.55



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

**(c) Nature of Security and terms of repayment for secured current borrowings:**

₹ in Lakhs

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2020	As at March 31, 2019
1	Loans against FD of ₹ 1250 Lakhs with HDFC Limited.	Repayable within 12 months from date of borrowing	<b>1,000.00</b>	-

**2.16 Trade Payables**

₹ in Lakhs

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro Enterprises and Small Enterprises (refer note 4.14)	<b>76.26</b>	125.22
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	<b>252.08</b>	206.45
<b>Total</b>	<b>328.34</b>	331.67

**2.17 Other Financial Liabilities**

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current maturities of non-current borrowings	-	-	<b>178.29</b>	372.34
Salary and reimbursement expenses payable	-	-	<b>97.13</b>	106.39
Interest accrued but not due on loans	-	-	<b>6.43</b>	5.82
Unclaimed dividends*	-	-	<b>46.90</b>	36.93
Security deposit	<b>9.00</b>	9.00	-	-
Subscription Amount payable	-	-	<b>0.91</b>	0.91
Liability for Expenses and Capital Goods	-	-	<b>241.34</b>	303.97
Forward Contracts - Liabilities	-	-	<b>219.65</b>	-
Payable for acquisition of Property, Plant and Equipment	<b>150.00</b>	300.00	<b>149.50</b>	149.50
<b>Total</b>	<b>159.00</b>	309.00	<b>940.15</b>	975.86

\* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2020 (March 31, 2019: Nil)

**Details of Current maturities of non-current borrowings**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Term Loan</b>		
Secured:		
From Bank	<b>178.29</b>	372.34
<b>Total</b>	<b>178.29</b>	372.34



Notes to Standalone Financial Statements for the year ended March 31, 2020

2.18 Other Liabilities

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Statutory Liabilities	-	-	61.49	34.11
Advance from Customers	-	-	260.33	182.15
Deferred Income for Captial Subsidy	482.95	549.25	66.30	66.30
<b>Total</b>	<b>482.95</b>	<b>549.25</b>	<b>388.12</b>	<b>282.56</b>

2.19 Provisions

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Employee benefits :</b>				
Provision for Bonus	-	-	13.07	15.01
Provision for Leave Encashment	-	-	22.16	5.64
Provision for Gratuity	163.76	95.86	2.96	14.30
<b>Total (A)</b>	<b>163.76</b>	<b>95.86</b>	<b>38.19</b>	<b>34.95</b>
<b>Others :</b>				
Other Expenses	-	-	28.02	42.35
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>28.02</b>	<b>42.35</b>
<b>Total (A+B)</b>	<b>163.76</b>	<b>95.86</b>	<b>66.21</b>	<b>77.30</b>

2.20 Current Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Taxation (Net of advance tax)	2.07	68.75
<b>Total</b>	<b>2.07</b>	<b>68.75</b>

3.01 Revenue from operations

₹ in Lakhs

Particulars	2019-20	2018-19
<b>Revenue from operations</b>		
Sale of products	13,515.54	12,939.18
Sale of power	44.40	42.30
Sale of Services	8.45	10.45
<b>Total(A)</b>	<b>13,568.39</b>	<b>12,991.93</b>
<b>Other operating revenue</b>		
Export Incentives	401.26	346.58
<b>Total(B)</b>	<b>401.26</b>	<b>346.58</b>
<b>Total(A+B)</b>	<b>13,969.65</b>	<b>13,338.51</b>

**Notes to Standalone Financial Statements for the year ended March 31, 2020****Revenue from contracts with customers :****I. Revenue from contracts with customers disaggregated based on geography**

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Domestic	3,691.85	4,006.05
Exports	9,876.54	8,985.88
<b>Total</b>	<b>13,568.39</b>	<b>12,991.93</b>

**II. Reconciliation of gross revenue with the revenue from contracts with customers**

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gross Revenue	13,646.88	13,057.27
Less : Discounts and incentives	78.49	65.34
<b>Net Revenue recognised from Contracts with Customers</b>	<b>13,568.39</b>	<b>12,991.93</b>

**III. Revenue recognised from Contract liability (Advances from Customers)**

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Closing contract liability	690.40	593.48

The contract liability outstanding at the beginning of the year was ₹ 593.48 lakhs of which ₹ 583.58 lakhs has been recognised as revenue during the year ended March 31, 2020

There are transactions with one external customer which amount to 10% or more of the Company's revenue.

**3.02 Other Income**

₹ in Lakhs

Particulars	2019-20	2018-19
<b>Interest Income on financial assets</b>		
Bank Deposits (at amortized cost)	187.35	123.90
Unwinding of interest on security deposits	5.61	5.04
<b>Other Non-Operating Income</b>		
Government Assistant	66.30	58.67
Rent Income	38.25	36.45
Sundry balances written back	1.20	1.27
Dividend Income	-	0.03
<b>Other gains and losses</b>		
Net gain on foreign exchange fluctuation	120.94	112.82
<b>Total</b>	<b>419.65</b>	<b>338.18</b>



**Notes to Standalone Financial Statements for the year ended March 31, 2020****3.03 Cost of Materials Consumed**

₹ in Lakhs

Particulars	2019-20	2018-19
Inventory at the beginning of the year	711.52	646.89
Add : Purchases	5,364.63	4,951.93
	6,076.15	5,598.82
Less : Inventory at the end of the year	533.20	711.52
<b>Total</b>	<b>5,542.95</b>	<b>4,887.30</b>

**3.04 Changes in Inventories**

₹ in Lakhs

Particulars	2019-20	2018-19
Inventories at the end of the year (including in-transit)		
Work-in-Progress	504.84	347.02
Finished Goods	1,971.58	1,701.60
<b>Total (A)</b>	<b>2,476.42</b>	<b>2,048.62</b>
Inventories at the beginning of the year (including in-transit)		
Work-in-Progress	347.02	258.52
Finished Goods	1,701.60	1,772.98
<b>Total (B)</b>	<b>2,048.62</b>	<b>2,031.50</b>
<b>Total (B-A)</b>	<b>(427.80)</b>	<b>(17.12)</b>

**3.05 Employee Benefit Expenses**

₹ in Lakhs

Particulars	2019-20	2018-19
Salaries, wages and bonus	1,893.49	1,908.93
Contribution to provident and other fund	130.61	136.03
Staff welfare expenses	47.61	34.15
<b>Total</b>	<b>2,071.71</b>	<b>2,079.11</b>

**3.06 Finance Cost**

₹ in Lakhs

Particulars	2019-20	2018-19
Interest and Finance charges on financial liabilities :		
Interest on borrowings	145.52	147.03
<b>Total</b>	<b>145.52</b>	<b>147.03</b>

**3.07 Depreciation Amortization and Impairment Expense**

₹ in Lakhs

Particulars	2019-20	2018-19
Depreciation of Property, Plant and Equipment	897.35	835.81
Depreciation on ROU Assets	247.15	-
Amortisation of Intangible assets	22.97	19.76
<b>Total</b>	<b>1,167.47</b>	<b>855.57</b>



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

**3.08 Other Expenses**

		₹ in Lakhs	
Particulars	2019-20	2018-19	
Power and Fuel	429.01	430.16	
Labour Charges	289.96	119.20	
Bad Debts written off	61.04	17.57	
Electricity Expenses	19.49	17.88	
Rates and taxes	15.21	12.50	
Legal and Professional Charges	72.08	105.35	
Advertisement, Sales Promotion and Marketing Fees	120.04	97.51	
Travelling and Conveyance	237.61	275.90	
Commission and Brokerage	301.96	241.00	
Freight and Forwarding Expense	350.09	302.57	
Selling and Distribution Expenses	95.87	89.54	
Postage and Telephone	81.62	87.52	
Bank Charges	20.62	39.04	
Security Expense	27.86	28.36	
<b>Repairs and Maintenance:</b>			
Plant and Machinery	128.24	119.70	
IT Related	94.92	61.91	
Others	68.99	58.06	
Rent	27.98	281.70	
Printing and Stationery	17.33	16.37	
Miscellaneous Expenses	8.59	10.07	
Recruitment expenses	9.84	16.61	
CSR Expenses	154.44	116.06	
Insurance Charges	55.93	48.11	
Impairment of trade receivable	0.77	34.50	
Membership and Subscription	1.27	6.97	
Loss on Disposal of property, plant and equipment	74.77	35.09	
<b>Remuneration to statutory auditor</b>			
Statutory Audit Fees	9.50	9.50	
Limited Review Fees	3.00	3.00	
<b>Total</b>	<b>2,778.03</b>	2,681.75	

**3.09 Tax expenses**

		₹ in Lakhs	
Particulars	2019-20	2018-19	
<b>(a) Income tax expenses :</b>			
Current tax	847.03	655.74	
Tax adjustments for earlier years	0.37	(148.82)	
Deferred tax liability / (asset) incl. MAT credit (refer note 2.06)	(49.10)	224.31	
<b>Total</b>	<b>798.30</b>	731.23	
<b>(b) Income tax recognised in other comprehensive income</b>			
Deferred tax impact on the defined benefit plans	(8.51)	10.22	



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

<b>I. Reconciliation of current rate of tax and effective rate of tax:</b>		
<b>Net profit / (loss) before tax</b>	<b>3,111.42</b>	3,043.05
Effective tax rate applicable to the Company	<b>25.17%</b>	29.12%
Tax amount at the enacted income tax rate	<b>783.14</b>	886.14
Add: Expenses not deductible in determining taxable profits	<b>429.28</b>	375.88
Less: Allowances/Deductibles	<b>(346.51)</b>	(620.60)
Less: Allowances/Deductibles - Income claimed exempt u/s 80IA(4)(iv)	<b>(18.88)</b>	(22.11)
<b>Income tax expenses - Net</b>	<b>847.03</b>	619.31
<b>Tax liability as per Minimum Alternate Tax on book profits</b>		
Minimum Alternate Tax rate	-	21.55%
Computed tax liability on book profit	-	655.74
<b>Minimum Alternate tax on book profit (Refer Note 1)</b>	-	655.74

Note 1: The Government of India has issued the Taxation Laws (Amendment) Act, 2019, which provides domestic companies an option to pay corporate tax at reduced rates effective April 1, 2019 subject to certain conditions. The Holding Company has opted for lower tax regime and accordingly the impact has been considered in computing provision for tax and deferred tax.

**II. Reconciliation of Deferred Tax**

<b>Particulars</b>	<b>₹ in Lakhs</b>		
	<b>As at March 31, 2020</b>	<b>(Charged)/ Credited to Profit and Loss/ OCI/ Retained Earning</b>	<b>As at March 31, 2019</b>
<b>Deferred tax (liabilities)/assets in relation to :</b>			
Property, Plant and Equipment	<b>(1,216.84)</b>	<b>84.14</b>	(1,300.98)
Forward Contract	-	<b>0.21</b>	(0.21)
Provision for employee benefit	<b>59.34</b>	<b>31.47</b>	27.87
Allowance for doubtful debts	<b>20.86</b>	<b>(3.05)</b>	23.90
Deferred tax impact on OCI	<b>(8.51)</b>	<b>(18.73)</b>	10.22
MAT Credit Available	-	<b>(36.44)</b>	36.44
<b>Total</b>	<b>(1,145.16)</b>	<b>57.61</b>	(1,202.76)

**Notes to Standalone Financial Statements for the year ended March 31, 2020****4.01 Earning per share**

Particulars	₹ in Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Basic earnings per share :</b>		
Attributable to equity holders of the Company	<b>8.28</b>	8.18
<b>Diluted earnings per share :</b>		
Attributable to equity holders of the Company	<b>8.28</b>	8.18
<b>Reconciliation of earnings used in calculating earnings per share :</b>		
<b>Basic earnings per share</b>		
Profit attributable to equity holders of the Company used in calculating basic earning per shares (₹ in Lakhs)	<b>2,313.12</b>	2,311.82
<b>Diluted earnings per share</b>		
Profit attributable to equity holders of the Company used in calculating diluted earning per shares (₹ in Lakhs)	<b>2,313.12</b>	2,311.82
Weighted average number of Equity shares used as the denominator in calculating basic earnings per share	<b>27,950,157</b>	28,257,856
Weighted average number of Equity shares used as the denominator in calculating diluted earnings per share	<b>27,950,157</b>	28,257,856

**4.02 Leases**

- 1 The Company's lease asset primarily consist of leases for Office Space, Warehouse Space and Vehicle having various lease terms. Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.
- 2 The effect of this adoption is insignificant on the profit before tax, profit for the year and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.
- 3 The following is the summary of practical expedients elected on initial application :
  - a Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
  - b Applied the exemption not to recognise Right of Use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
  - c Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
  - d Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.
  - e The Company has elected, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

**Notes to Standalone Financial Statements for the year ended March 31, 2020**

- 4 Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020 :**

₹ in Lakhs

Particulars	Category of ROU			
	Leasehold Building	Leasehold Land	Vehicle	Total
Transition impact on account of Ind AS 116 'Leases'	428.99	-	14.34	443.33
Reclassified from Earnest money, Security Deposits and Advance Rentals	9.21	5.07	-	14.28
<b>Total Right of Use assets as on date of Transition</b>	<b>438.20</b>	<b>5.07</b>	<b>14.34</b>	<b>457.61</b>
Additions during the year	-	-	-	-
Deletion during the year	-	-	-	-
Depreciation of Right of use assets	238.06	0.48	8.60	247.14
<b>Balance as at March 31, 2020</b>	<b>200.14</b>	<b>4.59</b>	<b>5.74</b>	<b>210.47</b>

- 5 The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020 :**

₹ in Lakhs

Particulars	Year Ended March 31, 2020
Transition impact on account of Ind AS 116 'Leases'	443.33
Additions during the year	-
Finance cost accrued during the year	30.57
Payment/Deletion of lease liabilities during the year	260.72
<b>Balance as at March 31, 2020</b>	<b>213.18</b>
Current portion of Lease Liability	171.14
Non Current portion of Lease Liability	42.04
<b>Total</b>	<b>213.18</b>

- 6 An explanation to difference between operating lease commitments as per Ind AS 17 and lease liabilities as per Ind AS 116 as on April 1, 2019 is as below :**

- The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%
- The difference between lease obligation recorded as of March 31, 2019, under Ind AS 17 and the value of lease liability as of April 1, 2019, is on account of practical hindsight in determining the lease term, where the contract contained options to extend or terminate the lease in measuring the lease liability in accordance with Ind AS 116, reclassification of finance lease obligations as lease liabilities and discounting the lease liabilities to the present value under Ind AS 116.

- 7 Amounts recognised in the statement of cash flows**

₹ in Lakhs

Particulars	2019-20
Total Cash outflow for leases	260.72

- 8 Total cash outflow recorded during the year was ₹ 288.68 lakh except for short term lease and low value assets.**

**Notes to Standalone Financial Statements for the year ended March 31, 2020**

- 9 The maturity analysis of lease liabilities are disclosed in note 4.10. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- 10 Certain lease agreements are subject to escalation clause and with extension of lease term options. At the expiry of the lease term, in case of lease agreements other than land, the lessee has an option to purchase the assets at Fair Market Value

**4.03 Contingent Liabilities**

- (a) The Company's pending litigations comprise of proceedings pending with Income Tax and other government authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities, where applicable, in its standalone financial statements. The outcome of these proceedings will not have adverse effect on its financial. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made an adequate provision in the standalone financial statements.

Particulars	₹ in Lakhs	
	2019-20	2018-19
Claims against the Company not acknowledged as debts	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

- (b) The Hon'ble Supreme Court of India by their order dated February 28, 2019, has clarified the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The same has been implemented w.e.f. April 1, 2019. However, pending directions or clarification from the EPFO, the quantification of impact, if any for the period upto March 31, 2019 is not ascertainable and consequently no effect has been given in the accounts.

**4.04 Capital and other Commitments**

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 2,192.68 Lakhs (March 31, 2019 : ₹ 53.90 Lakhs)
- b) Export obligations under Export Promotion Capital Goods Scheme (EPCG) towards import of capital goods at concessional rate of custom duty (duty amount involved is March 31, 2020: Rs. 351.39\* lakhs, March 31, 2019: Rs. 351.39\* lakhs)

\* Export obligation for this year has already been fulfilled, however, procedural formalities for the closure of the EPCG Licenses are pending.

- 4.05** The Company has two segments Manufacturing of Textile and Renewable Source of Energy. The gross operating income and profit from the Renewable Source of Energy segment is below the norms prescribed in Ind AS 108, hence separate disclosure have not been made.

**4.06 Corporate Social Responsibility**

As required under section 135 of the Companies Act 2013, the Company has constituted Corporate Social Responsibility (CSR) committee. The relevant particulars are disclosed hereunder:

The company is required to spend ₹ 61.90 Lakhs; (March 31, 2019: ₹ 64.57 Lakhs) on CSR activities.

