



Transcript of the Proceedings of the 41st Annual General Meeting of M/s. Orbit Exports Limited, held on 26th September 2024 at 2.00 p.m. (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)

Ms. Pranali Chawhan, Company Secretary & Chief Compliance Officer, Orbit Exports Limited:

I, Pranali Chawhan, Company Secretary of M/s. Orbit Exports Limited (“Company”) welcome you all to the 41st Annual General Meeting of the Company being held today, i.e. on Thursday, September 26, 2024, conducted through Video conferencing in compliance with requisite circulars issued by Ministry of Corporate Affairs & SEBI.

I take this opportunity to introduce our panel members present for the Meeting. Mr. Pankaj Seth, Managing Director and Chairman of the Board and CSR Committee, attending this meeting from the registered office of the Company; Mrs. Anisha Seth, Whole time Director, attending this meeting from registered office of the Company; Mr. Sunil Buch, Independent Director and Chairman of Audit Committee, attending the meeting from Thane; Mr. Pardeep Koshla, Independent Director & Chairman of NRC committee, attending this meeting from USA; Mr. Varun Daga, Non- executive Director and Chairman of Stakeholder Relationship Committee, attending this meeting from Dubai; Mrs. Chetna Malaviya, Independent Director, attending this meeting from Gurugram; Mr. Parth Seth, Executive Director, attending this meeting from the registered office of the Company; Mr. Rahul Tiwari, Chief Financial Officer, attending this meeting from the registered office of the Company.

Mr. Chetan Mehra, Independent Director is not able to join the Meeting due to technical glitch in his network, he may join us later.

I also welcome Mr. Rajan Ashar, Partner of M/s. G. M. Kapadia and Associates, Statutory Auditors and Dr. S. K Jain, Practising Company Secretary and Proprietor of M/s. S. K. Jain and Company, Secretarial Auditor and Scrutinizer of this Meeting. They are attending this Meeting from their respective remote locations. I welcome everybody to the meeting.

I now request our honourable chairman - Mr. Pankaj Seth to address the shareholders.

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

Good afternoon, dear shareholders, Board Members, Auditors and other participants. I welcome you all to the 41st Annual General Meeting of the Company. This Meeting is being held electronically, participation of the Members through Video Conference / Other Audio-Visual Means is reckoned for the purpose of quorum. As the requisite quorum is present, I call this meeting to order.

I now ask Ms. Pranali, Company Secretary to brief e-meeting formalities to the Shareholders.

Ms. Pranali Chawhan, Company Secretary & Chief Compliance Officer, Orbit Exports Limited:

Dear Shareholders, now I would like to take you through important aspects of this e-AGM;

- a. The Annual Report including AGM Notice, Board Report, Auditors' Report, Standalone & Consolidated financials was e-mailed to the Members whose email ids were registered with the Company/ Depositories, and the same is available on the website of the Company, National Stock Exchange Limited, BSE Limited and NSDL.
- b. Registers as required under the Companies Act and other specified documents as mentioned in the Annual Report are available for inspection.
- c. Members to note that Statutory Auditors report is devoid of any qualifications and that the Responses to the observations in the Secretarial Auditors' Report are mentioned in the Annual Report and are self-explanatory.
- d. The Company has availed the services of NSDL to provide the facility of remote e-voting, e-voting at the AGM, and participation in the AGM through Video Conference / Other Audio-Visual Means. Live screening of this meeting is being webcasted on NSDL portal.
- e. Instructions for voting and attending the Meetings were detailed in Notice of the AGM.
- f. Dr. S. K. Jain, Practicing Company Secretary and Proprietor of S. K. Jain & Co., Company Secretaries has been appointed as the Scrutinizer to scrutinize the process of remote e-voting and e-voting at the AGM in a fair and transparent manner.
- g. Members who have not exercised their vote earlier through remote e-voting, can vote during this Meeting. The e-voting platform shall remain open for 15 minutes after closure of this Meeting.

