

Date: September 21, 2018

Corporate Relationship Department <b>BSE Limited</b> Phiroze Jeejeebhoy Towers 1 <sup>st</sup> Floor, New Trading Ring, Dalal Street Mumbai – 400001 <b>Security code: 512626</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No . C/1, G – Block Bandra Kurla Complex, Bandra East Mumbai – 400051 <b>Symbol : ORBTEXP</b>
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Dear Sirs,

**Subject: Annual Report - 2017-18.**

In accordance with the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the soft copy of the Annual Report for the financial year 2017-18 duly approved and adopted by the shareholders of the Company at the 35<sup>th</sup> Annual General Meeting held on September 12, 2018.

The 35<sup>th</sup> Annual Report is also uploaded on the Company's website i.e. www.orbitexports.com.

Kindly acknowledge receipt

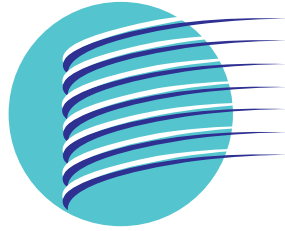
Thanking you,

Yours faithfully,  
For **Orbit Exports Limited**

  
Neha Poddar  
Company Secretary



Encl: As Above



*orbit exports ltd.*

**35<sup>th</sup> Annual Report 2017-18**



## CHAIRMAN'S SPEECH

Dear Shareholders,

It gives me immense pleasure to present the 35<sup>th</sup> Annual Report of the Company to all of you.

The Revenue from operations of the Company on a Standalone basis for the year 2017-18 stood at ₹ 13,024.04 lakhs as against ₹ 13,053.35 lakhs in the previous year, reflecting stability of operations in an otherwise uncertain market. Profit before tax stood at ₹ 3,505.76 lakhs in 2017-18 as compared to ₹ 3,192.06 lakhs in the previous year. Net profit after tax stood at ₹ 2,490.88 lakhs for the current year as compared to ₹ 2,077.70 lakhs in the previous year. This has been a strong year for your company and we have managed to clock a decent growth in bottom line.

Your Company has approved a buyback proposal for purchase by the Company of upto 4,44,444 shares of ₹ 10/- each (representing 1.55% of total paid-up equity capital) from the shareholders of the Company on a proportionate basis by way of a tender offer at a price of ₹ 180/- per equity share for an aggregate amount not exceeding ₹ 799.99 lakhs in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy-back of Securities) Regulations, 1998. The buyback was successful and fully subscribed (214%), and was able to reward minority shareholders in a meaningful manner. The Promoters did not participate in the buyback.

Your Company has further invested in product development in the textile industry with the hope to cater to more customers in the international as well as domestic markets. The company has also invested further in the Finished Products division, making an expansion in this area.

During the year 2017-2018, the Government of India took several initiatives to boost Indian Economy. India has registered a healthy growth rate of 7% due to Government's continuous efforts to push various financial and agricultural reforms including technological upgradation across all sectors. The biggest economic reform was GST which enabled the country to move towards 'One Nation, One Market and One Tax.' This single economic reform provided a big boost to a largely unorganized textile sector. Your company has been able to comply successfully with the new GST regulations and was able to complete implementation smoothly.

While we applaud the government on this new initiative and see a significant benefit for the country over the long run, it presents challenges to the Export community. The Drawback structure stands to be revised, and input costs have seen an upward revision. We believe that various representations to the Government will yield results and all anomalies will get addressed. The company is also going to be moving to a new accounting standard Ind-AS, as per the regulations.

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 '2018 and thank them for their belief.

Regards,

**Pankaj Seth**

Chairman & Managing Director



# *orbit exports ltd.*

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## **COMPANY INFORMATION**

### **Board of Directors**

Mr. Pankaj Seth (Chairman and Managing Director)  
Mrs. Anisha Seth (Whole Time Director)  
Mr. Bruce Larry Kieval (Executive Director)

### **Non Executive Directors**

Mr. Gopikrishna Bubna  
Mr. Saumil U. Marfatia  
Mr. Balkrishna Patil  
Mr. Varun Daga  
Mr. Pardeep Khosla

### **Chief Financial Officer**

Mr. Mukesh Deopura

### **Company Secretary**

Mrs. Neha Poddar

### **Audit Committee**

Mr. Gopikrishna Bubna – Chairman  
Mr. Varun Daga  
Mr. Pardeep Khosla  
Mr. Balkrishna Patil (Member w.e.f. 16.02.2017)

### **Stakeholders Relationship Committee**

Mr. Gopikrishna Bubna – Chairman  
Mr. Saumil Marfatia  
Mr. Pankaj Seth

### **Nomination & Remuneration Committee**

Mr. Pardeep Khosla – Chairman  
Mr. Varun Daga  
Mr. Gopikrishna Bubna  
Mr. Pankaj Seth

### **Corporate Social Responsibility Committee**

Mr. Pankaj Seth – Chairman  
Mrs. Anisha Seth  
Mr. Pardeep Khosla  
Mr. Gopikrishna Bubna

### **Auditors**

#### **Statutory Auditors**

G.M. Kapadia & Co.  
Chartered Accountants  
1007, Raheja Chambers, 213  
Nariman Point, Mumbai- 400021.

#### **Internal Auditors**

CNK & Associates LLP  
122, 3<sup>rd</sup> Floor, Mistry Bhavan,  
Dinshaw Wachha Road,  
Churchgate, Mumbai - 400020



*orbit exports ltd.*

**Annual Report 2017-2018**

**Cost Auditor**

Balwinder & Associates  
F-125, Phase VIII – B,  
Indl Area, Mohali,  
Chandigarh – 160071.

**Secretarial Auditor**

Dr. S. K. Jain & Co  
Company Secretaries  
Office No. 11, 2<sup>nd</sup> Floor,  
Friends Union Premises Co-operative Ltd.,  
227, P. D. Mello Road, Fort, Mumbai - 400001

**Bankers**

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

**Registrar And Transfer Agents**

Link Intime India Pvt. Ltd.  
C 101, 247 Park, L B S Marg,  
Vikhroli West,  
Mumbai – 400 083  
Ph.: +91-22 – 49186000; Fax: 49186060;  
email: rnt.helpdesk@linkintime.co.in

**Registered & Corporate Office**

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

**Factories/Warehouse**

**Surat**

Plot No.6, 7, 8 and 9, Fairdeal Textile Park,  
Village Mahuvej, Taluka Mangrol,  
Dist – Surat – 394 102 (Guj.)

**Hojiwala**

Industrial Shed No. B-21/5,  
Sachin Udhayog Sahkari Mandli Ltd,  
Hoziwala Industrial Estate, Vanz  
Sachin, Surat

**Kalyan**

Plot No. 1, Bldg. No. B-12,  
Asmeeta Textile Park,  
Additional Kalyan Bhiwandi Indl. Area,  
Sarawali-Kon Village, Taluka-Bhiwandi,  
Dist. Thane

**Bhiwandi**

A-4, Unit No.1-5, Mahavir Logiplex  
Aamne Village, Near Sawad Naka  
Bhiwandi, Thane - 421302



## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 35th Annual General Meeting of the Members of **ORBIT EXPORTS LIMITED** will be held at Babasaheb Dahanukar Sabhagriha, C/o. Maharashtra Chambers of Commerce, Industry & Agriculture, Oricon House, 6th Floor, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400001 on Wednesday, September 12, 2018 at 04:00 P.M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - (a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018, 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, 2018.
2. To appoint a Director in place of Mr. Bruce Larry Kieval (DIN: 00335336), an Executive Director who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 at this Annual General Meeting and being eligible has offered himself for re-appointment.

### **SPECIAL BUSINESS:**

3. To consider and approve re-classification of Promoters of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to provisions of Regulation 31A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any amendments made thereto) (hereinafter referred to as "Listing Regulations") or any other applicable provisions of Listing Regulations and other applicable laws, if any, subject to necessary approvals from BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE), the consent and approval of the members of the Company be and is hereby given to reclassify the following persons, forming part of the existing promoters of the company from "Promoter Category" to "Public Category" since the persons do not hold any controlling stake in the Company and also none of aforesaid persons have entered into any Shareholder's Agreement with the Company nor have they got any control of the Company:

Name of Person	No. of Equity Shares held	% of total Equity Share Capital
Mrs. Sujata Arora	49,000	0.17340
Mrs. Sangeeta Bhatia	20,600	0.07290
Mrs. Vijaya Hasurkar	18,318	0.06482
Mrs. Rama Seth	11,600	0.04105
Mr. Shrigovind Hasurkar	6,450	0.02283
Mr. Siddharth Mehra	5,720	0.02024
<b>Total</b>	<b>1,11,688</b>	<b>0.39524</b>

**RESOLVED FURTHER THAT** the Promoters seeking re-classification along with their personal promoter group entities and person acting in concert do / will not:

- i. have any special rights through formal or informal agreements.
- ii. hold more than 10% of the paid-up capital of the Company.
- iii. act as a Key Managerial person for a period of more than three years from the date of Shareholders approval.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

**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 Director 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 including filing of necessary forms and returns with the Ministry of Corporate Affairs, Stock Exchanges and other concerned authorities.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the board or Mr. Mukesh Deopura, Chief Financial Officer or Mrs. Neha Poddar, Company Secretary of the Company be and is hereby severally



authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company”.

4. Ratification of remuneration to the Cost Auditor of the Company for Financial Year 2018-19.

To consider and if thought fit, to give your assent or dissent to the following **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to and in accordance with the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), 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) appointed as Cost Auditor, by the Board of Directors of the Company to conduct the cost audit of the cost records of the Company for the year ending March 31, 2019, be and is hereby confirmed, approved and ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Approval on Material Related Party Transactions

To consider and if thought fit, to pass, with or without modification, 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 Obligation and Disclosure Requirements) Regulations 2015, consent of the Members of the Company be and hereby accorded to Board of Directors of the Company to enter into Material Related Party Transactions with Rainbow Line Trading U.A.E, Dubai, for sale of Goods upto a sum not exceeding ₹ 5000 Lakhs during the Financial Year 2018-2019 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 07, 2018

**Pankaj Seth**  
**Managing Director**

**Registered Office:-**

122, Mistry Bhavan, 2nd Floor,  
Dinshaw Wachha Road,  
Churchgate, Mumbai – 400020

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights further a member holding more than ten





percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Member may please note that a proxy does not have the right to speak at the Meeting and cannot vote on poll.

2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. As required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and the Secretarial Standards in General, the relevant details of Directors retiring by rotation and seeking appointment / re-appointment at the ensuing Annual General Meeting are given in the annexure to the notice of the Annual General Meeting.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto. 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") of persons seeking appointment/re-appointment as Directors are provided in the Annexure to this Notice.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No. along with their copy of Annual Report to the Meeting.
6. 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.
7. The Company has notified closure of Register of Members and Share Transfer Books from August 31, 2018 to September 4, 2018 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
8. Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.
9. All Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days except, Saturdays, Sunday and Public Holidays between 11.00 A.M. to 01.00 P.M. up to the date of the Annual General Meeting of the Company.
10. As regards the re-appointment of retiring director Mr. Bruce Larry Kieval referred to in item No. 2 of the Notice has a brief resume, as per the requirements of Regulations 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015) and clause is 1, 2.5 of Secretarial Standards-2 on General Meetings, is provided in details of Directors seeking Appointment/Reappointment at the Annual General Meeting is annexed herewith as Annexure 1.
11. Members holding shares in electronic form are requested to notify immediately any change in their address or bank mandates, if any to their Depository Participants with whom they are maintaining their demat accounts and not to the Company or the Company's Registrar and Share Transfer Agent.
12. Members holding shares in physical form are requested to advise any change in their address or bank mandates, if any immediately to the Company or its Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Ltd..
13. The submission of Permanent Account Number (PAN) by every participant in the securities market has been mandated by The Securities and Exchange Board Of India (SEBI). 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 or its Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Ltd..
14. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary/ Registrar of the Company, M/s. Link Intime India Pvt. Ltd., at the Company's Registered Office / Registrar and Transfer Agent's address.
15. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agents. Blank forms will be supplied on request. In respect of shares held in demat form the nomination form may be filed with the respective Depository Participants.
16. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to M/s. Link Intime India Pvt. Ltd., for consolidation into a single folio.
17. Company has identified the unclaimed amount of dividend upto the financial year ended 31st March, 2018 and requisite detailed information has been uploaded on the Ministry's websites through e-form IEPF Form-2, and also on the Company website within the prescribed time limit.



Members are hereby informed that Dividend which remains unclaimed/un-encashed over a period of Seven years, has to be transferred as per the provisions of the Companies Act, 2013 by the Company to "The Investor Education and Protection Fund" constituted by the Central Government and the shares in respect of which such dividend is unclaimed/unpaid shall also be transferred to the Investor Education and Protection Fund authority. It may please be noted that once unclaimed/un-encashed dividend or shares are transferred to "Investor Education and Protection Fund" as above, no claims shall lie in respect of such amount by the Shareholder.

The Members/Claimants whose shares and unclaimed 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.

It is in Members' interest to claim any un-encashed dividends and for the future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

Accordingly, the Company would be transferring every year to the IEPF Authority those shares in respect of which dividend has not been encashed or claimed by Members for seven consecutive years. Members who have so far not encashed the Dividend for seven consecutive years are advised to submit their claim to the Company's R&TA at the aforesaid address immediately quoting their folio number/DP ID & Client ID, to avoid of transfer of their shares to IEPF Authority.

18. Members, who still hold share certificates in physical form are advised to dematerialize their shareholdings to avail the numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, saving in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

Please note that for security reasons, no article / baggage will be allowed at the venue of the meeting.

19. Non-Resident Indian Members are requested to inform M/s. Link Intime India Pvt. Ltd., 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.

20. As part of the Company's Green Initiative, the Company sends documents like Notice convening the General Meetings, Financial Statements, Directors Report, etc. to the email address provided by the members.

We therefore appeal to the Members to be a part of the said "Green Initiative" and request the Members to register their name for receiving the said documents in electronic mode by sending an email giving their Registered Folio Number and/or DP ID/Client ID to the dedicated email address at [investors@orbitexports.com](mailto:investors@orbitexports.com) and register their request.

21. Members desirous of getting any information in relation to the Company's Annual Report 2017-18 are requested to address their query(ies) well in advance, i.e. at least 10 days before the Meeting, to the Secretary of the Company to enable the Management to keep the information readily available at the Meeting.
22. The Members at the 32nd Annual General Meeting of the Company held on August 24, 2015, had appointed M/s G.M. Kapadia & Co, Chartered Accountants (Firm Registration No: 104767W) as the Statutory Auditor of the Company to hold office for a term of five years i.e., from the conclusion of the 32nd Annual General Meeting until the conclusion of 37th Annual General Meeting of the Company to be held in 2020, subject to ratification of their appointment by the shareholders, every year. The Ministry of Corporate Affairs vide its Notification dated 7th May 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.
23. The route map showing directions to reach the venue of the 35th Annual General Meeting is annexed herewith.
24. Information and other instructions relating to e-voting are as under:-

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and the provisions of Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

The Company has approached CDSL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.



The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link **helpdesk.evoting@cdslindia.com** or **www.orbitexports.com**.

The e-voting period commences on September 9, 2018 at 9.00 AM and ends on September 11, 2018 at 05:00 PM. During this period shareholders' 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 shareholder, the shareholder 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 September 5, 2018. 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 5, 2018, may obtain the login ID and password by sending a request at **evoting@cdslindia.com** or **investors@orbitexports.com**.

The facility for voting through Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

**PROCEDURE FOR REMOTE E-VOTING:**

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

- (i) The voting period begins on September 9, 2018 at 09:00 A.M and ends on September 11, 2018 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 5, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and 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 the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>· In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>· If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>



- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xix) Note for Non-Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**For members who wish to vote using ballot form:**

In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the Annual General Meeting, through polling paper as provided in Section 107 of the Companies Act, 2013 read with Rule 20 of the Rules and Members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting.

Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again.

**General Instructions**

The Board of Directors has appointed Dr. S. K. Jain, Practicing Company Secretaries, (Membership No. FCS 1473; CP No. 3076 as the Scrutinizer to the e-voting process, (including voting through Ballot forms received from Members) and remote e-voting process in a fair and transparent manner.



The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or Company Secretary or to a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

The Scrutinizer shall submit his report to the Chairman/ Company Secretary, who shall declare the results of the voting. The results declared alongwith the Scrutinizer Report shall be placed on the website of the Company www.orbitexports.com after the declaration of result by the Chairman or by a person duly authorized by him in writing. The results shall also be forwarded to BSE Limited and The National Stock Exchange of India Ltd., where the equity shares of the Company are listed. The Resolution shall be deemed to be passed at the Annual General Meeting of the Company Schedule to be held on September 12, 2018.

**The Notice of Annual General Meeting is placed on website of the Company - www.orbitexports.com**

**ANNEXURE 1**

**Item No 2:**

Details of the Directors seeking appointment/re-appointment at the Forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Shri Bruce Larry Kieval
Director Identification Number	00335336
Date of Birth	16-07-1957
Nationality	United States of America
Date of Appointment on the Board	10-06-2006
Qualifications	Bachelor of Science
Expertise in specific functional areas	Marketing
Directorships held in other Companies	Golden Boo Tree Impex Co. Ltd.
Memberships/Chairmanships of Committees across all other companies	NIL
Shareholding of Director (As on March 31, 2018)	NIL
Relation between Directors inter-se	NIL

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

**The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:**

**Item No. 3**

The Company had received letters from the following persons falling under the category of Promoters/Promoter Group of the Company requesting to be reclassified from the category of "Promoters/Promoter Group" to "Public category":

Name of Person	No. of Equity Shares held	% of total Equity Share Capital
Mrs. Sujata Arora	49,000	0.17340
Mrs. Sangeeta Bhatia	20,600	0.07290
Mrs. Vijaya Hasurkar	18,318	0.06482
Mrs. Rama Seth	11,600	0.04105
Mr. Shrigovind Hasurkar	6,450	0.02283
Mr. Siddharth Mehra	5,720	0.02024
<b>Total</b>	<b>1,11,688</b>	<b>0.39524</b>

The aforesaid persons together are holding very insignificant shareholding which constitutes 0.39524% of the paid up equity capital of the Company. The aforesaid persons do not exercise control over the Company. The aforesaid entities neither have representation on the Board of Directors of the Company nor hold any Key Management Personnel position in the Company. The Company has also not entered into any Shareholder's Agreement with them.



The aforesaid persons have requested to the Company to reclassify them from being a "Promoter Shareholder" to "Public Shareholder" of the Company.

Based on the letters received from above promoter persons, the matter was discussed by the Board of Directors of the Company at their meeting held on May 30, 2018 and Board decided to get the above persons re-classified from the category of "promoter" to "public" with the approval of stock exchanges.

Regulation 31A (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is the main Regulation which deals with reclassification of promoter shareholding into public shareholding. It provides that the stock exchange shall allow reclassification of the status of the promoter shareholders only if the following main conditions are satisfied:

- (i) upon receipt of a request from the concerned listed entity or the concerned shareholders.
- (ii) all relevant evidence.
- (iii) on BSE/NSE being satisfied with the compliance of conditions mentioned in Regulation 31A.

A re-classification may also be permitted by the stock exchanges under the main Listing Regulation No. 31A(2) itself read with the additional conditions specified under Regulation 31A (7) of Listing Regulation. The sum totals of conditions under the two sub-regulations are as follows:

- (i) A request for re-classification is to be made by the concerned listed entity or by the concerned shareholders/ to stock exchanges.
- (ii) All relevant evidence to be provided.
- (iii) Re-classified promoter shall not directly or indirectly exercise control over the affairs of the entity;
- (iv) Increase in the level of public shareholding pursuant to re-classification of promoters shall not be considered towards achieving compliance with minimum public shareholding requirement under Rule 19A of the Securities Contracts (Regulation) Rules, 1957 and
- (v) The event of re-classification shall be disclosed to the stock exchanges as a material event in accordance with the provisions of Listing Regulations.

All the conditions specified under Regulations 31A (2) and 31A (7) of Listing Regulation have been duly complied with by the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the special resolution as set out at Item No. 4 of the Notice except to the extent of their shareholding, if any, in the Company.

The Board, therefore commends the Resolution No. 4 for approval of the members as Special Resolution.

**Item 4:**

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. Balwinder & Associates, Cost Accountants (Firm Registration No. 000201) as Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2019.

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/- (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 ending March 31, 2019.

**Item 5:**

M/s. Rainbow Line Trading U.A.E, Dubai is a Related Party of Orbit Exports Limited as our Company holds 49% Shares in the said entity. The Board of Directors of the Company at its Meeting held on August 7, 2018 and on recommendation of Audit Committee which reviewed the ongoing transactions with M/s Rainbow Line Trading L.L.C., U.A.E. at its meeting held on August 7, 2018 and subject to approval of Members of the Company is doing sale transactions with M/s Rainbow Line Trading U.A.E, upto a sum of not exceeding ₹ 5000 Lakhs during the Financial Year 2018-2019.

The said Related Party Transaction is a Material Related Party Transaction within the meaning of Regulation 23 (1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as the amount of transactions to be entered into together with previous transactions already entered into during the Financial Year 2018-2019 is likely to exceed 10% of the Annual Consolidated Turnover of the Company as per last Audited Financial Statements and require approval of the



Shareholders under Regulation 23 (4) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and under First Proviso to Sub Section (1) of Section 188 of the Companies Act, 2013.

As a part of its regular business, the Company sells the fabrics to M/s Rainbow Line Trading L.L.C., U.A.E. at an arm's length basis from time to time and it may be noted that during the Financial Year 2017-18, the total consolidated turnover of the Company was Rs.13,644.98 Lakhs and that the Company had transactions with Rainbow Line Trading L.L.C., U.A.E. of Rs.2,550.39 Lakhs (i.e. 18.69%).

In terms of Explanation (3) to Rule 15 of Companies (Meetings of Board & its Powers) Rules, 2014 the particulars of the transactions for which approval of the Members of the Company is being sort are given below:-

- (a) M/s Rainbow Line Trading L.L.C., U.A.E.
- (b) Material Related Party Transaction
- (c) sale transactions with M/s. Rainbow Line Trading U.A.E, upto a sum of not exceeding ₹ 5000 Lakhs during the Financial Year 2018-2019.

All related parties shall abstain from voting on the proposed Resolution

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice except to the extent of their shareholding or employment in the Company, its Holding Company or Associate Group Company, if any, in the Company. The Board recommends the Resolution under Item No. 5 of the Notice for approval of the Members as an Ordinary Resolution.

**By Order of the Board of Directors**

**Pankaj Seth**  
**Managing Director**

Place: Mumbai  
Dated: August 7, 2018

**Registered Office:-**

122, Mistry Bhavan, 2nd Floor,  
Dinshaw Wachha Road,  
Churchgate, Mumbai – 400020

**ROUTE MAP TO THE AGM VENUE**

**AGM Venue: Babasaheb Dahanukar Sabhagriha, C/o. Maharashtra Chambers of Commerce, Industry & Agriculture, Oricon House, 6th Floor, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400001, Maharashtra.**







## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 35th Annual Report together with audited financial statements for the year ended March 31, 2018.

### 1. FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2018 is summarized below:

(Amount in Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1	<b>Revenue from Operations</b>				
(a)	Net Sales	12,520.67	12,336.79	13,142.61	12,720.70
(b)	Other Operating Income	502.37	716.56	502.37	716.56
2	Other Income	357.39	335.91	357.39	367.94
3	<b>Total Income</b>	<b>13,380.43</b>	<b>13,389.26</b>	<b>14,002.37</b>	<b>13,805.20</b>
4	<b>Expenses:</b>				
(a)	Cost of materials consumed	4,741.79	4,733.82	4,811.24	5,003.02
(b)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(136.07)	807.86	(44.39)	637.71
(c)	Employee benefits expense	1,779.79	1,434.59	1,936.65	1,552.58
(d)	Finance costs	53.50	180.21	53.50	180.21
(e)	Depreciation and amortisation expense	722.44	678.93	724.37	691.45
(f)	Power and Fuel	576.50	421.05	576.50	421.05
(g)	Other expenses	2,136.72	1,995.04	2,417.65	2,219.17
	<b>Total Expenses</b>	<b>9,874.67</b>	<b>10,251.50</b>	<b>10,475.52</b>	<b>10,705.19</b>
5	<b>Profit/(loss) before share of profit from associates and exceptional items</b>	<b>3,505.76</b>	<b>3,137.76</b>	<b>3,526.85</b>	<b>3,100.01</b>
	Share of profit/(loss) from associates	-	-	195.86	108.18
6	<b>Total Profit before Exceptional Items and Tax</b>	<b>3,505.76</b>	<b>3,137.76</b>	<b>3,722.71</b>	<b>3,208.19</b>
7	Exceptional Items				
(a)	Profit on sale of Property, Plant and Equipment	-	54.30	-	54.30
8	<b>Profit / (loss) before tax</b>	<b>3,505.76</b>	<b>3,192.06</b>	<b>3,722.71</b>	<b>3,262.49</b>
9	Tax Expense				
(a)	Current Tax	991.19	1,078.76	996.14	1,084.41
(b)	Deferred Tax	23.69	35.60	23.03	33.63
10	<b>Net Profit/ (Loss) for the period</b>	<b>2,490.88</b>	<b>2,077.70</b>	<b>2,703.54</b>	<b>2,144.45</b>
11	Other Comprehensive Income (net of tax)				
(a)	Items that will not be re-classified to profit or loss				
(i)	Re-measurement of the defined benefit plan (net of tax)	(9.03)	5.00	(9.03)	5.00
	<b>Total Other Comprehensive Income/(Loss) (after tax)</b>	<b>(9.03)</b>	<b>5.00</b>	<b>(9.03)</b>	<b>5.00</b>
12	<b>Total Other Comprehensive Income/(Loss) (after tax) for the period</b>	<b>2,481.85</b>	<b>2,082.70</b>	<b>2,694.51</b>	<b>2,149.45</b>



**2. DIVIDEND**

During the Financial Year 2017-18, your Company has not declared any dividend (Interim and Final) for the Financial Year ended March 31, 2018 (last year ₹ 1.60/- per Equity Share of ₹ 10/- each). The total outgo for the Financial Year 2016-17 was ₹ 459.24 lakhs (excluding dividend distribution tax).