Amount spend during the year is as follows:

Particulars	March 31, 2020			March 31, 2019		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
On construction/ acquisition of any assets	-	-	-	-	-	-
On purpose other than above	<b>154.44*</b>	<b>61.90</b>	<b>61.90</b>	116.06**	64.57	64.57

\*During the Financial Year 2019-20, the Company had spent ₹ 154.44 Lakhs towards CSR Expenditure. Out of the said spent amount, ₹ 61.90 Lakhs is towards Financial Year 2019-20, ₹ 46.67 Lakhs towards Financial Year 2017-18 and ₹ 45.87 Lakhs towards Financial Year 2016-17.

**Notes to Standalone Financial Statements for the year ended March 31, 2020**

\*\*During the Financial Year 2018-19, the Company had spent ₹ 116.06 Lakhs towards CSR Expenditure. Out of the above spent amount, ₹ 40.11 Lakhs is towards the Financial Year 2014-15; ₹ 56.34 Lakhs for the Financial Year 2015-16 and ₹ 19.61 Lakhs for the Financial Year 2016-17.

**4.07 Employee Benefit Plans****1. Defined contribution plans**

The amounts of contribution to provident fund and ESIC recognized as expenses during the year is ₹ 93.62 Lakhs (March 31, 2019: ₹ 109.99 Lakhs) for the year ended March 31, 2020.

**2. Defined Benefits Plans**

The Company sponsors unfunded defined benefit plans for qualifying employee therefore there are no plan assets which are maintained exclusively thereof. In computation of gratuity liability, Project Unit Credit Method is used.

These plans typically expose the Company to Actuarial risks such as : investment risk, longevity risk and salary risk. No other post-retirement benefit are provided to the employees.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**3. Principal assumptions used for the purpose of actuarial valuation**

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	7.75%	7.75%
Expected rate of salary increase	7.00%	6.50%
Withdrawal Rate	1% at all ages	1% at all ages
Mortality Rate	Indian Assured lives (2012-14) ultimate mortality rates	Indian Assured lives (2006-08) ultimate mortality rates
Retirement Rate	58 Years	58 Years

**4. (a) Amounts recognised in Standalone Statement of Profit and Loss in respect of defined benefit plans**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Service cost:		
Current service cost	28.45	16.66
Interest Cost on net Defined Benefit Obligations	8.54	9.38
Net Actuarial (Gain)/loss	-	-
<b>Components of defined benefits cost recognised in Standalone Statement of Profit and Loss</b>	<b>36.99</b>	26.04



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

**4. (b) Amounts recognised in Other Comprehensive Income in respect of defined benefit plans**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Remeasurement of net defined benefit liability		
Return on plan assets(excluding amount included in net interest expense)	-	-
Net Acturial (Gain)/ Loss	33.82	(35.09)
<b>Components of defined benefits cost recognised in Standalone Other Comprehensive Income</b>	<b>33.82</b>	<b>(35.09)</b>

**4. (c) Amounts recognised in Standalone Balance Sheet in respect of defined benefit plans**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of the Defined Benefit Obligations	166.71	110.15
Fair Value of Plan Assets	-	-
<b>Liability Recognised in the Standalone Balance Sheet</b>	<b>166.71</b>	<b>110.15</b>

**5. (a) Movements in present value of defined benefit obligation**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligations	110.15	121.05
Current service cost	28.45	16.66
Interest cost	8.54	9.38
Remeasurement (Gains) / losses		
Actuarial (gains) / losses on Defined Benefit Obligation	33.82	(35.09)
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(14.25)	(1.85)
<b>Closing defined benefit obligation</b>	<b>166.71</b>	<b>110.15</b>

**5. (b) Reconciliation**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Net Liability	110.15	121.05
Add: Employer Expenses (Expenses recognised in the Standalone Statement of Profit and Loss Account)	36.99	26.04
Add: Trasfer to Other Comprehensive Income	33.82	(35.09)
Less: Benefit Paid	(14.25)	(1.85)
<b>Closing Net Liability</b>	<b>166.71</b>	<b>110.15</b>



**Notes to Standalone Financial Statements for the year ended March 31, 2020****6. Sensitivity Analysis**

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

Key assumptions for determination of Defined Benefit Obligation are Discount Rate (i.e. Interest Rate) and Salary Growth Rate

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate is increased by 1%	(17.07)	(9.36)
Discount Rate is decreased by 1%	20.93	10.49
Salary Growth Rate increased by 1%	20.88	(8.66)
Salary Growth Rate decreased by 1%	(31.76)	9.63

**4.08 Capital Management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to maximise shareholder's value. In order to maintain or achieve a capital structure that maximises the shareholder value, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. As at March 31, 2020, the Company has only one class of equity shares and has no debts. Hence, there are no externally imposed capital requirements.

₹ in Lakhs

Particulars	2019-20	2018-19
<b>Dividend on equity shares paid during the year</b>		
Interim dividend for the year ended March 31, 2020 of ₹ 3 /- (March 31, 2019 - ₹ Nil /- ) per equity share of ₹ 10/- each	821.49	-
Dividend distribution tax on the above dividends	168.86	-

The Company's capital requirement is mainly to fund its business expansion and repayment of borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings

The Company has adhered to material externally imposed conditions relating to capital requirements and there has not been any delay or default during the period covered under these financial statements with respect to payment of principal and interest. No lender has raised any matter that may lead to breach of covenants stipulated in the underlying documents.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents.

₹ in Lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Net Debt	1,129.38	115.03
Total Equity	16,587.05	16,298.82
Net Debt to Equity Ratio	0.07	0.01

**Notes to Standalone Financial Statements for the year ended March 31, 2020****4.09 Financial Instruments****(i) Methods and assumptions used to estimate the fair values**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, payables for acquisition of non-current assets, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.
- The fair values for long term loans, long term security deposits given and remaining non-current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
- The fair values of long term security deposits taken, non-current borrowings and remaining non-current financial liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**(ii) Categories of financial instruments**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>				
<b>Measured at amortised cost :</b>				
Investments in Government securities	0.37	0.37	0.37	0.37
Trade receivables	3,081.64	3,081.64	3,085.89	3,085.89
Cash and Bank balances	2,228.42	2,228.42	2,470.99	2,470.99
Loans	157.24	157.24	154.03	154.03
Other financial assets	1,320.50	1,320.50	68.89	68.89
<b>Total (A)</b>	<b>6,788.17</b>	<b>6,788.17</b>	5,780.18	5,780.18
<b>Measured at fair value through profit or loss</b>				
Investment in equity shares of other entities	1.00	1.00	1.00	1.00
Derivative Instruments	-	-	114.48	114.48
<b>Total (B)</b>	<b>1.00</b>	<b>1.00</b>	115.48	115.48
<b>Total Financial assets (A+B)</b>	<b>6,789.17</b>	<b>6,789.17</b>	5,895.66	5,895.66



Notes to Standalone Financial Statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying values	Fair value	Carrying values	Fair value
<b>Financial liabilities</b>				
<b>Measured at amortised cost :</b>				
Borrowings#	1,607.94	1,607.94	980.13	980.13
Trade payables	328.34	328.34	331.67	331.67
Lease Liabilities	213.18	213.18	-	-
Other financial liabilities	701.21	701.21	912.52	912.52
<b>Total (A)</b>	<b>2,850.67</b>	<b>2,850.67</b>	2,224.32	2,224.32
<b>Measured at fair value through profit or loss</b>				
Derivative Instruments	219.65	219.65	-	-
<b>Total (B)</b>	<b>219.65</b>	<b>219.65</b>	-	-
<b>Total Financial liabilities (A+B)</b>	<b>3,070.32</b>	<b>3,070.32</b>	2,224.32	2,224.32

# includes current maturities of long term debts

(iii) Level wise disclosure of financial instruments

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Foreign currency forward contracts - Assets	-	114.48	2	Quotes from banks
Foreign currency forward contracts - Liabilities	219.65	-	2	Quotes from banks

4.10 Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The details of different types of risk and management policy to address these risks are listed below:

The Company's activities are exposed to various risks viz. Credit risk, Liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set up by the Board of Directors / Management.

a. Credit Risk :

Credit risk arises from the possibility that counter party will cause financial loss to the Company by failing to discharge its obligation as agreed.

Credit risks from balances with banks are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks having high credit-ratings assigned by credit-rating agencies.

Based on the industry practices and business environment in which the Company operates, management considers that the trade receivables are in default if the payment are more than 2 years past due.

Trade receivables primarily consists of Outstanding against exports sales and sales to certain domestic customers with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

Trade receivables primarily consists of Outstanding against exports sales and sales to certain domestic customers with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

Table showing age of gross trade receivables and movement in expected credit loss allowance:

₹ in Lakhs		
Age of Receivables	As at March 31, 2020	As at March 31, 2019
Within the credit period	<b>1,688.06</b>	1,824.83
1-90 days past due	<b>1,125.95</b>	1,040.84
91-180 days past due	<b>120.33</b>	102.93
181-270 days past due	<b>127.55</b>	116.35
More than 270 days past due	<b>105.61</b>	83.03
<b>Total</b>	<b>3,164.50</b>	3,167.98

₹ in Lakhs		
Movement in the expected credit allowance	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	<b>82.09</b>	47.59
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	<b>0.77</b>	34.50
<b>Total</b>	<b>82.86</b>	82.09

The Company is taking adequate steps for recovery of overdue debts and advances and wherever necessary, adequate provisions as per expected credit loss model have been made.

**b. Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company liquidity risk management policies include to, at all times ensure sufficient liquidity to meet its liabilities when they are due, by maintaining adequate sources of financing from both domestic and international banks at an optimised cost. In addition, processes and policies related to such risks are overseen by senior management. The Company's senior management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

**Maturity of Financial Liabilities**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ in Lakhs				
As on March 31, 2020	< 1 Year	1 - 5 year	> 5 year	Total
Borrowings	<b>1,178.29</b>	<b>429.65</b>	-	<b>1,607.94</b>
Trade Payables	<b>328.34</b>	-	-	<b>328.34</b>
Lease Liabilities	<b>171.14</b>	<b>42.04</b>	-	<b>213.18</b>
Other Financial Liabilities	<b>542.21</b>	<b>159.00</b>	-	<b>701.21</b>

₹ in Lakhs				
As on March 31, 2019	< 1 Year	1 - 5 year	> 5 year	Total
Borrowings	372.34	607.79	-	980.13
Trade Payables	331.67	-	-	331.67
Other Financial Liabilities	975.86	309.00	-	1,284.86

**Notes to Standalone Financial Statements for the year ended March 31, 2020****Financing arrangements**

The Company has sufficient sanctioned line of credit from its bankers / financiers; commensurate to its business requirements. The Company reviews its line of credit available with bankers and lenders from time to time to ensure that at all point of time there is sufficient availability of line of credit to handle peak business cycle.

The Company pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories.

**c. Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed in the ordinary course of business to risks related to changes in foreign currency exchange rate and interest rate.

**(i) Market Risk – Foreign Exchange**

Foreign exchange risk arises on all recognised monetary assets and liabilities which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables and receivables. However, foreign exchange exposure mainly arises from trade receivable and trade payables denominated in foreign currencies.

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Company hedges the receivables as well as payables by forming view after discussion with Forex Consultant and as per polices set by Management.

The Company does not enter into or trade financial instrument including derivative for speculative purpose

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ in Lakhs

Currencies	Liabilities		Assets	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
US Dollar (USD)	275.46	45.33	2,437.77	2,490.68
EURO	1.58	0.57	22.31	0.71
British Pound (GBP)	1.88	0.20	44.98	12.60

**Foreign Currency Exposure**

₹ in Lakhs

Foreign currency exposure as at March 31, 2020	USD	EURO	GBP
Trade receivables	2,437.77	22.31	44.98
Trade payables	55.81	1.58	1.88
Forward contracts for payable	219.65	-	-

₹ in Lakhs

Foreign currency exposure as at March 31, 2019	USD	EURO	GBP
Trade receivables	2,376.20	0.71	12.60
Trade payables	45.33	0.57	0.20
Forward contracts for receivable	114.48	-	-

**Notes to Standalone Financial Statements for the year ended March 31, 2020****Particulars of un-hedged foreign currency asset / liability as at Balance Sheet date****Figures in Lakhs**

Currency	Nature	As at March 31, 2020		As at March 31, 2019	
		Amount in Foreign Currency	Amount (₹ in Lakhs)	Amount in Foreign Currency	Amount (₹ in Lakhs)
EURO	Asset- Export Receivables	0.27	22.31	0.01	0.71
GBP	Asset- Export Receivables	0.48	44.98	0.14	12.60

**Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and impact on Equity

**₹ in Lakhs**

Currencies	Impact on profit after Tax and Equity			
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	1% increase	1% increase	1% decrease	1% decrease
EURO	0.22	0.01	(0.22)	(0.01)
GBP	0.45	0.13	(0.45)	(0.13)

**4.11 Related party disclosures****(a) Names of related parties and related party relationship-where control exists**

Subsidiary- Orbit Inc

Subsidiary - Excellere (UK) Limited

**(b) Related parties with whom transactions have taken place during the year**

Associate- Rainbow Line Trading (L.L.C.)

**(c) Key management personnel**

Mr. Pankaj Seth - Managing director

Mrs. Anisha Seth -Whole time director

Mr. Bruce Kievel - Executive Director, (resigned w.e.f. September 25, 2019)

Mr. Mukesh Deopura - Chief Financial Officer

Mrs. Neha Poddar - Company Secretary (upto January 18, 2020)

Mrs. Neha Devpura - Company Secretary (w.e.f. February 04, 2020)

**(d) Relatives of key management personnel**

Mrs. Vishakha Seth Mehra - Daughter of Mr. Pankaj Seth

Mrs. Sangeeta Bhatia - Sister of Mr. Pankaj Seth

Mr. Shyamsunder Seth - Father of Mr. Pankaj Seth

Mr. Parth Seth - Son of Mr. Pankaj Seth

Mr. Prachya Thongnak - Son of Mr. Bruce Kievel

Mrs. Chanda Deopura - Wife of Mr. Mukesh Deopura

**(e) Enterprises owned or significantly influenced by key management personnel or their relatives**

Golden Bo Tree Impex Co Ltd.

M/s Mediaman Multitrade Pvt Ltd.

Orbit Foundation



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

**(f) Non-Executive Directors**

- Mr. Balkrishna Patil (upto September 30, 2019)
- Mr. Saumil Marfatia
- Mr. Pardeep Khosla
- Mr. Varun Daga
- Mr. Sunil Buch

**The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:**

₹ in Lakhs

Name	Relationship	Nature of Transaction	Amount of transaction in FY 2019-20	Amount outstanding as on 31.03.20 (Payable)/ Receivable	Amount of transaction in FY 2018-19	Amount outstanding as on 31.03.19 (Payable)/ Receivable
Mr.Pankaj Seth	Managing Director	Remuneration	208.33	(16.67)	233.00	(0.13)
Mr.Pankaj Seth	Managing Director	Dividend	340.11	-	-	-
Mr.Pankaj Seth	Managing Director	Rent	3.60	(3.24)	3.60	-
Mrs. Anisha Seth	Whole Time Director	Remuneration	208.33	(16.67)	233.00	(0.76)
Mrs. Anisha Seth	Whole Time Director	Dividend	114.42	-	-	-
Mr. Mukesh Deopura	CFO, KMP	Salary	33.50	(2.78)	29.87	(2.37)
Mr. Mukesh Deopura	CFO, KMP	Dividend	0.07	-	-	-
Mrs. Neha Poddar	CS, KMP	Salary	9.44	-	8.89	(0.74)
Mrs. Neha Devpura	CS, KMP	Salary	2.13	(0.79)	-	-
Mrs. Vishakha Seth Mehra	Daughter of Mr. Pankaj Seth	Salary	30.05	(2.44)	28.22	(2.36)
Mrs. Vishakha Seth Mehra	Daughter of Mr. Pankaj Seth	Dividend	0.53	-	-	-
Mrs. Sangeeta Bhatia	Sister of Mr. Pankaj Seth	Salary	4.18	(5.02)	2.34	(0.20)
Mr. Shyamsunder Seth	Father of Mr. Pankaj Seth	Consultancy Fees	1.38	(0.10)	1.38	(0.12)
Mr. Parth Seth	Son of Mr. Pankaj Seth	Salary	15.48	(1.31)	12.10	(0.97)
Mr. Parth Seth	Son of Mr. Pankaj Seth	Dividend	0.75	-	-	-
Mr. Prachya Thongnak	Son of Mr. Bruce Kieval	Consultancy Fees	36.09	-	29.68	-
Mrs. Chanda Deopura	Wife of Mr. Mukesh Deopura	Salary	19.94	(1.54)	18.50	(1.45)
Mrs. Chanda Deopura	Wife of Mr. Mukesh Deopura	Dividend	0.14	-	-	-
M/s. Mediaman Multitrade Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	Dividend	76.16	-	-	--
Orbit Inc	Subsidiary Company	Sales	784.32	501.81	742.93	510.95
Rainbow Line Trading L.L.C.	Associate	Sales	2,189.81	813.42	2,833.71	1,012.91
Orbit Foundation	Enterprises owned or significantly influenced by key management personnel or their relatives	CSR activity	4.44	-	1.06	-

**Notes to Standalone Financial Statements for the year ended March 31, 2020**

Golden Bo Tree Impex Co Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	Commission	<b>28.32</b>	<b>(6.25)</b>	34.38	(5.42)
Mr. Gopikrishna Bubna	Non-Executive Director	Sitting Fees	-	-	0.75	-
Mr. Balkrishna Patil	Non-Executive Director	Sitting Fees	<b>0.30</b>	-	0.38	-
Mr. Saumil Marfatia	Non-Executive Director	Sitting Fees	<b>0.55</b>	-	0.44	(0.15)
Mr. Pardeep Khosla	Non-Executive Director	Sitting Fees	<b>0.90</b>	-	0.71	(0.30)
Mr. Varun Daga	Non-Executive Director	Sitting Fees	<b>0.85</b>	<b>0.09</b>	0.61	(0.15)
Mr. Varun Daga	Non-Executive Director	Dividend	<b>62.69</b>	-	-	-
Mr. Sunil Buch	Non-Executive Director	Sitting Fees	<b>0.95</b>	-	0.35	(0.25)

\*Reimbursement of expenses are not included in above statement

**Compensation to key management personnel**

₹ in Lakhs

Particulars	Amount of transaction in FY 2019-20	Amount of transaction in FY 2018-19
Short-term employee benefits	<b>461.73</b>	504.76
Post-employment benefits	<b>45.31</b>	44.07
Sitting Fees	<b>3.55</b>	3.23
<b>Total</b>	<b>510.59</b>	552.06

**4.12 Employee Stock Option Plan**

The shareholders of the Company have approved Employee Stock Option Plan i.e. OEL Employees Stock Option Plan - 2013 ("The Plan") on July 3, 2013. The Plan provides for issue of options (underlying equity share of ₹ 10/- each) to the persons specified in the scheme. The plan was framed in accordance with the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

The plan provide for the issuance of options at the recommendation of the Nomination & Remuneration Committee at 90% of the market price i.e. price on the working day immediately preceding the date when options are granted, the price being the closing price of the share on Bombay Stock Exchange Limited and National Stock Exchange of India Limited with the highest trading volume as of the working day preceding the date of grant.