As the resolutions set out in the AGM Notice were put to vote through remote e-voting, the requirement to propose and second the resolutions are not required in view of the Secretarial Standard on General Meetings.

The ordinary business items are:

1. To receive, consider and adopt, as an ordinary resolution:
 - a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, 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, 2024 together with the Report of the Auditors thereon.
2. To appoint a director in place of Mr. Varun Daga, Non-Executive Director, who retires by rotation and being eligible, offers himself for reappointment, as an ordinary resolution.

The special business items are:

3. To reappoint Mr. Pankaj Seth as Managing Director of the Company for the period of 5 years effective from April 01, 2025 as Special Resolution

4. To reappoint Mrs. Anisha Seth as Whole time Director of the Company for the period of 5 years effective from April 01, 2025 as Special Resolution
5. To ratify the remuneration of M/s. Balwinder & Associates, Cost Auditors of the Company
6. To reappoint Mrs. Chetna Malaviya as Independent Director of the Company for the second term of 5 years effective from June 22, 2025
7. To revise the remuneration of Mr. Parth Seth, Executive Director of the Company, as an ordinary resolution.
8. To revise the remuneration of Ms. Vishakha Seth Mehra, Sr. VP, Sales & Marketing – Exports, being related party, holding place of profit as Ordinary Resolution.

These were the business items of the Notice, Result of which will be announced on receipt of Scruntizer's report, it will also be published at NSE, BSE, NSDL and website of the Company.

I now request Mr. Pankaj Seth to convey his message to the shareholders.

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

It is my privilege to address you, as the Chairman of your company at our 41st Annual General Meeting. This gathering embodies our shared commitment and dedication to the success of our beloved company.

As we review our journey over the past financial year, I want to take a moment to reflect on some of the highlights in our financial results. Despite the challenges that the global textile industry faced, Your Company reported consolidated total income of Rs. 206 crores, consolidated EBITA of Rs. 61 crore and consolidated PAT of Rs. 34 crores.

I would also like to mention other key points such as:

- With inhouse weaving, processing, designing; we were able to bring better customization to the products to meet the needs of our customers.
- We were able to bring new reputed international buyers on board.
- We widened our presence in international market by adding 5 new countries. 55% of our revenues comes from Exports. Overall, we observed market growth in 14 countries we serve.
- We also observed 20% growth in our Domestic market, which is the highest in proportion in Geographical mix.
- We obtained 20% growth in our made-up segment compared to last year.
- We are optimistic about getting bigger order books from our customers.

Let me be candid: the stabilization of our process house is taking longer than anticipated. Since its commissioning, we have been continuously refining our operations, particularly in response to the diverse

fabric qualities we produce. Additionally, our weaving capacity utilization has yet to reach optimal levels, as it is directly linked to the performance of the process house. We remain fully committed to addressing these challenges and are confident that our ongoing efforts will lead to improved efficiencies across the board.

In FY 2023-24, we contributed to the society through various NGOs towards hunger eradication by serving free meals to the family members of the patients at the hospital, women empowerment by sponsoring scholarships for their education, etc

Looking forward, *Your Company* is firmly committed to sustainable growth with a strong emphasis on ESG initiatives. We are making significant investments in green technologies, including the development of an in-house solar power generation facility at South Gujarat location, which will supply renewable energy to our Kosamba and Sarigam plants.

As part of our sustainability drive, we are also increasing the use of recycled polyester in our production processes, this is to further strengthen our commitment towards environmentally responsible practices. These initiatives are the key to our strategy of enhancing operational efficiency while reducing our environmental impact positioning *Your Company* for long-term sustainable success.

As we look towards the future, we have set ambitious goals that align with our vision for Orbit Exports Ltd. We will continue to explore new avenues for growth through market expansion, innovative product lines, and strategic partnerships. Our goal is to solidify our position as a leading player in the textile industry while maintaining our commitment to sustainability and social responsibility.