**3. PERFORMANCE REVIEW**

The Revenue from operations for the Company on the Standalone basis for the year 2017-18 stood at ₹ 13,023.04 lakhs as against ₹ 13,053.35 lakhs in the previous year, reflecting stability of operations in an otherwise uncertain market. Profit before tax stood at ₹ 3,505.76 lakhs in 2017-18 as compared to ₹ 3,192.06 lakhs in the previous year. The Company could withstand adverse market conditions in the overseas market mainly due to its thrust on achieving internal operational excellence, penetration into new markets extensive tightening control on inventory management participating in the shift to renewable in energy and exercising stringent cost control measures. Net profit after tax stood at ₹ 2,490.88 lakhs for the current year as compared to ₹ 2,077.70 lakhs in the previous year. Consequently the earnings per share for the year 2017-18 stood at ₹ 8.69/- per share as compared to ₹ 7.24/- per share in the year 2016-17.

The revenue from operations for the Company of the Consolidated for the year 2017-18 stood at ₹ 13,644.98 lakhs as against ₹ 13,437.26 lakhs in the previous year, reflecting stability of operations in an uncertain market. Profit before tax stood at ₹ 3,722.71 lakhs in 2017-18 as compared to ₹ 3,262.49 lakhs in the previous year Net profit after tax stood at ₹ 2,703.54 lakhs for the current year as compared to ₹ 2,144.45 lakhs in the previous year. Consequently the earnings per share for the year 2017-18 stood at ₹ 9.43/- per share as compared to ₹ 7.47/- per share in the year 2016-17.

**4. WIND POWER PROJECT**

During the year the Company has installed 1.50 MW Windmill at Vejalpar, Taluka – Maliya, District – Morbi, Gujarat.

**5. INCORPORATION OF SUBSIDIARY COMPANY**

During the year the Company has incorporated Subsidiary Company in UK in the name of EXCELLERE (UK) Ltd.

**6. CREDIT RATING**

The Company’s financial discipline and prudence is reflected in the strong credit ratings ascribed by ICRA Limited as given below:

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

**7. CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated Financial Statement has been prepared in accordance with provision of the Companies Act, 2013 (“the Act”) and the applicable Indian Accounting Standards alongwith all relevant documents and the Auditors Report form part of this Annual Report.

**8. SUBSIDIARY COMPANIES**

A statement containing the salient features of financial statements of the subsidiary Company of your Company forms part of consolidated financial statements in compliance with section 129 and other applicable provisions, if any, of the Companies Act, 2013.

**9. CAPITAL EXPENDITURE**

As at 31st March, 2018 the gross fixed assets stood at ₹ 10,756.40 lakhs and net fixed assets ₹ 9,355.04 lakhs. Additions during the year amounted to ₹ 1,963.60 lakhs.

**10. SHARE CAPITAL**

The paid up Equity Share Capital as on March 31, 2018 was ₹ 2,825.79 lakhs. During the year under review, the Company has bought back 4,44,444/- Equity Shares of ₹ 10/- each.

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

During the year, the Company has transferred a sum of ₹ 1.95 Lacs to the Investor Education and Protection Fund in compliance with provisions of the Companies Act, 2013 which represents unclaimed/ unpaid dividend.



## **12. CORPORATE GOVERNANCE REPORT AND CERTIFICATE**

As required under Regulation 34(3) read with Schedule V(C) of the Listing Regulations a report on Corporate Governance and the certificate as required under Schedule V (E) of the SEBI (LODR) Regulations, 2015 from S. K. Jain & Co., Practicing Company Secretaries, regarding compliance of conditions of Corporate Governance are given as an Annexure forming a part of this Report.

## **13. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, and based on the representation received from the management your Directors confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2018, 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. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care 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 Directors have prepared the annual accounts on a 'going concern' basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **14. 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 A" to this Report.

## **15. COMPLIANCE ON CRITERIA OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS**

All Independent Directors of the Company have given declarations to the Company under Section 149(7) of the Act that, they meet the criteria of Independence as provided in Sub-section 6 of Section 149 of the Act and also under the Listing Regulations.

## **16. COMMITTEES OF THE BOARD**

The Board of Directors has following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

## **17. AUDIT COMMITTEE**

The Composition of the Audit Committee needs the requirement as per Section 177 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015. The details related to the composition of the Audit Committee and terms of reference are included in the Corporate Governance Report, which forms a part of Annual Report.

## **18. REMUNERATION POLICY OF THE COMPANY**

The Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company along with other related matters have been provided in the Corporate Governance Report.



As and when need arises to appoint Director, the Nomination and Remuneration Committee (NRC) of the Company determines the criteria based on the specific requirements. NRC while recommending candidature to the Board takes into consideration the qualification, attributes, experience and Independence of the Candidate. Director(s) appointment and remuneration are made as per NRC Policy of the Company.

#### **19. CORPORATE SOCIAL RESPONSIBILITY**

As per provision of Section 135 read with Schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and any other statutory amendment or modification thereof and the Company's CSR Policy in respect of Corporate Social Responsibility activity, a separate Report on CSR activities is attached as "Annexure B" to this Report. The CSR Policy has been posted on the website of the Company at [www.orbitexports.com](http://www.orbitexports.com).

The Company has made a budget of ₹ 71.29 Lakhs.

#### **20. 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 Report as "Annexure C".

#### **21. STATUTORY AUDITORS**

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. G.M. Kapadia & Co., Chartered Accountants (Firm Registration No.104767W), were appointed as Statutory Auditors of the Company for a term of 5 years, to hold office from the conclusion of 32<sup>nd</sup> Annual General Meeting held on August 24, 2015 until the conclusion of 37<sup>th</sup> Annual General Meeting, subject to ratification of their appointment at every subsequent Annual General Meeting. The Auditors have confirmed that, their appointment would be in accordance with the Section 139 of the Companies Act, 2013 and rule made thereunder and that they are not disqualified in terms of Section 141 of the Act.

#### **22. COST AUDITOR**

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. Balwinder & Associates, Cost Accountants (Firm Registration Number: 000201) as Cost Auditors of the Company, for the financial year ending 31<sup>st</sup> March, 2019, on a remuneration as mentioned in the Notice convening the 35<sup>th</sup> Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A Certificate from M/s. Balwinder & Associates, Cost Accountants has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

A resolution seeking ratification by the members for the remuneration payable to Cost Auditor forms part of the Notice of the 35<sup>th</sup> Annual General Meeting of the Company and same is recommended for your consideration and approval.

#### **23. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits. The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system. 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.

The scope and coverage of the internal audit plan includes reviewing and reporting on key process risks, adherence to operating guidelines and statutory compliances. The internal audit function provides assurance to the Board and the Audit Committee regarding the design, adequacy and operating effectiveness of the internal control system.

#### **24. 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 a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report.

## 25. RELATED PARTY TRANSACTIONS

The Board of Directors has adopted a policy on Related Party Transactions. The objective is to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties. During the financial year 2017-18, your Company has entered into transactions with related parties as defined under section 2 (76) of the Companies Act, 2013 read with Companies (Specifications of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of Companies Act, 2013, Rules issued thereunder. During the financial year 2017-18, there were transactions with the related parties which qualify as material transactions under Listing Agreement.

The details of the related party transactions are disclosed in the notes to accounts annexed to the standalone financial statement forming part of this Annual Report.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, 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 D.

## 26. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your company is continuously expanding its manufacturing base, which the company is doing with expansions in Kosamba, Gujarat by incorporating new looms. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

## 27. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Company's Articles of Association, Mr. Bruce Larry Kieval, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Your Company has received declarations from all the independent directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder.

Shri Pankaj Seth, Managing Director, Smt. Anisha Seth, Whole Time Director, Shri Mukesh Deopura, Chief Financial Officer and Smt. Neha Poddar, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 28. 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 5<sup>th</sup> November, 2015, company allotted 30,000 equity shares pursuant to exercise of 30,000 stock options by the employees of the Company.

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

On 2<sup>nd</sup> April, 2016, company allotted 9,000 equity shares pursuant to exercise of 9,000 stock options by the employees of the Company.

## **29. NUMBER OF MEETINGS OF THE BOARD**

During the year under review 7 (Seven) Meetings of the Board of Directors of the Company were convened and held. The relevant details, including composition of the Board, date of meetings, attendance and composition of Board, date of Meetings, attendance and composition of various Committees of the Board are given in the Corporate Governance Report forming part of this report. The details regarding the composition of various committees are also available on the Company's website [www.orbitexports.com](http://www.orbitexports.com).

## **30. 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 E" to this Report.

## **31. DEPOSITS**

The Company did not accepted any deposits within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of Deposits which are not in Compliance with the Chapter V of the Act is not applicable.

## **32. REPORTING OF FRAUDS**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and Rules framed thereunder.

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

There has been no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations. All the orders received by the Company during the year are of routine in nature which have no significant/ material impact.

## **34. ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of its various committee.

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 the Independent Directors was carried out by the entire Board excluding the Directors being evaluated.

The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their separate Meeting.

The Board of Directors expressed its satisfaction with the evaluation process.

## **35. AMOUNT, IF ANY, PROPOSED TO BE TRANSFERRED TO GENERAL RESERVES**

There was no transfer to General Reserves during the Financial Year 2017-18.



**36. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is annexed as "Annexure F" to this Annual Report of your Company.

**37. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT**

There has been no material change and commitment, affecting the financial performance of the Company occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

**38. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT**

During the year the Company has granted Inter Corporate Deposit of ₹ 50 Lakhs to M/s. Shahlon Silk Industries Pvt. Ltd. for a period of 6 months and at an interest rate of 12% p.a. and which was further extended for a period of 6 months and received back the Inter Corporate Deposit from Shahlon Silk Industries Pvt. Ltd. on 27<sup>th</sup> March, 2018.

The Company has also granted Inter Corporate Deposit of ₹ 25 Lakhs to Wampum Syntex for a period of 6 months and at an interest rate of 12% p.a..

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

There is no change in the nature of business of the Company during the year under review.

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

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

**41. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**42. OTHER DISCLOSURE**

1. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meeting.

**43. 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**

**Pankaj Seth**  
Chairman & Managing Director

## ANNEXURE A TO THE DIRECTORS' REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2018

[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
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

#### 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	93.16

#### 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 International Inc., San Julian Street, Los Angeles CA-90014, U.S.A	Not Applicable	Subsidiary	100%	2(87)
2	Excellere (UK) Ltd. Kajaine House, 57-67, High Street, Edgware, HA87DD, England	Not Applicable	Subsidiary	100%	2(87)
3	Rainbow Line Trading L.L.C. 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	1,51,89,864	0	1,51,89,864	52.92	1,51,90,164	0	1,51,90,164	53.76	0.84
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	25,27,999	0	25,27,999	8.81	25,38,780	0	25,38,780	8.98	0.17
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(1):</b>	<b>1,77,17,863</b>	<b>0</b>	<b>1,77,17,863</b>	<b>61.73</b>	<b>1,77,28,944</b>	<b>0</b>	<b>1,77,28,944</b>	<b>62.74</b>	<b>1.01</b>
<b>(2) Foreign</b>		0				0			
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>1,77,17,863</b>	<b>0</b>	<b>1,77,17,863</b>	<b>61.73</b>	<b>1,77,28,944</b>	<b>0</b>	<b>1,77,28,944</b>	<b>62.74</b>	<b>1.01</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>		0				0			
a) Mutual Funds / UTI	3,54,249	0	3,54,249	1.24	0	0	0	0	(1.24)
b) Banks / FI	5,789	0	5,789	0.02	5,146	0	5,146	0.02	0.00
c) Central Govt.	0	0	0	0	0	0	0	0	0.00
d) State Govt.(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify) – Foreign Portfolio Investor	3,736	0	3,736	0.01	3,736	0	3,736	0.01	0.00
<b>Sub-Total (B)(1):</b>	<b>3,63,774</b>	<b>0</b>	<b>3,63,774</b>	<b>1.27</b>	<b>8,882</b>	<b>0</b>	<b>8,882</b>	<b>0.03</b>	<b>(1.24)</b>



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>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	9,65,734	6,200	9,71,934	3.39	8,99,792	5,100	9,04,892	3.20	(0.19)
ii) Overseas	0	0	0	0	0	0	0	0	0.00
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹1 lakh	23,21,414	5,60,969	28,82,383	10.04	26,92,284	4,84,539	31,76,823	11.24	1.20
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	53,62,690	0	53,62,690	18.68	53,15,623	0	53,15,623	18.81	0.13
<b>c) Others (specify)</b>									
IEPF	0	0	0	0	38,508	0	38,508	0.14	0.14
Trusts	0	0	0	0	2,151	0	2,151	0.01	0.01
i) Clearing Members	99,310	0	99,310	0.35	36,982	0	36,982	0.13	(0.22)
ii) Market Maker	960	0	960	0.00	950	0	950	0.00	0.00
iii) NRI (Repat)	7,14,522	0	7,14,522	2.49	5,26,005	0	5,26,005	1.86	(0.63)
iv) NRI (Non Repat)	3,78,487	0	3,78,487	1.32	3,86,515	0	3,86,515	1.37	0.05
v) Hindu Undivided Family	2,10,377	0	2,10,377	0.73	1,31,581	0	1,31,581	0.47	(0.26)
<b>Sub-Total (B)(2)</b>	<b>1,00,53,494</b>	<b>5,67,169</b>	<b>1,06,20,663</b>	<b>37.00</b>	<b>1,00,30,391</b>	<b>4,89,639</b>	<b>1,05,20,030</b>	<b>37.23</b>	<b>0.23</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1,04,17,268</b>	<b>5,67,169</b>	<b>1,09,84,437</b>	<b>38.27</b>	<b>1,00,39,273</b>	<b>4,89,639</b>	<b>1,05,28,912</b>	<b>37.26</b>	<b>(1.01)</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A + B + C)</b>	<b>2,81,35,131</b>	<b>5,67,169</b>	<b>2,87,02,300</b>	<b>100</b>	<b>2,77,68,217</b>	<b>4,89,639</b>	<b>2,82,57,856</b>	<b>100</b>	<b>0</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 share holding 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	1,12,83,186	39.31	0	1,12,83,186	39.93	0	0.62
2	Ms. Anisha Seth	37,81,790	13.18	0	37,81,790	13.38	0	0.20
3	Ms. Sujata Arora	54,000	0.19	0	49,000	0.17	0	(0.02)
4	Ms. Sangeeta Bhatia	20,800	0.07	0	20,600	0.07	0	0.00
5	Ms. Vijaya Hasurkar	18,318	0.06	0	18,318	0.07	0	0.01
6	Ms. Rama Seth	11,600	0.04	0	11,600	0.04	0	0.00
7	Mr. Shrigovind Hasurkar	6,450	0.02	0	6,450	0.02	0	0.00
8	Ms. Vishakha Seth Mehra	8,000	0.03	0	12,000	0.04	0	0.01



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	
9	Mr. Siddharth Mehra	5,720	0.02	0	5,720	0.02	0	0.00
10	Mr. Parth Seth	0	00	0	1,500	0.01	0	0.01
11	M/s. Mediaman Multitrade Private Limited	25,27,999	8.81	0	25,38,780	8.98	0	0.17
<b>Total</b>		<b>1,77,17,863</b>	<b>61.73</b>	<b>0.00</b>	<b>1,77,28,944</b>	<b>62.74</b>	<b>0</b>	<b>1.01</b>

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

Sr. No.		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	112,83,186	39.31	112,83,186	39.31
	At the end of the year	112,83,186	39.93	112,83,186	39.93
2.	<b>Ms. Anisha Seth</b>				
	At the beginning of the year	37,81,790	13.18	37,81,790	13.18
	At the end of the year	37,81,790	13.38	37,81,790	13.38
3.	<b>Ms. Sujata Arora</b>				
	At the beginning of the year	54,000	0.19	54,000	0.19
	Less: Sold during the year	10,000	0.04	44,000	0.15
	Add: Purchase of Shares	5,000	0.02	49,000	0.17
	At the end of the year	49,000	0.17	49,000	0.17
4.	<b>Ms. Rama Seth</b>				
	At the beginning of the year	11,600	0.04	11,600	0.04
	At the end of the year	11,600	0.04	11,600	0.04
5.	<b>Ms. Vijaya Hasurkar</b>				
	At the beginning of the year	18,318	0.06	18,318	0.06
	At the end of the year	18,318	0.07	18,318	0.07
6.	<b>Ms. Sangeeta Bhatia</b>				
	At the beginning of the year	20,800	0.07	20,800	0.07
	Less: Sold during the year	200	0.00	20,600	0.07
	At the end of the year	20,600	0.07	20,600	0.07
7.	<b>Mr. Shrigovind Hasurkar</b>				
	At the beginning of the year	6,450	0.02	6,450	0.02
	At the end of the year	6,450	0.02	6,450	0.02



Sr. No.		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
8.	<b>Ms. Vishakha Seth Mehra</b>				
	At the beginning of the year	8,000	0.03	8,000	0.03
	Add: Purchase of shares	4,000	0.01	12,000	0.04
	At the end of the year	12,000	0.04	12,000	0.04
9.	<b>Mr. Siddharth Mehra</b>				
	At the beginning of the year	5,720	0.02	5,720	0.02
	At the end of the year	5,720	0.02	5,720	0.02
10.	<b>M/s. Mediaman Multitrade Pvt. Ltd.</b>				
	At the beginning of the year	25,27,999	8.81	25,27,999	8.81
	Add: Purchase of Shares	10,781	0.04	25,38,780	8.98
	At the end of the year	25,38,780	8.98	25,38,780	8.98
11.	<b>Mr. Parth Seth</b>				
	At the beginning of the year	00	00	00	00
	Add: Purchase of Shares	1,500	0.01	1,500	0.01
	At the end of the year	1,500	0.01	1,500	0.01

**(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
1	<b>Kaushik Daga</b>				
	At the beginning of the year	21,12,396	7.36	21,12,396	7.36
	At the end of the year	21,12,396	7.48	21,12,396	7.48
2	<b>Own Leasing &amp; Finance Pvt. Ltd.</b>				
	At the beginning of the year	2,76,922	0.97	2,76,922	0.97
	Add: Bought during the year	20,225	0.07	2,97,147	1.05
	At the end of the year	2,97,147	1.05	2,97,147	1.05
3	<b>Sandeep Sharma</b>				
	At the beginning of the year	8,15,226	2.84	8,15,226	2.84
	Less: Decrease due to surrender of equity shares pursuant to Buyback of equity shares by the Company on March 8, 2018	2,33,288	0.81	5,81,938	2.84
	Less: Sold during the year	60,838	0.21	5,21,100	1.84
	At the end of the year	5,21,100	1.84	5,21,100	1.84



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
4	<b>RVB Enterprises LLP</b>				
	At the beginning of the year	2,87,566	1.00	2,87,566	1.00
	Less: Sold during the year	10,975	0.04	2,76,591	0.98
	At the end of the year	2,76,591	0.98	2,76,591	0.98
5	<b>Dilip Kanaiyalal Bombaywala</b>				
	At the beginning of the year	1,50,000	0.52	1,50,000	0.52
	At the end of the year	1,50,000	0.53	1,50,000	0.53
6	<b>Alpa Pramod Talsania</b>				
	At the beginning of the year	1,00,000	0.35	1,00,000	0.35
	At the end of the year	1,00,000	0.35	1,00,000	0.35
7	<b>Nirajkumar Vinodkumar Daga</b>				
	At the beginning of the year	83,124	0.29	83,124	0.29
	At the end of the year	83,124	0.29	83,124	0.29
8	<b>Garishma Neeraj Daga</b>				
	At the beginning of the year	53,560	0.19	53,560	0.19
	Add: Bought during the year	10,506	0.04	53,560	0.23
	At the end of the year	64,066	0.23	64,066	0.23
9	<b>Gandhar Share Broking Pvt. Ltd.</b>				
	At the beginning of the year	63,886	0.22	63,886	0.22
	Less: Decrease due to surrender of equity shares pursuant to Buyback of equity shares by the Company on March 8, 2018	1,965	0.01	61,921	0.22
	At the end of the year	61,921	0.22	61,921	0.22
10	<b>Aditya Vipin Jain</b>				
	At the beginning of the year	60,000	0.21	60,000	0.21
	At the end of the year	60,000	0.21	60,000	0.21
11	<b>Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Dividend Yield Plus</b>				
	At the beginning of the year	3,00,000	1.05	3,00,000	1.05
	Less: Sold during the year	3,00,000	1.05	00	0.00
	At the end of the year	00	0.00	00	0.00



**(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, Director</b>				
	At the beginning of the year	1,12,83,186	39.31	1,12,83,186	39.31
	At the end of the year	1,12,83,186	39.93	1,12,83,186	39.93
<b>2</b>	<b>Ms. Anisha Seth, Director</b>				
	At the beginning of the year	37,81,790	13.18	37,81,790	13.18
	At the end of the year	37,81,790	13.38	37,81,790	13.38
<b>3</b>	<b>Mr. Varun Daga, Director</b>				
	At the beginning of the year	20,87,000	7.27	20,87,000	7.27
	Add: Bought during the year	4,772	0.02	20,91,772	7.29
	At the end of the year	20,91,772	7.40	20,91,772	7.40
<b>4</b>	<b>Mr. Mukesh Deopura, Chief Financial Officer</b>				
	At the beginning of the year	02	0.00	02	0.00
	At the end of the year	02	0.00	02	0.00
<b>5</b>	<b>Ms. Neha Poddar, Company Secretary</b>				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ in Lakhs)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,701.90	00	00	1,701.90
ii) Interest due but not paid	00	00	00	00
iii) Interest accrued but not due	00	00	00	00
<b>Total (i+ii+iii)</b>	<b>1,701.90</b>	<b>00</b>	<b>00</b>	<b>1,701.90</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	406.34	00	00	406.34
• Reduction	707.84	00	00	707.84
<b>Net Change</b>	<b>(301.50)</b>	<b>00</b>	<b>00</b>	<b>(301.50)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,400.40	00	00	1,400.40
ii) Interest due but not paid	00	00	00	00
iii) Interest accrued but not due	00	00	00	00
<b>Total (i+ii+iii)</b>	<b>1,400.40</b>	<b>00</b>	<b>00</b>	<b>1,400.40</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 & CEO	Ms. Anisha Seth, WTD & COO	Total Amount (₹ in Lakhs)
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	156	151	307
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- Others, specify	0	0	0
5	Others, please specify	0	0	0
<b>Total (A)</b>		<b>156</b>	<b>151</b>	<b>307</b>
	Ceiling as per the Act	₹ 480 lakhs		

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Director						Total Amount
		Mr. Gopikrishna Bubna	Mr. Saumil Marfatia	Mr. Balkrishna Patil	Mr. Pardeep Khosla	Mr. Varun Daga	Mr. Bruce Larry Kieval	
1	<b>Independent Directors</b>							
	- Fee for attending Board/ Committee Meetings	81,500	39,000	47,000	62,000	0	0	2,29,500
	- Commission	0	0	0	0	0	0	0
	- Others, please specify	0	0	0	0	0	0	0
	<b>Total (1)</b>	<b>81,500</b>	<b>39,000</b>	<b>47,000</b>	<b>62,000</b>	<b>0</b>	<b>0</b>	<b>2,29,500</b>
2	<b>Other Non Executive Directors</b>							
	- Fee for attending Board/ Committee Meetings	0	0	0	0	46,000	0	46,000
	- Commission	0	0	0	0	0	0	0
	- Others, please specify	0	0	0	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46,000</b>	<b>0</b>	<b>46,000</b>
3	<b>Executive Director</b>							
	- Commission	0	0	0	0	0	0	0
	- Others, please specify	0	0	0	0	0	0	0
	<b>Total (3)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B) = (1+2+3)</b>	<b>81,500</b>	<b>39,000</b>	<b>47,000</b>	<b>62,000</b>	<b>46,000</b>	<b>0</b>	<b>2,75,500</b>
	<b>Total Managerial Remuneration</b>							<b>2,75,500</b>
	<b>Overall Ceiling as per the Act</b>	₹ 35.06 lakhs (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013).						



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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Mukesh Deopura Chief Financial Officer	Ms. Neha Poddar Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,87,334	8,39,122	38,26,456
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961*	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0
2	Stock Option (No. of Options)	20,000	6,000	
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	<b>Total</b>	<b>29,87,334</b>	<b>8,39,122</b>	<b>38,26,456</b>

**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 B TO THE DIRECTORS' REPORT

### ANNUAL REPORT ON THE CSR ACTIVITIES

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

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken by the Company has been given on the website of the Company. A brief area of CSR activities are given below:
  - i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
  - ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
  - iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
  - iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
  - v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
  - vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
  - vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
  - viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
  - ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
  - x. Rural development projects.

Weblink: [www.orbitexports.com](http://www.orbitexports.com)

#### 2. Composition of CSR Committee:

Sr. No.	Name	Designation
1.	Mr. Pankaj Seth	Chairman
2	Mrs. Anisha Seth	Member
3	Mr. Pardeep Khosla	Member
4	Mr. Gopikrishna Bubna	Member

#### 3. Average Net Profit of the Company for Last three Financial Years:

Net Profit	For the Financial Year ended 31 <sup>st</sup> March (₹ In Lakhs)		
	2017	2016	2015
	3159.09	3693.98	3839.67
Average Net Profit for the preceding three Financial Years	3564.25		



4. Prescribed CSR Expenditure (2% of Average Net Profit): 71.29 Lakhs

**5. Details of CSR spent during the Financial Year**

(a) Total amount spent for the financial year: 12.30 Lakhs

(b) Amount unspent, if any: 58.99 Lakhs

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. 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 outlay (budget) or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency
1.	Child Rights, Care and Protection of Children, Education	Promoting Education	Local Area, Mumbai	1.30	1.30	1.30	Orbit Foundation
2.	Old Age Homes; Education for the Children	Maintenance of Old Age Homes; Education	Jaipur, Rajasthan	10	10	11.30	The Prajna Pratisthan Trust
3	Education	Promoting Education	Local Area, Mumbai	1	1	12.30	Orbit Foundation

During the year the Company had spent ₹ 12.30 Lakhs towards CSR Expenditure. The Company could not spend more as the Company has not found the right alternatives. During the year the Company has formed Trust in the name of Orbit Foundation. The Company is finding a proper alternate for CSR Expenditure to be undertaken.

## Annexure D to the Directors Report

### 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)

#### Part "A": Subsidiaries

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 arms' 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 2017-18.