The options granted under the Plan shall vest within not less than two years and not more than four years from the date of grant of options. Once the options vest as per the Plan, they would be exercisable by the Option Grantee at any time within a period of one and a half year from the date of vesting and the shares received on exercise of such options shall not be subject to any lock-in period.





**Notes to Standalone Financial Statements for the year ended March 31, 2020**

The following table summarizes the Company's Stock Options activity:

Shares Underlying Options Outstanding

Sr. No	Particulars	As at March 31, 2020		As at March 31, 2019	
		No. of Shares	Weighted Average Exercise Price in ₹	No. of Shares	Weighted Average Exercise Price in ₹
<b>A</b>	a. Options Outstanding at the beginning of the year	<b>156,000</b>	<b>171.17</b>	164,000	171.16
	b. Options granted during the year - Option II	-	-	-	-
	c. Options granted during the year - Option III	-	-	-	-
	d. Exercised during the year - Option I	-	-	-	-
	e. Exercised during the year - Option II	-	-	-	-
	f. Exercised during the year - Option III	-	-	-	-
	g. Lapsed during the year - Option I	-	-	-	-
	h. Lapsed during the year - Option II	<b>26,000</b>	<b>171.00</b>	8,000	171.00
	i. Lapsed during the year - Option III	-	-	-	-
<b>B</b>	a. Outstanding at the end of the year	<b>130,000</b>	<b>171.20</b>	156,000	171.17
	b. Adjusted (Bonus 1:1) options granted and outstanding at the end of the year	-	-	-	-
<b>C</b>	a. Exercisable at the end of the year - Option I	-	-	-	-
	b. Exercisable at the end of the year - Option II	<b>122,000</b>	<b>171.00</b>	148,000	171.00
	c. Exercisable at the end of the year - Option III	<b>8,000</b>	<b>174.25</b>	8,000	174.25
	d. Adjusted (Bonus 1:1) options exercisable at the end of the year - Option II	-	-	-	-
	e. Adjusted (Bonus 1:1) options exercisable at the end of the year - Option III	-	-	-	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Sr. No		Expiry Date	Exercise Price	Shares Options Outstanding as on	
				As at March 31, 2020	As at March 31, 2019
1	September 13, 2013	March 12, 2019	69.75	-	-
2	January 27, 2015	June 26, 2020	342.00	<b>122,000*</b>	148,000*
3	December 24, 2015	June 23, 2021	348.50	<b>8,000*</b>	8,000*
	<b>Total</b>			<b>130,000</b>	156,000

\* Adjusted against Issue of Bonus Shares in the ratio of 1:1



**Notes to Standalone Financial Statements for the year ended March 31, 2020**

**4.13** As per the directives of both the Central and State Governments in the wake of COVID-19 pandemic, the Company had suspended operations across various locations, which has adversely impacted the business.

The Company has considered the possible effects that may result due to the lockdown announced consequent to outbreak of COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. Based on internal and external sources of information and economic forecasts, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity would be available as and when required to fund the business operations. A definitive assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving. The Company is continuously monitoring material changes in such information and economic forecasts.

The Company has started operating its manufacturing facilities and operations in a phased manner from the first week of May 2020.

**4.14** According to the information available with the management, on the basis of intimation received from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has amounts due to micro and small enterprises under the said Act as at March 31, 2020 as follows :

₹ in Lakhs

Sr. No.	Particulars	Current	
		As at March 31, 2020	As at March 31, 2019
a)	Principal amount due	76.26	125.22
b)	Interest due on above	-	-
c)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d)	Amount of interest due and payable for the period of delay	-	0.02
e)	Amount of interest accrued and remaining unpaid as at year end	-	-
f)	Amount of further remaining due and payable in the succeeding year	-	-

**4.15** Figures for the previous year have been regrouped / reclassified /restated wherever considered necessary.

As per our report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm Registration No. 104767W

**Atul Shah**  
Partner  
Membership No. 39569

Place : Mumbai  
Date : June 22, 2020

For and on behalf of the Board of Directors

**Pankaj Seth**  
Managing Director  
DIN : 00027554

**Anisha Seth**  
Whole-time Director  
DIN : 00027611

**Mukesh Deopura**  
Chief Financial Officer

**Neha Devpura**  
Company Secretary  
Membership No. A36961

Place : Mumbai  
Date : June 22, 2020

## INDEPENDENT AUDITOR'S REPORT

To,  
**To the Members of Orbit Exports Limited**  
**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of **Orbit Exports Limited** ("the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as the Group) and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to consolidated financial statements and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the considerations of reports of other auditors of subsidiaries and of the associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2019 and their consolidated profit (including other comprehensive income), their consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

### Basis of Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules framed thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters:

Sr.No	Key Audit Matters	How our audit addressed the Key Audit Matters
1	<p><b>Implementation of new accounting standard on revenue recognition</b></p> <p>Refer note 1.6(a) of the Statement of Significant Accounting Policies.</p> <p>The accuracy of recognition, measurement, presentation and disclosure of revenues and other related balances in terms of Ind AS 115 "Revenue from Contracts with Customers" involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue</p>	<ul style="list-style-type: none"> <li>• Our audit approach consisted testing of the effectiveness of the internal controls relating to such process including substantive testing, which included review of terms and conditions of selected sample of existing contracts and new contracts.</li> <li>• We <i>inter alia</i> tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations, determination of transaction price, criteria relating to transfer of control over the promised goods and measurement and recording of revenue.</li> <li>• We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period.</li> </ul>



### **Information Other than the Consolidated Financial Statements and Our Report thereon**

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the balance part of Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged With Governance and take appropriate actions in accordance with Standards on Auditing.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including Ind AS and relevant provisions of the Act. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associate are responsible for overseeing the financials reporting process of the Group and its associate.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of the misstatement in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit (a) financial statements of two foreign subsidiaries, whose financial statements reflect total assets of ₹ 1412.27 lakhs as at March 31, 2020, total revenue of ₹ 1417.40 Lakhs and total net profit after tax of ₹ 16.33 lakhs for the year ended March 31, 2020 and total comprehensive income ₹ Nil Lakhs for the year ended March 31, 2020 and net cash inflows of ₹ 2.87 Lakhs for the year ended on that date, as considered in the preparation of the consolidated financial statements; (b) financial statements of one associate of the Group included in consolidated financial results whose financial statements reflects total profit after tax (Group's share) of ₹ 234.65 Lakhs for the year ended March 31, 2020. These financial statements and other financial information have been audited by other auditor whose reports has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of section 143(10) of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements:**

1. As required by section 143(3) of the Act, based on our audit and on consideration of reports of the other auditors of subsidiaries and associate, as noted in the other matter paragraph, we report to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;



- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements so far as it appears from our examination of those books and the report of the other auditor;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account, workings and records maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act read with relevant rules issued thereunder and relevant provisions of the Act;
- (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2020 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Company is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164 (2) of the Act. These provisions are not applicable to its subsidiaries and associate as these are not incorporated in India;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". These provisions are not applicable to its subsidiaries and associate as these entities are not incorporated in India;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and These provisions are not applicable to its subsidiaries and associate as these entities are not incorporated in India; and

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors of subsidiaries and associate, as noted in the Other Matters paragraph:
  - (i) The Group has disclosed details of pending litigations, however, it does not any adverse impact on its financial position. Refer Note 4.03 to the consolidated financial statements;
  - (ii) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts; and
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. These provisions are not applicable to its subsidiaries and associate as these entities are not incorporated in India.

For **G. M. Kapadia & Co.**  
Chartered Accountants  
Firm's Registration No: 104767W

**Atul Shah**  
Partner  
Membership No: 039569  
UDIN: 20039569AAAAET7416

Place : Mumbai.  
Dated : June 22, 2020

**Annexure A referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of Orbit Exports Limited ("the Holding Company") on the consolidated financial statements for the year ended March 31, 2020**

**Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of **Orbit Exports Limited** (hereinafter referred to as 'the Holding Company'). Since the subsidiaries and associate of the Company are not incorporated in India, this reporting requirements under section 143(3)(i) of the Act are not applicable to these entities and accordingly, this report is only in respect of the Holding Company.

**Opinion**

In our opinion, the Holding Company which is company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls



with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India.

#### **Management's Responsibility for Internal Financial Controls with reference to Consolidated Financial Statements**

The respective Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility for Internal Financial Controls with reference to Consolidated Financial Statements**

Our responsibility is to express an opinion on Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial control system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **G. M. Kapadia & Co.**  
Chartered Accountants  
Firm's Registration No: 104767W

**Atul Shah**  
Partner

Membership No: 039569  
UDIN: 20039569AAAAET7416

Place : Mumbai.  
Dated : June 22, 2020



**Consolidated Balance Sheet as at March 31, 2020**

₹ in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	2.01	9,594.00	10,244.59
Right of Use Assets	4.02	210.47	-
Capital work-in-progress	2.01	26.43	197.76
Other Intangible Assets	2.02	63.87	61.28
Financial Assets			
Investments	2.03	957.32	722.67
Loans	2.04	169.00	164.66
Other financial assets	2.05	46.23	24.65
Non Current tax assets (Net)	2.12	29.44	47.06
Other non-current assets	2.07	244.17	170.11
<b>Total Non-current Assets</b>		<b>11,340.93</b>	<b>11,632.79</b>
<b>Current Assets</b>			
Inventories	2.08	3,993.32	3,713.65
Financial Assets			
Trade receivables	2.09	2,729.20	2,726.82
Cash and cash equivalents	2.10	484.63	893.03
Bank balances other than 2.10 above	2.11	1,703.62	1,556.23
Loans	2.04	2.87	2.79
Other financial assets	2.05	1,320.50	183.37
Current tax assets (Net)	2.12	27.64	27.65
Other current assets	2.07	1,142.78	646.80
<b>Total Current Assets</b>		<b>11,404.56</b>	<b>9,750.34</b>
<b>TOTAL ASSETS</b>		<b>22,745.49</b>	<b>21,383.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	2.13	2,738.31	2,825.79
Other Equity	2.14	14,670.37	14,037.76
<b>Total Equity</b>		<b>17,408.68</b>	<b>16,863.55</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Borrowings	2.15	429.65	607.79
Lease Liabilities	4.02	42.04	-
Other financial liabilities	2.17	159.00	309.00
Deferred tax liabilities (Net)	2.06	1,145.38	1,203.95
Other non-current liabilities	2.18	482.95	549.25
Provisions	2.19	163.76	95.86
<b>Total Non-current Liabilities</b>		<b>2,422.78</b>	<b>2,765.85</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	2.15	1,000.00	-
Lease Liabilities	4.02	171.14	-
Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	2.16	76.26	125.22
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2.16	259.54	211.86
Other financial liabilities	2.17	939.24	974.95
Other current liabilities	2.18	388.12	282.56
Provisions	2.19	72.05	84.19
Current Tax Liabilities (Net)	2.20	7.68	74.95
<b>Total Current Liabilities</b>		<b>2,914.03</b>	<b>1,753.73</b>
<b>Total Equity and Liabilities</b>		<b>22,745.49</b>	<b>21,383.13</b>
Significant Accounting Policies	1		
The accompanying notes are an integral part of consolidated financial statements.			

As per our report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm Registration No. 104767W

**Atul Shah**  
Partner  
Membership No. 39569

Place : Mumbai  
Date : June 22, 2020

For and on behalf of the Board of Directors

**Pankaj Seth**  
Managing Director  
DIN : 00027554

**Anisha Seth**  
Whole-time Director  
DIN : 00027611

**Mukesh Deopura**  
Chief Financial Officer

**Neha Devpura**  
Company Secretary  
Membership No. A36961

Place : Mumbai  
Date : June 22, 2020





**Consolidated Statement of Profit and Loss for the year ended March 31, 2020**

₹ in Lakhs

Particulars	Note No.	2019-20	2018-19
<b>INCOME</b>			
Revenue from operations	3.01	<b>14,603.30</b>	13,855.68
Other income	3.02	<b>419.65</b>	338.18
<b>Total Income</b>		<b>15,022.95</b>	14,193.86
<b>EXPENSES</b>			
Cost of materials consumed	3.03	<b>5,668.29</b>	5,000.76
Changes in inventories	3.04	<b>(439.50)</b>	(79.15)
Employee benefits expense	3.05	<b>2,263.51</b>	2,267.67
Finance costs	3.06	<b>145.52</b>	147.03
Depreciation, amortisation and impairment expense	3.07	<b>1,169.15</b>	858.48
Other expenses	3.08	<b>3,020.40</b>	2,917.72
<b>Total Expenses</b>		<b>11,827.37</b>	11,112.51
<b>Profit before share of profit of Associate and exceptional items</b>		<b>3,195.58</b>	3,081.35
Share of profit / (loss) of Associate		<b>234.65</b>	230.10
<b>Profit/ (Loss) before exceptional items and tax</b>		<b>3,430.23</b>	3,311.45
Exceptional items		-	-
<b>Profit / (loss) before tax</b>		<b>3,430.23</b>	3,311.45
<b>Tax expenses</b>	3.09		
Current tax		<b>853.49</b>	662.11
Deferred tax liability / (asset) incl. MAT credit		<b>(50.11)</b>	222.98
Tax adjustments for earlier years		<b>0.37</b>	(148.82)
<b>Profit for the year</b>		<b>2,626.48</b>	2,575.18
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		<b>(33.82)</b>	35.09
Income tax relating to items that will not be reclassified to profit or loss		<b>8.51</b>	(10.22)
<b>B. Items that will be reclassified to profit or loss</b>			
Exchange difference in translating the financial statement of foreign operations		<b>(56.49)</b>	(3.18)
<b>Total other comprehensive income/ (loss)</b>		<b>(81.80)</b>	21.69
<b>Total comprehensive income for the year</b>		<b>2,544.68</b>	2,596.87
<b>Profit / (Loss) for the year attributable to:</b>			
Owners of the Parent		<b>2,626.48</b>	2,575.18
Non-controlling interests		-	-
		<b>2,626.48</b>	2,575.18
<b>Other Comprehensive Income / (Loss) for the year attributable to :</b>			
Owners of the Parent		<b>(81.80)</b>	21.69
Non-controlling interests		-	-
		<b>(81.80)</b>	21.69
<b>Total Comprehensive Income / (Loss) for the year attributable to :</b>			
Owners of the Parent		<b>2,544.68</b>	2,596.87
Non-controlling interests		-	-
		<b>2,544.68</b>	2,596.87
<b>Earnings per equity share (Face value of ` 10/- each)</b>	4.01		
Basic (in ₹)		<b>9.40</b>	9.11
Diluted (in ₹)		<b>9.40</b>	9.11
Significant Accounting Policies	1		
The accompanying notes are an integral part of consolidated financial statements.			