I want to emphasize that your valuable support as shareholders is instrumental in our journey. Your insights, suggestions, and active participation in our discussions is what drive us forward. I invite each of you to engage with us during this meeting and beyond, as we chart a success path ahead.

Thank you for your unwavering trust and support. I look forward to fruitful discussions today.

I would now like to invite the queries from the members present and attending this meeting. I request the Company Secretary to moderate the queries from the members.

Ms. Pranali Chawhan, Company Secretary & Chief Compliance Officer, Orbit Exports Limited:

Thank you, Mr. Seth.

We will now unmute the members who have registered themselves as speakers. Members are requested to keep their queries short to provide equal opportunities to other members. Once all the questions are put forth, the Management will answer the same. I request the first speaker to put forth the question please.

NSDL Operator 1:

I invite our first speaker shareholder - Mr. Satish Jayantilal Shah to please speak. Mr. Shah is not present in the Meeting, so we move to next speaker.

NSDL Operator 1:

We move on to the next speaker shareholder - Mr. Samarth Singh. He is not responding so we move on to the next speaker,

NSDL Operator 1:

Next speaker is Mr. Keshav Garg. Sir, you are requested to unmute yourself and ask your questions.

Mr. Keshav Garg – Speaker Shareholder

Sir. Thank you very much for providing me this opportunity, I have already sent my list of questions, so, in the interest of time. I'll not like to repeat all of them, but I would just want to ask the major questions, However, I request you to kindly answer all the questions point by point. My questions are as follows:

- What is the expectation for top line and bottom line? What kind of margins should we expect?
- Since 2015, our revenues have been crawling at the rate less than 4%. Our profits are flat. Revenues are increasing at 2.6% CAGR and EBITDA is increasing at 1.6% CAGR, both of which are lower than the inflation that is prevailing in the Country, Hence, it is no surprise that our share price is down from around 230 in FY 2015 to around 180 at present day, after 9 long years. I'm unable to understand how is it that our exports 9 years back were 96 crore; and last year, it was 91 crore? It seems like marginal degrowth after all these years.
- The international market is so large, and we are at less than 100 crore export. Why is it so? Why are we not able to scale up the business despite the humongous Capex that we have incurred over the past 9 to 10 years?
- Despite so much backward integration, our operating margins have declined from 30% in FY 2018 to 26% last year.
- Even in made ups division, although you said in your speech that last year they have grown by 20%. But, sir, over past 10 years it doesn't seem to have really increased, otherwise our margins would have not seen the declining trend.
- I remember, long years ago, we had set up a new Plant for made ups from which we had a great expectations, however, we don't seem to realise much from that. Please let us know what the plans are going forward?
- We had plans to penetrate the domestic markets, where the volumes would be higher, and margins would be lower. But I mean, if we see in the 1st quarter also, we have seen a decline in both our top line and bottom line. If we look at other big companies, big garment producers which are manufacturing just commodity garments, even they have experienced a turnaround in the 1st quarter. I'm concerned about the performance of the company.
- Thank you for regular share buybacks. Since we have a good balance sheet which is almost debt free and good cash flows, regular buybacks help increasing EPS.

I hope the performance of the company improves going ahead. Thank you very much and best of luck to you and your team.

NSDL Operator 1:

Okay. We move on to the next speaker shareholder - Mr. Ayush Mittal.

Mr. Ayush Mittal please unmute yourself and kindly ask your questions.

Speaker shareholder – Mr. Ayush Mittal

Good afternoon, everyone.

I've already sent my list of questions. It will be helpful if you can provide insights on those questions.

We all appreciate that Orbit has a strong niche. Profitability is high, which is rarely seen in textile companies, but, like other shareholders, I think the concern has been on the growth part and it will be helpful if you can share insights as to what is happening on that front. Thank you so much.

NSDL Operator 2:

We move on to the next speaker, Mr. Yusuf Rangwala; Mr. Yusuf has not joined so that we can move on to next.