#### 2. Details of Contracts or arrangements or transactions at arm's length basis:

a	Name of the Related Party and Nature of Relationship	Rainbow Line Trading. LLC Associate Company
b	Nature of contracts/ arrangements/ transactions	Sales
c	Duration of contracts/ arrangements/transactions	Ongoing
d	Salient terms of the contracts or arrangements or transactions including the value, if any	Sales of Rs.2,550.39 Lakhs to Rainbow Line Trading L.L.C., U.A.E. an associate company.
e	Date(s) of approved by the Board, if any	May 22, 2017
f	Amount paid as advance, if any	-

For and on behalf of the Board of Directors

**Mr. Pankaj Seth**  
Chairman & Managing director

Place: Mumbai  
Date: May 30, 2018



**ANNEXURE E TO THE DIRECTORS’ REPORT**

Particulars required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

**CONSERVATION OF ENERGY:**

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

All efforts are being made to further reduce energy consumption and this will be a continuous process.
- C) Total Energy consumption and Energy Consumption per unit of production.

**A) POWER AND FUEL CONSUMPTION**

<u>Electricity Consumed</u>	<u>Current Year</u>	<u>Previous Year</u>
Unit	<b>85,19,652</b>	60,18,198
Amount (₹ In Lakhs)	<b>576.32</b>	421.02
Rate per unit (₹)	<b>6.76</b>	7.00

**Form – “B”**

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

- 1. Specific areas in which R & D carried out by the Company
  - a) Company’s R & D Wing is continuously carrying out the developments in existing products based on feedback in the product development, optimization of raw material consumption, cost reduction and Energy saving.
  - b) Development of indigenous sources of material / material 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

**Technology Absorption, Adaptation and Innovation**

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

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



**C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

The Company plans to increase exports in Middle East and Europe by pushing sales in the fashion apparel trade & made ups.

Total Foreign Exchange used and earned:-

Total Foreign Exchange used : ₹ 1,114.53 Lakhs

Total Foreign Exchange earnings : ₹ 9,112.89 Lakhs

**On Behalf of the Board of Directors**

**Pankaj Seth**  
Managing Director

Place: Mumbai  
Date: May 30, 2018



## Annexure F to the Directors Report

### PARTICULARS OF EMPLOYEES

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

- a. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and Managing Director during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:**

Sr. No.	Name of Director/ KMP and designation	Remuneration of Director/KMP for Financial Year 2017-18 (₹ in Lakhs)	% increase/ (decrease) in Remuneration for Financial year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Pankaj Seth Chairman and Managing Director	156.00	0	90:1
2	Mrs. Anisha Seth Whole-Time Director	151.00	0	87:1
3	Mr. Mukesh Deopura Chief Financial Officer	29.87	3.43%	17:1
4	Mrs. Neha Poddar Company Secretary	8.39	9.96%	5:1

- b. Percentage increase in the median remuneration of employees in the financial year**

In the financial year 2017-18, there was an increase of 10.50% in the median remuneration of employees.

- c. Number of permanent employees on the rolls of Company**

There were 501 Permanent employees on the rolls of Company as on 31st March, 2018.

- d. 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. 2017-18 was 9% whereas the increase in the managerial remuneration for the same financial year was Nil.

- e. 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.



## **ANNEXURE C TO THE DIRECTORS' REPORT**

### **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 calendar year just ended was a slog for the world economy. Weak international trade and subdued investment, among other culprits, conspired to slow world growth to its weakest pace since 2009. And even though the outlook is modestly brighter this new year, unusually heightened uncertainty about policy direction in major economies casts a long shadow over the prospects of recovery.

According to the latest projections by the World Bank, world economic growth is projected to pick up to 2.7 percent in 2017 from a sluggish rate of 2.3 percent last year. Advanced-economy growth is expected to recover moderately to 1.8 percent in 2017. In the United States, manufacturing activity will likely rebound, contributing to a mild pickup in growth. In the Euro Area and Japan, supportive monetary and, to a lesser extent, fiscal policies should help support activity this year.

In emerging and developing economies, growth is projected to accelerate to 4.2 percent in 2017 from 3.4 percent in 2016. With the recovery in commodity prices, particularly oil, the divergence in growth outlooks between commodity exporters and importers is set to narrow.

In China, growth is projected to moderate to 6.5 percent in 2017. This outlook reflects soft external demand, heightened uncertainty about global trade, and slower private investment.

#### **Indian Economy:**

The economy performed well in the fourth quarter of FY 2017 (which ended in March 2018), achieving the highest rate of growth in seven quarters. Private consumption, government consumption and fixed investment all expanded at accelerated rates in Q4. However, the external sector detracted from growth, with imports increasing much faster than exports. All in all, faster growth in Q4 highlights that the economy is emerging from the headwinds of demonetization in November 2016 and the introduction of the Goods and Services Tax in July 2017. The structural reform of the Goods and Services Tax (GST) within a year of demonetization is expected to provide a boost to the economic growth and investments in the rule. Meanwhile, recent data points to reason for optimism going into FY 2018: Industrial production expanded at a healthy pace in April, supported by strong growth in the mining and manufacturing sectors. Moreover, business activity in the private sector increased for the third consecutive month in May.

#### **Indian Textile Industry:**

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion.



The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

**Financial Performance of the Company**

Your Company continued to progress in utilizing all the opportunities during 2017 - 2018. The highlights of the financial performance are:

- 1) Net Sales increased by 1.50% from ₹ 12,336.79 Lakhs in 2016-2017 to ₹ 12,520.67 Lakhs in 2017-18.
- 2) Earnings before interest, depreciation, tax (EBIDTA) increased by 7.13% from ₹ 3,996.90 Lakhs in 2016-17 to ₹ 4,281.70 Lakhs in 2017-2018.
- 3) Profit after tax (PAT) increased by 19.89% from Rs.2,077.70 Lakhs in 2016-17 to ₹ 2,490.88 Lakhs in 2017-18.
- 4) Depreciation and Amortization expenses increased by 6.41% from ₹ 678.93 Lakhs in 2016-17 to ₹ 722.44 Lakhs in 2017-18.
- 5) Interest expenses decreased by 70.31% from ₹ 180.21 Lakhs in 2016-17 to ₹ 53.50 Lakhs in 2017-18.

**Consolidated Financial Performance of the Company**

The key highlights of the consolidated financial performance are:

- 1) Net Sales of the Company was ₹ 13,142.61 Lakhs in the year 2017-18.
- 2) Earnings before interest, depreciation, tax (EBIDTA) was ₹ 4,304.72 Lakhs in 2017-18.
- 3) Profit after tax (PAT) was ₹ 2,703.54 Lakhs in 2017-18.
- 4) Depreciation and Amortization expenses during the year 2017-18 was ₹ 724.37 Lakhs.
- 5) Interest expenses during the year 2017-18 was ₹ 53.50 Lakhs.

**Credit Rating**

The Company’s financial discipline and prudence is reflected in the strong credit ratings ascribed by ICRA Limited as given below:

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

**Adoption of Indian Accounting Standards (IND AS)**

Your company adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017. For the year 2016-17 and 2017-18, the Company has completed assessment of impact of change to Ind AS for relevant periods. The Company has modified the accounting and reporting systems to facilitate the changes.

**Outlook**

The company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. The expansion program by improving efficiency by 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. These measures will ensure the company maintaining its leadership position in the world market. 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.





### **Internal Control Systems and their Adequacy**

For ensuring methodical and efficient conduct of its business, the Board has adopted policies and procedures. Thus, it ensures on the one hand, safeguarding of assets and resources of the Company, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, timely preparation of financial disclosures and on the other hand, encourages the improvement of the operational performance of the Company.

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Audit Committee periodically reviews the adequacy of the internal audit functions. 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**

The Company treats its human resources as its important asset and believes in its contribution to the all round growth of the Company. 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.

### **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.

### **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.



## **CORPORATE GOVERNANCE REPORT**

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.

### **1. Company's philosophy on Corporate Governance:**

The Company's philosophy on Corporate Governance is to achieve business excellence and to meet the expectations of its customers, shareholders, employees, business associates, the society at large and in complying with the dictates of the regulatory frame work. The Company is committed to transparency in all its dealings and places high emphasis on business ethics. We believe that Corporate Governance is voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also by being responsive to our stakeholders needs.

#### **Best Corporate Governance practices**

**ORBIT EXPORTS LIMITED** maintains the highest standards of corporate governance. It is the Company's constant endeavour to adopt the best corporate governance practices. Some of the best implemented global governance norms include the following:

1. The Company has a designated Lead Independent Director with a defined role.
2. All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Stakeholders Relationship Committee of Directors.
3. The Company's Internal Audit is conducted by Independent Auditors.
4. 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.

### **2. Board of Directors**

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

The Company's Board comprises of Eight Directors: Two are Promoter Executive Directors, One is Executive Director and four are Non-Executive Independent Directors and one is a Non-Executive Non-Independent Director. The Chairman of the Board is a Promoter Executive Director. 50% of the Board comprises of Independent Directors.

The composition of the Board is in conformity with Regulation 17 of the SEBI (LODR) Regulations, 2015. All Independent Non-Executive Directors comply with the legal requirements of being "Independent".

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all listed entities in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2017 have been made by the Directors.

The Board met 7 (Seven) times during the year on May 22, 2017, August 19, 2017, September 11, 2017, November 30, 2017, January 05, 2018, February 02, 2018 and February 26, 2018.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other Companies are given below. Other Directorships do not include Alternate Directorships, Directorships of Private Limited Companies, Section 8 Companies and of Companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.



**2.1 Composition, Category, their Directorship and Committee Membership in other Companies**

Name of Directors	Category	No. of Board Meetings attended during the year 2017-18	Attendance at the last AGM	No. of Directorships in other Public Companies		No. of Committees and positions held in other public companies	
				Chairman	Member	Chairman	Member
Mr. Pankaj Seth (Managing Director) (Din No. 00027554)	Promoter – Executive	7	Yes	Nil	Nil	Nil	Nil
Mrs. Anisha Seth (Din No. 00027611)	Promoter – Executive	7	No	Nil	Nil	Nil	Nil
Mr. Bruce Larry Kieval (Din No. 00335336)	Executive	1	No	Nil	Nil	Nil	Nil
Mr. Varun Daga (Din No. 01932805)	Non-Executive Non-Independent	4	No	Nil	Nil	Nil	Nil
Mr. Gopikrishna Bubna (Din No. 01338170)	Non-Executive Independent	7	Yes	Nil	Nil	Nil	Nil
Mr. Saumil U. Marfatia (Din No. 02774221)	Non-Executive Independent	4	No	Nil	Nil	Nil	Nil
Mr. Balkrishna Patil (Din No. 02927967)	Non-Executive Independent	4	Yes	Nil	Nil	Nil	Nil
Mr. Pardeep Khosla (Din No. 06926523)	Non-Executive Independent	6	No	Nil	Nil	Nil	Nil

**Notes:**

1. Directorship excludes Private Limited Companies, Foreign Companies, Alternate Directorship, Companies under Section 8 of the Companies Act, 2013 and Orbit Exports Limited, have not been considered for this purpose.
2. This includes the Chairmanships/ Memberships only in the Audit Committee and the Stakeholders Relationship Committee of all Public Limited Companies.
3. All Independent Directors have confirmed their “Independence” to the Board of the Company.
4. Except Mr. Pankaj Seth and Mrs. Anisha Seth, who are related, none of the other Directors is a relative of the other.
5. Mr. Varun Daga, Non-Executive Director of the Company holds 20,91,772 shares of the Company as on 31.03.2018, none of the other Non-Executive Directors hold any shares of the Company as on 31.03.2018.

**2.2 Familiarization Programme:**

The Company familiarizes not only the Independent Directors but any new appointee on the Board, with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, operations of the Company, etc. 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 particulars of familiarization programme for Independent Director can be accessed through the website of the company [www.orbitexports.com](http://www.orbitexports.com).



**COMMITTEES OF THE BOARD**

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory Committees viz. Audit Committee, Stakeholders’ Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman or any member of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

**3. Audit Committee**

The Company has constituted a well qualified and Independent Audit Committee as required under Section 177 of the Companies Act, 2013 as also in fulfillment of the requirements of Regulations 18 of the SEBI (LODR) Regulations, 2015. 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.

**a) Composition, Name of Members and Chairman**

The Audit Committee comprises of Mr. Gopikrishna Bubna (Chairman), Mr. Pardeep Khosla (Member), Mr. Varun Daga (Member) and Mr. Balkrishna Patil (Member).

During the year under review, the Committee met four times i.e. on May 22, 2017, September 11, 2017, November 30, 2017 and February 02, 2018.

<b>Name of Member</b>	<b>Status</b>	<b>No. of Meetings attended</b>
Mr. Gopikrishna Bubna	Chairman	4
Mr. Pardeep Khosla	Member	3
Mr. Varun Daga	Member	4
Mr. Balkrishna Patil	Member	3

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

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company’s internal controls and financial reporting process and, inter alia, performs the following functions:

- i. overseeing the Company’s financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. reviewing and examining with management the quarterly financial results before submission to the Board;
- iii. reviewing and examining with management the annual financial statements before submission to the Board and the auditors’ report thereon before submission to the board for approval with particular reference to:
  - iv. (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. scrutiny of inter-corporate loans and investments made by the Company;
- vi. reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right 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 utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter;
- vii. reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
  - viii. reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
  - ix. approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - x. recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
  - xi. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - xii. reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - 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. reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
  - xvi. reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries;
  - xvii. recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
  - xviii. reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
  - xix. evaluating internal financial controls and risk management systems;
  - xx. 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;
  - xxi. valuating 'undertaking or assets' of the Company, wherever it is necessary;
  - xxii. reviewing the functioning of the Whistle Blowing mechanism;
  - xxiii. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

#### **4. Nomination and Remuneration Committee**

The Nomination & Remuneration Committee's constitution and terms of references are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 and Part D of the Schedule II of the SEBI (LODR) Regulations, 2015. The scope of activities of the Nomination and Remuneration Committee include:

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

- To formulate 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;
- To formulate criteria for evaluation of Independent Directors and the Board of Directors;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy;
- To carry out evaluation of Director's performance;
- To recommend to the Board the appointment and removal of Directors and Senior Management;
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management;



- To devise a policy on Board diversity, composition, size;
- Succession planning for replacing Key Executives and overseeing;
- 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;
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Composition of the Nomination and Remuneration Committee and the details of meetings attended by the Members of the Nomination and Remuneration Committee are given below:

During the year under review there was 1 meeting held on November 30, 2017 under Nomination and Remuneration Committee

Name	Status	No. of Meetings attended
Mr. Pardeep Khosla	Chairman	1
Mr. Varun Daga	Member	1
Mr. Gopikrishna Bubna	Member	1
Mr. Pankaj Seth	Member	1

The Composition of Nomination and Remuneration Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, 2015.

**Performance Evaluation Criteria**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR) Regulations, 2015, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfill its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

**Board Diversity Policy:**

In compliances with the provision of Regulation 19(4), 20(4) and Part D of Schedule II of SEBI (LODR) Regulations, 2015, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity.

The objective of the Policy is to ensure that the Board comprises adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition at present meets with the above objective.

**Nomination and Remuneration Policy:**

**a. Remuneration to Non-Executive Directors:**

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company. The Appointment Letter issued to the Independent Director is available on the website of the Company [www.orbitexports.com](http://www.orbitexports.com).



**b. Remuneration to Executive Directors:**

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole-time Director is governed by the recommendation of the Nomination and Remuneration Committee, resolution passed by the Board of Directors and shareholders of the Company. The break-up of the pay scale, performance bonus / commission and quantum of perquisites including, employer’s contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof. The Nomination and Remuneration Policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

**Details of Remuneration for the year ended March 31, 2018:**

The remuneration paid by Company to Shri Pankaj Seth, Managing Director and CEO is: ₹ 1,56,00,000/- p.a.

The remuneration paid by Company to Smt. Anisha Seth, Whole Time Director and COO is: ₹ 1,51,00,000/- p.a.

**Remuneration to Non-Executive Directors:**

The details of remuneration paid to Non-Executive Directors during the year 2017-2018 are as given below:

Name of Directors	Sitting Fees (in ₹)	Stock Options
Mr. Saumil Marfatia	39,000	Nil
Mr. Gopikrishna Bubna	81,500	Nil
Mr. Balkrishna Patil	47,000	Nil
Mr. Varun Daga	46,000	Nil
Mr. Pardeep Khosla	62,000	Nil

**5. Stakeholders’ Relationship Committee:**

**Terms of Reference:**

This Committee looks into redressal of shareholders’ grievances like transfer/transmission of shares, issue of duplicate share certificates in respect of shares, non-receipt of Annual Report and non-receipt of declared dividend, etc.

The Committee also reviews the processes and service standards adopted by the Registrar and Transfer Agent, the complaints received by the Company and their Resolution.

**Composition:**

The Stakeholders’ Relationship Committee consists of Mr. Gopikrishna Bubna (Chairman), Mr. Pankaj Seth (Member) and Mr. Saumil U. Marfatia (Member).

The Stakeholders’ Investors Grievance Committee met four times i.e. May 22, 2017, September 11, 2017, November 30, 2017 and February 02, 2018, the attendance at the Meetings was as follows.

Name of the Member	Status	No. of meetings attended
Mr. Gopikrishna Bubna	Chairman	4
Mr. Pankaj Seth	Member	4
Mr. Saumil U. Marfatia	Member	2

**Compliance Officer:**

Mrs. Neha Poddar, Company Secretary acts as a Compliance Officer of the Company for complying with the requirements of SEBI Listing Regulations, and requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Details of Shareholders Complaints during 2017-18:**

During the year, 26 Complaints were received from the shareholders, which were attended and resolved to the satisfaction of the shareholders. There was 1 complaint pending as on 31st March, 2018. The following table describes the nature of complaints received and redressed.



Sr. No.	Nature of Complaints	Complaints Received	Complaints Redressed
1	Non receipt of Dividend Warrant	6	6
2	Non receipt of Share Certificate(s)- Transfer	6	6
3	Non receipt of Bonus Certificate(s)	12	12
4	Others (Eg: Non receipt of Exchange Certificate and Non receipt of Duplicate Share Certificate)	2	1
<b>TOTAL</b>		<b>26</b>	<b>25</b>

**6. Corporate Social Responsibility (CSR) Committee:**

The Committee constitution and terms of reference are in Compliance with provision of Section 135 of Companies Act, 2013 and applicable provisions of SEBI (LODR) Regulations, 2015.

To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress. The composition of the Corporate Social Responsibility Committee as at March 31, 2018 and the details of Members’ participation at the Meetings of the Committee are as under:

Name of the Member	Status	No. of meetings attended
Pankaj Seth	Chairman	1
Anisha Seth	Member	1
Pardeep Khosla	Member	1
Gopikrishna Bubna	Member	1

The CSR Committee will:

- i) Review the existing CSR Policy from time to time and the activities to be undertaken by the Company towards CSR activities;
- ii) Recommend the Project / Programme to be undertaken, amount of expenditure to be incurred, Roles and Responsibilities of various Stakeholders, etc. in respect of CSR activities; and
- iii) Monitor for ensuring Implementation of the Projects / Programmes undertaken or the end use of the Amounts spent by the Company towards CSR activities.

**7. Independent Directors’ Meeting:**

The Company’s Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company’s affairs and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present Independent Directors’ views to the Chairman and Managing Director.

One meeting of Independent Directors’ was held during the year.

During the year under review, the Independent Directors met on 31st March, 2018, inter alia, to discuss the following matters:

- Evaluation of the performance of the Non-Independent Directors and Board of Directors as Whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.





**8. General Body Meetings:**

**(i) Annual General Meetings:**

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

AGM for Financial Year	Date	Time	Location
2014 - 2015	August 24, 2015	03.30 P.M.	Babasaheb Dubhash Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001.
2015 - 2016	September 30, 2016	04.00 P.M.	Babasaheb Dubhash Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th 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, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001.

**(ii) Special Resolutions passed in the previous three Annual General Meetings:**

Date of Meeting	Special resolution passed, if any
August 24, 2015	1. Adoption of new altered set of Articles of Association as per new Companies Act, 2013
September 30, 2016	1. Appointment of Mr. Parth Seth as General Manager – Marketing – Made ups and Ribbon Division w.e.f. July 01, 2016. 2. Payment of Consultancy Fees/ Commission/ Brokerage not exceeding ₹ 3 crore to M/s. Golden Boo Tree Impex Company Limited in which Mr. Bruce Larry Kieval, Director of the Company is interested as Director. 3. Payment of Consultancy Fees/ Commission/ Brokerage not exceeding ₹ 2 crore to Mr. Prachya Thongnak, son of Mr. Bruce Larry Kieval, Director of the Company.
September 11, 2017	NONE

**(iii) Extra Ordinary General Meeting:**

No Extra-Ordinary General Meeting of the Members of the Company was held during the Financial Year 2017 - 2018.

**(iv) Resolution passed through Postal Ballot:**

During the year none of the business were transacted through Postal Ballot.

**9. Means of Communication:**

**Financial Results:**

The quarterly/half yearly/annual financial results are published in the newspapers viz. Business Standard (in English) and Navshakti (in Marathi), a vernacular newspaper and are also posted on the website of the Company [www.orbitexports.com](http://www.orbitexports.com).

The Company is in compliance with the provisions of the Listing Regulations of the SEBI (LODR) Regulations, 2015 pertaining to the intimation of notice of Board Meeting, publication of notice and results, outcome of the Meeting etc. The information is also made available to the investors on the Company website: [www.orbitexports.com](http://www.orbitexports.com). The company has complied with filing submissions through BSE's and NSE's Online Portal. The Management Discussion and Analysis is a part of the Annual Report. All Financial and other vital information are promptly communicated to the Stock Exchanges where the Company's shares are listed.



**Website:**

The Company's website **www.orbitexports.com** contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

**10. General Shareholder Information:**

**a. 35th Annual General Meeting:**

AGM : 35th Annual General Meeting  
 Date : September 12, 2018  
 Time : 04:00 PM  
 Venue : Babasaheb Dahanukar Sabhagriha,  
 C/o. Maharashtra Chambers of Commerce,  
 Industry & Agriculture, Oricon House,  
 6th Floor, 12, K. Dubhash Marg, Kala Ghoda,  
 Fort, Mumbai - 400001

**b. Financial Year: April 1 to March 31**

**c. Financial Reporting and Limited Review Report**

For the quarter ending June 30, 2018  
 For the quarter/half year ending September 30, 2018  
 For the quarter ending December 31, 2018

**Date of submission to Stock Exchanges latest by**

upto August 14, 2018  
 upto November 14, 2018  
 upto February 14, 2019

**Results (Audited)**

For the year ended March 31, 2019

upto May 30, 2019

**d. Book Closure:**

The Register of Members and Share Transfer Books of the Company shall remain closed from August 31, 2018 to September 4, 2018 (Both Days Inclusive).

**e. Dividend:**

During the year the Company has not declared any dividend.

**f. Listing on Stock Exchanges:**

a)	Stock Exchange	:	<b>BSE Limited</b>
	Address	:	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
	Scrip Code	:	512626
	ISIN	:	INE231G01010
b)	Stock Exchange	:	<b>National Stock Exchange of India Ltd.</b>
	Address	:	Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
	Trading Symbol	:	ORBTEXP
	ISIN	:	INE231G01010



**g. Market Price Data:**

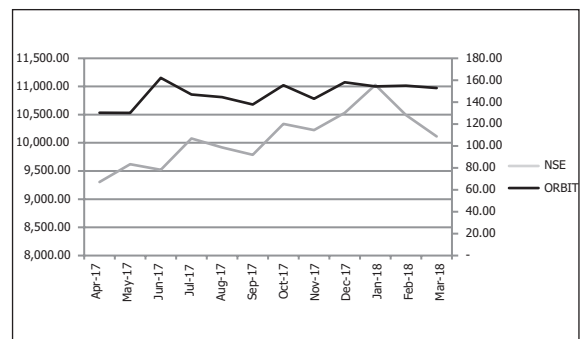
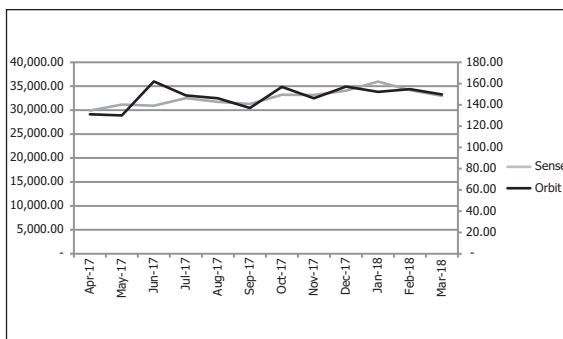
The monthly high and low price and volume of shares traded during the year 2017-18 on the BSE Limited:

Month	BSE Limited		
	High (₹)	Low (₹)	Volume of Shares traded during the month (Nos.)
April, 2017	133.90	126.00	34,196
May, 2017	131.90	117.65	51,189
June, 2017	183.00	127.00	2,61,844
July, 2017	165.00	145.60	53,242
August, 2017	153.40	115.65	51,032
September, 2017	156.95	133.00	27,900
October, 2017	173.60	136.60	1,04,897
November, 2017	158.00	125.60	65,535
December, 2017	169.20	138.10	51,091
January, 2018	190.00	150.20	3,59,378
February, 2018	164.40	137.00	33,456
March, 2018	163.90	139.20	46,851

The monthly high and low (based on the closing prices) during the year 2017-18 on the National Stock Exchange:

Month	NSE Limited		
	High (₹)	Low (₹)	Volume of Shares traded during the month (Nos.)
April, 2017	133.80	126.00	1,68,331
May, 2017	132.00	116.00	2,31,147
June, 2017	184.00	128.35	12,71,374
July, 2017	165.00	145.30	1,89,562
August, 2017	151.10	137.00	1,36,878
September, 2017	167.00	134.00	2,31,654
October, 2017	173.95	136.50	12,00,725
November, 2017	159.00	134.00	2,76,987
December, 2017	166.10	139.00	3,67,877
January, 2018	190.00	151.25	16,05,561
February, 2018	164.00	139.95	3,36,035
March, 2018	165.90	139.25	3,03,953

**h. Performance of the Share Price of the Company:**





**i. 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 – 400 083  
Ph.: +91-22 – 49186000; Fax: 49186060; email: rnt.helpdesk@linkintime.co.in

**j. Share Transfer System:**

The Shares of the Company, being in the compulsory Demat list, are transferable through the Depository System. Shares in physical & dematerialized form are processed through M/s. Link Intime India Private Limited, Mumbai, shares lodged for transfer at the Registrar’s address are normally processed and approved by the Share transfer cum Stake holders Relationship Committee. All requests for dematerialization of Shares are processed and the confirmation is given to the Depositories within 15 days. Grievance received from members & other miscellaneous correspondence on change of address etc. is processed by the Registrar within 30 days.