As per our report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm Registration No. 104767W

**Atul Shah**  
Partner  
Membership No. 39569

Place : Mumbai  
Date : June 22, 2020

For and on behalf of the Board of Directors

**Pankaj Seth**  
Managing Director  
DIN : 00027554

**Anisha Seth**  
Whole-time Director  
DIN : 00027611

**Mukesh Deopura**  
Chief Financial Officer

**Neha Devpura**  
Company Secretary  
Membership No. A36961

Place : Mumbai  
Date : June 22, 2020



## Consolidated Statement of changes in equity for the year ended March 31, 2020

### A. EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	Note No.	Amount
Balance as at April 1, 2018	2.13	2,825.79
Changes in equity share capital during the year		
Balance as at March 31, 2019	2.13	2,825.79
Buy back of shares		(87.48)
<b>Balance as at March 31, 2020</b>	<b>2.13</b>	<b>2,738.31</b>

### B. OTHER EQUITY

₹ in Lakhs

Particulars	Other Equity						Total	
	Reserves and Surplus				Other Comprehensive income	Amount attributable to Owners of the parent		Non-controlling interests
	General Reserve	Capital Redemption Reserve	Retained Earnings	Items that will be re-classified to P&L				
				Foreign currency translation reserve				
<b>Balance as at April 01, 2019</b>	<b>31.08</b>	<b>44.44</b>	<b>13,965.43</b>	<b>(3.18)</b>	<b>14,037.76</b>	-	<b>14,037.76</b>	
Profit for the year	-	-	2,391.83	-	2,391.83	-	2,391.83	
Share of profit of Associate	-	-	234.65	-	234.65	-	234.65	
Other Comprehensive Income / (loss)	-	-	(25.31)	(56.49)	(81.80)	-	(81.80)	
Total Comprehensive Income for the year	-	-	2,601.17	(56.49)	2,544.68	-	2,544.68	
Buyback of equity shares	(31.08)	87.48	(968.15)	-	(911.75)	-	(911.75)	
Payment of dividends	-	-	(821.49)	-	(821.49)	-	(821.49)	
Payment of dividend distribution tax	-	-	(168.86)	-	(168.86)	-	(168.86)	
Transaction cost relating to buyback	-	-	(9.98)	-	(9.98)	-	(9.98)	
<b>Balance as at March 31, 2020</b>	-	<b>131.92</b>	<b>14,598.12</b>	<b>(59.67)</b>	<b>14,670.37</b>	-	<b>14,670.37</b>	
Balance as at April 01, 2018	31.08	44.44	11,380.19	-	11,455.71	-	11,455.71	
Profit for the year	-	-	2,345.08	-	2,345.08	-	2,345.08	
Share of profit of Associate	-	-	230.10	-	230.10	-	230.10	
Other Comprehensive Income / (loss)	-	-	24.87	(3.18)	21.69	-	21.69	
Total Comprehensive Income for the year	-	-	2,600.05	(3.18)	2,596.87	-	2,596.87	
Transaction cost relating to buyback	-	-	(14.81)	-	(14.81)	-	(14.81)	
Balance as at March 31, 2019	31.08	44.44	13,965.43	(3.18)	14,037.76	-	14,037.76	

Significant Accounting Policies (Refer Note 1)

The accompanying notes are an integral part of consolidated financial statements.

As per our report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm Registration No. 104767W

**Atul Shah**  
Partner  
Membership No. 39569

Place : Mumbai  
Date : June 22, 2020

For and on behalf of the Board of Directors

**Pankaj Seth**  
Managing Director  
DIN : 00027554

**Anisha Seth**  
Whole-time Director  
DIN : 00027611

**Mukesh Deopura**  
Chief Financial Officer

**Neha Devpura**  
Company Secretary  
Membership No. A36961

Place : Mumbai  
Date : June 22, 2020



**Consolidated Cash Flow Statement for the year ended March 31, 2020**

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
Profit / (loss) before tax	3,430.23	3,311.45
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortisation expense	1,169.15	858.47
Share of (Profit) / Loss of Associate	(234.65)	(230.10)
Interest expenses	145.52	147.03
Bad Debts written off	61.04	17.49
Amortisation of deferred revenue	(66.30)	(58.67)
Unrealised foreign exchange loss / (gain)	(397.07)	(1.86)
Mark-to-market (gain)/loss on derivative financial instruments	219.65	(114.14)
Dividend Income	-	(0.03)
Provision for gratuity, leave encashment and bonus	69.33	(13.93)
Interest income	(187.35)	(123.90)
(Profit)/Loss on disposal of property, plant and equipment	74.77	35.09
Unwinding of lease rent	-	5.56
Allowances for bad and doubtful debts	0.77	34.50
Interest income on financial asset at amortised cost	(5.61)	(5.04)
<b>Operating Profit before Change in operating assets and liabilities</b>	<b>4,279.48</b>	<b>3,861.92</b>
<b>Change in operating assets and liabilities :</b>		
(Increase)/Decrease in trade receivables	276.39	(9.62)
(Increase)/Decrease in inventories	(279.67)	(147.73)
(Increase)/Decrease in other financial assets	(116.75)	26.92
(Increase)/Decrease in other current/non-current assets	(462.18)	197.77
Increase/(Decrease) in trade payables	(1.28)	(10.19)
Increase/(Decrease) in provisions	(47.39)	53.24
Increase/(Decrease) in other current/non-current liabilities	105.56	270.55
Increase/(Decrease) in current financial liabilities	157.74	(132.65)
Increase/(Decrease) in non-current financial liabilities	(150.00)	(150.00)
<b>Cash generated from operations</b>	<b>3,761.90</b>	<b>3,960.21</b>
Direct taxes paid (net of refunds)	(903.42)	(531.31)
<b>Net cash flow from/(used in) operating activities (A) *</b>	<b>2,858.48</b>	<b>3,428.90</b>
<b>Cash flow from investing activities</b>		
Payments for acquisition of property, plant and equipment	(332.67)	(1,446.89)
Proceeds from sale of property, plant and equipment	63.64	18.97
Repayments / (Disbursements) of loans given	1.20	(24.37)
Deposit in Escrow Account for Capital Investment	(1,451.74)	-
Dividend Income	-	0.15
Interest Received	187.35	127.73
Changes in Fixed Deposit other then Cash and Cash Equivalent:		
Redemption of fixed deposits	3,296.55	1,416.17
Investments made in fixed deposits	(3,903.81)	(2,354.10)
Redemption of Corporate Deposit	2,125.00	-
Investments made in Corporate deposit	(1,475.00)	-
Proceeds from sale of investments	-	0.32
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(1,489.48)</b>	<b>(2,262.03)</b>



**Consolidated Cash Flow Statement for the year ended March 31, 2020 (Cont.)**

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flows from financing activities</b>		
Proceeds from/(Repayments) of current borrowings	<b>1,000.00</b>	-
Proceeds from/(Repayments) of non-current borrowings	<b>(372.19)</b>	(420.27)
Repayment of Lease liabilities	<b>(260.72)</b>	-
Dividend on Equity Shares (including dividend distribution tax)	<b>(990.35)</b>	-
Buyback of Equity Shares	<b>(999.23)</b>	-
Transaction cost relating to buyback	<b>(9.98)</b>	(14.81)
Interest and finance charges	<b>(144.93)</b>	(144.59)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(1,777.40)</b>	(579.67)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+ C)</b>	<b>(408.40)</b>	587.20
Cash and cash equivalents at the beginning of the year	<b>893.03</b>	305.83
<b>Cash and cash equivalents at the end of the year</b>	<b>484.63</b>	893.03
<b>Notes:</b>		
<b>(a) Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Cash and cash equivalents		
Balances with banks:		
In Current Account		
Escrow Account	-	25.00
Cash Credit	<b>146.24</b>	81.26
Others	<b>104.73</b>	186.87
Deposits with original maturity of less than 3 months	<b>212.99</b>	581.26
Cash on hand	<b>20.67</b>	18.64
<b>Balance as per the cash flow statement</b>	<b>484.63</b>	893.03

(b) The Consolidated Cash Flow Statement has been prepared using indirect method set out in the Ind AS 7 - 'Statement of Cash Flows'.

(c) Changes in Liabilities arising from financing activities:

Particulars	As at March 31, 2019	Cash Flow	Non Cash Changes	As at March 31, 2020
Current borrowings (Refer note 2.15)	-	1,000.00	-	1,000.00
Non-current borrowings (including current maturities of Non-current borrowings) (Refer note 2.15)	980.13	(372.19)	-	607.94

Particulars	As at March 31, 2018	Cash Flow	Non Cash Changes	As at March 31, 2019
Current borrowings (Refer note 2.15)	-	-	-	-
Non-current borrowings (including current maturities of Non-current borrowings) (Refer note 2.15)	1,400.40	(420.27)	-	980.13

\* Amount spent in Cash towards Corporate Social Responsibility is ₹ 154.44 Lakhs (March 31, 2019: ₹ 116.06 Lakhs)

As per our report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm Registration No. 104767W

**Atul Shah**  
Partner  
Membership No. 39569

Place : Mumbai  
Date : June 22, 2020

For and on behalf of the Board of Directors

**Pankaj Seth**  
Managing Director  
DIN : 00027554

**Anisha Seth**  
Whole-time Director  
DIN : 00027611

**Mukesh Deopura**  
Chief Financial Officer

**Neha Devpura**  
Company Secretary  
Membership No. A36961

Place : Mumbai  
Date : June 22, 2020



## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 1. Significant Accounting Policies

The Consolidated Financial Statements comprise financial statements of Orbit Exports Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended March 31, 2020. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India.

The Group principally operates in two business segments: Manufacturing of Textile and Renewable source of Energy. Information on other related party relationships of the Group is provided in Note 4.05.

#### Authorisation of consolidate financial statements:

The consolidated financial statements were authorised for issue in accordance with a resolution of the board of directors dated June 22, 2020.

#### 1.1 Basis of Preparation

##### (i) Compliance with Ind AS

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), and relevant rules issued thereunder and the relevant provisions of the Act. In accordance with proviso to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these consolidated financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards.

##### (ii) Historical cost convention

The Consolidated financial statements have been prepared on a historical cost basis, except for the following :

- a) certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
- b) defined benefit plans - plan assets measured at fair value.

#### 1.2 Rounding of Amounts

All amounts disclosed in the Consolidated financial statement and notes have been rounded off to the nearest Lakhs, except where otherwise indicated.

#### 1.3 Current versus Non-Current classification

The Company presents its assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current if it is :

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) the cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if it is:

- a) it is expected to be settled in normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



## Notes to Consolidated Financial Statements for the year ended March 31, 2020

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its normal operating cycle.

### 1.4 Use of Judgements, Estimates and Assumptions

While preparing consolidated financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements are as below :

#### Key assumptions:

##### (i) Financial Instruments: (Refer note 4.09)

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

##### (ii) Useful lives of Property, Plant and Equipment and Intangible assets; (Refer notes 1.7, 1.8 and 1.9)

The Company reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

##### (iii) Valuation of inventories: (Refer note 1.11)

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

##### (iv) Assets and obligations relating to employee benefits: (Refer note 4.07)

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These interalia include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### (v) Recognition and measurement of other Provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

#### Critical Accounting Judgements

The Company has equity stake in various entities for strategic reasons concerning its operation. The relationship with these entities have been determined based on principles laid down in Ind AS 110 – Consolidated Financial Statements.

### 1.5 Principles of Consolidation and Equity Accounting

#### (i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those



## Notes to Consolidated Financial Statements for the year ended March 31, 2020

returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively. Consolidated Statement of Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### (ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

### (iii) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group's does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1.10 below.

## 1.6 Revenue Recognition

### a) Revenue From Contracts With Customers

The Group derives revenues primarily from sale of products and services. Revenue from sale of goods is recognised net of returns and discounts.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expect to receive in exchange for those products or services.

To recognise revenues, the Group applies the following five step approach :

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenues when a performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group presents revenues net of indirect taxes in its Consolidated Statement of Profit and Loss.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognised over time :



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

- b) Export incentives are accounted on accrual basis and include the estimated value of export incentives receivable under the Duty Draw Back Scheme and other applicable schemes.
- c) Dividend Income is recognised when the Group's right to receive is established which is generally occur when the shareholders approve the dividend.
- d) Revenue from services is recognised when all relevant activities are completed and the right to receive income is established.
- e) Revenue in respect of insurance/ other claims, commission, interest for delayed payment etc. is recognised only when it is reasonably certain that the ultimate collection will be made.
- f) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR).

**1.7 Property, Plant and Equipment**

- a) Property, Plant and Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.
- b) The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Group in future periods and the cost of the item can be measured reliably. Expenditure incurred after the Property, Plant and Equipment have been put into operations, such as repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred.
- c) An item of Property, Plant and Equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.
- d) The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.
- e) Long-term lease arrangements in respect of land are treated as Property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land. Cost in respect of the same is amortised over the period of respective lease arrangement.

**1.8 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Consolidated Statement of Profit and Loss in the period in which the expenditure is incurred. Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Consolidated Statement of Profit and Loss.





**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

**1.9 Depreciation and Amortisation**

Depreciation on Property, Plant and Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II to the Companies Act, 2013, the Group has assessed the estimated useful lives of its Property, Plant and Equipment and has adopted the useful lives and residual value as prescribed therein except following cases which are based on internal technical assessment:

Particulars	Useful Life of Assets
Leasehold Land	Remaining period of Lease
Software	5 Years
Windmill	25 Years
Plant and Machinery	14 Years

**1.10 Impairment of Financial Assets**

Carrying amount of Tangible assets and Intangible assets (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Group's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**1.11 Inventories**

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost in case of Raw material and Packing material, Stores and Spare and Traded Goods include purchase cost net of refundable taxes and other overheads incurred in bringing such items of inventory to its present location and condition. Cost of raw materials, components and stores and spares which do not meet the recognition criteria under Property, Plant and Equipment is determined on a weighted average basis.

Cost of raw materials, components and stores and spares which do not meet the recognition criteria under Property, Plant and Equipment is determined on a weighted average basis.

Finished goods and work-in-progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Provision is made for the cost of obsolescence and other anticipated losses, wherever considered necessary.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory in determining net realisable value include ageing of inventory, price changes and such other related factors.

**1.12 Cash and Cash Equivalents**

Cash and Cash Equivalents in the Consolidated Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

For the purpose of Consolidated cash flows, cash and cash equivalents consist of cash, short-term deposits as defined above, bank overdrafts and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value as they are considered as an integral part of the Group's management.



## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 1.13 Government Grant

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

The above criteria is also used for recognition of incentives under various scheme notified by the Government. When the grant relates to an asset, it is recognised as deferred income and amortised over the useful life of such assets.

### 1.14 Financial Instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

#### Initial Recognition and Measurement- Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Profit and Loss.

#### Classification and Subsequent Measurement : Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive Income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following :

- the entity's business model for managing the financial assets and
- the contractual characteristics of financial asset

#### Amortised Cost

A financial asset is classified and measured at amortised cost if both of the following conditions are met :

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### FVTOCI

A financial asset is classified and measured at FVTOCI if both of the following conditions are met :

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### FVTPL

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### (Classification and Subsequent Measurement: Financial Liabilities)

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon Initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

### Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Derecognition of Financial Asset and Financial Liabilities

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its Consolidated Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

## 1.15 Financial Liabilities and Equity Instruments

### Classification as Debt or Equity :

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity Instruments :

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all offits liabilities. Equity instruments issued by a Group are recognised at the proceeds received.

## 1.16 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 1.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is acurrent pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.



## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### Contingent Liabilities are disclosed in the case of :

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no realisable estimate is possible;
- A possible obligation from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

### 1.18 Gratuity and other Post-Employment Benefits

#### a) Short-Term Obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Consolidated Statement of Profit and Loss of the year in which the related services are rendered

#### b) Post-Employment Obligations

The Company operates the following post-employment schemes :

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.

#### Gratuity Obligations

The liability or asset recognised in the Consolidated Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cashout flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Consolidated statement of changes in equity and in the Consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Statement Profit and Loss as past service cost.

#### c) Other Long Term Employee Benefit Obligations

The Leave Encashment are presented as short term provision in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### d) Bonus Plan

The company recognises a liability for expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### 1.19 Taxes on Income

#### (i) Current Tax

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Consolidated Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### (ii) Deferred Tax

Deferred tax is provided using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Consolidated Statement of Profit and Loss is recognised outside the Consolidated Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at Consolidated Balance Sheet date has been arrived at after setting off deferred tax assets and liabilities where the Group have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

### (iii) MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Consolidated Statement of Profit and Loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit

## 1.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 1.21 Foreign currency translation

### a) Functional and presentation currency

The Group's Consolidated financial statements are prepared in INR, which is also the Group's functional and presentation currency.

### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit and Loss.

In case of advance payment for purchase of assets/goods/services and advance receipt against sales of products/services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.



## Notes to Consolidated Financial Statements for the year ended March 31, 2020

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within other gains / (losses).