NSDL Operator 2:

Okay. Moving on to the next speaker shareholder – Kirti Shah.

Speaker did not join the Meeting.

Ms. Pranali Chawhan, Compliance Officer, Orbit Exports Limited:

Shareholders, thank you for your questions. I request Mr. Pankaj Seth and Mr. Parth Seth to reply to the queries of the shareholders.

Mr. Parth Seth – Executive Director, Orbit Exports Limited:

Thank you everyone for all your questions. As you know, there's a long list of questions; therefore, we've clubbed them into a few broad categories and we'd like to update you on the same.

There were obvious questions about the revenue growth over the last 10 years, which is very valid and fair.

As we mentioned before, we are a very niche Textile company. Now, what happens when you're scaling a Niche is; It's all about making sure that you're servicing your customers and you're committed to high quality product; and when you're doing it, unlike a commodity business, where we can just go to more customers and sell them at low margins; That's not really the case with Niche business. So that's been one of the challenges in the last couple of years. Going forward, our efforts are intact to make changes in that and to not have these issues of scaling.

Also, there were questions about Capex and Process house.

As the Chairman said, stabilization of Process house is taking time, this is because the Process House manufacturing process is completely new operations for your company.

Most of the high-quality Process Houses in the Country specialize in cellulosic fibres which are cottons and rayons. Also, there are few polyester process houses. We are trying to establish something that would compete at an international standard. And we're still finding that it's taking some time.

The improvement in Processing will also augment better weaving capacity utilization because the two go hand in hand.

We had some questions on with regards to the sale of property at Dombivali; That property was leased to the Company and since it was not a core asset any longer for the company, we decided to sell, consolidate and invest into Processing, which is where we see our growth coming in the future.

Going forward in terms of Capex, we are going to have a small balancing or realignment of machinery of the process house, so we could incur a small Capex in the coming years. Since it is at the initial stage right now, we will not be able to guide on exact numbers on revenue, bottom line or Capex at this moment.

In terms of the general market situation, I would say that there are headwinds in the very near term, but our long-term outlook is intact. Our focus is to make high quality product and service customers across the world. And as I mentioned earlier, our biggest challenge has been scaling from a very small niche to a much larger market size. We do see long term strength in the domestic and Middle East as well.

For aligning with our long term vision, We are going to focus on better hiring on both technical and sales sides, establishing quality service to our customers.

I think I have covered most of the queries, if there are any further questions, you can reach out to Pranali. Is there anything else that any other Directors' might want to add?

Mrs. Anisha Seth, Whole-time Director- Orbit Exports Limited

I would like to address Mr. Keshav's concerns with regards to growth as mentioned in the beginning of his questions; we've always been, as Parth mentioned, a niche-based Company. And, It's not been easy always to know which of those Niche is going to really catapult and grow.

However, our efforts have been ongoing with regards to each fragmented division. Over the period, we are beginning to get a better clarity on which parts of the business are more scalable. Lots of Trial and errors have already happened and I do believe that the next year we should be at a tipping point where we'll see the results of our constant efforts.

Pranali Chawhan, Company Secretary & Chief Compliance Officer, Orbit Exports Limited

Thank you, ma'am, for your valuable inputs.

We have tried to answer the questions that we have received. In case, there are other questions, feel free to reach out to me, my contact details are on the website of the company. With the permission of the Chair, I would like to conclude the proceedings of this Meeting. Vote of thanks be conveyed to our Chairman and other stakeholders attending the Meeting. All the directors and statutory auditors can log off, Scrutinizer and Company Secretary will remain on the call; Members who have not cast their vote can cast their vote within next 15 minutes. The timer on the screen.

As mentioned earlier, Scrutinizer's report will be published on the website of the Company, NSE, BSE and NSDL. Thank you everyone for their ceaseless support, we wish to have that in future as well.

*****15 minutes timer reflects on the screen*****