**k. Nomination:**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholders(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company’s Registrar and Share Transfer Agents.

**l. Income Tax Pan Mandatory For Transfer Of Securities:**

As per Regulation 40(7) read with Schedule VII of the Listing Regulations of the SEBI (LODR) Regulations, 2015, for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the list identity for registration of transfer of securities.

**m. Shareholding Pattern as on March 31, 2018:**

Category	No. of Shares	% of Total
Promoter’s Holding (including persons acting in concert)	1,77,28,944	62.74
Non Promoter’s Holding		
a) Banks, FIIs.	5,146	0.02
b) Foreign Portfolio Investors.	3,736	0.01
Others		
a) Bodies Corporate	9,04,892	3.20
b) Individuals	84,92,446	30.05
c) NRIs	9,12,520	3.23
d) Market Maker	950	0.00
e) Clearing Member	36,982	0.13
f) HUF	1,31,581	0.47
g) IEPF	38,508	0.14
h) Trusts	2,151	0.01
<b>TOTAL</b>	<b>2,82,57,856</b>	<b>100.00</b>



**n. Distribution of Shareholding as on 31st March, 2018:**

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% to Equity
Upto 500	8,077	85.22	12,68,417	4.49
501 - 1000	662	6.98	4,89,074	1.73
1001 - 2000	350	3.69	5,22,952	1.85
2001 - 3000	116	1.22	2,97,509	1.05
3001 - 4000	67	0.71	2,42,715	0.86
4001 - 5000	34	0.36	1,52,520	0.54
5001 - 10000	101	1.07	7,04,605	2.49
10001 - above	71	0.75	2,45,80,064	86.99
<b>TOTAL</b>	<b>9,478</b>	<b>100</b>	<b>2,82,57,856</b>	<b>100</b>

**o. Dematerialization of Shares and Liquidity:**

The Company's shares are available for dematerialization on both the depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) 2,77,68,217 shares amounting to 98.27% of the capital have been dematerialized by investors as on 31st March, 2018.

ISIN: INE231G01010

**Address of registrars for dematerialization of shares:**

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: rnt.helpdesk@linkintime.co.in

**p. Plant Locations/Warehouse**

**Surat**

Plot No. 6, 7, 8 & 9, Fairdeal Textile Park,

Village Mahuvej, Taluka Mangrol,

Dist – Surat – 394 102 (Guj.)

**Hojiwala**

Industrial Shed No. B-21/5,

Sachin Udhyog Sahkari Mandli Ltd,

Hojiwala Industrial Estate, Vanz

Sachin, Surat

**Kalyan**

Plot No. 1, Building No. B-12,

Asmeeta Infratech Textile Park,

Additional Kalyan Bhiwandi Industrial

Area, Sarawali – Kon Village, Taluka –

Bhiwandi, Dist. Thane

**Bhiwandi**

A-4, Unit No.1-5, Mahavir LogiPLEX

Aamne Village, Near Sawad Naka

Bhiwandi, Thane - 421302

**q. Address for Correspondence**

i. for transfer/ dematerialization of share, change of members' address and other queries relating to the shares of the Company.

M/s. Link Intime India Private Limited

C 101, 247 Park, L. B. S. Marg, Vikhroli West,

Mumbai – 400 083

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

email: rnt.helpdesk@linkintime.co.in



**ii. For queries related to dividend, annual reports, etc.**

The Company Secretary,  
Orbit Exports Limited  
122, 2nd Floor, Mistry Bhavan,  
Dinshaw Wachha Road,  
Churchgate  
Mumbai – 400 020  
Ph.: -91-22-66256262; Fax: +91-22-22822031;  
email: investors@orbitexports.com

**11. DISCLOSURES**

**a. Disclosure on materially significant related party transactions:**

During the financial year 2017-18, the Company has entered into material transactions with its related parties. The related party transactions entered into with the related parties as defined under Companies Act, 2013 and Regulation 23 of SEBI (LODR) during the financial year were in the ordinary course of business and the same have been approved by the Audit Committee. The disclosure of transactions with related parties is disclosed in the Notes to accounts of the Standalone Financial Statements.

A policy for determining material subsidiaries has been approved by the Board of the Company and the same has been uploaded on the website of the Company and can be accessed at <http://www.orbitexports.com/wp-content/uploads/2016/06/PolicyforDeterminingMaterialSubsidiaries.pdf>.

A policy on dealing with related party transactions can be accessed at <http://www.orbitexports.com/wpcontent/uploads/2016/06/RelatedPartyTransactionPolicy.pdf>

**b. Details of non-compliance/penalties/strictures imposed on the Company by the Statutory Authorities:**

There were no instances of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter relating to the capital market during the last three years.

**c. Vigil Mechanism/Whistleblower:**

The Board of Directors has formulated a Whistleblower Policy/Vigil Mechanism in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of SEBI (LODR) and is also available on the Company's website: <http://orbitexports.com/wp-content/uploads/2016/06/VigilMechanismPolicy.pdf>

The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

**d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Listing Agreement:**

The Company has complied with all the requirements of the SEBI (LODR) entered into with the Stock Exchanges.

**e. Compliance of Regulatory Requirements:**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No strictures or penalties have been imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities related to the above.

**f. Code of Business Conduct and Ethics for Directors and Management Personnel:**

The Company has adopted a Code of Conduct for its Directors and Senior Management employees. This Code of Conduct has been communicated to each of them.

**g. Code of Conduct for Prevention of Insider Trading Practices:**

During the Financial Year under review, SEBI revised the regulations pertaining to Prohibition of Insider Trading and notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In accordance with the revised regulations, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code) duly approved by the Board of Directors of the Company at their meeting held on May 22, 2015.



**h. Management Discussion & Analysis Report:**

The Management Discussion and Analysis Report (MDA) have been attached to the Directors' Report and forms part of this Annual Report.

**DECLARATION**

In accordance with the Listing Regulations, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the Financial Year ended March 31, 2018.

**By order of the Board of Directors**

Place: Mumbai  
Date: May 30, 2018

**Pankaj Seth**  
Managing Director  
(DIN: 00027554)



**CEO / CFO CERTIFICATE**

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 Ltd. for the year ended March 31, 2018 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 2017-18;
  - (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;
  - (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**

**Mukesh Deopura  
Chief Financial Officer**

Place: Mumbai  
Date: May 30, 2018





**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE REPORT**

To,  
The Members of

**ORBIT EXPORTS LIMITED**

122 Mistry Bhavan, 2nd Floor, Dinshaw Wachha Road,  
Near K.C. College, Churchgate  
Mumbai - 400020

We have examined the compliance of conditions of Corporate Governance by **ORBIT EXPORTS LIMITED** for the year ended on **March 31, 2018**

We certify that the Company has complied with the condition 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)

**Management's 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, 2018.

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 or 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 Secretary

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

Place: MUMBAI  
Dated: May 30, 2018



## 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, 2018

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's** 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 1st April, 2017 to 31st March, 2018 ("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, 2017 to 31st March, 2018 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, 1998;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 responsibly 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. There were no changes in the composition of the Board of Directors during the year.

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.

**I further report that** during the Audit period the Company has the following specific events:-

1. Pursuant to Section 68 of the Companies Act, 2013 read with Rule 17 of the Companies (Share Capital & Debentures), Rules and Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, the Company has bought back 4,44,444 fully paid up Equity Shares of face value of ₹ 10/- each (representing 1.55% of the total paid up equity share capital of the Company) at a price of ₹ 180/- (Rupees One hundred and Eighty only) ("Buy back Price") per Equity Share for a total consideration not exceeding ₹ 7,99,99,920/- (Rupees Seven crore ninety nine lacs ninety nine thousand nine hundred and twenty only).
2. Pursuant to Section 124(6) of the Companies Act, 2013 read with Rules 2, 5, 6, 7, 8 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Rules, 2016, the Company has transferred 38,508 shares, dividend on which remained unclaimed for 7 consecutive years by the respective shareholders to the Investor Education and Protection Fund Account.

Place: Mumbai

Date: May 30, 2018

**For S. K. Jain & Co.**

**(Dr. S. K. Jain)**

Practicing Company Secretary

FCS: 1473

COP: 3076



**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;
2. The Environment (Protection) Act, 1986;
3. Factories Act, 1948
4. The Employees Provident Fund and Miscellaneous Provision Act, 1952;
5. The Employees State Insurance Act, 1948;
6. The Equal Remuneration Act, 1976 ;
7. The Minimum Wages Act, 1948 ;
8. The Payment of Wages Act, 1936 ;
9. The Payment of Bonus Act, 1965 ;
10. The Maternity Benefit Act, 1961;
11. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
12. Industrial Disputes Act, 1947;
13. The Payment of Gratuity Act, 1972;
14. Professional Tax Act, 1975;
15. Standard of Weights & Measures (Enforcement) Act, 1985;
16. Motor Vehicles Act, 1988;
17. Employment Compensation Act;
18. Employment Exchange Act;
19. Contract Labour (Regulation & Abolition) Act, 1970

**For S. K. Jain & Co.**

**(Dr. S. K. Jain)**  
Company Secretary  
FCS: 1473  
COP: 3076

Place: Mumbai  
Date: May 30, 2018



## **Independent Auditor's Report**

### **To The Members of Orbit Exports Limited**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Orbit Exports Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of section 134 of the Companies Act, 2013 ("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 the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, read with rules made thereunder and the 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of section 143 of the Act and other applicable pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the standalone financial statements.

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 statements.

#### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profits including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **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 sub-section 11 of section 143 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 sub-section 3 of section 143 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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rules made thereunder and relevant provisions of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Sub-section 2 of section 164 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"; and
  - g) 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 the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 4.03 to the 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: 39569

Mumbai  
Dated: May 30, 2018



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

**(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, 2018)**

- (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 years, 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 classified as fixed assets 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, para 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 sub-section 1 of section 148 of the Act, for the products manufactured by the Company. We have broadly reviewed the books of account maintained and are of the opinion that prima facie, 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, 2018, for a period of more than six months from the date they became payable except income tax of ₹ 2.07 lakhs as the company is on the process of approaching the Assessing Officer with a request to adjust the demand against refund of tax receivable in other years; and



- (b) The details of dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited with the concerned authorities on account of dispute are given below:

Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount involved (₹ in Lakhs)
Income Tax	A.Y. 2010-11	Commissioner (Appeals)	6.13
Income Tax	A.Y. 2013-14	Commissioner (Appeals)	13.43
Income Tax	A.Y. 2014-15	Commissioner (Appeals)	94.27
Duty Drawback	A.Y. 2014-15	Dy. Commissioner of Customs	1.83

- (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, 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 give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act.
- (xii) In our opinion and according to 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 sections 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 the 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(xvi) 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 any non-cash transactions with directors. We have been informed that no such transactions 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: 39569

Mumbai  
Dated: May 30, 2018





## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**(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, 2018)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 (the Act)**

We have audited the internal financial controls with reference to financial statements of **Orbit Exports Limited ("the Company")** as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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**

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 sub-section 10 of section 143 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 were 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 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 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 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 authorisations 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 Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

**Atul Shah**  
Partner  
Membership No: 39569

Mumbai  
Dated: May 30, 2018



**Standalone Balance Sheet as at March 31, 2018**

₹ in Lakhs

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, Plant and Equipment	2.01	9,096.20	8,009.89	8,440.91
Capital work-in-progress	2.01	182.82	20.81	209.04
Intangible Assets	2.02	76.02	83.15	-
Financial Assets				
Investments	2.03	692.67	691.85	462.13
Loans	2.04	121.76	53.52	64.98
Other financial assets	2.05	47.50	245.99	163.22
Other non-current assets	2.07	762.96	260.17	65.68
<b>Total Non-current Assets</b>		<b>10,979.93</b>	9,365.38	9,405.96
<b>Current Assets</b>				
Inventories	2.08	2,740.80	2,506.98	3,259.18
Financial Assets				
Trade receivables	2.09	3,116.15	3,480.66	3,401.65
Cash and cash equivalents	2.10	299.86	365.56	189.60
Bank balances other than 2.10 above	2.11	595.58	251.71	339.42
Loans	2.04	3.66	6.60	0.82
Other financial assets	2.05	99.97	161.10	139.81
Current tax assets (Net)	2.12	68.78	50.56	89.41
Other current assets	2.07	856.44	507.48	816.37
<b>Total Current Assets</b>		<b>7,781.24</b>	7,330.65	8,236.26
<b>TOTAL ASSETS</b>		<b>18,761.17</b>	16,696.03	17,642.22
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	2.13	2,825.79	2,870.23	1,434.22
Other Equity	2.14	11,151.14	9,634.40	9,668.17
<b>Total Equity</b>		<b>13,976.93</b>	12,504.63	11,102.39
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
Borrowings	2.15	516.69	969.42	1,996.97
Other financial liabilities	2.17	459.00	-	-
Provisions	2.19	119.13	83.75	40.45
Deferred tax liabilities (Net)	2.06	968.23	944.55	918.45
Other non-current liabilities	2.18	369.92	417.91	372.59
<b>Total Non-current Liabilities</b>		<b>2,432.97</b>	2,415.63	3,328.46
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	2.15	-	-	1,523.29
Trade payables	2.16	344.94	255.67	187.98
Other financial liabilities	2.17	1,617.43	1,047.28	1,158.26
Other current liabilities	2.18	250.00	239.77	263.41
Provisions	2.19	50.56	100.05	78.43
Current Tax Liabilities (Net)	2.20	88.34	132.99	-
<b>Total Current Liabilities</b>		<b>2,351.27</b>	1,775.77	3,211.37
<b>Total Equity and Liabilities</b>		<b>18,761.17</b>	16,696.03	17,642.22

Significant Accounting Policies

1

The accompanying notes are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For G. M. Kapadia & Co.**

Chartered Accountants  
Firm Registration No. 104767W

**Pankaj Seth**

Managing Director  
DIN : 00027554

**Anisha Seth**

Whole-time Director  
DIN : 00027611

**Atul Shah**

Partner  
Membership No. 39569  
Place : Mumbai  
Date : May 30, 2018

**Mukesh Deopura**

Chief Financial Officer  
Place : Mumbai  
Date : May 30, 2018

**Neha Poddar**

Company Secretary



**Standalone Statement of Profit and Loss for the year ended March 31, 2018**

₹ in Lakhs

Particulars	Note No.	2017-18	2016-17
<b>INCOME</b>			
Revenue from operations	3.01	<b>13,023.04</b>	13,053.35
Other income	3.02	<b>357.39</b>	335.91
<b>Total Income</b>		<b>13,380.43</b>	13,389.26
<b>EXPENSES</b>			
Cost of materials consumed	3.03	<b>4,741.79</b>	4,733.82
Changes in inventories	3.04	<b>(136.07)</b>	807.86
Employee benefits expense	3.05	<b>1,779.79</b>	1,434.59
Finance costs	3.06	<b>53.50</b>	180.21
Depreciation and amortisation expense	3.07	<b>722.44</b>	678.93
Other expenses	3.08	<b>2,713.22</b>	2,416.09
<b>Total Expenses</b>		<b>9,874.67</b>	10,251.50
<b>Profit / (loss) before exceptional items and tax</b>		<b>3,505.76</b>	3,137.76
Exceptional items	3.09	-	54.30
<b>Profit / (loss) before tax</b>		<b>3,505.76</b>	3,192.06
<b>Tax expenses</b>	3.10		
Current tax		<b>995.46</b>	1,037.80
Deferred tax		<b>23.69</b>	35.60
Tax in respect of earlier years		<b>(4.27)</b>	40.96
<b>Profit for the year</b>		<b>2,490.88</b>	2,077.70
<b>Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans (Net of tax)		<b>(9.03)</b>	5.00
<b>Total other comprehensive income / (loss)</b>		<b>(9.03)</b>	5.00
<b>Total comprehensive income for the period</b>		<b>2,481.85</b>	2,082.70
Earnings per equity share (Face Value of ₹ 10/- each)	4.01		
Basic (in ₹)		<b>8.69</b>	7.24
Diluted (in ₹)		<b>8.69</b>	7.24

Significant Accounting Policies 1  
The accompanying notes are an integral part of financial statements.

As per our report of even date	For and on behalf of the Board of Directors	
<b>For G. M. Kapadia &amp; Co.</b> Chartered Accountants Firm Registration No. 104767W	<b>Pankaj Seth</b> Managing Director DIN : 00027554	<b>Anisha Seth</b> Whole-time Director DIN : 00027611
<b>Atul Shah</b> Partner Membership No. 39569 Place : Mumbai Date : May 30, 2018	<b>Mukesh Deopura</b> Chief Financial Officer  Place : Mumbai Date : May 30, 2018	<b>Neha Poddar</b> Company Secretary



**Standalone Statement of changes in equity for the year ended March 31, 2018**

₹ in Lakhs		Note No.	Amount
<b>A. EQUITY SHARE CAPITAL</b>			
Balance as at April 01, 2016		2.13	1,434.22
Changes in equity share capital during the year			
Shares issued under Employee Stock Ownership Plan			0.90
Bonus Shares			1,435.11
Balance as at March 31, 2017		2.13	2,870.23
Buy-Back of shares			(44.44)
Changes in equity share capital during the year			
<b>Balance as at March 31, 2018</b>		<b>2.13</b>	<b>2,825.79</b>

₹ in Lakhs		Reserves and Surplus						Total
Particulars	General Reserve	Securities Premium	Employee Share Option Outstanding	Other Reserves (Share application money pending allotment)	Capital Redemption Reserve	Retained Earnings	Total	
<b>Balance as at April 01, 2017</b>	786.63	-	-	-	-	8,847.77	9,634.40	
Profit for the year						2,490.88	2,490.88	
Other Comprehensive Income / (loss)						(9.03)	(9.03)	
<b>Total Comprehensive Income for the year</b>						<b>2,481.85</b>	<b>2,481.85</b>	
Buyback of equity shares	(755.55)				44.44	(44.44)	(755.55)	
Effect of measuring financial instrument at fair value						(2.29)	(2.29)	
Payment of dividends						(172.21)	(172.21)	
Payment of dividend distribution tax						(35.06)	(35.06)	
<b>Balance as at March 31, 2018</b>	<b>31.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44.44</b>	<b>11,075.62</b>	<b>11,151.14</b>	



**Standalone Statement of changes in equity for the year ended March 31, 2018 (Contd.)**

₹ in Lakhs

B. OTHER EQUITY	Reserves and Surplus							Total
	Particulars	General Reserve	Securities Premium	Employee Share Option Outstanding	Other Reserves (Share application money pending allotment)	Capital Redemption Reserve	Retained Earnings	
<b>Balance as at April 01, 2016</b>	1,094.67	1,121.01	19.85	7.83	-	-	7,424.81	9,668.17
Profit for the year	-	-	-	-	-	-	2,077.70	2,077.70
Other Comprehensive Income / (loss)	-	-	-	-	-	-	5.00	5.00
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	<b>2,082.70</b>	<b>2,082.70</b>
Effect of measuring financial instrument at fair value	-	-	-	-	-	-	(64.39)	(64.39)
Capitalisation of reserves	(308.04)	(1,127.08)	-	-	-	-	-	(1,435.12)
Reversal of employee compensation cost	-	-	(19.85)	-	-	-	-	(19.85)
Allotment of equity shares	-	6.07	-	(7.83)	-	-	-	(1.76)
Deferred tax impact	-	-	-	-	-	-	9.51	9.51
Payment of dividends	-	-	-	-	-	-	(502.57)	(502.57)
Payment of dividend distribution tax	-	-	-	-	-	-	(102.29)	(102.29)
<b>Balance as at March 31, 2017</b>	<b>786.63</b>	-	-	-	-	-	<b>8,847.77</b>	<b>9,634.40</b>

Significant Accounting Policies (Refer Note 1)

The accompanying notes are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For G. M. Kapadia & Co.**

Chartered Accountants

Firm Registration No. 104767W

**Pankaj Seth**

Managing Director

DIN : 00027554

**Anisha Seth**

Whole-time Director

DIN : 00027611

**Atul Shah**

Partner

Membership No. 39569

Place : Mumbai

Date : May 30, 2018

**Mukesh Deopura**

Chief Financial Officer

Place : Mumbai

Date : May 30, 2018

**Neha Poddar**

Company Secretary



**Standalone Cash Flow Statement for the year ended March 31, 2018**

₹ in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Profit / (loss) before tax	<b>3,505.76</b>	3,192.06
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortisation expense	<b>722.44</b>	678.93
Interest expenses	<b>(53.50)</b>	(180.21)
Bad Debts written off	<b>27.11</b>	32.52
Dividend Income	<b>(0.12)</b>	(0.12)
Provision for gratuity, leave encashment and bonus	<b>43.01</b>	17.84
Employee Stock Compensation Cost (net)	<b>(9.03)</b>	(14.85)
Interest income	<b>(58.36)</b>	(48.84)
(Profit)/Loss on disposal of property, plant and equipment	-	(54.30)
Allowances for bad and doubtful debts	<b>6.25</b>	12.37
Other non-cash items	<b>(28.05)</b>	(209.68)
Operating Profit before Change in operating assets and liabilities	<b>4,155.51</b>	3,425.72
<b>Change in operating assets and liabilities :</b>		
(Increase)/Decrease in trade receivables	<b>278.31</b>	(142.93)
(Increase)/Decrease in inventories	<b>(233.82)</b>	752.20
(Increase)/Decrease in other financial assets	<b>109.01</b>	78.46
(Increase)/Decrease in other non-current assets	<b>(408.19)</b>	288.24
Increase/(Decrease) in trade payables	<b>89.27</b>	67.69
Increase/(Decrease) in provisions	<b>(57.12)</b>	47.08
Increase/(Decrease) in other current liabilities	<b>10.23</b>	69.67
Increase/(Decrease) in current financial liabilities	<b>449.41</b>	(42.07)
Increase/(Decrease) in non-current financial liabilities	<b>459.00</b>	-
<b>Cash generated from operations</b>	<b>4,851.61</b>	4,544.06
Direct taxes paid (net of refunds)	<b>(1,054.06)</b>	(906.91)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>3,797.55</b>	3,637.15
<b>Cash flow from investing activities</b>		
Payments for acquisition of property, plant and equipment	<b>(2,412.32)</b>	(324.88)
Proceeds from sale of property, plant and equipment	-	59.20
Repayments / (Disbursements) of loans given	<b>(61.04)</b>	8.77
Dividend Income	<b>0.12</b>	-
Interest Received	<b>40.99</b>	60.20
Changes in Fixed Deposit Other than Cash and Cash Equivalent:		
Redemption of Fixed Deposit	<b>240.27</b>	308.83
Investment made in Fixed Deposit	<b>(384.69)</b>	(298.34)
Investment in Subsidiary	<b>(0.82)</b>	(264.70)
Proceeds from sale of investments	-	35.00
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(2,577.49)</b>	(415.92)



**Standalone Cash Flow Statement for the year ended March 31, 2018 (Contd.)**

₹ in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flows from financing activities</b>		
Repayments of current borrowings	-	(1,523.29)
Repayments of non-current borrowings	<b>(330.33)</b>	(1,091.78)
Dividend on Equity Shares (including dividend distribution tax)	<b>(207.27)</b>	(604.86)
Issue of Share capital including premium	-	(0.87)
Buy Back of Equity Shares	<b>(800.00)</b>	-
Interest and finance charges	<b>51.84</b>	175.53
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(1,285.76)</b>	(3,045.27)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+ C)</b>	<b>(65.70)</b>	175.96
Cash and cash equivalents at the beginning of the year	<b>365.56</b>	189.60
<b>Cash and cash equivalents at the end of the year</b>	<b>299.86</b>	365.56
<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:		
On current accounts	<b>95.73</b>	358.76
Deposits with original Maturity of less than 3 months	<b>189.56</b>	-
Cash on hand	<b>14.57</b>	6.80
<b>Balance as per the cash flow statement :</b>	<b>299.86</b>	365.56

(b) Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 specified under section 133 of the Companies Act 2013 read with Rule 7 of the companies (Accounts) Rules, 2014.

**(c) Amendment to Ind AS-7**

Disclosure in terms of amendment to Ind AS 7 on "Statement of Cash Flows" to evaluate changes in Liabilities arising from financial activities:

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheets for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any impact on the financial statements.

Particulars	As at March 31,2017	Cash Flow	Non Cash Changes	As at March 31, 2018
Borrowing - Non Current (Refer note 2.15)	1,730.73	(330.33)	-	1,400.40
Borrowing - Current (Refer note 2.15)	-	-	-	-

The accompanying notes are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

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

**Pankaj Seth**  
Managing Director  
DIN : 00027554

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

**Atul Shah**  
Partner  
Membership No. 39569  
Place : Mumbai  
Date : May 30, 2018

**Mukesh Deopura**  
Chief Financial Officer  
Place : Mumbai  
Date : May 30, 2018

**Neha Poddar**  
Company Secretary





## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Background

Orbit Exports Limited, a Public Limited Company incorporated under Companies Act 1956, principally operates in two business segments: Manufacturing of Textile and Windmill Power Generation. 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 May 30, 2018.

### 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.

The standalone financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) ("previous GAAP") and other relevant provisions of the Act.

These standalone financial statements are the first financial statements of the Company under Ind AS. Refer Note no. 4.19 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows. The date of transition to Ind AS is April 1, 2016.

##### (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



## Notes to Standalone Financial Statements for the year ended March 31, 2018

- 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.

### 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 4.10)
- (ii) Useful lives of Property, Plant and Equipment and Intangible assets; (Refer notes 1.6, 1.7 and 1.8)
- (iii) Valuation of inventories; (Refer note 1.10)
- (iv) Assets and obligations relating to employee benefits; (Refer note 4.08)
- (v) Evaluation of recoverability of deferred tax assets; and (Refer note 2.06)
- (vi) Contingencies (Refer note 4.03 and 4.04)

### 1.5 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured.

- a) Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates but does not include Value Added Tax (VAT), Central Sales Tax (CST) and Goods and Services Tax (GST).
- 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).



## Notes to Standalone Financial Statements for the year ended March 31, 2018

### 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.
- e) Lease arrangements for land are identified as finance lease, in case such arrangements result in transfer of the related risks and rewards to the Company. Accordingly, the Company identifies any land lease arrangement with a term in excess of 50 years as a finance lease.

### 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 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
Building	35-40 Years
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.



## Notes to Standalone Financial Statements for the year ended March 31, 2018

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 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.

### 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 where 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 shall be recognised in profit or 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 income in equal amounts over the expected useful life of the related asset.

### 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 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



## Notes to Standalone Financial Statements for the year ended March 31, 2018

### 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 Company 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 Company 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.