### Non-monetary items

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### 1.22 Dividend Distribution

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity

### 1.23 Leases

Effective April 1, 2019, the Group has adopted Ind AS 116 'Leases' using the modified retrospective approach, under which the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised. Accordingly, the comparative information has not been restated and continues to be reported under Ind AS 17 'Lease'. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information. The following is the summary of the new and/or revised significant accounting policies related to Leases. Refer Note 1 'Significant Accounting policies', in the Group's 2019 Annual Report for the policies in effect for Leases prior to April 1, 2019. The effect of transition on Ind AS 116 was insignificant.

#### Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The Group recognises lease liabilities to make lease payments and Right of Use assets representing the right to use the underlying assets as below.

#### Right of Use (ROU) assets

The Group recognises Right of Use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of Use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of Right of Use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of Use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset

#### Lease Liabilities

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease liabilities are re-measured with a corresponding adjustment to the related ROU assets.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

2.01 Property, Plant and Equipment

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Carrying Amount	
	As at April 1, 2019	Addition / Adjustments	Disposal / Adjustments	As at March 31, 2020	For the Year April 1, 2019	Elimination on disposal/ Adjustments	As at March 31, 2020	As at March 31, 2019
<b>Own Assets:</b>								
Buildings	1,870.10	279.10	-	2,149.20	52.64	-	164.31	1,758.43
Plant and Machinery	9,504.83	71.51	220.47	9,355.87	734.48	82.15	2,399.80	7,757.36
Furniture, Fixtures and fittings	405.62	26.05	-	431.68	48.01	-	178.91	274.72
Computers	59.37	4.94	-	64.31	8.78	-	52.44	15.71
Office Equipments	122.71	4.70	-	127.41	21.61	-	89.03	55.29
Electrical Installations	183.45	-	-	183.45	23.71	-	94.91	112.25
Vehicles	46.23	0.56	0.09	46.70	6.08	-	19.58	32.73
<b>Total (A)</b>	<b>12,192.30</b>	<b>386.86</b>	<b>220.56</b>	<b>12,358.62</b>	<b>895.31</b>	<b>82.15</b>	<b>2,998.97</b>	<b>10,006.48</b>
<b>Leased Assets</b>								
Land (Long term - refer note 1.7(e))	-	238.11	-	238.11	3.74	-	3.74	-
<b>Total (B)</b>	<b>-</b>	<b>238.11</b>	<b>-</b>	<b>238.11</b>	<b>3.74</b>	<b>-</b>	<b>3.74</b>	<b>-</b>
<b>Assets taken on Finance Lease:</b>								
Land	246.13	-	246.13	-	-	8.02	-	238.11
<b>Total (C)</b>	<b>246.13</b>	<b>-</b>	<b>246.13</b>	<b>-</b>	<b>8.02</b>	<b>8.02</b>	<b>-</b>	<b>238.11</b>
<b>Total (A+B+C)</b>	<b>12,438.43</b>	<b>624.97</b>	<b>466.68</b>	<b>12,596.72</b>	<b>899.05</b>	<b>90.16</b>	<b>3,002.71</b>	<b>10,244.59</b>
<b>Capital Work in Progress</b>	197.76	240.84	412.18	26.43	-	-	-	197.76
<b>Total (D)</b>	<b>197.76</b>	<b>240.84</b>	<b>412.18</b>	<b>26.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197.76</b>

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**
**2.01 Property, Plant and Equipment (Cont.)**

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Carrying Amount		
	As at April 1, 2018	Addition	Disposal	As at March 31, 2019	As at April 1, 2018	For the Year	Elimination on disposal	As at March 31, 2019	As at March 31, 2018
<b>Own Assets:</b>									
Buildings	1,870.10	-	-	1,870.10	74.28	37.39	-	1,758.43	1,795.82
Plant and Machinery	7,604.49	1,972.08	71.74	9,504.83	1,081.37	689.65	23.55	7,757.36	6,523.11
Furniture, Fixtures and Fittings	395.46	10.16	-	405.62	85.58	45.32	-	274.72	309.89
Computers	49.73	9.64	-	59.37	33.37	10.29	-	15.71	16.35
Office Equipments	115.46	7.25	-	122.71	45.77	21.65	-	55.29	69.68
Electrical Installations	177.89	5.56	-	183.45	47.14	24.06	-	112.25	130.74
Vehicles	55.84	-	9.61	46.23	10.09	7.16	3.75	32.73	45.75
<b>Total (A)</b>	<b>10,268.98</b>	<b>2,004.68</b>	<b>81.35</b>	<b>12,192.30</b>	<b>1,377.60</b>	<b>835.52</b>	<b>27.30</b>	<b>2,185.82</b>	<b>8,891.34</b>
<b>Assets taken on Finance Lease: #</b>									
Leasehold Land	216.13	30.00	-	246.13	5.17	2.85	-	238.11	210.95
<b>Total (B)</b>	<b>216.13</b>	<b>30.00</b>	<b>-</b>	<b>246.13</b>	<b>5.17</b>	<b>2.85</b>	<b>-</b>	<b>238.11</b>	<b>210.95</b>
<b>Total (A+B)</b>	<b>10,485.10</b>	<b>2,034.68</b>	<b>81.35</b>	<b>12,438.43</b>	<b>1,382.77</b>	<b>838.37</b>	<b>27.30</b>	<b>2,193.84</b>	<b>9,102.29</b>
Capital Work in Progress	182.82	2,054.75	2,039.80	197.76	-	-	-	197.76	182.82
<b>Total (C)</b>	<b>182.82</b>	<b>2,054.75</b>	<b>2,039.80</b>	<b>197.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197.76</b>	<b>182.82</b>

# The Leasehold Land classified as Finance Lease is recognised under Property, Plant and Equipment as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Company.



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

**2.02 Intangible Assets**

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Carrying Amount	
	As at April 1, 2019	Addition	Disposal	As at March 31, 2020	For the Year	Elimination on disposal	As at March 31, 2020	As at March 31, 2019
ERP Software	114.00	25.56	-	139.56	22.97	-	63.87	61.28
<b>Total</b>	<b>114.00</b>	<b>25.56</b>	<b>-</b>	<b>139.56</b>	<b>22.97</b>	<b>-</b>	<b>63.87</b>	<b>61.28</b>

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Carrying Amount	
	As at April 1, 2018	Addition	Disposal	As at March 31, 2019	For the Year	Elimination on disposal	As at March 31, 2020	As at March 31, 2018
ERP Software	108.97	5.03	-	114.00	19.76	-	61.28	76.02
<b>Total</b>	<b>108.97</b>	<b>5.03</b>	<b>-</b>	<b>114.00</b>	<b>19.76</b>	<b>-</b>	<b>61.28</b>	<b>76.02</b>

Range of remaining period of amortisation as at March 31, 2020 of intangible assets is as below:

₹ in Lakhs	
Assets	< 5 Years
ERP Software	63.87



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

**2.03 Non Current Investments**

₹ in Lakhs

Particulars	Face value	As at March 31, 2020		As at March 31, 2019	
		No of Shares	Amount	No of Shares	Amount
<b>Investments (measured at cost)</b>					
<b>Unquoted (fully paid up)</b>					
<b>Investment in Equity Shares of Subsidiaries</b>					
Rainbow Line Trading L.L.C.	AED 1,000	147	56.19	147	56.19
Accumulated share in profit(loss) at beginning of the year		-	665.11	-	435.01
Share in Profit/(Loss) of current year		-	234.65	-	230.10
<b>Investments (measured at FVTPL)</b>					
<b>Investment in equity shares of other entities</b>					
The Kurla Nagrik Sahakari Bank Limited	₹ 10	10,000	1.00	10,000	1.00
<b>Investment (measured at amortised cost)</b>					
<b>(i) Investments in Government securities</b>					
National Savings Certificate*		-	0.37	-	0.37
<b>Total non - current investments</b>			957.32		722.67
<b>Aggregate amount of quoted investments</b>			-		-
<b>Aggregate amount of unquoted investments</b>			957.32		722.67
<b>Aggregate amount of impairment in value of investments</b>			-		-

\*Lodged with Sales tax and Government authorities

**2.04 Loans**

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Security Deposits - Utility</b>				
Unsecured, considered good	84.40	82.73	-	-
<b>Total (A)</b>	84.40	82.73	-	-
<b>Security Deposits - Rental</b>				
Unsecured, considered good	84.59	81.94	-	-
<b>Total (B)</b>	84.59	81.94	-	-
<b>Loans to employees</b>				
Unsecured, considered good	-	-	2.87	2.79
<b>Total (C)</b>	-	-	2.87	2.79
<b>Total (A+B+C)</b>	169.00	164.66	2.87	2.79

Note : No amount is due from any of the directors or officers of the company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

**Notes to Consolidated Financial Statements for the year ended March 31, 2020****2.05 Other Financial Assets**

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Bank deposits with more than twelve months of original maturity	46.23	24.65	1,250.00	-
Others	-	-	1.90	8.05
Interest accrued but not due on bank deposits	-	-	56.80	56.80
Rent Receivable	-	-	11.00	3.24
Receivable from Related Party	-	-	0.80	0.80
Forward Contracts - Assets	-	-	-	114.48
<b>Total</b>	<b>46.23</b>	24.65	<b>1,320.50</b>	183.37

Note: The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision, as required under any law / accounting standards for material foreseeable losses on such long term contracts including derivative contracts, has been made in the books of accounts.

**2.06 Deferred Tax Assets / Liabilities (Net)**

Significant components of deferred tax assets / (liabilities) recognised in the Consolidated Financial Statements are as follows:

₹ in Lakhs

Particulars	Non Current	
	As at March 31, 2020	As at March 31, 2019
<b>Deductible temporary differences</b>		
Provision for employee benefit	59.34	27.87
Allowance for doubtful debts	20.86	23.90
Deferred tax impact on OCI	(8.51)	10.22
MAT Credit Available	-	36.44
<b>Taxable temporary differences</b>		
Property, Plant and Equipment	(1217.07)	(1302.17)
Forward Contracts	-	(0.21)
<b>Total</b>	<b>(1145.38)</b>	(1203.95)



Notes to Consolidated Financial Statements for the year ended March 31, 2020

₹ in Lakhs

	As at March 31, 2020	(Charged)/ Credited to Profit and Loss/ OCI//Retained Earning	As at March 31, 2019	(Charged)/ Credited to Profit and Loss/ OCI/ Retained Earning	As at March 31, 2018
<b>Deferred tax assets / (liabilities) in relation to :</b>					
Property, Plant and Equipment	<b>(1217.07)</b>	<b>85.09</b>	(1302.17)	(286.49)	(1015.68)
Forward Contracts	-	<b>0.21</b>	(0.21)	8.97	(9.18)
Provision for employee benefit	<b>59.34</b>	<b>31.47</b>	27.87	(15.07)	42.94
Allowance for doubtful debts	<b>20.86</b>	<b>(3.04)</b>	23.90	12.61	11.29
Deferred tax impact on OCI	<b>(8.51)</b>	<b>(18.73)</b>	10.22	10.22	-
MAT Credit Available	-	<b>(36.44)</b>	36.44	36.44	-
<b>Total</b>	<b>(1145.38)</b>	<b>58.56</b>	(1203.95)	(233.32)	(970.63)

2.07 Other Assets

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Capital Advances	<b>171.95</b>	64.08	-	-
<b>Advances other than Capital Advances</b>				
Prepaid expenses	<b>2.42</b>	14.09	<b>68.88</b>	71.89
Staff Advances	-	-	<b>11.11</b>	12.07
Advances to suppliers	-	-	<b>34.89</b>	47.07
<b>Balances with governmental authorities</b>				
Electricity Duty Receivable	-	-	<b>13.69</b>	10.71
GST Refund receivable	-	-	<b>615.57</b>	94.96
VAT/Sales tax Receivable	<b>52.27</b>	52.27	-	-
MEIS & Duty draw back receivable	-	-	<b>248.20</b>	171.46
Subsidy Receivable	-	-	<b>111.20</b>	127.43
Accrued Interest on Windmill	<b>17.53</b>	39.67	<b>22.14</b>	37.30
GST Receivable	-	-	<b>17.10</b>	73.91
<b>Total</b>	<b>244.17</b>	170.11	<b>1142.78</b>	646.80

Note : No amount is due from any of the directors or officers of the Group, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

**Notes to Consolidated Financial Statements for the year ended March 31, 2020****2.08 Inventories (Valued at lower of cost or net realisable value, unless otherwise stated)**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Raw material		
In hand	<b>533.20</b>	678.16
Goods-in-transit	-	40.78
Stores and spares	<b>84.85</b>	58.94
Work-in-progress	<b>504.84</b>	347.02
Finised goods	<b>2,870.43</b>	2,588.74
<b>Total</b>	<b>3,993.32</b>	3,713.65

**2.09 Trade Receivable**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	<b>2,729.20</b>	2,726.82
Unsecured, credit impaired	<b>82.86</b>	82.09
<b>Total</b>	<b>2,812.06</b>	2,808.91
Less : Provision for impairment	<b>(82.86)</b>	(82.09)
<b>Total</b>	<b>2,729.20</b>	2,726.82

Note : No amount is due from any of the directors or officers of the Group, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

**2.10 Cash and cash equivalents**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
In current accounts		
Escrow Account**	-	25.00
Cash Credit***	<b>146.24</b>	81.26
Others	<b>104.73</b>	186.87
Deposits with original maturity of less than 3 months	<b>212.99</b>	581.26
Cash on hand	<b>20.67</b>	18.64
<b>Total</b>	<b>484.63</b>	893.03

\*\* The holding company utilised these balances only towards buyback of shares.

\*\*\* Cash Credit facility sanctioned to the Group is secured by hypothecation of Inventory, Book Debts and entire current assets of the Holding company, present and future, on pari passu basis.



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

**2.11 Bank Balances**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity for more than 3 months but less than 12 months (Refer Note 1)	204.98	1,519.30
Deposit in Escrow Account for Capital Investment (Refer Note 2)	1,451.74	-
Unclaimed dividend accounts	46.90	36.93
<b>Total</b>	<b>1,703.62</b>	1,556.23

Note 1: The Fixed Deposits aggregating to ₹ 48.18 Lakhs (March 31, 2019: ₹ 22.23 Lakhs) has been pledged with State Bank of India, ₹ 266.02 Lakhs (March 31, 2019: ₹ 262.96 Lakhs) has been pledged with HDFC Bank and ₹ 150 Lakhs (March 31, 2019: ₹ 125 Lakhs) has been pledged with DBS Bank as collateral security against the financial assistance extended by the respective banks and Nil (March 31, 2019: ₹ 0.36 Lakhs) with Central Bank of India.

Note 2: The Holding Company is in the process of acquisition of Leasehold Land and Building. As per tri-partite agreement dated March 12, 2020 between Bank, Vendor and the Holding Company, the above amount has been deposited in an Escrow account.

**2.12 Tax Assets (net)**

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Tax assets :				
Taxes paid	29.44	47.06	3,739.97	3,078.43
<b>Total (A)</b>	<b>29.44</b>	47.06	<b>3,739.97</b>	3,078.43
Tax liabilities :				
Provision for Taxation	-	-	3,712.33	3,050.78
<b>Total (B)</b>	<b>-</b>	-	<b>3,712.33</b>	3,050.78
<b>Total (A-B)</b>	<b>29.44</b>	47.06	<b>27.64</b>	27.65

**2.13 Equity Share Capital**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised share capital :</b>		
3,50,00,000 (March 31, 2019: 3,50,00,000) Equity shares of Rs.10/- each	3,500.00	3,500.00
<b>Total</b>	<b>3,500.00</b>	3,500.00
<b>Issued, Subscribed and Paid up Capital</b>		
2,73,83,065 (March 31, 2019: 2,82,57,856) Equity shares of Rs.10/- each fully paid up	2,738.31	2,825.79
<b>Total</b>	<b>2,738.31</b>	2,825.79

**Notes to Consolidated Financial Statements for the year ended March 31, 2020****a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period :**

Equity shares	As at March 31, 2020	As at March 31, 2019
	No. of Shares	No. of Shares
<b>At the beginning of the period</b>	<b>28,257,856</b>	28,257,856
Less: Buy back of shares	<b>(874,791)</b>	-
<b>Outstanding at the end of the period</b>	<b>27,383,065</b>	28,257,856

The Board of Directors of Orbit Exports Limited ("The Holding Company"), at its meeting in March 18, 2019, had approved the buyback of the Holding Company's fully paid-up Equity Shares of the face value of ₹ 10/- each from its shareholders/beneficial owners excluding promoters, promoter group and persons acting in concert, via the "open market" route through the stock exchanges, for a total amount not exceeding ₹ 1,000/- Lakhs ("Maximum Buyback Size"), and at a price not exceeding ₹ 130/- per Equity Share ("Maximum Buyback Price").

The buyback was offered to all eligible equity shareholders of the Holding Company (other than the Promoters, the Promoter Group and Persons acting in concert) under the open market route through the stock exchanges. The buyback of Equity Shares through the stock exchange commenced on March 29, 2019 and was completed on September 04, 2019. During this buyback period, the Holding Company had purchased and extinguished a total of 874,791 Equity Shares from the stock exchange at an average buy back price of ₹ 114.23/- per Equity Share comprising 3.10% of the pre buyback paid-up Equity Share Capital of the Holding Company. The buyback resulted in a cash outflow of ₹ 999.24 Lakhs (excluding transaction costs). The Holding Company funded the buyback from utilization of its free reserves. The total number of Equity Shares outstanding as on March 31, 2020 post buyback stands at 27,383,065.

**b. Rights, preference and restrictions attached to equity shares:****Equity Shares**

The Group has issued only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian rupees.

The dividend proposed is as recommended by the Board of Directors and subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of the equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of share holders holding more than 5% shares in the company**

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Mr. Pankaj Seth	<b>11,337,112</b>	<b>41.40</b>	11,322,112	40.07
Mrs. Anisha Seth	<b>4,019,558</b>	<b>14.68</b>	3,813,853	13.50
M/s. Mediaman Multitrade Pvt. Ltd.	<b>2,628,940</b>	<b>9.60</b>	2,538,780	8.98
Mr. Kaushik Daga	<b>1,847,458</b>	<b>6.75</b>	2,112,396	7.48
Mr. Varun Daga	<b>2,089,705</b>	<b>7.63</b>	2,091,971	7.40

**d. Aggregate number of shares issued as bonus during 5 years immediately preceding March 31, 2020**

Particulars	No. of Shares
Number of equity shares issued as bonus by the Company - FY 2016-17*	14,351,150

\*Bonus shares were issued by capitalisation of balance in securities premium and general reserve amounting to ₹ 1,435.12 Lakhs in the ratio of one equity share for every one equity share held by member(s) having face value of ₹ 10 each held on the record date.

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

Basic and diluted earnings per share for the previous periods has been presented to reflect the adjustment for bonus share in accordance with Indian Accounting Standard 33 Earnings Per Share.

**Additional Disclosure****Terms of Warrant**

- A.** 10 Lakhs Optionally Fully Convertible Warrants were issued to Mr. Pankaj Seth and Mrs. Anisha Seth on September 10, 2013 at a price of ₹ 76.57 each, out of which 25% amount received at the time of allotment of warrants. Each warrant was to be converted into 1 equity share of ₹ 10/- each within 18 months from the date of allotment i.e. on or before March 9, 2015. The details of conversion are as mentioned below:-

December 16, 2013	400,000	lock in for 3 year till December 15, 2016
March 20, 2014	150,000	lock in for 3 year till March 19, 2017
June 18, 2014	450,000	lock in for 3 year till June 17, 2017
<b>Total</b>	<b>1,000,000</b>	

**2.14 Other Equity**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
General reserve	-	31.08
Retained Earnings	<b>14,598.12</b>	13,965.44
Capital Redemption Reserve	<b>131.92</b>	44.44
OCI Reserve:		
Foreign currency translation reserve	<b>(59.67)</b>	(3.18)
<b>Total</b>	<b>14,670.37</b>	14,037.76

**Description of the nature and purpose of each reserve within equity is as follows:**

**(a) General Reserve :**

The Group had transferred a portion of the net profit of the Group before declaring dividend to the general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve before declaration of dividend is not required under the Companies Act, 2013.

**(b) Retained Earnings :**

Retained earnings are the profits that the Group has earned till date and is net of amount transferred to other reserves such as general reserves etc., amount distributed as dividend and adjustments on account of transition to Ind AS.

**(c) Foreign currency translation reserve :**

This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

**(d) Capital Redemption Reserve :**

The Group has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.





Notes to Consolidated Financial Statements for the year ended March 31, 2020

2.15 Borrowings

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Term Loans</b>				
Secured				
From Banks	607.94	980.13	1,000.00	-
Less : Current maturities of non-current borrowings (Refer Note 2.17)	178.29	372.34	-	-
<b>Total</b>	<b>429.65</b>	607.79	<b>1,000.00</b>	-

(a) Nature of Security and terms of repayment for non-current secured borrowings:

₹ in Lakhs

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2020	As at March 31, 2019
1	Term loan - 3 from State Bank of India, Details of securities are mentioned below*	Repayable in 60 monthly installments commencing from Aug 1, 2014, exclusive of a moratorium period of 12 months, 36 monthly installments of ₹ 15 Lakhs each, next 23 installments of ₹ 16 Lakhs each and last installment of ₹ 17 Lakhs. Last installment is due in July, 2019.	-	65.00
2	Term loan - 1 from HDFC Bank Limited. Details of securities are mentioned below**	Repayable in 60 equated monthly installments from October 2014 till September, 2019.	-	87.08
3	Term loan - 2 from HDFC Bank Limited. Details of securities are mentioned below**	Repayable in multiple equated monthly installments starting from March, 2016 till October, 2021.	-	55.94
4	Term loan - 3 from HDFC Bank Limited. Details of securities are mentioned below**	Repayable in 60 equated monthly installments starting from May, 2018 till May, 2023	<b>607.94</b>	772.11
*	<p><b>Primary Security:</b> The Company has provided hypothecation on entire present and future stocks of trading goods and book debts, receivables, actionable claims and all present and future claims and first pari passu charge on entire Property, Plant and Equipment (excluding Plant and Machineries financed by other banks/ financial institutions of the borrower) as primary security.</p> <p><b>Collateral Security:</b> Equitable Mortgage and hypothecation charge over entire Property, Plant and Equipment of the Company including Land and Building, Plant and Machineries, situated at Plot No.6, 7 and 8, Village Mahuvej, Taluka Mangrol, Dist- Surat - 394102;</p> <p><b>Guarantee:</b> Personal Guarantee of Promoter Directors, Mr. Pankaj Seth and Mrs. Anisha Seth.</p>			
**	<p><b>Primary Security:</b> Hypothecation by way of First Pari Passu Charge on entire Current Assets of Company (Including Stock and Book Debts both present and future) with State Bank of India and DBS for entire limit and Hypothecation by way of first and exclusive charge on Plant and Machinery funded by HDFC Bank Limited..</p> <p><b>Collateral Security:</b> Equitable Mortgage of the Textile building bearing No.B-12, Asmeeta Texpa ITP, MIDC Plot No.1, Additional Kalyan Bhiwandi Industrial Area, Village - Kon, Sub-District Bhiwandi, District Thane,</p> <p><b>Guarantee:</b> Personal Guarantee of Mr. Pankaj Seth, Promoter Director.</p>			



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

**(b) Assets pledged as security:**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Inventories	3,094.47	2,826.50
Receivables	3,081.64	3,085.90
<b>Non Current</b>		
Property plant and equipment of the company including Land and Building, Plant and Machineries situated at Surat	7,090.74	7,890.35
Asmeeta Textile Building located at Kalyan	1,018.00	762.80
<b>Total</b>	<b>14,284.85</b>	14,565.55

**(c) Nature of Security and terms of repayment for current secured borrowings** ₹ in Lakhs

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2020	As at March 31, 2019
1	Loans against FD of ₹ 1250 Lakhs with HDFC Limited.	Repayable within 12 months from date of borrowing	1,000.00	-

**2.16 Trade Payables**

₹ in Lakhs

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro Enterprises and Small Enterprises	76.26	125.22
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	259.54	211.86
<b>Total</b>	<b>335.80</b>	337.08

**2.17 Other Financial Liabilities**

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current maturities of non-current borrowings	-	-	178.29	372.34
Salary and reimbursement expenses payable	-	-	97.13	106.39
Interest accrued but not due on loans	-	-	6.43	5.82
Unclaimed dividends*	-	-	46.90	36.93
Security deposit	9.00	9.00	-	-
Liability for Expenses and Capital Goods	-	-	241.34	303.97
Forward Contracts - Liabilities	-	-	219.65	-
Payable for acquisition of Property, Plant and Equipment	150.00	300.00	149.50	149.50
<b>Total</b>	<b>159.00</b>	309.00	<b>939.24</b>	974.95

\* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2020



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

**Details of Current maturities of non-current borrowings**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Term Loan</b>		
Secured:		
From Bank	<b>178.29</b>	372.34
<b>Total</b>	<b>178.29</b>	372.34

**2.18 Other Liabilities**

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Statutory Liabilities	-	-	<b>61.49</b>	34.11
Advance from Customers	-	-	<b>260.33</b>	182.15
Deferred Income for Captial Subsidy	<b>482.95</b>	549.25	<b>66.30</b>	66.30
<b>Total</b>	<b>482.95</b>	549.25	<b>388.12</b>	282.56

**2.19 Provisions**

₹ in Lakhs

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Employee benefits :</b>				
Provision for Bonus	-	-	<b>13.07</b>	15.01
Provision for Leave Encashment	-	-	<b>23.09</b>	8.37
Provision for Gratuity	<b>163.76</b>	95.86	<b>2.96</b>	14.30
<b>Total (A)</b>	<b>163.76</b>	95.86	<b>39.12</b>	37.68
<b>Others :</b>				
Other Expenses	-	-	<b>32.93</b>	46.51
<b>Total (B)</b>	-	-	<b>32.93</b>	46.51
<b>Total (A+B)</b>	<b>163.76</b>	95.86	<b>72.05</b>	84.19

**2.20 Current Tax Liabilities (Net)**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Taxation (Net of advance tax)	<b>7.68</b>	74.95
<b>Total</b>	<b>7.68</b>	74.95

**Notes to Consolidated Financial Statements for the year ended March 31, 2020****3.01 Revenue from operations**

₹ in Lakhs

Particulars	2019-20	2018-19
<b>Revenue from operations</b>		
Sale of products	<b>14,149.19</b>	13,456.35
Sale of power	<b>44.40</b>	42.30
Sale of Services	<b>8.45</b>	10.45
<b>Total (A)</b>	<b>14,202.04</b>	13,509.10
<b>Other operating revenue</b>		
Export Incentives	<b>401.26</b>	346.58
<b>Total (B)</b>	<b>401.26</b>	346.58
<b>Total (A+B)</b>	<b>14,603.30</b>	13,855.68

**Revenue from contracts with customers :****I. Revenue from contracts with customers disaggregated based on geography**

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Domestic	<b>3,691.85</b>	4,006.05
Exports	<b>10,510.19</b>	9,503.05
<b>Total</b>	<b>14,202.04</b>	<b>13,509.10</b>

**II. Reconciliation of gross revenue with the revenue from contracts with customers**

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gross Revenue	<b>14,282.55</b>	13,574.44
Less : Discounts and incentives	<b>80.51</b>	65.34
<b>Net Revenue recognised from Contracts with Customers</b>	<b>14,202.04</b>	13,509.10

**III. Revenue recognised from Contract liability (Advances from Customers)**

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Closing contract liability	<b>690.40</b>	593.48

The contract liability outstanding at the beginning of the year was ₹ 593.48 lakhs of which ₹ 583.58 lakhs has been recognised as revenue during the year ended March 31, 2020

There are transactions with one external customer which amount to 10% or more of the Company's revenue.

The operations of the Group relate to two segments i.e Manufacturing of Textile and Renewable source of energy. The gross operating income and profit from the Renewable source of energy segment is below the norms prescribed in Ind AS 108. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

**Notes to Consolidated Financial Statements for the year ended March 31, 2020****3.02 Other Income**

₹ in Lakhs

Particulars	2019-20	2018-19
<b>Interest Income on financial assets</b>		
Bank Deposits (at amortized cost)	<b>187.35</b>	123.90
Unwinding of interest on security deposits	<b>5.61</b>	5.04
<b>Other Non-Operating Income</b>		
Government Assistant	<b>66.30</b>	58.67
Rent Income	<b>38.25</b>	36.45
Sundry balances written back	<b>1.20</b>	1.27
Dividend Income	-	0.03
<b>Other gains and losses</b>		
Net gain on foreign exchange fluctuation	<b>120.94</b>	112.82
<b>Total</b>	<b>419.65</b>	338.18

**3.03 Cost of Material Consumed**

₹ in Lakhs

Particulars	2019-20	2018-19
Inventory at the beginning of the year	<b>711.52</b>	646.89
Add : Purchases	<b>5,489.97</b>	5,065.39
	<b>6,201.49</b>	5,712.28
Less : Inventory at the end of the year	<b>533.20</b>	711.52
<b>Total</b>	<b>5,668.29</b>	5,000.76

**3.04 Changes in Inventories**

₹ in Lakhs

Particulars	2019-20	2018-19
Inventories at the end of the year (including in-transit)		
Work-in-Progress	<b>504.84</b>	347.02
Finished Goods	<b>2,870.43</b>	2,588.74
<b>Total (A)</b>	<b>3,375.27</b>	2,935.76
Inventories at the beginning of the year (including in-transit)		
Work-in-Progress	<b>347.02</b>	258.52
Finished Goods	<b>2,588.74</b>	2,598.09
<b>Total (B)</b>	<b>2,935.76</b>	2,856.61
<b>Total (B-A)</b>	<b>(439.50)</b>	(79.15)

**3.05 Employee Benefit Expenses**

₹ in Lakhs

Particulars	2019-20	2018-19
Salaries, wages and bonus	<b>2,080.98</b>	2,094.07
Contribution to provident and other fund	<b>130.61</b>	136.03
Staff welfare expenses	<b>51.92</b>	37.57
<b>Total</b>	<b>2,263.51</b>	2,267.67

**Notes to Consolidated Financial Statements for the year ended March 31, 2020****3.06 Finance Cost**

₹ in Lakhs

Particulars	2019-20	2018-19
Interest and Finance charges on financial liabilities :		
Interest on borrowings	145.52	147.03
<b>Total</b>	<b>145.52</b>	<b>147.03</b>

**3.07 Depreciation Amortization and Impairment Expense**

₹ in Lakhs

Particulars	2019-20	2018-19
Depreciation of Property, Plant and Equipment	899.04	838.72
Depreciation on ROU Assets	247.15	-
Amortisation of Intangible assets	22.97	19.76
<b>Total</b>	<b>1,169.15</b>	<b>858.48</b>

**3.08 Other Expenses**

₹ in Lakhs

Particulars	2019-20	2018-19
Power and Fuel	429.01	430.16
Labour Charges	319.81	147.16
Bad Debts written off	61.04	17.49
Electricity Expenses	21.09	19.53
Rates and taxes	20.16	16.51
Legal and Professional Charges	72.10	105.48
Advertisement, Sales Promotion and Marketing Fees	130.83	104.75
Travelling and Conveyance	249.15	286.29
Commission and Brokerage	304.88	255.05
Freight and Forwarding Expense	353.64	309.39
Selling and Distribution Expenses	109.33	98.74
Postage and Telephone	88.25	94.55
Bank Charges	34.32	50.59
Security Expense	27.86	28.36
<b>Repairs and Maintenance:</b>		
Plant and Machinery	128.24	119.70
IT Related	96.60	63.63
Others	74.39	62.92
Rent	132.05	375.35
Printing and Stationery	17.33	16.37
Miscellaneous Expenses	9.65	10.90
Recruitment Charges	9.83	16.60
CSR Expenses	154.44	116.06
Insurance Charges	78.45	75.56
Impairment of trade receivable	0.77	34.50
Membership and Subscription	3.17	8.57
Loss on Disposal of property, plant and equipment	74.77	35.09
<b>Remuneration to statutory auditor</b>		
Statutory Audit fees	9.50	9.50
Limited Review fees	3.00	3.00
Component Audit fees	6.74	5.92
<b>Total</b>	<b>3,020.40</b>	<b>2,917.72</b>



Notes to Consolidated Financial Statements for the year ended March 31, 2020

3.09 Tax expenses

		₹ in Lakhs	
Particulars	2019-20	2018-19	
<b>(a) Income tax expenses :</b>			
Current tax	<b>853.49</b>	662.11	
Tax adjustments for earlier years	<b>0.37</b>	(148.82)	
Deferred tax liability / (asset) incl. MAT credit	<b>(50.11)</b>	222.98	
<b>Total</b>	<b>803.75</b>	736.27	
<b>(b) Income tax recognised in other comprehensive income</b>			
Deferred tax impact on the defined benefit plans	<b>(8.51)</b>	10.22	
<b>I. Reconciliation of current rate of tax and effective rate of tax:</b>			
<b>Net profit / (loss) before tax</b>	<b>3,430.23</b>	3,311.45	
Effective tax rate applicable to the Company	<b>25.17%</b>	29.12%	
Tax amount at the enacted income tax rate	<b>863.39</b>	964.30	
Share of profit/ (loss) in associate not taxable	<b>(59.06)</b>	(67.01)	
Difference in tax rates of certain entities of the group	<b>(14.73)</b>	(4.79)	
Add: Expenses not deductible in determining taxable profits	<b>429.28</b>	375.88	
Less: Allowances/Deductibles	<b>(346.51)</b>	(620.60)	
Less: Allowances/Deductibles - Income claimed exempt u/s 80IA(4)(iv)	<b>(18.88)</b>	(22.11)	
<b>Income tax expenses - Net</b>	<b>853.49</b>	625.67	
<b>Tax liability as per Minimum Alternate Tax on book profits</b>			
Minimum Alternate Tax rate	-	21.55%	
Computed tax liability on book profit	-	713.58	
Tax effect on adjustments:			
Share of profit/ (loss) in associate not taxable	-	(49.58)	
Effect of differential overseas tax rate	-	(1.89)	
<b>Minimum Alternate tax on book profit (Refer Note 1)</b>	-	662.11	

Note 1: The Government of India has issued the Taxation Laws (Amendment) Act, 2019, which provides domestic companies an option to pay corporate tax at reduced rates effective April 1, 2019 subject to certain conditions. The Holding Company has opted for lower tax regime and accordingly the impact has been considered in computing provision for tax and deferred tax.