### (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 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 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 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 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.



## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the 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.

### 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.



## Notes to Standalone Financial Statements for the year ended March 31, 2018

### 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 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 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 cash outflows 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 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 Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the 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 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

#### 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 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.

#### 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.



## **Notes to Standalone Financial Statements for the year ended March 31, 2018**

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 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 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.

### **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**

#### **(i) Functional and Presentation Currency**

The Company's standalone financial statements are prepared in INR, which is also the Company's functional and presentation currency.

#### **(ii) 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 Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the 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**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.





## Notes to Standalone Financial Statements for the year ended March 31, 2018

### As a lessee

#### Finance Lease

Leases of Property, Plant and Equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## 1.24 First-Time Adoption-Mandatory Exceptions, Optional Exemptions

### Over-all Principles

The Company has prepared the opening standalone Balance Sheet as per Ind AS as of the transition date by :

- Recognising all assets and liabilities whose recognition is required by Ind AS;
- Not recognising items of assets or liabilities which are not permitted by Ind AS;
- By reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- Applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

### Deemed Cost for Property, Plant and Equipment and Intangible Assets

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment and Intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### Deemed Cost on Investments in Subsidiary and Associate

The Company has elected to continue with the carrying value of its investments in subsidiary and associate recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the investments in subsidiary and associate.

### Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 determining whether an arrangement contains a lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

### Long Term Foreign Currency Monetary Item

The Company has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial statements prepared under previous GAAP for the year ended March 31, 2017.

## Notes to Standalone Financial Statement for the year ended March 31, 2018

### Notes to Standalone Financial Statements for the year ended March 31, 2018

#### 2.01 Property, plant and equipment :

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Block		
	As at April 1, 2017	Addition	Disposal	As at March 31, 2018	As at April 1, 2017	For the Year	Elimination on disposal	As at March 31, 2018	As at March 31, 2017
<b>Own Assets:</b>									
Buildings	1,859.56	10.54	-	<b>1,870.10</b>	37.14	37.14	-	<b>1,795.82</b>	1,822.42
Plant and Machinery	5,967.34	1,637.15	-	<b>7,604.49</b>	519.26	562.11	-	<b>1,081.37</b>	5,448.07
Furniture, Fixtures and Fittings	304.04	83.78	-	<b>387.82</b>	36.94	41.27	-	<b>78.21</b>	267.11
Computers	41.77	7.82	-	<b>49.59</b>	18.31	14.86	-	<b>33.17</b>	23.46
Office Equipments	81.97	20.78	-	<b>102.75</b>	21.15	17.83	-	<b>38.98</b>	60.81
Electrical Installations	172.94	4.95	-	<b>177.89</b>	23.54	23.60	-	<b>47.14</b>	149.39
Vehicles	29.45	26.39	-	<b>55.84</b>	4.34	5.75	-	<b>10.09</b>	25.11
<b>Total (A)</b>	<b>8,457.07</b>	<b>1,791.41</b>	-	<b>10,248.48</b>	<b>660.69</b>	<b>702.55</b>	-	<b>1,363.23</b>	<b>7,796.37</b>
<b>Assets taken on Finance Lease: #</b>									
Leasehold Land	216.13	-	-	<b>216.13</b>	2.60	2.57	-	<b>5.17</b>	213.52
<b>Total (B)</b>	<b>216.13</b>	-	-	<b>216.13</b>	<b>2.60</b>	<b>2.57</b>	-	<b>5.17</b>	<b>213.52</b>
<b>Total (A+B)</b>	<b>8,673.20</b>	<b>1,791.41</b>	-	<b>10,464.61</b>	<b>663.29</b>	<b>705.12</b>	-	<b>1,368.40</b>	<b>8,009.89</b>
Capital Work in Progress	20.81	1,963.61	1,801.60	<b>182.82</b>	-	-	-	<b>182.82</b>	20.81
<b>Total (C)</b>	<b>20.81</b>	<b>1,963.61</b>	<b>1,801.60</b>	<b>182.82</b>	-	-	-	<b>182.82</b>	<b>20.81</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 Statement for the year ended March 31, 2018**
**2.01 Property, plant and equipment : (Contd.)**

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Block		
	Deemed cost as at April 1, 2016	Addition	Disposal	As at March 31, 2017	As at April 1, 2016	For the Year	Elimination on Disposal	As at March 31, 2017	As at March 31, 2016
<b>Own Assets:</b>									
Buildings	1,859.56	-	-	1,859.56	-	37.14	-	1,822.42	1,859.56
Plant and Machinery	5,952.90	14.44	-	5,967.34	-	519.26	-	5,448.07	5,952.90
Furniture, Fixtures and Fittings	122.21	181.83	-	304.04	-	36.94	-	267.11	122.21
Computers	30.34	11.43	-	41.77	-	18.32	-	23.46	30.34
Office Equipments	64.14	17.82	-	81.97	-	21.15	-	60.81	64.14
Electrical Installations	161.28	11.66	-	172.94	-	23.54	-	149.39	161.28
Vehicles	29.45	-	-	29.45	-	4.34	-	25.11	29.45
<b>Total (A)</b>	<b>8,219.88</b>	<b>237.18</b>	<b>-</b>	<b>8,457.07</b>	<b>-</b>	<b>660.69</b>	<b>-</b>	<b>7,796.37</b>	<b>8,219.88</b>
<b>Assets taken on Finance Lease: #</b>									
Leasehold Land	221.03	-	4.90	216.13	-	2.60	-	213.52	221.03
<b>Total (B)</b>	<b>221.03</b>	<b>-</b>	<b>4.90</b>	<b>216.13</b>	<b>-</b>	<b>2.60</b>	<b>-</b>	<b>213.52</b>	<b>221.03</b>
<b>Total (A+B)</b>	<b>8,440.91</b>	<b>237.18</b>	<b>4.90</b>	<b>8,673.20</b>	<b>-</b>	<b>663.29</b>	<b>-</b>	<b>8,009.89</b>	<b>8,440.91</b>
Capital Work in Progress	209.04	147.18	335.41	20.81	-	-	-	20.81	209.04
<b>Total (C)</b>	<b>209.04</b>	<b>147.18</b>	<b>335.41</b>	<b>20.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.81</b>	<b>209.04</b>
# The Leasehold Land classified as Finance Lease is recognised under Property, Plant & 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 Statement for the year ended March 31, 2018**  
**2.02 Intangible Assets:**

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment				Net Block	
	As at April 1, 2017	Addition	Disposal	As at March 31, 2018	As at April 1, 2017	For the Year	Elimination on disposal	As at March 31, 2018	As at March 31, 2017
ERP Software	98.79	10.18	-	108.97	15.64	17.32	-	32.96	83.15
<b>Total</b>	<b>98.79</b>	<b>10.18</b>	<b>-</b>	<b>108.97</b>	<b>15.64</b>	<b>17.32</b>	<b>-</b>	<b>32.96</b>	<b>83.15</b>

₹ in Lakhs

Particulars	Gross Carrying Amount			Amortisation / Impairment				Net Block	
	Deemed cost as at April 1, 2016	Addition	Disposal	As at March 31, 2017	As at April 1, 2016	For the Year	Elimination on disposal	As at March 31, 2017	As at March 31, 2016
ERP Software	-	98.79	-	98.79	-	15.64	-	15.64	-
<b>Total</b>	<b>-</b>	<b>98.79</b>	<b>-</b>	<b>98.79</b>	<b>-</b>	<b>15.64</b>	<b>-</b>	<b>15.64</b>	<b>-</b>

Range of remaining period of amortisation as at March 31, 2018 of intangible assets is as below:

₹ in Lakhs

Particulars	< 5 Years
ERP Software	76.02



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**2.03 Non Current Investments**

₹ in Lakhs unless otherwise stated

Particulars	Face value	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
<b>Investments (measured at cost)</b>							
<b>Investment in Subsidiaries and Associate</b>							
<b>Unquoted (fully paid up)</b>							
<b>(i) Investment in Equity Shares of Subsidiaries</b>							
Orbit Inc.	\$1	10,00,000	633.97	10,00,000	633.97	5,95,000	369.27
Excellere (UK) Limited	£1	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	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	10,000	1.00
<b>Investment (measured at amortised cost)</b>							
<b>Unquoted</b>							
<b>(i) Investments in Bonds</b>							
6% Rural Electrification Corporation Tax Free Bond	₹ 10,000	-	-	-	-	350	35.00
<b>(ii) Investments in Government securities</b>							
National Savings Certificate*		-	0.69		0.69		0.67
<b>Total non - current investments</b>		-	692.67		691.85		462.13
<b>Aggregate amount of quoted investments</b>			-		-		-
<b>Aggregate amount of unquoted investments</b>			692.67		691.85		462.13
<b>Aggregate amount of impairment in value of investments</b>			-		-		-

\*Lodged with Sales tax and Government authorities



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**2.04 Loans**

₹ in Lakhs

Particulars	Non Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Security Deposits - Utility</b>						
Unsecured, considered good	62.52	5.08	5.08	-	-	-
(A)	62.52	5.08	5.08	-	-	-
<b>Security Deposits - Rental</b>						
Unsecured, considered good	59.24	48.44	59.90	-	-	-
(B)	59.24	48.44	59.90	-	-	-
<b>Loans to employees</b>						
Unsecured, considered good	-	-	-	3.66	6.60	0.82
(C)	-	-	-	3.66	6.60	0.82
<b>Total (A+B+C)</b>	<b>121.76</b>	53.52	64.98	<b>3.66</b>	6.60	0.82

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.

**2.05 Other Financial Assets**

₹ in Lakhs

Particulars	Non Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank Deposits with more than twelve months of original maturity	47.50	245.99	163.22	-	-	-
Dividend Receivable	-	-	-	0.12	0.12	-
Others	-	-	-	1.08	1.18	-
Interest Accrued but not due on bank deposits	-	-	-	60.64	43.27	54.65
Rent Receivable	-	-	-	3.00	-	-
Interest Receivable	-	-	-	2.85	-	-
Receivable from Related Party	-	-	-	0.80	-	-
Forward Contracts - Assets	-	-	-	31.48	116.53	85.16
<b>Total</b>	<b>47.50</b>	245.99	163.22	<b>99.97</b>	161.10	139.81

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.



## Notes to Standalone Financial Statements for the year ended March 31, 2018

### 2.06 Deferred Tax Assets / Liabilities (Net)

Significant components of deferred tax assets / (liabilities) recognised in the financial statements are as follows

Particulars	Non Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Deductible temporary differences</b>			
Provision for Employee Benefit	42.94	34.42	29.20
Allowance for Doubtful Debts	11.29	11.24	-
Others	-	0.15	0.25
<b>Taxable temporary differences</b>			
Property, Plant and Equipment	(1,013.28)	(990.36)	(947.90)
Forward Contracts	(9.18)	-	-
<b>Total</b>	<b>(968.23)</b>	<b>(944.55)</b>	<b>(918.45)</b>

Particulars	As at March 31, 2018	(Charged)/ Credited to Profit and Loss/ OCI/ Retained Earning	As at March 31, 2017	(Charged)/ Credited to Profit and Loss/ OCI/ Retained Earning	As at April 01, 2016
	<b>Deferred tax (liabilities)/assets in relation to :</b>				
Property, Plant and Equipment	(1,013.28)	(22.92)	(990.36)	(42.46)	(947.90)
Forward Contracts	(9.18)	(9.18)	-	-	-
Provision for Employee Benefit	42.94	8.52	34.42	5.22	29.20
Allowance for Doubtful Debts	11.29	0.05	11.24	11.24	-
Deferred Tax impact	-	(0.01)	-	(9.50)	-
Others	-	(0.15)	0.15	(0.10)	0.25
<b>Total</b>	<b>(968.23)</b>	<b>(23.69)</b>	<b>(944.55)</b>	<b>(35.60)</b>	<b>(918.45)</b>

### 2.07 Other assets

Particulars	Non Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Advances	672.23	223.54	46.39	-	-	-
<b>Advances other than Capital Advances</b>						
Prepaid Expenses	13.76	17.54	19.29	61.41	66.40	57.63
Staff Advances	-	-	-	4.78	4.22	7.03
Advances to Suppliers	-	-	-	17.59	15.13	3.92
<b>Balances with Governmental Authorities</b>						
Income Tax (net of provisions)	-	19.09	-	-	-	-
Electricity Duty Receivable	-	-	-	6.90	3.96	12.80
GST Refund receivable	-	-	-	160.51	-	-
VAT/Sales tax Receivable	-	-	-	62.54	43.72	36.46
Duty draw back receivable	-	-	-	170.55	202.03	164.56
Subsidy Receivable	-	-	-	135.06	172.02	533.97
Interest Accrued	76.97	-	-	48.74	-	-
GST Receivable	-	-	-	188.36	-	-
<b>Total</b>	<b>762.96</b>	<b>260.17</b>	<b>65.68</b>	<b>856.44</b>	<b>507.48</b>	<b>816.37</b>



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**2.08 Inventories**

(Valued at lower of cost or net realisable value, unless otherwise stated)

₹ in Lakhs

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Material	621.82	528.95	538.71
Goods-in-Transit	25.07	30.48	-
Stores and Spares	62.41	52.12	17.18
Goods-in-Transit	-	-	-
Work-in-Progress	258.52	279.28	643.90
Finished goods	1,772.98	1,616.15	2,059.39
<b>Total</b>	<b>2,740.80</b>	<b>2,506.98</b>	<b>3,259.18</b>

**2.09 Trade Receivable**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good	3,116.15	3,480.66	3,401.65
Unsecured, considered doubtful	47.59	32.47	20.10
	<b>3,163.74</b>	3,513.13	3,421.75
Less : Allowance for doubtful debts (expected credit loss)	(47.59)	(32.47)	(20.10)
<b>Total</b>	<b>3,116.15</b>	<b>3,480.66</b>	<b>3,401.65</b>

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, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks:			
In current accounts	95.73	358.76	16.06
Deposits with original maturity of less than 3 months	189.56	-	164.02
Cash on hand	14.57	6.80	9.52
<b>Total</b>	<b>299.86</b>	<b>365.56</b>	<b>189.60</b>

**2.11 Bank balances**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deposits with original maturity for more than 3 months but less than 12 months	558.52	215.60	308.83
Unclaimed dividend accounts	37.06	36.11	30.59
<b>Total</b>	<b>595.58</b>	<b>251.71</b>	<b>339.42</b>

Note : The Fixed Deposits aggregating to ₹ 21 Lakhs (March 31, 2017: ₹ 461.34 Lakhs, April 01, 2016: ₹ 331.85 Lakhs) has been pledged with State Bank of India, ₹ 300 Lakhs (March 31, 2017: Nil; March 31, 2016: Nil) has been pledged with HDFC Bank and ₹ 125 Lakhs (March 31, 2017: ₹ 461.34 Lakhs; March 31, 2016: ₹ 302.23 Lakhs) has been pledged with DBS Bank as collateral security against the financial assistance extended by the respective banks and ₹ 0.34 Lakhs (March 31, 2017: ₹ 0.25 Lakhs; April 01, 2016: ₹ 0.25 Lakhs) with Central Bank of India.





**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**2.12 Current tax assets (Net)**

Particulars	₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current tax assets :			
Taxes paid	<b>5,005.76</b>	3,955.33	3,728.27
	<b>5,005.76</b>	3,955.33	3,728.27
Current tax liabilities :			
Provision for Taxation	<b>4,936.98</b>	3,904.77	3,638.86
	<b>4,936.98</b>	3,904.77	3,638.86
<b>Total</b>	<b>68.78</b>	50.56	89.41

**2.13 Equity Share Capital**

Particulars	₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Authorised Share Capital :</b>			
3,50,00,000 (March 31, 2017: 3,50,00,000 and April 01, 2016: 1,50,00,000) Equity shares of ₹ 10/- each	<b>3,500.00</b>	3,500.00	1,500.00
<b>Total</b>	<b>3,500.00</b>	3,500.00	1,500.00
<b>Issued, Subscribed and Paid up Capital</b>			
2,82,57,856 (March 31, 2017: 2,87,02,300 and April 01, 2016: 1,43,42,150) Equity shares of ₹ 10/- each fully paid up	<b>2,825.79</b>	2,870.23	1,434.22
<b>Total</b>	<b>2,825.79</b>	2,870.23	1,434.22

**a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period :**

Particulars	₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	<b>No. of Shares</b>	No. of Shares	No. of Shares
<b>At the beginning of the period</b>	<b>2,87,02,300</b>	1,43,42,150	1,42,99,150
Add: Shares issued on exercise of Employee Stock Option plan	-	9,000	43,000
Add: Bonus shares	-	1,43,51,150	-
Less: Buy back of shares	<b>(4,44,444)</b>	-	-
<b>Outstanding at the end of the period</b>	<b>2,82,57,856</b>	2,87,02,300	1,43,42,150

In accordance with Sec 68, 69, 70 and other applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ('SEBI Buy Back Regulations'), the Company concluded during the quarter ended March 31, 2018, the buyback of 4,44,444 equity shares of ₹ 10/- each fully paid up, as approved by the Board of Directors on January 5, 2018 by way of tender offer through stock exchange mechanism for cash at price of ₹ 180/- per equity share. This has resulted in a total cash outflow of ₹ 799.99 lakhs.

Pursuant to the buyback the Company has adjusted premium on buyback of 170/- per share aggregating ₹ 755.55 Lakhs from General Reserve. Further, an amount of ₹ 44.44 Lakhs (equivalent to the face value of shares bought back) has been transferred to Capital Redemption Reserve from the Retained earnings.

**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.

**Notes to Standalone Financial Statements for the year ended March 31, 2018**

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, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Mr. Pankaj Seth	<b>1,12,83,186</b>	<b>39.93</b>	1,12,83,186	39.31	56,41,593	39.34
Mrs. Anisha Seth	<b>37,81,790</b>	<b>13.38</b>	37,81,790	13.18	18,90,895	13.18
M/s. Mediaman Multitrade Pvt. Ltd.	<b>25,38,780</b>	<b>8.98</b>	25,27,999	8.81	12,26,081	8.55
Mr. Kaushik Daga	<b>21,12,396</b>	<b>7.48</b>	21,12,396	7.36	1,35,000	0.94
Mr. Varun Daga	<b>20,91,772</b>	<b>7.40</b>	20,87,000	7.27	1,35,000	0.94

**d. Aggregate number of shares issued as bonus during 5 years immediately preceding March 31, 2018**

Particulars	No. of Shares
Number of equity shares issued as bonus by the Company - FY 2016-17*	1,43,51,150

\*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:-

December 16, 2013	4,00,000	Lock in for 3 year till December 15, 2016
March 20, 2014	1,50,000	Lock in for 3 year till March 19, 2017
June 18, 2014	4,50,000	Lock in for 3 year till June 17, 2017
<b>Total</b>	<b>10,00,000</b>	

- B.** 8 Lakhs Optionally Fully Convertible Warrants were issued to Mr. Pankaj Seth and Mrs. Anisha P. Seth on November 1, 2010 at a price of ₹ 38/- each out of which 25% amount received at the time of allotment. Each warrant was to be converted into 1 equity share of ₹ 10/- each within a period of 18 months from the date of allotment i.e. on or before April 30, 2012. The details of conversion are as mentioned below:-

March 31, 2011	2,24,560	Lock in for 3 year till March 30, 2014
March 22, 2012	3,50,000	Lock in for 3 year till March 21, 2015
April 27, 2012	2,25,440	Lock in for 3 year till April 26, 2015
<b>Total</b>	<b>8,00,000</b>	



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**2.14 Other Equity**

₹ in Lakhs

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
General Reserve	31.08	786.63	1,094.67
Retained Earnings	11,075.62	8,847.77	7,424.81
Securities Premium	-	-	1,121.01
Share Application Money Pending Allotment	-	-	7.83
Employees Share Options Outstanding Account	-	-	19.85
Capital Redemption Reserve	44.44	-	-
<b>Total</b>	<b>11,151.14</b>	9634.40	9,668.17

**Description of the nature and purpose of each reserve within Other 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) Securities Premium :**

Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

**(d) 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		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Term Loans</b>			
Secured			
From Banks	1,400.40	1,730.73	2,822.51
Less : Current maturities of non-current borrowings (included in Note 2.17)	883.71	761.31	825.54
<b>Total</b>	<b>516.69</b>	969.42	1,996.97

₹ in Lakhs

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Loans repayable on demand</b>			
<b>Secured</b>			
From Banks	-	-	1,523.29
<b>Total</b>	<b>-</b>	-	1,523.29



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**(a) Nature of Security and terms of repayment for secured borrowings:**

**(i) Non - Current Borrowings**

₹ in Lakhs

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1	Term loan - 1 from State Bank of India, Details of securities are mentioned below*	Repayable in 67 monthly installments commencing from April 1, 2011, exclusive of a moratorium period of 11 months, 66 monthly installments of ₹ 24 Lakhs each and last installment of ₹ 26 Lakhs was due in Oct, 2016.	-	-	137.58
2	Term loan - 2 from State Bank of India, Details of securities are mentioned below*	Repayable in 60 monthly installments commencing from Jan 1, 2014, exclusive of a moratorium period of 12 months, 39 monthly installments of ₹ 20 Lakhs each, next 12 installments of ₹ 252 Lakhs and last 9 installments of ₹193 Lakhs. Last installment is due in Dec, 2018.	215.68	449.25	691.50
3	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.	275.15	449.22	630.31
4	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.	282.11	460.28	620.14
5	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.	221.12	371.98	742.98
6	Term loan - 3 from HDFC Bank Limited. Details of securities are mentioned below**	Repayable in multiple equated or equal monthly installments starting from May, 2018	406.34	-	-
*	<p>a. 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. Personal Guarantee of Promoter Directors, Mr. Pankaj Seth and Mrs. Anisha Seth.</p>				
**	<p>a. 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. Personal Guarantee of Mr. Pankaj Seth, Promoter Director.</p> <p>The Company has provided second pari passu charge on entire Property, Plant and Equipment (excluding Plant and Machineries financed by other banks/financial institutions of the borrower) as collateral security.</p>				



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**(ii) Current borrowings**

₹ in Lakhs

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a.	Primary security : Hypothecation of Inventory, Book Debts and entire current assets of the Company, present and future, on pari passu basis.				
b.	Collateral security : For State Bank of India and HDFC Bank Limited - Securities offered for term loans are also offered as collateral securities for short-term loans.				
c.	Promoter Directors Mr. Pankaj Seth and Mrs. Anisha Seth have given personal guarantee for Loan on March 31, 2017: Nil (March 31, 2016: ₹ 1,094.04 Lakhs) and March 31, 2017: Nil (March 31, 2016: ₹ 363.98 Lakhs) from State Bank of India and DBS Bank respectively while Mr. Pankaj Seth has given personal guarantee for loan from HDFC Bank Limited on March 31, 2017: Nil (March 31, 2016: ₹ 65.27 Lakhs).	On demand	-	-	1,523.29
	<b>Total</b>		-	-	1,523.29

**(b) Assets pledged as security:**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Current</b>			
Inventories	2,740.80	2,506.98	3,259.18
Receivables	3,116.15	3,480.66	3,401.65
<b>Non Current</b>			
Wind Turbine Generator at Barmer Rajasthan	-	226.48	241.41
Property plant and equipment of the company including Land and Building, Plant and Machineries situated at Surat	6,625.03	6,302.77	7,095.16
Fixed Deposit with Bank (Lien)	-	282.00	282.00
Immovable properties (existing and future) located at Dombivali and civil structures.	-	115.38	118.40
Asmeeta Textile Building located at Kalyan	771.45	780.10	788.74
<b>Total</b>	<b>13,253.43</b>	13,694.37	15,186.54

**2.16 Trade payables**

₹ in Lakhs

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	344.94	255.67	187.98
<b>Total</b>	<b>344.94</b>	255.67	187.98



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**2.17 Other Financial Liabilities**

₹ in Lakhs

Particulars	Non Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of non-current borrowings	-	-	-	<b>883.71</b>	761.31	825.54
Salary and reimbursement expenses payable	-	-	-	<b>110.64</b>	97.63	80.00
Interest accrued but not due on loans	-	-	-	<b>3.37</b>	5.03	9.71
Unclaimed dividends*	-	-	-	<b>39.36</b>	36.11	30.59
Security deposit	<b>9.00</b>	-	-	-	-	-
Subscription Amount payable	-	-	-	<b>0.91</b>	-	-
Liability for expenses	-	-	-	<b>279.94</b>	147.20	212.42
Payable for acquisition of Property, Plant & Equipment	<b>450.00</b>	-	-	<b>299.50</b>	-	-
<b>Total</b>	<b>459.00</b>	-	-	<b>1,617.43</b>	1,047.28	1,158.26

\* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2018

**Details of Current maturities of Non - current Borrowings**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Term Loan</b>			
Secured			
From Bank	<b>883.71</b>	761.31	825.54
<b>Total</b>	<b>883.71</b>	761.31	825.54

**2.18 Other Liabilities**

₹ in Lakhs

Particulars	Non Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory Liabilities	-	-	-	<b>39.33</b>	45.95	41.09
Advance from Customers	-	-	-	<b>162.68</b>	145.83	174.33
Deferred Income for Capital Subsidy	<b>369.92</b>	417.91	372.59	<b>47.99</b>	47.99	47.99
<b>Total</b>	<b>369.92</b>	417.91	372.59	<b>250.00</b>	239.77	263.41



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**2.19 Provisions**

₹ in Lakhs

Particulars	Non Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Employee benefits :</b>						
Provision for Bonus	-	-	-	<b>15.15</b>	13.88	13.85
Provision for Leave Encashment	-	-	-	<b>11.27</b>	5.50	4.03
Provision for Gratuity	<b>119.13</b>	83.75	40.45	<b>1.92</b>	1.33	28.29
<b>Total</b>	<b>119.13</b>	83.75	40.45	<b>28.34</b>	20.71	46.17
<b>Others :</b>						
Other Expenses	-	-	-	<b>22.22</b>	79.34	32.26
<b>Total</b>	-	-	-	<b>22.22</b>	79.34	32.26
<b>Total</b>	<b>119.13</b>	83.75	40.45	<b>50.56</b>	100.05	78.43

**2.20 Current Tax Liabilities (Net)**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Taxation (Net of advance tax)	<b>88.34</b>	132.99	-
<b>Total</b>	<b>88.34</b>	132.99	-

**3.01 Revenue from operations**

₹ in Lakhs

Particulars	2017-18	2016-17
<b>Revenue from operations</b>		
Sale of Products	<b>12,520.67</b>	12,314.02
Sale of Services	-	22.77
<b>Other operating revenue</b>		
Export Incentives	<b>502.37</b>	716.56
<b>Total</b>	<b>13,023.04</b>	13,053.35