**II. Reconciliation of Deferred Tax**

		₹ in Lakhs	
Particulars	As at March 31, 2020	(Charged)/ Credited to Profit and Loss/ OCI/ Retained Earnings	As at March 31, 2019
<b>Deferred tax (liabilities)/assets in relation to :</b>			
Property, Plant and Equipment	<b>(1,217.07)</b>	<b>85.09</b>	(1,302.17)
Forward Contract	-	<b>0.21</b>	(0.21)
Provision for employee benefit	<b>59.34</b>	<b>31.47</b>	27.87
Allowance for doubtful debts	<b>20.86</b>	<b>(3.04)</b>	23.90
Deferred tax impact on OCI	<b>(8.51)</b>	<b>(18.73)</b>	10.22
MAT Credit Available	-	<b>(36.44)</b>	36.44
<b>Total</b>	<b>(1,145.38)</b>	<b>58.56</b>	(1,203.95)

**Notes to Consolidated Financial Statements for the year ended March 31, 2020****4.01 Earning per share**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Basic earnings per share :</b>		
Attributable to equity holders of the Group	9.40	9.11
<b>Diluted earnings per share :</b>		
Attributable to equity holders of the Group	9.40	9.11
<b>Reconciliation of earnings used in calculating earnings per share :</b>		
<b>Basic earnings per share</b>		
Profit attributable to equity holders of the Group used in calculating basic earning per shares (₹ in Lakhs)	2,626.48	2,575.18
<b>Diluted earnings per share</b>		
Profit attributable to equity holders of the Group used in calculating diluted earning per shares (₹ in Lakhs)	2,626.48	2,575.18
Weighted average number of Equity shares used as the denominator in calculating basic earnings per share	2,79,50,157	2,82,57,856
Weighted average number of Equity shares used as the denominator in calculating diluted earnings per share	2,79,50,157	2,82,57,856

**4.02 Leases**

- 1 The Group's lease asset primarily consist of leases for Office Space, Warehouse Space and Vehicle having various lease terms. Effective April 1, 2019, the Group has adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.
- 2 The effect of this adoption is insignificant on the profit before tax, profit for the year and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.
- 3 The following is the summary of practical expedients elected on initial application :
  - a Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
  - b Applied the exemption not to recognise Right of Use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
  - c Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
  - d Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.
  - e The Group has elected, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

- 4 Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020 :**

₹ in Lakhs

Particulars	Category of ROU			
	Leasehold Building	Leasehold Land	Vehicle	Total
Transition impact on account of Ind AS 116 'Leases'	428.99	-	14.34	443.33
Reclassified from Earnest money, Security Deposits and Advance Rentals	9.21	5.07	-	14.28
<b>Total Right of Use assets as on date of Transition</b>	<b>438.20</b>	<b>5.07</b>	<b>14.34</b>	<b>457.61</b>
Additions during the year	-	-	-	-
Deletion during the year	-	-	-	-
Depreciation of Right of use assets	238.06	0.48	8.60	247.14
<b>Balance as at March 31, 2020</b>	<b>200.14</b>	<b>4.59</b>	<b>5.74</b>	<b>210.47</b>

- 5 The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020 :**

₹ in Lakhs

Particulars	Year Ended March 31, 2020
Transition impact on account of Ind AS 116 'Leases'	443.33
Additions during the year	-
Finance cost accrued during the year	30.57
Payment/Deletion of lease liabilities during the year	260.72
<b>Balance as at March 31, 2020</b>	<b>213.18</b>
Current portion of Lease Liability	171.14
Non Current portion of Lease Liability	42.04
<b>Total</b>	<b>213.18</b>

- 6 An explanation to difference between operating lease commitments as per Ind AS 17 and lease liabilities as per Ind AS 116 as on April 1, 2019 is as below :**

- The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%
- The difference between lease obligation recorded as of March 31, 2019, under Ind AS 17 and the value of lease liability as of April 1, 2019, is on account of practical hindsight in determining the lease term, where the contract contained options to extend or terminate the lease in measuring the lease liability in accordance with Ind AS 116, reclassification of finance lease obligations as lease liabilities and discounting the lease liabilities to the present value under Ind AS 116.

- 7 Amounts recognised in the statement of cash flows**

₹ in Lakhs

Particulars	2019-20
Total Cash outflow for leases	260.72

- 8 Total cash outflow recorded during the year was ₹ 392.75 lakh except for short term lease and low value assets.
- 9 The maturity analysis of lease liabilities are disclosed in note 4.10. The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

- 10 Certain lease agreements are subject to escalation clause and with extension of lease term options. At the expiry of the lease term, in case of lease agreements other than land and building, the lessee has an option to purchase the assets at Fair Market Value

**4.03 Contingent Liabilities**

- (a) The Group's pending litigations comprise of proceedings pending with Income Tax and other government authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its standalone financial statements. The outcome of these proceedings will not have adverse effect on its financial. In respect of litigations, where the management assessment of a financial outflow is probable, the Group has made an adequate provision in the Consolidated Financial Statements.

₹ in Lakhs

Particulars	2019-20	2018-19
Claims against the holding Company not acknowledged as debts	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

- (b) The Hon'ble Supreme Court of India by their order dated February 28, 2019, has clarified the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The same has been implemented w.e.f. April 1, 2019. However, pending directions or clarification from the EPFO, the quantification of impact, if any for the period upto March 31, 2019 is not ascertainable and consequently no effect has been given in the accounts.

**4.04 Capital and other Commitments**

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 2192.68 Lakhs (March 31, 2019 : ₹ 53.90 Lakhs)
- b) Export obligations under Export Promotion Capital Goods Scheme (EPCG) towards import of capital goods at concessional rate of custom duty (duty amount involved is March 31, 2020: ₹ 351.39\* lakhs, March 31, 2019: ₹ 351.39\* lakhs)

\* Export obligation for this year has already been fulfilled, however, procedural formalities for the closure of the EPCG Licenses are pending.

- 4.05** The Group has two segments Manufacturing of Textile and Renewable source of energy. The gross operating income and profit from the Renewable source of energy segment is below the norms prescribed in Ind AS 108, hence separate disclosure have not been made.

**4.06 Corporate Social Responsibility**

As required under section 135 of the Companies Act 2013, the Company has constituted Corporate Social Responsibility (CSR) committee. The relevant particulars are disclosed hereunder:

The company is required to spend ₹ 61.90 Lakhs; (March 31, 2019: ₹ 64.57 Lakhs) on CSR activities.

Amount spend during the year is as follows:

Particulars	March 31, 2020			March 31, 2019		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
On construction/ acquisition of any assets	-	-	-	-	-	-
On purpose other than above	<b>154.44*</b>	<b>61.90</b>	<b>61.90</b>	116.06**	64.57	64.57

\*During the Financial Year 2019-20, the Company had spent ₹ 154.44 Lakhs towards CSR Expenditure. Out of the said spent amount, ₹ 61.90 Lakhs is towards Financial Year 2019-20, ₹ 46.67 Lakhs towards Financial Year 2017-18 and ₹ 45.87 Lakhs towards Financial Year 2016-17.

\*\*During the Financial Year 2018-19, the Group had spent Rs.116.06 Lakhs towards CSR Expenditure. Out of the above spent amount, ₹ 40.11 Lakhs is towards the Financial Year 2014-15; Rs.56.34 Lakhs for the Financial Year 2015-16 and ₹ 19.61 Lakhs for the Financial Year 2016-17.

**Notes to Consolidated Financial Statements for the year ended March 31, 2020****4.07 Employee Benefit Plans****1. Defined contribution plans**

The amounts of contribution to provident fund and ESIC recognized as expenses during the year is ₹ 93.62 Lakhs (March 31, 2019: ₹ 109.99 Lakhs) for the year ended March 31, 2020.

**2. Defined Benefits Plans**

The Group sponsors unfunded defined benefit plans for qualifying employee therefore there are no plan assets which are maintained exclusively thereof. In computation of gratuity liability, Project Unit Credit Method is used.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**3. Principal assumptions used for the purpose of actuarial valuation**

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	7.75%	7.75%
Expected rate of salary increase	7.00%	6.50%
Withdrawal Rate	1% at all ages	1% at all ages
Mortality Rate	Indian Assured lives (2012-14) ultimate mortality rates	Indian Assured lives (2006-08) ultimate mortality rates
Retirement Rate	58 Years	58 Years

**4. (a) Amounts recognised in Consolidated Statement of Profit and Loss in respect of defined benefit plans**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Service cost:		
Current service cost	28.45	16.66
Interest Cost on net DBO	8.54	9.38
Net Actuarial (Gain)/loss	-	-
<b>Components of defined benefits cost recognised in Statement of Consolidated Profit and Loss</b>	<b>36.99</b>	<b>26.04</b>



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

**4. (b) Amounts recognised in Other Comprehensive Income in respect of defined benefit plans**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Remeasurement of net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	-	-
Net Actuarial (Gain)/ Loss	<b>33.82</b>	(35.09)
<b>Components of defined benefits cost recognised in Consolidated Other Comprehensive Income</b>	<b>33.82</b>	(35.09)

**4. (c) Amounts recognised in Balance Sheet in respect of defined benefit plans**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of the Defined Benefit Obligations	<b>166.71</b>	110.15
Fair Value of Plan Assets	-	-
<b>Liability Recognised in the Consolidated Statement of Balance Sheet</b>	<b>166.71</b>	110.15

**5. (a) Movements in present value of defined benefit obligation**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligations	<b>110.15</b>	121.05
Current service cost	<b>28.45</b>	16.66
Interest cost	<b>8.54</b>	9.38
Remeasurement (Gains) / losses		
Actuarial (gains) / losses on Defined Benefit Obligation	<b>33.82</b>	(35.09)
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	<b>(14.25)</b>	(1.85)
<b>Closing defined benefit obligation</b>	<b>166.71</b>	110.15

**5. (b) Reconciliation**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Net Liability	<b>110.15</b>	121.05
Add: Employer Expenses (Expenses recognised in the Consolidated statement of Profit and Loss Account)	<b>36.99</b>	26.04
Add: Trasfer to Other Comprehensive Income	<b>33.82</b>	(35.09)
Less: Benefit Paid	<b>(14.25)</b>	(1.85)
<b>Closing Net Liability</b>	<b>166.71</b>	110.15

**Notes to Consolidated Financial Statements for the year ended March 31, 2020****6. Sensitivity Analysis**

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

Key assumptions for determination of Defined Benefit Obligation are Discount Rate (i.e. Interest Rate) and Salary Growth Rate

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate is increased by 1%	(17.07)	(9.36)
Discount Rate is decreased by 1%	20.93	10.49
Salary Growth Rate increased by 1%	20.88	(8.66)
Salary Growth Rate decreased by 1%	(31.76)	9.63

In absence of details from wholly owned subsidiary in USA, disclosure under Ind AS-19, Accounting for Employee Benefits is restricted to the holding company. In the opinion of the management no material liabilities would arise on account of subsidiary.

**4.08 Capital Management**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to maximise shareholder value. In order to maintain or achieve a capital structure that maximises the shareholder value, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. As at March 31, 2020, the Group has only one class of equity shares and has no debts. Hence, there are no externally imposed capital requirements.

₹ in Lakhs

Particulars	2019-20	2018-19
<b>Dividend on equity shares paid during the year</b>		
Interim dividend for the year ended March 31, 2020 of ₹ 3/- (March 31, 2019 - ₹ Nil) per equity share of ₹ 10/- each	821.49	-
Dividend distribution tax on the above dividends	168.86	-

The Group's capital requirement is mainly to fund its business expansion and repayment of borrowings. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings

The Group has adhered to material externally imposed conditions relating to capital requirements and there has not been any delay or default during the period covered under these financial statements with respect to payment of principal and interest. No lender has raised any matter that may lead to breach of covenants stipulated in the underlying documents.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Net Debt	1,123.31	112.10
Total Equity	17,408.68	16,863.56
Net Debt to Equity Ratio	0.06	0.01



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

**4.09 Financial Instruments**

**(i) Methods and assumptions used to estimate the fair values**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- a) The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, payables for acquisition of non-current assets, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.
- b) The fair values for long term loans, long term security deposits given and remaining non current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
- c) The fair values of long term security deposits taken, non-current borrowings and remaining non current financial liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.
- d) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**(ii) Categories of financial instruments**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>				
<b>Measured at amortised cost :</b>				
Investments in Government securities	0.37	0.37	0.37	0.37
Trade receivables	2,729.20	2,729.20	2,726.82	2,726.82
Cash and Bank balances	2,234.48	2,234.48	2,473.91	2,473.91
Loans	171.86	171.86	167.45	167.45
Other financial assets	1,320.50	1,320.50	68.89	68.89
<b>Total (A)</b>	<b>6,456.41</b>	<b>6,456.41</b>	5,437.44	5,437.44
<b>Measured at fair value through profit or loss</b>				
Investment in equity shares of other entities	1.00	1.00	1.00	1.00
Derivative Instruments	-	-	114.48	114.48
<b>Total (B)</b>	<b>1.00</b>	<b>1.00</b>	115.48	115.48
<b>Total Financial assets (A+B)</b>	<b>6,457.41</b>	<b>6,457.41</b>	5,552.92	5,552.92



Notes to Consolidated Financial Statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying values	Fair value	Carrying values	Fair value
<b>Financial liabilities</b>				
<b>Measured at amortised cost :</b>				
Borrowings#	1,607.94	1,607.94	980.13	980.13
Trade payables	335.80	335.80	337.08	337.08
Lease Liabilities	213.18	213.18	-	-
Other financial liabilities	700.30	700.30	911.61	911.61
<b>Total (A)</b>	<b>2,857.22</b>	<b>2,857.22</b>	2,228.82	2,228.82
<b>Measured at fair value through profit or loss</b>				
Derivative Instruments	219.65	219.65	-	-
<b>Total (B)</b>	<b>219.65</b>	<b>219.65</b>	-	-
<b>Total Financial liabilities (A+B)</b>	<b>3,076.87</b>	<b>3,076.87</b>	2,228.82	2,228.82

# includes current maturities of long term debts

(iii) Level wise disclosure of financial instruments

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Foreign currency forward contracts - Assets	-	114.48	2	Quotes from banks
Foreign currency forward contracts - Liabilities	219.65	-	2	Quotes from banks

4.10 Financial Risk Management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board. The details of different types of risk and management policy to address these risks are listed below:

The Group's activities are exposed to various risks viz. Credit risk, Liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the Group, it uses various instruments and follows policies set up by the Board of Directors / Management.

a. Credit Risk :

Credit risk arises from the possibility that counter party will cause financial loss to the Group by failing to discharge its obligation as agreed.

Credit risks from balances with banks are managed in accordance with the Group policy. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks having high credit-ratings assigned by credit-rating agencies.

Based on the industry practices and business environment in which the Group operates, management considers that the trade receivables are in default if the payment are more than 2 years past due.

Trade receivables primarily consists of Outstanding against exports sales and sales to certain domestic customers with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

Table showing age of gross trade receivables and movement in expected credit loss allowance:

₹ in Lakhs		
Age of Receivables	As at March 31, 2020	As at March 31, 2019
Within the credit period	1,321.94	1,677.42
1-90 days past due	1,115.62	1,002.31
91-180 days past due	143.12	(66.36)
181-270 days past due	126.60	112.54
More than 270 days past due	104.77	83.00
<b>Total</b>	<b>2,812.06</b>	2,808.91

₹ in Lakhs		
Movement in the expected credit allowance	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	82.09	62.09
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.77	20.00
<b>Total</b>	<b>82.86</b>	82.09

**b. Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's approach for managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation. In addition, processes and policies related to such risks are overseen by the senior management. The Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

**Maturity of Financial Liabilities**

The table below provides details regarding the remaining contractual maturities of financial liabilities :

₹ in Lakhs				
As on March 31, 2020	< 1 Year	1 - 5 year	> 5 year	Total
Borrowings	1,178.29	429.65	-	1,607.94
Trade Payables	335.80	-	-	335.80
Lease Liabilities	171.14	42.04	-	213.18
Other Financial Liabilities	541.30	159.00	-	700.30

₹ in Lakhs				
As on March 31, 2019	< 1 Year	1 - 5 year	> 5 year	Total
Borrowings	372.34	607.79	-	980.13
Trade Payables	337.08	-	-	337.08
Other Financial Liabilities	974.95	309.00	-	1,283.95

**Financing arrangements**

The Group has sufficient sanctioned line of credit from its bankers / financiers; commensurate to its business requirements. The Group reviews its line of credit available with bankers and lenders from time to time to ensure that at all point of time there is sufficient availability of line of credit to handle peak business cycle.



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

The Group pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories.

**c. Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk, and interest rate risk.

**(i) Market Risk – Foreign Exchange**

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and a portion of its business is transacted in several currencies and therefore the Group is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Group hedges the receivables as well as payables by forming view after discussion with Forex Consultant and as per policies set by Management.

The Group does not enter into or trade financial instrument including derivative for speculative purpose

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows:

Currencies	₹ in Lakhs			
	Liabilities		Assets	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
US Dollar (USD)	<b>282.92</b>	45.33	<b>2,085.32</b>	2,132.56
EURO	<b>1.58</b>	0.57	<b>22.31</b>	0.71
British Pound (GBP)	<b>1.88</b>	0.20	<b>44.98</b>	12.60

**Foreign Currency Exposure**

Foreign currency exposure as at March 31, 2020	₹ in Lakhs		
	USD	EURO	GBP
Trade receivables	<b>2,085.32</b>	<b>22.31</b>	<b>44.98</b>
Trade payables	<b>63.27</b>	<b>1.58</b>	<b>1.88</b>
Forward contracts for payable	<b>219.65</b>	-	-

Foreign currency exposure as at March 31, 2019	₹ in Lakhs		
	USD	EURO	GBP
Trade receivables	2,018.08	0.71	12.60
Trade payables	45.33	0.57	0.20
Forward contracts for receivable	114.48	-	-



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

**Particulars of un-hedged foreign currency asset / liability as at Balance Sheet date**

Figures in Lakhs

Currency	Nature	As at March 31, 2020		As at March 31, 2019	
		Amount (in FCY)	Amount (in ₹)	Amount (in FCY)	Amount (in ₹)
EURO	Asset- Export Receivables	0.27	22.31	0.01	0.71
GBP	Asset- Export Receivables	0.48	44.98	0.14	12.60
USD	Asset- Export Receivables	2.42	182.43	2.09	144.58
USD	Liability- Export Payables	(0.10)	(7.46)	(0.08)	(5.41)

**Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and impact on Equity

₹ in Lakhs

Currencies	Impact on profit after Tax and Equity			
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	1% increase	1% increase	1% decrease	1% decrease
EURO	0.22	0.01	(0.22)	(0.01)
GBP	0.45	0.13	(0.45)	(0.13)
USD	1.75	1.39	(1.75)	(1.39)

**4.11 Related party disclosures**

**a) Related parties with whom transactions have taken place during the year**

Associate- Rainbow Line Trading (L.L.C.)

**b) Key management personnel**

Mr. Pankaj Seth - Managing director

Mrs. Anisha Seth -Whole time director

Mr. Bruce Kievel - Executive Director (resigned w.e.f. September 25, 2019)

Mr. Mukesh Deopura - Chief Financial Officer

Mrs. Neha Poddar - Company Secretary (upto January 18, 2020)

Mrs. Neha Devpura - Company Secretary (w.e.f. February 04, 2020)

**c) Relatives of key management personnel**

Mrs. Vishakha Seth Mehra - Daughter of Mr. Pankaj Seth

Mrs. Sangeeta Bhatia - Sister of Mr. Pankaj Seth

Mr. Shyamsunder Seth - Father of Mr. Pankaj Seth

Mr. Parth Seth - Son of Mr. Pankaj Seth

Mr. Prachya Thongnak - Son of Mr. Bruce Kievel

Mrs. Chanda Deopura - Wife of Mr. Mukesh Deopura

**d) Enterprises owned or significantly influenced by key management personnel or their relatives**

Golden Bo Tree Impex Co Ltd.

M/s Mediaman Multitrade Pvt Ltd.

Orbit Foundation



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

**(e) Non-Executive Directors**

Mr. Balkrishna Patil (upto September 30, 2019)

Mr. Saumil Marfatia

Mr. Pardeep Khosla

Mr. Varun Daga

Mr. Sunil Buch

**The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:**

₹ in Lakhs

Name	Relationship	Nature of Transaction	Amount of transaction in FY 2019-20	Amount outstanding as on 31.03.20 (Payable)/ Receivable	Amount of transaction in FY 2018-19	Amount outstanding as on 31.03.19 (Payable)/ Receivable
Mr.Pankaj Seth	Managing Director	Remuneration	208.33	(16.67)	233.00	(0.13)
Mr.Pankaj Seth	Managing Director	Dividend	340.11	-	-	-
Mr.Pankaj Seth	Managing Director	Rent	3.60	(3.24)	3.60	-
Mrs. Anisha Seth	Whole Time Director	Remuneration	208.33	(16.67)	233.00	(0.76)
Mrs. Anisha Seth	Whole Time Director	Dividend	114.42	-	-	-
Mr. Mukesh Deopura	CFO, KMP	Salary	33.50	(2.78)	29.87	(2.37)
Mr. Mukesh Deopura	CFO, KMP	Dividend	0.07	-	-	-
Mrs. Neha Poddar	CS, KMP	Salary	9.44	-	8.89	(0.74)
Mrs. Neha Devpura	CS, KMP	Salary	2.13	(0.79)	-	-
Mrs. Vishakha Seth Mehra	Daughter of Mr. Pankaj Seth	Salary	30.05	(2.44)	28.22	(2.36)
Mrs. Vishakha Seth Mehra	Daughter of Mr. Pankaj Seth	Dividend	0.53	-	-	-
Mrs. Sangeeta Bhatia	Sister of Mr. Pankaj Seth	Salary	4.18	(5.02)	2.34	(0.20)
Mr. Shyamsunder Seth	Father of Mr. Pankaj Seth	Consultancy Fees	1.38	(0.10)	1.38	(0.12)
Mr. Parth Seth	Son of Mr. Pankaj Seth	Salary	15.48	(1.31)	12.10	(0.97)
Mr. Parth Seth	Son of Mr. Pankaj Seth	Dividend	0.75	-	-	-
Mr. Prachya Thongnak	Son of Mr. Bruce Kievel	Consultancy Fees	36.09	-	29.68	-
Mrs. Chanda Deopura	Wife of Mr. Mukesh Deopura	Salary	19.94	(1.54)	18.50	(1.45)
Mrs. Chanda Deopura	Wife of Mr. Mukesh Deopura	Dividend	0.14	-	-	-
M/s. Mediaman Multitrade Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	Dividend	76.16	-	-	-
Rainbow Line Trading L.L.C.	Associate Company	Sales	2,189.81	813.42	2,833.71	1,012.91
Orbit Foundation	Enterprises owned or significantly influenced by key management personnel or their relatives	CSR activity	4.44	-	1.06	-

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

Golden Bo Tree Impex Co Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	Commission	<b>28.32</b>	<b>(6.25)</b>	34.38	(5.42)
Mr. Gopikrishna Bubna	Non-Executive Director	Sitting Fees	-	-	0.75	-
Mr. Balkrishna Patil	Non-Executive Director	Sitting Fees	<b>0.30</b>	-	0.38	-
Mr. Saumil Marfatia	Non-Executive Director	Sitting Fees	<b>0.55</b>	-	0.44	(0.15)
Mr. Pardeep Khosla	Non-Executive Director	Sitting Fees	<b>0.90</b>	-	0.71	(0.30)
Mr. Varun Daga	Non-Executive Director	Sitting Fees	<b>0.85</b>	<b>0.09</b>	0.61	(0.15)
Mr. Varun Daga	Non-Executive Director	Dividend	<b>62.69</b>	-	-	-
Mr. Sunil Buch	Non-Executive Director	Sitting Fees	<b>0.95</b>	-	0.35	(0.25)

\*Reimbursement of expenses are not included in above statement

**Compensation to key management personnel**

₹ in Lakhs

Particulars	Amount of transaction in FY 2019-20	Amount of transaction in FY 2018-19
Short-term employee benefits	<b>461.73</b>	504.76
Post-employment benefits	<b>45.31</b>	44.07
Sitting Fees	<b>3.55</b>	3.23
<b>Total</b>	<b>510.59</b>	552.06

**4.12 Employee Stock Option Plan**

The shareholders of the Group have approved Employee Stock Option Plan i.e. OEL Employees Stock Option Plan - 2013 ("The Plan") on July 3, 2013. The Plan provides for issue of options (underlying equity share of ₹ 10/- each) to the persons specified in the scheme. The plan was framed in accordance with the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

The plan provide for the issuance of options at the recommendation of the Nomination & Remuneration Committee at 90% of the market price i.e. price on the working day immediately preceding the date when options are granted, the price being the closing price of the share on BSE Limited and National Stock Exchange of India Limited with the highest trading volume as of the working day preceding the date of grant.

The options granted under the Plan shall vest within not less than two years and not more than four years from the date of grant of options. Once the options vest as per the Plan, they would be exercisable by the Option Grantee at any time within a period of one and a half year from the date of vesting and the shares received on exercise of such options shall not be subject to any lock-in period.



**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

The following table summarizes the Company's Stock Options activity:

Shares Underlying Options Outstanding

Sr. No	Particulars	As at March 31, 2020		As at March 31, 2019	
		No. of Shares	Weighted Average Exercise Price in `	No. of Shares	Weighted Average Exercise Price in `
<b>A</b>	a. Options Outstanding at the beginning of the year	<b>156,000</b>	<b>171.17</b>	164,000	171.16
	b. Options granted during the year - Option II	-	-	-	-
	c. Options granted during the year - Option III	-	-	-	-
	d. Exercised during the year - Option I	-	-	-	-
	e. Exercised during the year - Option II	-	-	-	-
	f. Exercised during the year - Option III	-	-	-	-
	g. Lapsed during the year - Option I	-	-	-	-
	h. Lapsed during the year - Option II	<b>26,000</b>	<b>171.00</b>	8,000	171.00
	i. Lapsed during the year - Option III	-	-	-	-
<b>B</b>	a. Outstanding at the end of the year	<b>130,000</b>	<b>171.20</b>	156,000	171.17
	b. Adjusted (Bonus 1:1) options granted and outstanding at the end of the year	-	-	-	-
<b>C</b>	a. Exercisable at the end of the year - Option I	-	-	-	-
	b. Exercisable at the end of the year - Option II	<b>122,000</b>	<b>171.00</b>	148,000	171.00
	c. Exercisable at the end of the year - Option III	<b>8,000</b>	<b>174.25</b>	8,000	174.25
	d. Adjusted (Bonus 1:1) options exercisable at the end of the year - Option II	-	-	-	-
	e. Adjusted (Bonus 1:1) options exercisable at the end of the year - Option III	-	-	-	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Sr. No	Expiry Date	Exercise Price	Shares Options Outstanding as on	
			As at March 31, 2020	As at March 31, 2019
1	September 13, 2013	March 12, 2019	69.75	-
2	January 27, 2015	June 26, 2020	342.00	<b>122,000*</b>
3	December 24, 2015	June 23, 2021	348.50	<b>8,000*</b>
		<b>Total</b>	<b>130,000</b>	156,000

\* Adjusted against Issue of Bonus Shares in the ratio of 1:1



**4.13 Individually immaterial associate:**

The group has interest in individually immaterial associate that are accounted for using the equity method:

₹ in Lakhs

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
Aggregate carrying amount of individually immaterial associate	<b>955.95</b>	721.31
Aggregate amount of the Group's share of :		
Profit / (Loss) from operations	<b>234.65</b>	230.10
Other comprehensive income	-	-
Total comprehensive income for the year	<b>234.65</b>	230.10
Share of profit/(loss) from associate	<b>234.65</b>	230.10
<b>Total share of profits from associate</b>	<b>234.65</b>	230.10

**4.14** The group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets of all group companies. Based on internal and external sources of information and economic forecasts, all group expects the carrying amount of these assets will be recovered and sufficient liquidity would be available as and when required to fund the business operations. A definitive assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving. The group is continuously monitoring material changes in such information and economic forecasts. The Holding company has started operating its manufacturing facilities, warehousing operations, Branch office in a phased manner and with limited operation from the first week of May 2020. Our subsidiary company has also started operation from May, 2020.



**4.15** Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates

Particulars			Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	Percentage of ownership interest as at March 31, 2020	Percentage of ownership interest as at March 31, 2019	% of consolidated net assets	₹	% of consolidated profit or loss	₹	% of consolidated Other Comprehensive Income "	₹	% of consolidated total Comprehensive Income	₹
<u>Parent</u>										
Orbit Exports Limited	-	-	88.59	15,421.82	90.44	2,375.50	100.00	(25.31)	90.35	2,350.20
<u>Subsidiary</u>										
Foreign:										
Orbit Inc.	100.00	100.00	5.92	1,030.91	0.62	16.33	-	-	0.63	16.33
Excellere (UK) Limited	100.00	100.00	-	-	-	-	-	-	-	-
<u>Associate</u>										
Foreign:										
Rainbow Line Trading L.L.C.	49.00	49.00	5.49	955.95	8.93	234.65	-	-	9.02	234.65
<b>Total</b>			<b>100.00</b>	<b>17,408.68</b>	<b>100.00</b>	<b>2,626.48</b>	<b>100.00</b>	<b>(25.31)</b>	<b>100.00</b>	<b>2,601.17</b>

**4.16** Figures for the previous year have been regrouped / reclassified /restated wherever considered necessary.

As per our report of even date  
**For G. M. Kapadia & Co.**  
 Chartered Accountants  
 Firm Registration No. 104767W  
**Atul Shah**  
 Partner  
 Membership No. 39569  
 Place : Mumbai  
 Date : June 22, 2020

For and on behalf of the Board of Directors  
**Pankaj Seth**  
 Managing Director  
 DIN : 00027554  
**Anisha Seth**  
 Whole-time Director  
 DIN : 00027611  
**Mukesh Deopura**  
 Chief Financial Officer  
**Neha Devpura**  
 Company Secretary  
 Membership No. A36961  
 Place : Mumbai  
 Date : June 22, 2020

**Form AOC-I**

**Statement Pursuant to first proviso to sub-section (3) of section 129  
read with Rule 5 of Companies (Accounts) Rules, 2014**

**Part "A": Subsidiaries**

**(Information in respect of each subsidiary to be presented with amounts in USD/GBP)**

Sr. No.	Particulars	Details	Details
		1	2
1.	Name of the subsidiary	Orbit Inc.	Excellere (UK) Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same	Same
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD Rs. 75.39/-*	GBP Rs. 93.08/-*
4.	Share capital	10,00,000	1,000
5.	Reserves & surplus	1,36,009	NIL
6.	Total Assets	1,870,914	NIL
7.	Total Liabilities	1,870,914	NIL
8.	Investments	NIL	NIL
9.	Turnover	1,961,016	NIL
10.	Profit before taxation	30,151	NIL
11.	Provision for taxation	7,564	NIL
12.	Profit after taxation	22,587	NIL
13.	Proposed Dividend	NIL	NIL
14.	% of shareholding	100%	100%

\*The exchange rates have been taken from Financial Benchmarks India Pvt. Ltd.

**Part "B": Associates**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related  
to Associate Companies and Joint Ventures**

**(Information in respect of each associate company to be presented with amounts in AED)**

<b>Name of Associates</b>	<b>Rainbow Line Trading L.L.C.</b>
1. Latest Audited Balance Sheet Date	March 31, 2020
<b>2. Shares of Associate held by the Company on the year end</b>	
No. of shares	147
Amount of Investment in Associates	1,47,000
Extend of Holding %	49%
3. Description of how there is significant influence	Voting Power
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Networth attributable to Shareholding as per latest Audited Balance Sheet	AED 66,98,910
<b>6. Profit / Loss for the year</b>	
i. Considered in Consolidation	AED 11,43,395
ii. Not Considered in Consolidation	AED 2,85,849

Notes: The following information shall be furnished at the end of the statement:

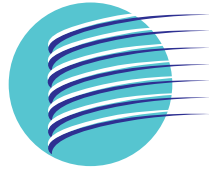
- Names of subsidiaries/ associates/ joint ventures which are yet to commence operations – None
- Names of subsidiaries/ associates/ joint ventures which have been liquidated or sold during the year – None

**For and on behalf of the Board of Directors**

**Mr. Pankaj Seth  
Chairman & Managing Director  
DIN: 00027554**

Date : August 12, 2020  
Place: Mumbai





*orbit exports ltd.*

Registered Office:

122, Mistry Bhavan, 2nd Floor,

Dinshaw Wachha Road, Mumbai - 400 020.

Ph.: +91-22-66256262; Fax: +91-22-22822031

E-mail: [investors@orbitexports.com](mailto:investors@orbitexports.com); Website: [www.orbitexports.com](http://www.orbitexports.com)

**Factories:**

**Surat:**

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

**Kalyan:**

Plot No.1, Building No.B-12, Asmeeta Infratech Textile Park, Additional Kalyan Bhiwandi Industrial Area,  
Sarawali - Kon Village, Taluka - Bhiwandi, Dist - Thane.