**3.02 Other Income**

₹ in Lakhs

Particulars	2017-18	2016-17
<b>Interest Income on financial assets</b>		
Bank Deposits (at amortized cost)	<b>58.36</b>	48.84
Unwinding of interest on security deposits	<b>4.26</b>	3.09
<b>Other Non-Operating Income</b>		
Government Assistant	<b>47.99</b>	47.99
Rent Income	<b>8.70</b>	-
Dividend Income	<b>0.12</b>	0.12
Others	-	0.78
<b>Other gains and losses</b>		
Net gain on foreign exchange fluctuation	<b>237.96</b>	235.09
<b>Total</b>	<b>357.39</b>	335.91

**Notes to Standalone Financial Statements for the year ended March 31, 2018****3.03 Cost of materials consumed**

Particulars	₹ in Lakhs	
	2017-18	2016-17
Inventory at the beginning of the year	559.43	538.71
Add : Purchases	4,829.25	4,754.54
	5,388.68	5,293.25
Less : Closing Inventory	646.89	559.43
<b>Total</b>	<b>4,741.79</b>	<b>4,733.82</b>

**3.04 Changes in inventories**

Particulars	₹ in Lakhs	
	2017-18	2016-17
Inventories at the end of the year (including in-transit)		
Work-in-Progress	258.52	279.28
Finished Goods	1,772.98	1,616.15
<b>Total (a)</b>	<b>2,031.50</b>	<b>1,895.43</b>
Inventories at the beginning of the year (including in-transit)		
Work-in-Progress	279.28	643.90
Finished Goods	1,616.15	2,059.39
<b>Total (b)</b>	<b>1,895.43</b>	<b>2,703.29</b>
<b>Total (b - a)</b>	<b>(136.07)</b>	<b>807.86</b>

**3.05 Employee benefits expense**

Particulars	₹ in Lakhs	
	2017-18	2016-17
Salaries, wages and bonus	1,616.56	1,323.34
Contribution to provident and other fund	124.67	98.11
Staff welfare expenses*	38.56	13.14
<b>Total</b>	<b>1,779.79</b>	<b>1,434.59</b>

\* Includes reversal of Employee stock compensation amounting to ₹ 19.85 Lakhs

**3.06 Finance Costs**

Particulars	₹ in Lakhs	
	2017-18	2016-17
<b>Interest and Finance charges on financial liabilities :</b>		
Interest on borrowings	53.50	180.21
<b>Total</b>	<b>53.50</b>	<b>180.21</b>

**3.07 Depreciation and amortization expense**

Particulars	₹ in Lakhs	
	2017-18	2016-17
Depreciation of Property, Plant and Equipment	705.12	663.29
Amortisation of Intangible assets	17.32	15.64
<b>Total</b>	<b>722.44</b>	<b>678.93</b>



**Notes to Standalone Financial Statements for the year ended March 31, 2018****3.08 Other Expenses**

Particulars	₹ in Lakhs	
	2017-18	2016-17
Power and Fuel	<b>576.50</b>	421.05
Labour Charges	<b>71.30</b>	75.34
Bad Debts written off	<b>27.11</b>	32.52
Electricity Expenses	<b>15.67</b>	17.03
Rates and taxes	<b>30.68</b>	31.85
Legal and Professional Charges	<b>151.69</b>	139.65
Advertisement, Sales Promotion and Marketing Fees	<b>102.14</b>	74.02
Travelling and Conveyance	<b>256.25</b>	263.44
Commission and Brokerage	<b>268.41</b>	307.22
Freight and Forwarding Expense	<b>247.53</b>	250.89
Selling and Distribution Expenses	<b>176.46</b>	112.77
Postage and Telephone	<b>71.08</b>	86.30
Bank Charges	<b>85.50</b>	82.57
Security Expense	<b>25.75</b>	21.87
<b>Repairs and Maintenance:</b>		
Plant and Machinery	<b>97.25</b>	46.60
IT Related	<b>86.18</b>	47.14
Others	<b>57.64</b>	69.36
Rent	<b>250.61</b>	236.90
Printing and Stationery	<b>17.47</b>	11.55
Miscellaneous Expenses	<b>38.16</b>	17.37
Insurance Charges	<b>37.74</b>	43.59
Allowance for doubtful trade receivable and advances (net of written back)	<b>6.25</b>	12.37
Membership and Subscription	<b>3.35</b>	4.34
<b>Remuneration to statutory auditor</b>		
Statutory Audit Fees	<b>9.50</b>	7.35
Limited Review Fees	<b>3.00</b>	3.00
<b>Total</b>	<b>2,713.22</b>	2,416.09

**3.09 Exceptional Items**

Particulars	₹ in Lakhs	
	2017-18	2016-17
Profit on sale of property, plant and equipment from Jalgoan property	-	54.30
<b>Total</b>	<b>-</b>	54.30



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**3.10 Tax Expenses**

Particulars	₹ in Lakhs	
	2017-18	2016-17
<b>(a) Income tax expenses :</b>		
Current tax		
In respect of the current year	<b>995.46</b>	1,037.80
Deferred tax		
In respect of the current year	<b>23.69</b>	35.60
Excess/ (Short) provision for Taxation for earlier years	<b>(4.27)</b>	40.96
Total income tax expense recognised in the current year	<b>1,014.88</b>	1,114.36
<b>(b) A reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate is as follows:</b>		
<b>Net profit / (loss) before tax</b>	<b>3,505.76</b>	3,192.06
Effective tax rate applicable to the Company	<b>34.61%</b>	34.61%
Tax amount at the enacted income tax rate	<b>1,213.27</b>	1,104.71
Add: Expenses not deductible in determining taxable profits	<b>295.46</b>	240.39
Less: Allowances/Deductibles	<b>(486.12)</b>	(282.76)
Less: Allowances/Deductibles - Income claimed exempt u/s 80IA(4)(iv)	<b>(27.15)</b>	(24.54)
Tax relating to earlier years	<b>(4.27)</b>	40.96
Temporary differences recognised in deferred tax	<b>23.69</b>	35.60
<b>Total</b>	<b>1,014.88</b>	1,114.36

**4.01 Earning Per Share (EPS)**

Particulars	₹ in Lakhs	
	As At March 31, 2018	As At March 31, 2017
<b>Basic earnings per share :</b>		
Attributable to equity holders of the Company	<b>8.69</b>	7.24
<b>Diluted earnings per share :</b>		
Attributable to equity holders of the Company	<b>8.69</b>	7.24
<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>2,490.88</b>	2,077.70
<b>Diluted earnings per share</b>		
Profit attributable to equity holders of the Company used in calculating diluted earning per shares (₹ in Lakhs)	<b>2,490.88</b>	2,077.70
Weighted average number of Equity shares used as the denominator in calculating basic earnings per share	<b>2,86,71,859</b>	2,87,02,275
Weighted average number of Equity shares used as the denominator in calculating diluted earnings per share	<b>2,86,71,859</b>	2,87,10,478

**4.02 Leases**

**Operating Leases (As Lessee)**

The Company's significant leasing arrangements in terms of Ind AS 17 on lease are in respect of Operating Leases for Building and Vehicles. The period of these leasing arrangements, which are cancellable in nature range between eleven months to five years and are renewable by mutual consent.

**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**Details of Non cancellable Leases are as under:**

Particulars	₹ in Lakhs		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Due not later than one year	235.27	174.30	209.21
Due later than one year but not later than five years from the balance sheet date	437.09	446.13	620.43
<b>Total</b>	<b>672.36</b>	620.43	829.64

Rental Expenses debited to the Statement of Profit and Loss ₹ 225.24 Lakhs (March 31, 2017: ₹ 213.30 Lakhs)

**Details of Cancellable Leases are as under:**

Lease Expenses debited to the Statement of Profit and Loss ₹ 25.37 Lakhs (March 31, 2017: ₹ 23.60 Lakhs). Some of these lease agreements have price escalation clauses

**Operating Leases (As Lessor)**

Particulars	₹ in Lakhs		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Gross Carrying Amount of Assets capitalized as Building and given on operating lease	107.34	107.34	107.34
Accumulated Depreciation	(40.82)	(38.56)	(36.20)
Depreciation for the year	(2.26)	(2.26)	(2.36)
<b>Total</b>	<b>64.26</b>	66.52	68.78

**Details of Non Cancellable lease are as under:**

Particulars	₹ in Lakhs		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Receivable in the next one year	36.60	-	-
Receivable after next one year but Before next five years	64.80	-	-
Receivable after five years	-	-	-
<b>Total</b>	<b>101.40</b>	-	-

Rental income of ₹ 8.70 Lakhs (March 31, 2017 : ₹ Nil) in respect of have been recognised in Statement of Profit and Loss

**4.03 Contingent Liabilities**

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 Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. 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 and appropriate disclosure for contingent liabilities is given below :-

Particulars	₹ in Lakhs	
	2017-18	2016-17
Income tax dues where the matters are pending before appellate authority	114.28	108.15
Penalty on duty drawback	1.83	1.83
<b>Total</b>	<b>116.11</b>	109.98

**Notes to Standalone Financial Statements for the year ended March 31, 2018****4.04 Contingent Assets**

₹ in Lakhs

Particulars	2017-18	2016-17
Late Payment Surcharge due with Jodhpur Discom (JVVNL)	8.17	-
<b>Total</b>	<b>8.17</b>	<b>-</b>

**4.05 Capital and other Commitments**

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 720.13 Lakhs (March 31, 2017: ₹ 676.28 Lakhs & April 1, 2016: ₹ 47 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, 2018: ₹ 98.34 lakhs, March 31, 2017: ₹ Nil and April 1, 2016: ₹ 197.86 lakhs\*)

\*Export obligation for this year has already been fulfilled, however, precedural formalities for the closure of the EPCG Licenses are pending.

**4.06** The Company has two segments Manufacturing of Textile and Windmill Power Generation. The gross operating income and profit from the Windmill Power Generation segment is below the norms prescribed in Ind AS 108, hence separate disclosure have not been made.

**4.07 Corporate Social Responsibility**

As required under section 135 of the Companies Act 2013, the Company has constituted Corporate Social Responsibility (CSR) committee.

The company is required to spend ₹71.28 Lakhs; (March 31, 2017: ₹ 69.46 Lakhs) on CSR activities

Amount spend during the year is as follows:

₹ in Lakhs

Particulars	March 31, 2018			March 31, 2017		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
On construction/acquisition of any assets	-	-	-	-	-	-
On purpose other than above	12.30	58.98	71.28	1.30	68.16	69.46

**4.08 Employee Benefit Plans****1. Defined contribution plans**

The amounts of contribution to provident fund and ESIC recognized as expenses during the year is ₹ 94.13 Lakhs (March 31, 2017: ₹ 72.73 Lakhs) for the year ended March 31, 2018.

**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.



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**3. Principal assumptions used for the purpose of actuarial valuation**

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	<b>7.75%</b>	7.50%
Expected rate of salary increase	<b>6.50%</b>	6.50%
Withdrawal Rate	<b>1% at all ages</b>	1% at all ages
Mortality Rate	<b>Indian Assured lives (2006-08) ultimate mortality rates</b>	Indian Assured lives (2006-08) ultimate mortality rates
Retirement Rate	<b>58 Years</b>	58 Years

**4. (a) Amounts recognised in Statement of Profit and Loss in respect of defined benefit plans**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Service cost:		
Current service cost	<b>23.84</b>	19.01
Interest Cost on net Defined Benefits Obligation	<b>6.38</b>	5.50
Net Actuarial (Gain)/loss	-	-
<b>Components of defined benefits cost recognised in Statement of Profit and Loss</b>	<b>30.22</b>	24.51

**4. (b) Amounts recognised in Other Comprehensive Income in respect of defined benefit plans**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Remeasurement of net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	-	-
Net Actuarial (Gain)/ Loss	<b>9.03</b>	(5.00)
<b>Components of defined benefits cost recognised in Other Comprehensive Income</b>	<b>9.03</b>	(5.00)

**4. (c) Amounts recognised in Balance Sheet in respect of defined benefit plans**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Present Value of the Defined Benefit Obligations	<b>121.05</b>	85.08
Fair Value of Plan Assets	-	-
<b>Liability Recognised in the Balance Sheet</b>	<b>121.05</b>	85.08

**Notes to Standalone Financial Statements for the year ended March 31, 2018****5. (a) Movements in present value of defined benefit obligation**

Particulars	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligations	<b>85.08</b>	68.74
Current service cost	<b>23.84</b>	19.01
Interest cost	<b>6.38</b>	5.50
Remeasurement (Gains) / losses		-
Actuarial (gains) / losses on Defined Benefit Obligation	<b>9.03</b>	(5.00)
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	<b>(3.28)</b>	(3.17)
<b>Closing defined benefit obligation</b>	<b>121.05</b>	85.08

**5. (b) Reconciliation**

Particulars	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Opening Net Liability	<b>85.08</b>	68.74
Add: Employer Expenses (Expenses recognised in the Statement of Profit and Loss Account)	<b>30.22</b>	24.51
Add: Transfer to Other Comprehensive Income	<b>9.03</b>	(5.00)
Less: Benefit Paid	<b>(3.28)</b>	(3.17)
<b>Closing Net Liability</b>	<b>121.05</b>	85.08

**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 at Discount Rate (i.e. Interest Rate) and Salary Growth Rate.

Particulars	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Discount Rate is increased by 1%	<b>(108.46)</b>	(74.65)
Discount Rate is decreased by 1%	<b>136.33</b>	97.93
Salary Growth Rate increased by 1%	<b>136.37</b>	97.29
Salary Growth Rate decreased by 1%	<b>(108.22)</b>	(75.09)

**4.09 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's 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, 2018, the Company has only one class of equity shares.

**Notes to Standalone Financial Statements for the year ended March 31, 2018**

₹ in Lakhs

Particulars	2017-18	2016-2017
Dividend on equity shares paid during the year		
Final dividend for the year ended March 31, 2018 of ₹ 0.60 /- (March 31, 2017 - ₹ 1.50) per equity share of ₹ 10/- each	<b>172.21</b>	215.27
Interim dividend for the year ended March 31, 2018 of ₹ Nil /- (March 31, 2017 - ₹ 2.00 (Pre-Bonus)) per equity share of ₹ 10/- each	-	287.30
Dividend distribution tax on the above dividends	<b>35.06</b>	102.29

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Net Debt	<b>1,100.54</b>	1,365.17	4,156.20
Total Equity	<b>13,976.93</b>	12,504.63	11,102.39
Net Debt to Equity Ratio	<b>0.08</b>	0.11	0.37

**4.10 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.



## Notes to Standalone Financial Statements for the year ended March 31, 2018

### (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

Particulars	₹ in Lakhs					
	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Carrying values	Fair value	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>						
<b>Measured at amortised cost:</b>						
Investment in bonds	-	-	-	-	35.00	35.00
Investments in Government securities	0.69	0.69	0.69	0.69	0.67	0.67
Trade receivables	3,116.15	3,116.15	3,480.66	3,480.66	3,401.65	3,401.65
Cash and Bank balances	942.94	942.94	863.26	863.26	692.24	692.24
Loans	125.42	125.42	60.12	60.12	65.80	65.80
Other financial assets	68.49	68.49	44.57	44.57	54.65	54.65
<b>Total (A)</b>	<b>4,253.69</b>	<b>4,253.69</b>	<b>4,449.30</b>	<b>4,449.30</b>	<b>4,250.01</b>	<b>4,250.01</b>
<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	1.00	1.00
Derivative Instruments	31.48	31.48	116.53	116.53	85.16	85.16
<b>Total (B)</b>	<b>32.48</b>	<b>32.48</b>	<b>117.53</b>	<b>117.53</b>	<b>86.16</b>	<b>86.16</b>
<b>Total Financial assets (A+B)</b>	<b>4,286.17</b>	<b>4,286.17</b>	<b>4,566.83</b>	<b>4,566.83</b>	<b>4,336.17</b>	<b>4,336.17</b>
<b>Financial liabilities</b>						
<b>Measured at amortised cost :</b>						
Borrowing#	1,400.40	1,400.40	1,730.73	1,730.73	4,345.80	4,345.80
Trade payables	344.94	344.94	255.67	255.67	187.98	187.98
Other financial liabilities	1,192.72	1,192.72	285.97	285.97	332.72	332.72
<b>Total Financial liabilities</b>	<b>2,938.06</b>	<b>2,938.06</b>	<b>2,272.37</b>	<b>2,272.37</b>	<b>4,866.50</b>	<b>4,866.50</b>

# includes current maturities of long term debts.

### (iii) Level wise disclosure of financial instruments

Particulars	₹ in Lakhs				
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	Level	Valuation techniques and key inputs
Foreign currency forward contracts - Assets	31.48	116.53	85.16	2	Quotes from banks

## 4.11 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.



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

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.

**Table showing age of gross trade receivables and movement in expected credit loss allowance:**

₹ in Lakhs			
Age of Receivables	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Within the credit period	1,940.17	1,961.27	1,836.01
1-90 days past due	888.60	1,076.54	1,098.52
91-180 days past due	72.41	156.78	359.60
181-270 days past due	139.74	211.39	45.25
More than 270 days past due	122.82	107.15	82.37
<b>Total</b>	<b>3,163.74</b>	3,513.13	3,421.75

₹ in Lakhs		
Movement in the expected credit allowance	As at March 2018	As at March 2017
Balance at the beginning of the year	32.47	20.10
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	15.12	12.37
<b>Total</b>	<b>47.59</b>	32.47

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's 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, 2018	< 1 Year	1 - 5 year	> 5 year	Total
Borrowings	968.44	566.23	-	1,534.67
Trade Payables	344.94	-	-	344.94
Other Financial Liabilities	1,617.43	459.00	-	2,076.43



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

₹ in Lakhs

As on March 31, 2017	< 1 Year	1 - 5 year	> 5 year	Total
Borrowings	864.32	1,100.58	-	1,964.90
Trade Payables	255.67	-	-	255.67
Other Financial Liabilities	1,047.28	-	-	1,047.28

₹ in Lakhs

As on April 1, 2016	< 1 Year	1 - 5 year	> 5 year	Total
Borrowings	2,515.54	2,138.70	-	4,654.24
Trade Payables	187.98	-	-	187.98
Other Financial Liabilities	1,158.26	-	-	1,158.26

**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 policies 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, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
US Dollar (USD)	54.53	0.73	19.71	2,406.65	3,004.28	3,124.48
EURO	0.22	-	-	53.52	54.77	11.89
British Pound (GBP)	8.24	-	2.06	32.61	95.50	47.82



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**Foreign Currency Exposure**

₹ in Lakhs

Foreign currency exposure as at March 31, 2018	USD	EURO	GBP
Trade receivables	2,375.17	53.52	32.61
Trade payables	54.53	0.22	8.24
Forward contracts for receivable	31.48	-	-

₹ in Lakhs

Foreign currency exposure as at March 31, 2017	USD	EURO	GBP
Trade receivables	2,887.75	54.77	95.50
Trade payables	0.73	-	-
Forward contracts for receivable	116.53	-	-

₹ in Lakhs

Foreign currency exposure as at April 1, 2016	USD	EURO	GBP
Trade receivables	3,039.32	11.89	47.82
Trade payables	19.71	-	2.06
Forward contracts for receivable	85.16	-	-

**Particulars of un-hedged foreign currency asset / liability as at Balance Sheet date**

Currency	Nature	As at March 31, 2018		As at March 31, 2017	
		Amount in Foreign Currency	Amount (₹ in Lakhs)	Amount in Foreign Currency	Amount (₹ in Lakhs)
EURO	Asset - Export Receivables	0.66	53.52	0.79	54.77
GBP	Asset - Export Receivables	0.35	32.61	1.18	95.50

**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

Particulars	Impact on profit after Tax and Equity			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	1% increase	1% increase	1% decrease	1% decrease
EURO	0.54	0.55	(0.54)	(0.55)
GBP	0.33	0.96	(0.33)	(0.96)



## **Notes to Standalone Financial Statements for the year ended March 31, 2018**

### **4.12 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 Kieval - Executive Director

Mr. Mukesh Deopura - Chief Financial Officer

Mrs. Neha Poddar - Company Secretary

#### **(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 Kieval

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

#### **(f) Non-Executive Directors**

Mr. Gopikrishna Bubna

Mr. Balkrishna Patil

Mr. Saumil Marfatia

Mr. Pardeep Khosla

Mr. Varun Daga



### Notes to Standalone Financial Statement for the year ended March 31, 2018

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Name	Relationship	Nature of Transaction	Amount of transaction in FY 2017-18	Amount outstanding as on March 31, 2018 (Payable)/ Receivable	Amount of transaction in FY 2016-17	Amount outstanding as on March 31, 2017 (Payable)/ Receivable	₹ in Lakhs	
							Amount outstanding as on March 31, 2016 (Payable)/ Receivable	Amount outstanding as on March 31, 2016 (Payable)/ Receivable
Mr. Pankaj Seth	Managing Director	Remuneration	156.00	(13.00)	156.00	(13.00)	(13.00)	-
Mr. Pankaj Seth	Managing Director	Dividend	67.70	-	197.46	-	-	-
Mr. Pankaj Seth	Managing Director	Rent	3.60	(3.60)	3.60	-	-	-
Mrs. Anisha Seth	Whole Time Director	Remuneration	151.00	(12.60)	150.00	(12.50)	(12.50)	-
Mrs. Anisha Seth	Whole Time Director	Dividend	22.69	-	66.18	-	-	-
Mr. Mukesh Deopura	CFO, KMP	Salary	29.87	(2.38)	28.88	(2.38)	(2.15)	-
Mrs. Neha Poddar	CS, KMP	Salary	8.39	(0.69)	7.63	(0.64)	(0.57)	-
Mrs. Vishakha Seth Mehra	Daughter of Mr. Pankaj Seth	Salary	24.51	(2.14)	23.29	(1.94)	(1.94)	-
Mrs. Sangeeta Bhatia	Sister of Mr. Pankaj Seth	Salary	2.34	(0.20)	2.34	(0.20)	(0.20)	-
Mr. Shyamsunder Seth	Father of Mr. Pankaj Seth	Consultancy Fees	1.38	(0.12)	1.38	(0.12)	(0.12)	-
Mr. Parth Seth	Son of Mr. Pankaj Seth	Salary	10.09	(0.97)	6.43	(0.72)	-	-
Mr. Prachya Thongnak	Son of Mr. Bruce Kievel	Consultancy Fees	34.93	-	80.15	-	-	-
Mrs. Chanda Deopura	Wife of Mr. Mukesh Deopura	Salary	16.77	(1.47)	14.00	(1.17)	(1.17)	-
Mediaman Multitrade Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	Dividend	15.17	-	43.91	-	-	-
Orbit Inc	Subsidiary Company	Sales	504.75	468.38	707.56	599.34	815.84	-
Orbit Inc	Subsidiary Company	Investment in Shares Capital	-	-	264.69	-	-	-
Rainbow Line Trading LLC	Associate	Sales	2,550.39	1,017.86	1,404.12	1,027.01	1,170.53	-
Excellere (UK) Limited	Subsidiary Company	Investment in Shares Capital	0.82	(0.82)	-	-	-	-
Orbit Foundation	Enterprises owned or significantly influenced by key management personnel or their relatives	CSR activity	2.30	-	-	-	-	-
Golden Bo Tree Impex Co Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	Commission	33.27	(11.78)	0.84	-	(6.09)	-
Mr. Gopikrishna Bubna	Non-Executive Director	Sitting Fees	0.82	-	0.85	-	-	-
Mr. Balkrishna Patil	Non-Executive Director	Sitting Fees	0.47	-	0.20	-	-	-
Mr. Saumil Marfatia	Non-Executive Director	Sitting Fees	0.39	-	0.46	-	-	-
Mr. Pardeep Khosla	Non-Executive Director	Sitting Fees	0.62	-	0.77	-	-	-
Mr. Varun Daga	Non-Executive Director	Sitting Fees	0.46	-	0.64	-	-	-

\*Reimbursement of expenses are not included in above statement



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**Compensation to key management personnel**

₹ in Lakhs

Particulars	Amount of transaction in FY 2017-18	Amount of transaction in FY 2016-17
Short-term employee benefits	345.26	342.51
Post-employment benefits	42.85	22.40
Other long-term benefits	-	-
Sitting Fees	2.76	2.91
<b>Total</b>	<b>390.87</b>	<b>367.82</b>

**4.13 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.

The following table summarizes the Company's Stock Options activity:

Shares Underlying Options Outstanding

Sr. No.	Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		No. of Shares	Weighted Average Exercise Price in ₹	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	1,64,000	171.16	92,000	315.66	1,45,000	244.37
	b. Options granted during the year - Option II	-	-	-	-	-	-
	c. Options granted during the year - Option III	-	-	-	-	4,000	348.50
	d. Exercised during the year - Option I	-	-	9,000	69.75	43,000	69.75
	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	-	-	1,000	342.00	14,000	342.00
	i. Lapsed during the year - Option III	-	-	-	-	-	-
<b>B</b>	a. Outstanding at the end of the year	1,64,000	171.16	82,000	342.32	92,000	315.66
	b. Adjusted (Bonus 1:1) options granted and outstanding at the end of the year	-	-	1,64,000	-	-	-



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

Sr. No.	Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		No. of Shares	Weighted Average Exercise Price in ₹	No. of Shares	Weighted Average Exercise Price in ₹	No. of Shares	Weighted Average Exercise Price in ₹
C	a. Exercisable at the end of the year - Option I	-	-	-	-	9,000	69.75
	b. Exercisable at the end of the year - Option II	1,56,000	171.00	78,000	342.00	-	-
	c. Exercisable at the end of the year - Option III	8,000	174.25	-	-	-	-
	d. Adjusted (Bonus 1:1) options exercisable at the end of the year - Option II	-	-	1,56,000	-	-	-
	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.	Particulars	Expiry Date	Exercise Price	Shares Options Outstanding as at		
				March 31, 2018	March 31, 2017	April 1, 2016
1	September 13, 2013	March 12, 2019	69.75	-	-	9,000
2	January 27, 2015	June 26, 2020	342.00	1,56,000*	78,000	79,000
3	December 24, 2015	June 23, 2021	348.50	8,000*	4,000	4,000
	<b>Total</b>			<b>1,64,000</b>	82,000	92,000

\* Adjusted against Issue of Bonus Shares in the ratio of 1:1

**4.14 Unclaimed Dividend**

During the year, Unclaimed dividend for the F.Y. 2010-11 amounting to ₹ 1.95 Lakhs has been deposited by the Company to the credit of Investor Education and Protection fund (IEPF) in terms of section 124(5) of the Companies Act, 2013.

During the previous year, Unclaimed dividend for the F.Y. 2009-10 amounting to ₹ 1.29 Lakhs has been deposited by the Company to the credit of Investor Education and Protection fund (IEPF) in terms of section 124(5) of the Companies Act, 2013. However there was a delay of 2 days in depositing the same.

**4.15** 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, 2018 as follows:

		₹ in Lakhs		
		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a)	Principal amount due	-	-	-
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;	-	-	-
e)	Amount of interest accrued and remaining unpaid as at year end	-	-	-
f)	Amount of further remaining due and payable in the succeeding year	-	-	-



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**4.16 Reconciliation to first time adoption of Ind AS**

**(a) Reconciliation between previous GAAP and Ind AS as at April 1, 2016**

₹ in Lakhs

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	IND AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	a	8,448.63	(7.72)	8,440.91
Capital work-in-progress		209.04	-	209.04
Intangible assets		-	-	-
Financial assets				
Investments		462.13	-	462.13
Loans	b	82.08	(17.10)	64.98
Other financial assets		163.22	-	163.22
Other non-current assets	b	46.39	19.29	65.68
<b>Total non-current assets</b>		<b>9,411.49</b>	<b>(5.53)</b>	<b>9,405.96</b>
<b>Current Assets</b>				
Inventories		3,259.18	-	3,259.18
Financial Assets				
Trade Receivables	f	3,442.52	(40.87)	3,401.65
Cash and cash equivalents		189.60	-	189.60
Bank balances other than Cash and cash equivalents		339.42	-	339.42
Loans		0.82	-	0.82
Other financial assets	g	54.65	85.16	139.81
Current Tax Assets (Net)		89.41	-	89.41
Other current assets	b	813.48	2.89	816.37
<b>Total current assets</b>		<b>8,189.08</b>	<b>47.18</b>	<b>8,236.26</b>
<b>TOTAL ASSETS</b>		<b>17,600.57</b>	<b>41.65</b>	<b>17,642.22</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital		1,434.22	-	1,434.22
Other Equity		9,788.17	(120.00)	9,668.17
<b>Total equity</b>		<b>11,222.39</b>	<b>(120.00)</b>	<b>11,102.39</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings		1,996.97	-	1,996.97
Provisions		40.45	-	40.45
Deferred tax liabilities (Net)	c	918.45	-	918.45
Other Non-current liabilities	e		372.59	372.59
<b>Total non-current liabilities</b>		<b>2,955.87</b>	<b>372.59</b>	<b>3,328.46</b>
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings		1,523.29	-	1,523.29
Trade payables		187.98	-	187.98
Other financial liabilities		1,158.26	-	1,158.26
Other current liabilities	e	215.42	47.99	263.41
Provisions		337.36	(258.93)	78.43
<b>Total current liabilities</b>		<b>3,422.31</b>	<b>(210.94)</b>	<b>3,211.37</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,600.57</b>	<b>41.65</b>	<b>17,642.22</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.





**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**(b) Reconciliation between previous GAAP and Ind AS as at March 31, 2017**

₹ in Lakhs

Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	IND AS
<b>Non-current assets</b>				
Property, Plant and Equipment	a	8,017.26	(7.37)	8,009.89
Capital work-in-progress		20.81	-	20.81
Intangible assets		83.15	-	83.15
<b>Financial assets</b>				
Investments		691.85	-	691.85
Loans	b	70.47	(16.95)	53.52
Other financial assets		245.99	-	245.99
Other non-current assets	b	242.63	17.54	260.17
<b>Total non-current assets</b>		<b>9,372.16</b>	<b>(6.78)</b>	<b>9,365.38</b>
<b>Current Assets</b>				
Inventories		2,506.98	-	2,506.98
<b>Financial Assets</b>				
Trade Receivables	f	3,513.13	(32.47)	3,480.66
Cash and cash equivalents		365.56	-	365.56
Bank balances other than Cash and cash equivalents		251.71	-	251.71
Loans		6.60	-	6.60
Other financial assets	g	158.81	2.29	161.10
Current Tax Assets (Net)		50.56	-	50.56
Other current assets	b	503.57	3.90	507.48
<b>Total current assets</b>		<b>7,356.92</b>	<b>(26.28)</b>	<b>7,330.65</b>
<b>TOTAL ASSETS</b>		<b>16,729.08</b>	<b>(33.06)</b>	<b>16,696.03</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital		2,870.23	-	2,870.23
Other Equity		9,916.58	(282.18)	9,634.40
<b>Total equity</b>		<b>12,786.81</b>	<b>(282.18)</b>	<b>12,504.63</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		969.42	-	969.42
Provisions		83.75	-	83.75
Deferred tax liabilities (Net)	c	954.06	(9.51)	944.55
Other Non-current liabilities	e	-	417.91	417.91
<b>Total non-current liabilities</b>		<b>2,007.23</b>	<b>408.40</b>	<b>2,415.63</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		-	-	-
Trade payables		255.67	-	255.67
Other financial liabilities		1,047.28	-	1,047.28
Other current liabilities	e	191.78	47.99	239.77
Provisions		307.32	(207.27)	100.05
Current Tax Liability (Net)		132.99	-	132.99
<b>Total current liabilities</b>		<b>1,935.04</b>	<b>(159.28)</b>	<b>1,775.77</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,729.08</b>	<b>(33.06)</b>	<b>16,696.03</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**4.17 Reconciliation of total Comprehensive Income for the year ended March 31, 2017**

₹ in Lakhs				
Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	IND AS
<b>Income</b>				
Revenue from operations		13,053.35	-	13,053.35
Other income	b, e and g	281.76	54.15	335.91
<b>Total Income</b>		<b>13,335.11</b>	<b>54.15</b>	<b>13,389.26</b>
<b>Expenses</b>				
Cost of materials consumed		4,733.82	-	4,733.82
Changes in inventories		807.86	-	807.86
Employee benefits expense	d	1,429.59	5.00	1,434.59
Finance costs		180.21	-	180.21
Depreciation and amortization expense	a	679.29	(0.36)	678.93
Other expenses	a, b, and f	2,399.55	16.54	2,416.09
<b>Total Expenses</b>		<b>10,230.32</b>	<b>21.18</b>	<b>10,251.50</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>3,104.79</b>	<b>32.97</b>	<b>3,137.76</b>
Exceptional items		54.30	-	54.30
<b>Profit / (loss) before tax</b>		<b>3,159.09</b>	<b>32.97</b>	<b>3,192.06</b>
Tax expenses				
Current tax		1,037.80	-	1,037.80
Deferred tax		35.60	-	35.60
Excess/(Short) provision for Taxation of earlier years		40.96	-	40.96
<b>Profit/ (loss) for the year</b>		<b>2,044.73</b>	<b>32.97</b>	<b>2,077.70</b>
Other Comprehensive income / losses (net of tax)	d	-	5.00	5.00
<b>Total</b>		<b>2,044.73</b>	<b>37.97</b>	<b>2,082.70</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**4.18 Reconciliation of total other equity as at March 31, 2017 and April 01, 2016**

₹ in Lakhs			
Particulars	Notes to first time adoption	March 31, 2017	April 01, 2016
Other equity as per previous GAAP		9,916.58	9,788.17
<b>Adjustments (net of taxes):</b>			
Deferred Capital Subsidy from Government	e	(513.89)	(420.58)
Income on deferred capital Subsidy	e	47.99	
Impact of Expected Credit Loss on Trade Receivables	f	(32.47)	(20.10)
Effect of measuring financial instruments at fair value	g	2.29	64.39
Adjustment relating to unamortised share issue		(0.78)	(1.20)
Fair Valuation of Security Deposits	b	(0.53)	-
Impact of reclassification of Leasehold land	a	(1.32)	(1.20)
Deferred tax adjustments on above items		9.51	
Others		207.02	258.69
<b>Total adjustments</b>		<b>(282.18)</b>	<b>(120.00)</b>
<b>Total other equity as per Ind AS</b>		<b>9,634.40</b>	<b>9,668.17</b>

**Notes to Standalone Financial Statements for the year ended March 31, 2018****Impact of Ind AS adoption on the Standalone statements of cash flows for the year ended March 31, 2017**

₹ in Lakhs			
Particulars	Previous GAAP	Adjustments (Net of taxes):	IND AS
Net cash flow from operating activities	3,977.03	(339.88)	3,637.15
Net cash flow from investing activities	(587.92)	172.00	(415.92)
Net cash flow from financing activities	(3,213.15)	167.88	(3,045.27)
<b>Net increase/ (decrease) in cash and cash equivalent</b>	<b>175.96</b>	-	<b>175.96</b>
Cash and cash equivalent as at April 01, 2016	189.60	-	189.60
<b>Cash and cash equivalent as at March 31, 2017</b>	<b>365.56</b>	-	<b>365.56</b>

**4.19 Notes to First Time Adoption****a Property, Plant and Equipment**

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipments and Intangibles recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

**(i) Finance Lease**

Under the previous GAAP, leasehold land was accounted for at the premium paid at the time of commencement of the lease. The lease rentals paid were recognised in the Statement of Profit and Loss. Land was not covered under the scope of AS -19 Leases. Ind AS 17 Leases now includes land under the scope of the standard. As on the transition date to Ind AS, the Company recognises the lease as an asset as well as liability at fair value (present value of minimum lease payments). Any direct expense incurred by the Company is added to the cost of leased asset. The lease payments are apportioned between finance charge and finance lease obligation. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**b Security Deposit**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued these security deposits under Ind AS and the difference between the fair value and the transaction value of the security deposit has been recognised as prepaid rent.

**c Deferred Tax**

The previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments has resulted in recognition of temporary differences.

**d Defined Benefit Obligations**

Under previous GAAP, actuarial gains and losses were recognised in Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of statement of profit or loss.

**e Government Grants**

The government grant related to fixed assets was netted off with the cost of respective Property, Plant and Equipment under previous GAAP. Under Ind AS, Property, Plant and Equipment has been recognised at gross cost and government grant has been recognised as deferred income.

**f Trade Receivables**

Under the previous GAAP, the Company has created provision for impairment of receivables consisting specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss Model which has led to an increase in the amount of provision as on the date of transition.



## Notes to Standalone Financial Statements for the year ended March 31, 2018

### g Derivative Instruments - Forward contracts

Under previous GAAP, the loss on forward contract was recognised based on difference between spot rate and forward rate. Under Ind AS, forward contract is required to be accounted at fair value.

### h Inclusion of Bank Overdraft for the purpose of Cashflow

Under Ind AS, bank overdrafts which are repayable on demand and form an integral part of the Company's cash management system and are included in cash and cash equivalents for the purpose of presentation of Statement of Cash flows. Whereas under previous GAAP, there was no similar guidance and hence, bank overdrafts were considered similar to other borrowings and the movements therein were reflected in cash flows from financing activities.

### i Other Comprehensive Income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, items of income or expense that are not recognised in statement of profit and loss are recognised as "other comprehensive income" which includes remeasurement of defined benefit plans.

## 4.20 Ind AS issued but not yet effective

Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs :

### Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition :

- Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018

The Company has adopted the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

### Ind AS 21 : The Effects of Changes in Foreign Exchange Rates

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration is inserted to clarify the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The Appendix explains that the date of the transaction, for the purpose of determining the exchange rate, to use on the initial recognition of the related asset, expense or income (or part of it) is the date on which the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the date of the transaction is determined for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on its financial statements and the impact is not material.

As per our report of even date

For and on behalf of the Board of Directors

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

**Pankaj Seth**  
Managing Director  
DIN : 00027554

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

**Atul Shah**  
Partner  
Membership No. 39569

**Mukesh Deopura**  
Chief Financial Officer

**Neha Poddar**  
Company Secretary

Place : Mumbai  
Date : May 30, 2018

Place : Mumbai  
Date : May 30, 2018



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Orbit Exports Limited

#### Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of **Orbit Exports Limited** (hereinafter referred to as "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, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the consolidated financial statements

The Holding Company's Board of Directors are responsible for 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) and consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind AS") specified under section 133 of the Act, read with rules made thereunder and the relevant provisions of the Act. The respective Governing Bodies of the entities included in the Group and of 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 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 Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing specified under sub-section 10 of section 143 of the Act and other applicable pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding company's board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors of subsidiaries and of the associate, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2018, and their consolidated profit (including other comprehensive income), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Other Matters

We did not audit 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 ₹ 195.86 lakhs for the year ended March 31, 2018.



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 sub-section 10 of section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

In addition, we did not audit the financial statements of one foreign subsidiary, whose financial statements reflect total assets of ₹ 0.82 lakhs as at March 31, 2018, total revenue of ₹ nil and net cash outflows amounting to ₹ nil for the year ended on that date, as considered in the preparation of the consolidated financial statements. The financial statements and financial information of this subsidiary is unaudited and have been certified by the management. Our opinion on the consolidated financial statement in so far as it relates to this one subsidiary is based solely on such management certified unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management of the Company, these financial statements are not material to the Group.

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 auditor.

### Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, based on our audit and on consideration of reports of the other auditor of 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 purposes 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 reports of the other auditor;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with rules made thereunder and the relevant provisions of the Act;
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Company are disqualified as on March 31, 2018 from being appointed as a director in terms of Sub-section 2 of Section 164 of the Act. These provisions are not applicable to its subsidiaries and associate as these entities 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; and
  - g. 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and associate. 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 were no amounts which were 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: 39569

Mumbai  
Dated: May 30, 2018



## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

**Annexure A referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of the Orbit Exports Limited ("the Holding Company") on the consolidated financial statements for the year ended March 31, 2018**

**Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 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, 2018, 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 clause (i) of sub-section 3 of section 143 of the Act are not applicable to these entities and accordingly, this report is only in respect of the Holding Company.

### **Management's Responsibility for Internal Financial Controls**

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 respective 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**

Our responsibility is to express an opinion on the 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 specified under sub-section 10 of section 143 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 were 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to 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 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 authorisations 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 Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may



*orbit exports ltd.*

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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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company which is the company incorporated in India, has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2018, based on the internal control with reference to financial statement criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **G. M. Kapadia & Co.**

Chartered Accountants

Firm's Registration No: 104767W

**Atul Shah**

Partner

Membership No: 39569

Mumbai

Dated: May 30, 2018





**Consolidated Balance Sheet as at March 31, 2018**

₹ in Lakhs

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, Plant and Equipment	2.01	9,102.29	8,017.05	8,453.23
Capital work-in-progress	2.01	182.82	20.81	209.04
Intangible Assets	2.02	76.02	83.15	-
Financial Assets				
Investments	2.03	492.20	297.02	223.82
Loans	2.04	134.38	66.10	72.58
Other financial assets	2.05	48.19	245.99	163.22
Other non-current assets	2.07	762.96	260.17	65.68
<b>Total Non-current Assets</b>		<b>10,798.85</b>	8,990.28	9,187.57
<b>Current Assets</b>				
Inventories	2.08	3,565.91	3,423.77	4,005.80
Financial Assets				
Trade receivables	2.09	2,770.50	3,033.20	2,874.78
Cash and cash equivalents	2.10	305.83	379.19	191.93
Bank balances other than 2.10 above	2.11	595.58	251.71	339.42
Loans	2.04	3.66	6.60	0.82
Other financial assets	2.05	99.97	161.10	139.81
Current tax assets (Net)	2.12	68.79	50.56	89.41
Other current assets	2.07	865.43	512.57	821.95
<b>Total Current Assets</b>		<b>8,275.67</b>	7,818.70	8,463.92
<b>TOTAL ASSETS</b>		<b>19,074.52</b>	16,808.98	17,651.49
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	2.13	2,825.79	2,870.23	1,434.22
Other Equity	2.14	11,455.71	9,726.31	9,693.34
<b>Total Equity</b>		<b>14,281.50</b>	12,596.54	11,127.56
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
Borrowings	2.15	516.69	969.42	1,996.97
Other financial liabilities	2.17	459.00	-	-
Provisions	2.19	119.13	83.75	40.45
Deferred tax liabilities (Net)	2.06	970.63	947.60	923.57
Other non-current liabilities	2.18	369.92	417.91	372.59
<b>Total Non-current Liabilities</b>		<b>2,435.37</b>	2,418.68	3,333.58
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	2.15	-	-	1,523.29
Trade payables	2.16	347.27	258.65	187.98
Other financial liabilities	2.17	1,616.52	1,051.87	1,126.06
Other current liabilities	2.18	250.00	239.77	263.44
Provisions	2.19	56.69	105.56	86.93
Current Tax Liabilities (Net)	2.20	87.17	137.91	2.66
<b>Total Current Liabilities</b>		<b>2,357.65</b>	1,793.76	3,190.36
<b>Total Equity and Liabilities</b>		<b>19,074.52</b>	16,808.98	17,651.49

**Significant Accounting Policies**

1

The accompanying notes are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For G. M. Kapadia & Co.**

Chartered Accountants  
Firm Registration No. 104767W

**Pankaj Seth**

Managing Director  
DIN : 00027554

**Anisha Seth**

Whole-time Director  
DIN : 00027611

**Atul Shah**

Partner  
Membership No. 39569  
Place : Mumbai  
Date : May 30, 2018

**Mukesh Deopura**

Chief Financial Officer  
Place : Mumbai  
Date : May 30, 2018

**Neha Poddar**

Company Secretary



**Consolidated Statement of Profit and Loss  
for the year ended March 31, 2018**

₹ in Lakhs

Particulars	Note No.	2017-18	2016-17
<b>INCOME</b>			
Revenue from operations	3.01	<b>13,644.98</b>	13,437.26
Other income	3.02	<b>357.39</b>	367.94
<b>Total Income</b>		<b>14,002.37</b>	13,805.20
<b>EXPENSES</b>			
Cost of materials consumed	3.03	<b>4,811.24</b>	5,003.02
Changes in inventories	3.04	<b>(44.39)</b>	637.71
Employee benefits expense	3.05	<b>1,936.65</b>	1,552.58
Finance costs	3.06	<b>53.50</b>	180.21
Depreciation and amortisation expense	3.07	<b>724.37</b>	691.45
Other expenses	3.08	<b>2,994.15</b>	2,640.22
<b>Total Expenses</b>		<b>10,475.52</b>	10,705.19
<b>Profit before share of profit of Associate and exceptional items</b>		<b>3,526.85</b>	3,100.01
Share of profit / (loss) of Associate		<b>195.86</b>	108.18
<b>Profit / (Loss) before exceptional items and tax</b>		<b>3,722.71</b>	3,208.19
Exceptional items	3.09	-	54.30
<b>Profit / (loss) before tax</b>		<b>3,722.71</b>	3,262.49
<b>Tax expenses</b>			
Current tax	3.10	<b>1,000.41</b>	1,043.45
Deferred tax		<b>23.03</b>	33.63
Tax in respect of earlier years		<b>(4.27)</b>	40.96
		<b>1,019.17</b>	1,118.04
<b>Profit for the year</b>		<b>2,703.54</b>	2,144.45
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans (net of tax)		<b>(9.03)</b>	5.00
<b>Total other comprehensive income</b>		<b>(9.03)</b>	5.00
<b>Total comprehensive income for the period</b>		<b>2,694.51</b>	2,149.45
<b>Profit / (Loss) for the year attributable to:</b>			
Owners of the Parent		<b>2,703.54</b>	2,144.45
Non-controlling interests		-	-
		<b>2,703.54</b>	2,144.45
<b>Other Comprehensive Income / (Loss) for the year attributable to :</b>			
Owners of the Parent		<b>(9.03)</b>	5.00
Non-controlling interests		-	-
		<b>(9.03)</b>	5.00
<b>Total Comprehensive Income / (Loss) for the year attributable to :</b>			
Owners of the Parent		<b>2,694.51</b>	2,149.45
Non-controlling interests		-	-
		<b>2,694.51</b>	2,149.45
<b>Earnings per equity share (Face value of ₹ 10/- each)</b>			
Basic (in ₹)	4.01	<b>9.43</b>	7.47
Diluted (in ₹)		<b>9.43</b>	7.47

**Significant Accounting Policies**

1

The accompanying notes are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

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

**Pankaj Seth**  
Managing Director  
DIN : 00027554

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

**Atul Shah**  
Partner  
Membership No. 39569  
Place : Mumbai  
Date : May 30, 2018

**Mukesh Deopura**  
Chief Financial Officer  
Place : Mumbai  
Date : May 30, 2018

**Neha Poddar**  
Company Secretary



**Consolidated Statement of Changes in Equity for the year ended March 31, 2018**

		₹ in Lakhs	
<b>A. EQUITY SHARE CAPITAL</b>	<b>Note No.</b>	<b>Amount</b>	<b>Amount</b>
Balance as at April 01, 2016	2.13	1,434.22	
Changes in equity share capital during the year			0.90
Shares issued on exercise of Employee Stock Option plan			1,435.11
Bonus shares			2,870.23
Balance as at March 31, 2017	2.13	2,870.23	(44.44)
Buy back of shares			-
Changes in equity share capital during the year			-
<b>Balance as at March 31, 2018</b>	2.13	<b>2,825.79</b>	

<b>B. OTHER EQUITY</b>	<b>Reserves and Surplus</b>							<b>Total</b>	
	<b>General Reserve</b>	<b>Securities Premium</b>	<b>Employee Share Option Outstanding</b>	<b>Other Reserves (Share application money pending allotment)</b>	<b>Capital Redemption Reserve</b>	<b>Retained Earnings</b>	<b>Amount attributable to Owners of the parent</b>		<b>Non-controlling interests</b>
<b>Balance as at April 01, 2017</b>	786.63	-	-	-	-	8,939.68	9,726.31	-	9,726.31
Profit for the year						2,507.68	2,507.68		2,507.68
Share of profit of Associate						195.86	195.86		195.86
Other Comprehensive Income / (loss)						(9.03)	(9.03)		(9.03)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	<b>2,694.51</b>	<b>2,694.51</b>	-	<b>2,694.51</b>
Buyback of equity shares	(755.55)				44.44	(44.44)	(755.55)		(755.55)
Effect of measuring financial instrument at fair value						(2.29)	(2.29)		(2.29)
Payment of dividends						(172.21)	(172.21)		(172.21)
Payment of dividend distribution tax						(35.06)	(35.06)		(35.06)
<b>Balance as at March 31, 2018</b>	<b>31.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44.44</b>	<b>11,380.19</b>	<b>11,455.71</b>	<b>-</b>	<b>11,455.71</b>



**Consolidated Statement of Changes in Equity for the year ended March 31, 2018 (Contd.)**

B. OTHER EQUITY	Reserves and Surplus								Total
	Particulars	General Reserve	Securities Premium	Employee Share Option Outstanding	Other Reserves (Share application money pending allotment)	Capital Redemption Reserve	Retained Earnings	Amount attributable to Owners of the parent	
<b>Balance as at April 01, 2016</b>	1,094.67	1,121.01	19.85	7.83	-	7,449.98	9,693.34	-	9,693.34
Profit for the year	-	-	-	-	-	2,036.27	2,036.27	-	2,036.27
Share of profit of Associate	-	-	-	-	-	108.18	108.18	-	108.18
Other Comprehensive Income / (loss)	-	-	-	-	-	5.00	5.00	-	5.00
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	<b>2,149.45</b>	<b>2,149.45</b>	-	<b>2,149.45</b>
Effect of measuring financial instrument at fair value	(308.04)	(1,127.08)	(19.85)	-	(64.39)	-	(64.39)	-	(64.39)
Capitalisation of reserves	-	-	-	-	-	-	(1,435.12)	-	(1,435.12)
Reversal of employee compensation cost	-	-	(19.85)	-	-	-	(19.85)	-	(19.85)
Allotment of equity shares	-	6.07	-	(7.83)	-	9.51	(1.76)	-	(1.76)
Deferred tax impact	-	-	-	-	-	(502.57)	9.51	-	9.51
Payment of dividends	-	-	-	-	-	(102.29)	(502.57)	-	(502.57)
Payment of dividend distribution tax	-	-	-	-	-	(102.29)	(102.29)	-	(102.29)
<b>Balance as at March 31, 2017</b>	<b>786.63</b>	-	-	-	-	<b>8,939.68</b>	<b>9,726.31</b>	-	<b>9,726.31</b>

**Significant Accounting Policies (Refer Note 1)**

The accompanying notes are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

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

**Pankaj Seth**  
Managing Director  
DIN : 00027554

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

**Atul Shah**  
Partner  
Membership No. 39569  
Place : Mumbai  
Date : May 30, 2018

**Mukesh Deopura**  
Chief Financial Officer  
Place : Mumbai  
Date : May 30, 2018

**Neha Poddar**  
Company Secretary



**Consolidated Cash Flow Statement for the year ended March 31, 2018**

₹ in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Profit / (loss) before tax	<b>3,722.71</b>	3,262.49
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortisation expense	<b>724.37</b>	691.45
Share of (Profit) / Loss of Associate	<b>(195.86)</b>	(108.18)
Interest expenses	<b>(53.50)</b>	(180.21)
Bad Debts written off	<b>29.57</b>	32.51
Dividend Income	<b>(0.12)</b>	(0.12)
Provision for gratuity, leave encashment and bonus	<b>43.01</b>	(25.46)
Employee Stock Compensation Cost (net)	<b>(9.03)</b>	(14.85)
Interest income	<b>(58.36)</b>	(48.84)
(Profit)/Loss on disposal of property, plant and equipment	-	(54.30)
Allowances for bad and doubtful debts	<b>20.72</b>	12.37
Other non-cash items	<b>(28.07)</b>	(209.76)
Operating Profit before Change in operating assets and liabilities	<b>4,195.44</b>	3,357.10
<b>Change in operating assets and liabilities :</b>		
(Increase)/Decrease in trade receivables	<b>159.57</b>	(222.33)
(Increase)/Decrease in inventories	<b>(142.14)</b>	582.03
(Increase)/Decrease in other financial assets	<b>108.33</b>	78.46
(Increase)/Decrease in other non-current assets	<b>(412.09)</b>	111.57
Increase/(Decrease) in trade payables	<b>88.62</b>	70.67
Increase/(Decrease) in provisions	<b>(56.50)</b>	87.39
Increase/(Decrease) in other current liabilities	<b>10.23</b>	69.64
Increase/(Decrease) in current financial liabilities	<b>443.92</b>	(5.28)
Increase/(Decrease) in non-current financial liabilities	<b>459.00</b>	-
<b>Cash generated from operations</b>	<b>4,854.38</b>	4,129.25
Direct taxes paid (net of refunds)	<b>(1,065.11)</b>	(910.31)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>3,789.27</b>	3,218.94
<b>Cash flow from investing activities</b>		
Payments for acquisition of property, plant and equipment	<b>(2,413.20)</b>	(148.83)
Proceeds from sale of property, plant and equipment	<b>0.03</b>	52.94
Repayments / (Disbursements) of loans given	<b>(61.08)</b>	3.79
Capital advances from Property, Plant and Equipment	-	-
Dividend Income	<b>0.12</b>	-
Interest Received	<b>41.68</b>	60.20
Changes in Fixed Deposit Other than Cash and Cash Equivalent:		
Redemption of fixed deposits	<b>240.27</b>	308.83
Investments made in fixed deposits	<b>(384.69)</b>	(298.34)
Proceeds from sale of investments	-	35.00
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(2,576.87)</b>	13.59



**Consolidated Cash Flow Statement for the year ended March 31, 2018 (Contd.)**

₹ in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flows from financing activities</b>		
Repayments of current borrowings	-	(1,523.29)
Repayments of non-current borrowings	<b>(330.33)</b>	(1,091.78)
Dividend on Equity Shares (including dividend distribution tax)	<b>(207.27)</b>	(604.86)
Issue of Share capital including premium	<b>(800.00)</b>	(0.87)
Interest and finance charges	<b>51.84</b>	175.53
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(1,285.76)</b>	(3,045.27)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+ C)</b>	<b>(73.36)</b>	187.26
Cash and cash equivalents at the beginning of the year	<b>379.19</b>	191.93
<b>Cash and cash equivalents at the end of the year</b>	<b>305.83</b>	379.19
<b>(a) Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Cash and cash equivalents		
Balances with banks:		
On current accounts	<b>101.50</b>	372.21
Deposits with original maturity of less than 3 months	<b>189.56</b>	
Cash on hand	<b>14.77</b>	6.98
<b>Balance as per the cash flow statement :</b>	<b>305.83</b>	379.19

(b) Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

(c) **Amendment to Ind AS-7**  
 Disclosure in terms of amendment to Ind AS 7 on "Statement of Cash Flows" to evaluate changes in Liabilities arising from financial activities:  
 Effective April 1, 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of Consolidated financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Consolidated Balance Sheets for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any impact on the Consolidated financial statements.

Particulars	As at March 31,2017	Cash Flow	Non Cash Changes	As at March 31, 2018
Borrowing - Non Current (Refer note 2.15)	1,730.73	(330.33)	-	1,400.40
Borrowing - Current (Refer note 2.15)	-	-	-	-

The accompanying notes are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

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

**Pankaj Seth**  
 Managing Director  
 DIN : 00027554

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

**Atul Shah**  
 Partner  
 Membership No. 39569  
 Place : Mumbai  
 Date : May 30, 2018

**Mukesh Deopura**  
 Chief Financial Officer  
 Place : Mumbai  
 Date : May 30, 2018

**Neha Poddar**  
 Company Secretary



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### 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, 2018. 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 Windmill Power Generation. Information on other related party relationships of the Group is provided in Note 4.08.

**Authorisation of consolidated financial statements:** The consolidated financial statements were authorised for issue in accordance with a resolution of the board of directors dated May 30, 2018.

#### 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") Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act.

The consolidated financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These consolidated financial statements are the first financial statements of the group under Ind AS. Refer Note 4.18 for an explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows. The date of transition to Ind AS is April 01, 2016.

##### (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 group presents its assets and liabilities in the consolidated Balance Sheet based on current / non-current classification.

An asset is treated 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 atleast 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.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

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

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 financial statements are as below :

Key assumptions :

- (i) Financial instruments; (Refer note 4.09)
- (ii) Useful lives of Property, Plant and Equipment and Intangible assets; (Refer notes 1.7, 1.8 and 1.9)
- (iii) Valuation of inventories; (Refer note 1.11)
- (iv) Assets and obligations relating to employee benefits; (Refer note 4.07)
- (v) Evaluation of recoverability of deferred tax assets; and (Refer note 2.06)
- (vi) Contingencies (Refer note 4.03 and 4.04)

### 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 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 Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively. 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.





## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### (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 and joint ventures 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 and joint ventures 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

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured.

- a) Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates but does not include Value Added Tax (VAT), Central Sales Tax (CST) and Goods and Services Tax (GST).
- 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.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

- e) Lease arrangements for land are identified as finance lease, in case such arrangements result in transfer of the related risks and rewards to the Group. Accordingly, the Group identifies any land lease arrangement with a term in excess of 50 years as a finance lease.

### 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.

### 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
Building	35-40 Years
Leasehold Land	Remaining period of Lease
Software	6 Years
Windmill	24 Years
Plant & 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 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.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### 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 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 Group's management.

### 1.13 Government Grant

Government grants are recognised where 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 shall be recognised in consolidated statement of profit or loss on a systematic basis over the periods in which the Group 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 income in equal amounts over the expected useful life of the related asset.

### 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.



## **Notes to Consolidated Financial Statements for the year ended March 31, 2018**

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.

### **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 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 of



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

its 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 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 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 Group 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 cash outflows 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.



## **Notes to Consolidated Financial Statements for the year ended March 31, 2018**

### **c) Other Long Term Employee Benefit Obligations**

The Leave Encashment are presented as short term provision in the consolidated 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 Group recognises a liability for expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## **1.19 Taxes on Income**

### **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.

### **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 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 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.

## **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.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### 1.21 Foreign Currency Translation

#### (i) Functional and Presentation Currency

The Group's Consolidated financial statements are prepared in INR, which is also the Group's functional and presentation currency.

#### (ii) 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.

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

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### As a lessee

##### Finance Lease

Leases of Property, Plant and Equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

##### Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### As a Lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the consolidated balance sheet based on their nature.



## **Notes to Consolidated Financial Statements for the year ended March 31, 2018**

### **1.24 First-time adoption-mandatory exceptions, optional exemptions**

#### **Over-all Principles**

The Group has prepared the opening Consolidated Balance Sheet as per Ind AS as of the transition date by :

- Recognising all assets and liabilities whose recognition is required by Ind AS;
- Not recognising items of assets or liabilities which are not permitted by Ind AS;
- By reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- Applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

#### **Deemed cost for Property, Plant and Equipment and Intangible assets**

The Group has elected to continue with the carrying value of all of its Property, Plant and Equipment and Intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### **Deemed cost on investments in Subsidiary and Associate**

The Group has elected to continue with the carrying value of its investments in subsidiary and associate recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the investments in subsidiary and associate.

#### **Determining whether an arrangement contains a lease**

The Group has applied Appendix C of Ind AS 17 determining whether an arrangement contains a lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

#### **Long term foreign currency monetary item**

The Group has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements prepared under previous GAAP for the year ended March 31, 2017.



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**
**2.01 Property, plant and equipment :**

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Block		
	As at April 1, 2017	Addition	Disposal	As at March 31, 2018	As at April 1, 2017	For the Year	Elimination on disposal	As at March 31, 2018	As at March 31, 2017
<b>Own Assets:</b>									
Buildings	1,859.56	10.54	-	<b>1,870.10</b>	37.14	37.14	-	<b>1,795.82</b>	1,822.42
Plant and Machinery	5,967.34	1,637.15	-	<b>7,604.49</b>	519.26	562.11	-	<b>6,523.11</b>	5,448.07
Furniture, Fixtures and fittings	311.38	84.08	-	<b>395.46</b>	43.74	41.84	-	<b>309.89</b>	267.65
Computers	41.27	8.46	-	<b>49.73</b>	18.45	14.92	-	<b>16.35</b>	22.82
Office Equipments	94.81	20.78	0.13	<b>115.47</b>	26.75	19.12	0.10	<b>69.68</b>	68.06
Electrical Installations	172.94	4.95	-	<b>177.89</b>	23.54	23.60	-	<b>130.74</b>	149.39
Vehicles	29.45	26.39	-	<b>55.84</b>	4.34	5.75	-	<b>45.75</b>	25.11
<b>Total (A)</b>	<b>8,476.75</b>	<b>1,792.35</b>	<b>0.13</b>	<b>10,268.98</b>	<b>673.22</b>	<b>704.48</b>	<b>0.10</b>	<b>8,891.34</b>	<b>7,803.53</b>
<b>Assets taken on Finance Lease:#</b>									
Leasehold Land	216.13	-	-	<b>216.13</b>	2.60	2.57	-	<b>210.95</b>	213.51
<b>Total (B)</b>	<b>216.13</b>	<b>-</b>	<b>-</b>	<b>216.13</b>	<b>2.60</b>	<b>2.57</b>	<b>-</b>	<b>210.95</b>	<b>213.51</b>
<b>Total (A+B)</b>	<b>8,692.88</b>	<b>1,792.35</b>	<b>0.13</b>	<b>10,485.11</b>	<b>675.82</b>	<b>707.05</b>	<b>0.10</b>	<b>9,102.29</b>	<b>8,017.05</b>
Capital Work in Progress	20.81	1,963.61	1,801.60	<b>182.82</b>	-	-	-	<b>182.82</b>	20.81
<b>Total (C)</b>	<b>20.81</b>	<b>1,963.61</b>	<b>1,801.60</b>	<b>182.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182.82</b>	<b>20.81</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 Group.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### 2.01 Property, plant and equipment : (Contd.)

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Block		
	As at April 1, 2016	Addition	Disposal	As at March 31, 2017	As at April 1, 2016	For the Year	Elimination on disposal	As at March 31, 2017	As at March 31, 2016
<b>Own Assets:</b>									
Buildings	1,859.56	-	-	1,859.56	-	37.14	-	1,822.42	1,859.56
Plant and Machinery	5,952.90	14.44	-	5,967.34	-	519.26	-	5,448.07	5,952.90
Furniture, Fixtures and fittings	123.29	181.83	(6.26)	311.38	-	43.74	-	267.65	123.29
Computers	29.69	11.58	-	41.27	-	18.45	-	22.83	29.69
Office Equipments	76.03	18.78	-	94.81	-	26.75	-	68.06	76.03
Electrical Installations	161.28	11.66	-	172.94	-	23.54	-	149.39	161.28
Vehicles	29.45	-	-	29.45	-	4.34	-	25.11	29.45
<b>Total (A)</b>	<b>8,232.20</b>	<b>238.29</b>	<b>(6.26)</b>	<b>8,476.75</b>	<b>-</b>	<b>673.22</b>	<b>-</b>	<b>7,803.54</b>	<b>8,232.20</b>
<b>Assets taken on Finance Lease:#</b>									
Leasehold Land	221.03	-	4.90	216.13	-	2.60	-	213.51	221.03
<b>Total (B)</b>	<b>221.03</b>	<b>-</b>	<b>4.90</b>	<b>216.13</b>	<b>-</b>	<b>2.60</b>	<b>-</b>	<b>213.51</b>	<b>221.03</b>
<b>Total (A+B)</b>	<b>8,453.23</b>	<b>238.29</b>	<b>(1.36)</b>	<b>8,692.88</b>	<b>-</b>	<b>675.82</b>	<b>-</b>	<b>8,017.05</b>	<b>8,453.23</b>
Capital Work in Progress	209.04	147.18	335.41	20.81	-	-	-	20.81	209.04
<b>Total (C)</b>	<b>209.04</b>	<b>147.18</b>	<b>335.41</b>	<b>20.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.81</b>	<b>209.04</b>

# The Leasehold Land classified as Finance Lease is recognised under Property, Plant & Equipment as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred to the Group.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### 2.02 Intangible Assets:

₹ in Lakhs

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Block		
	As at April 1, 2017	Addition	Disposal	As at March 31, 2018	As at April 1, 2017	For the Year	Elimination on disposal	As at March 31, 2018	As at March 31, 2017
ERP Software	98.79	10.18	-	108.97	15.64	17.32	-	32.96	83.15
<b>Total</b>	<b>98.79</b>	<b>10.18</b>	<b>-</b>	<b>108.97</b>	<b>15.64</b>	<b>17.32</b>	<b>-</b>	<b>32.96</b>	<b>83.15</b>

Particulars	Gross Carrying Amount			Depreciation / Impairment			Net Block		
	Deemed cost as at April 1, 2016	Addition	Disposal	As at March 31, 2017	As at April 1, 2016	For the Year	Elimination on disposal	As at March 31, 2017	As at March 31, 2016
ERP Software	-	98.79	-	98.79	-	15.64	-	15.64	83.15
<b>Total</b>	<b>-</b>	<b>98.79</b>	<b>-</b>	<b>98.79</b>	<b>-</b>	<b>15.64</b>	<b>-</b>	<b>15.64</b>	<b>83.15</b>

Range of remaining period of amortisation as at March 31, 2018 of intangible assets is as below:

Particulars	Range of remaining period of amortisation	
	As at March 31, 2018	As at March 31, 2017
ERP Software	< 5 Years	76.02

₹ in Lakhs



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**2.03 Non-Current Investments**

₹ in Lakhs unless otherwise stated

Particulars	Face value	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		No. of Shares	Amount	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 Associate</b>							
Rainbow Line Trading L.L.C.	AED 1,000	147	56.19	147	56.19	147	56.19
Accumulated share in profit (loss) at beginning of the year			239.15		130.96		129.58
Share in Profit/(Loss) of current year			195.86		108.18		1.38
<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	10,000	1.00
<b>Investment (measured at amortised cost)</b>							
<b>(i) Investments in Bonds</b>							
6% Rural Electrification Corporation Tax Free Bond	₹ 10,000	-	-	-	-	350.00	35.00
<b>(ii) Investments in Government securities</b>							
National Savings Certificate*			-		0.69	-	0.67
<b>Total non-current investments</b>			492.20		297.02		223.82
<b>Aggregate amount of quoted investments</b>			-		-		-
<b>Aggregate amount of unquoted investments</b>			492.20		297.02		223.82
<b>Aggregate amount of impairment in value of investments</b>			-		-		-

\*Lodged with Sales tax and Government authorities



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**2.04 Loans**

₹ in Lakhs

Particulars	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Security Deposits - Utility</b>						
Unsecured, considered good	<b>62.52</b>	5.08	5.08	-	-	-
<b>(A)</b>	<b>62.52</b>	5.08	5.08	-	-	-
<b>Security Deposits - Rental</b>						
Unsecured, considered good	<b>71.86</b>	61.02	67.50	-	-	-
<b>(B)</b>	<b>71.86</b>	61.02	67.50	-	-	-
<b>Loans to employees</b>						
Unsecured, considered good	-	-	-	<b>3.66</b>	6.60	0.82
<b>(C)</b>	-	-	-	<b>3.66</b>	6.60	0.82
<b>Total (A+B+C)</b>	<b>134.38</b>	66.10	72.58	<b>3.66</b>	6.60	0.82

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.

**2.05 Other financial assets**

₹ in Lakhs

Particulars	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank deposits with more than twelve months of original maturity	<b>47.50</b>	245.99	163.22	-	-	-
Dividend Receivable	-	-	-	<b>0.12</b>	0.12	-
Others	-	-	-	<b>1.08</b>	1.18	-
Interest accrued but not due on bank deposits	-	-	-	<b>60.64</b>	43.27	54.65
Rent Receivable	-	-	-	<b>3.00</b>	-	-
Interest Receivable	-	-	-	<b>2.85</b>	-	-
Other Receivable	<b>0.69</b>	-	-	-	-	-
Receivable from Related Party	-	-	-	<b>0.80</b>	-	-
Forward Contracts - Assets	-	-	-	<b>31.48</b>	116.53	85.16
<b>Total</b>	<b>48.19</b>	245.99	163.22	<b>99.97</b>	161.10	139.81

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.



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**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, 2018	As at March 31, 2017	As at April 01, 2016
<b>Deductible temporary differences</b>			
Provision for employee benefit	42.94	34.42	29.20
Allowance for doubtful debts	11.29	11.24	-
Others	-	0.15	0.25
<b>Taxable temporary differences</b>			
Property, Plant and Equipment	(1015.68)	(993.41)	(953.02)
Forward Contracts	(9.18)	-	-
<b>Total</b>	<b>(970.63)</b>	<b>(947.60)</b>	<b>(923.57)</b>

₹ in Lakhs

Particulars	As at March 31, 2018	(Charged)/ Credited to Profit and Loss/ OCI/ Retained Earning	As at March 31, 2017	(Charged)/ Credited to Profit and Loss/ OCI/ Retained Earning	As at April 01, 2016
<b>Deferred tax assets / (liabilities) in relation to :</b>					
Property, Plant and Equipment	(1015.68)	(22.27)	(993.41)	(40.39)	(953.02)
Forward Contracts	(9.18)	(9.18)	-	-	-
Provision for employee benefit	42.94	8.52	34.42	5.22	29.20
Allowance for doubtful debts	11.29	0.05	11.24	11.24	-
Deferred tax impact	-	-	-	(9.50)	-
Others	-	(0.15)	0.15	(0.10)	0.25
<b>Total</b>	<b>(970.63)</b>	<b>(23.03)</b>	<b>(947.60)</b>	<b>(33.53)</b>	<b>(923.57)</b>

**2.07 Other Assets**

₹ in Lakhs

Particulars	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Advances	672.23	223.54	46.39	-	-	-
<b>Advances other than Capital Advances</b>						
Prepaid expenses	13.76	17.54	19.29	70.15	71.50	63.21
Staff Advances	-	-	-	5.03	4.22	7.03
Advances to suppliers	-	-	-	17.59	15.13	3.92
<b>Balances with governmental authorities</b>						
Income Tax (net of provisions)	-	19.09	-	-	-	-
Electricity Duty Receivable	-	-	-	6.90	3.96	12.80
GST Refund receivable	-	-	-	160.51	-	-
VAT/Sales tax Receivable	-	-	-	62.54	43.72	36.46
Duty draw back receivable	-	-	-	170.55	202.03	164.56
Subsidy Receivable	-	-	-	135.06	172.01	533.97
Interest Accrued	76.97	-	-	48.73	-	-
GST Receivable	-	-	-	188.36	-	-
<b>Total</b>	<b>762.96</b>	<b>260.17</b>	<b>65.68</b>	<b>865.43</b>	<b>512.57</b>	<b>821.95</b>



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**2.08 Inventories**

(Valued at lower of cost or net realisable value, unless otherwise stated)

₹ in Lakhs

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Material	621.82	528.95	538.71
Goods-in-Transit	25.07	30.48	-
Stores and Spares	62.41	52.12	17.17
Goods-in-Transit			
Work-in-Progress	258.52	279.28	643.90
Finished Goods	2,598.09	2,532.94	2,806.02
<b>Total</b>	<b>3,565.91</b>	<b>3,423.77</b>	<b>4,005.80</b>

**2.09 Trade Receivable**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good	2,770.50	3,033.20	2,874.78
Unsecured, considered doubtful	62.09	32.47	20.10
	<b>2,832.59</b>	3,065.67	2,894.88
Less : Allowance for doubtful debts (expected credit loss)	(62.09)	(32.47)	(20.10)
<b>Total</b>	<b>2,770.50</b>	<b>3,033.20</b>	<b>2,874.78</b>

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, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks:			
In current accounts	101.50	372.21	18.30
Deposits with original maturity of less than 3 months	189.56	-	164.02
Cash on hand	14.77	6.98	9.61
<b>Total</b>	<b>305.83</b>	<b>379.19</b>	<b>191.93</b>



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**2.11 Bank Balances**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deposits with original maturity for more than 3 months but less than 12 months	558.52	215.60	308.83
Unclaimed dividend accounts	37.06	36.11	30.59
<b>Total</b>	<b>595.58</b>	251.71	339.42

Note : The Fixed Deposits aggregating to ₹ 21 Lakhs (March 31, 2017: ₹ 461.34 Lakhs, April 01, 2016: ₹ 331.85 Lakhs) has been pledged with State Bank of India, ₹ 300 Lakhs (March 31, 2017: Nil; March 31, 2016: Nil) has been pledged with HDFC Bank and ₹ 125 Lakhs (March 31, 2017: ₹ 461.34 Lakhs; March 31, 2016: ₹ 302.23 Lakhs) has been pledged with DBS Bank as collateral security against the financial assistance extended by the respective banks and ₹ 0.34 Lakhs (March 31, 2017: ₹ 0.25 Lakhs; April 01, 2016: ₹ 0.25 Lakhs) with Central Bank of India.

**2.12 Current Tax Assets (Net)**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current tax assets :			
Taxes paid	5,005.76	3,955.33	3,728.27
	5,005.76	3,955.33	3,728.27
Current tax liabilities :			
Provision for Taxation	4,936.97	3,904.77	3,638.86
	4,936.97	3,904.77	3,638.86
<b>Total</b>	<b>68.79</b>	50.56	89.41

**2.13 Equity Share Capital**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Authorised share capital :</b>			
3,50,00,000 (March 31, 2017: 3,50,00,000 and April 01, 2016: 1,50,00,000) Equity shares of ₹ 10/- each	3,500.00	3,500.00	1,500.00
<b>Total</b>	<b>3,500.00</b>	3,500.00	1,500.00
<b>Issued, Subscribed and Paid up Capital</b>			
2,82,57,856 (March 31, 2017: 2,87,02,300 and April 01, 2016: 1,43,42,150) Equity shares of ₹ 10/- each fully paid up	2,825.79	2,870.23	1,434.22
<b>Total</b>	<b>2,825.79</b>	2,870.23	1,434.22





**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period :**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	No. of Shares	No. of Shares	No. of Shares
<b>At the beginning of the period</b>	<b>2,87,02,300</b>	1,43,42,150	1,42,99,150
Add: Shares issued on exercise of Employee Stock Option plan	-	9,000	43,000
Add: Bonus shares	-	1,43,51,150	-
Less: Buy back of shares	<b>(4,44,444)</b>	-	-
<b>Outstanding at the end of the period</b>	<b>2,82,57,856</b>	2,87,02,300	1,43,42,150

In accordance with Sec 68, 69, 70 and other applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ('SEBI Buy Back Regulations'), the Holding Company concluded during the quarter ended March 31, 2018, the buyback of 4,44,444 equity shares of ₹ 10/- each fully paid up, as approved by the Board of Directors on January 5, 2018 by way of tender offer through stock exchange mechanism for cash at price of ₹ 180/- per equity share. This has resulted in a total cash outflow of ₹ 799.99 lakhs.

Pursuant to buyback the Holding Company has adjusted premium on buyback of ₹ 170/- per share aggregating ₹ 755.55 Lakhs from General Reserve. Further, an amount of ₹ 44.44 Lakhs (equivalent to the face value of shares bought back) has been transferred to Capital Redemption Reserve from the Retained earnings.

**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, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Mr. Pankaj Seth	<b>1,12,83,186</b>	<b>39.93</b>	1,12,83,186	39.31	56,41,593	39.34
Mrs. Anisha Seth	<b>37,81,790</b>	<b>13.38</b>	37,81,790	13.18	18,90,895	13.18
M/s. Mediaman Multitrade Pvt. Ltd.	<b>25,38,780</b>	<b>8.98</b>	25,27,999	8.81	12,26,081	8.55
Mr. Kaushik Daga	<b>21,12,396</b>	<b>7.48</b>	21,12,396	7.36	1,35,000	0.94
Mr. Varun Daga	<b>20,91,772</b>	<b>7.40</b>	20,87,000	7.27	1,35,000	0.94

**Notes to Consolidated Financial Statements for the year ended March 31, 2018****d. Aggregate number of shares issued as bonus during 5 years immediately preceding March 31, 2018**

Particulars	No. of Shares
Number of equity shares issued as bonus by the Company - FY 2016-17*	1,43,51,150

\*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:-

December 16, 2013	4,00,000	lock in for 3 year till December 15, 2016
March 20, 2014	1,50,000	lock in for 3 year till March 19, 2017
June 18, 2014	4,50,000	lock in for 3 year till June 17, 2017
<b>Total</b>	<b>10,00,000</b>	

- B.** 8 lakhs Optionally Fully Convertible Warrants were issued to Mr. Pankaj Seth and Mrs. Anisha P. Seth on November 1, 2010 at a price of ₹ 38/- each out of which 25% amount received at the time of allotment. Each warrant was to be converted into 1 equity share of ₹ 10/- each within a period of 18 months from the date of allotment i.e. on or before April 30, 2012. The details of conversion are as mentioned below:-

March 31, 2011	2,24,560	lock in for 3 year till March 30, 2014
March 22, 2012	3,50,000	lock in for 3 year till March 21, 2015
April 27, 2012	2,25,440	lock in for 3 year till April 26, 2015
<b>Total</b>	<b>8,00,000</b>	

**2.14 Other Equity**

Particulars	₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
General reserve	<b>31.08</b>	786.63	1,094.67
Retained Earnings	<b>11,380.19</b>	8,939.68	7,449.98
Securities Premium	-	-	1,121.01
Share application money pending allotment	-	-	7.83
Employees Share Options Outstanding Account	-	-	19.85
Capital Redemption Reserve	<b>44.44</b>	-	-
<b>Total</b>	<b>11,455.71</b>	9,726.31	9,693.34

**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**Description of the nature and purpose of each reserve within other 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) Securities Premium :**

Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

**(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.

**2.15 Borrowings**

₹ in Lakhs

Particulars	Non-current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Term Loans			
Secured			
From Banks	<b>1,400.40</b>	1,730.73	2,822.51
Less : Current maturities of non-current borrowings (included in Note 2.17)	<b>883.71</b>	761.31	825.54
<b>Total</b>	<b>516.69</b>	969.42	1,996.97

₹ in Lakhs

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Loans repayable on demand</b>			
<b>Secured</b>			
From Banks	-	-	1,523.29
<b>Total</b>	-	-	1,523.29



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**(a) Nature of Security and terms of repayment for secured borrowings:**

**(i) Non-current borrowings**

₹ in Lakhs

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1	Term loan - 1 from State Bank of India, Details of securities are mentioned below*	Repayable in 67 months installments commencing from April 01, 2011, exclusive of a moratorium period of ₹ 24 Lakhs each and last installment of ₹ 26 Lakhs was due in Oct, 2016	-	-	137.58
2	Term loan - 2 from State Bank of India, Details of securities are mentioned below*	Repayable in 60 monthly installments commencing from Jan 1, 2014, exclusive of a moratorium period of 12 months, 39 monthly installments of ₹ 20 Lakhs each, next 12 installments of ₹ 252 Lakhs and last 9 installments of ₹ 193 Lakhs. Last installment is due in Dec, 2018.	215.68	449.25	691.50
3	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.	275.15	449.22	630.31
4	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.	282.11	460.28	620.14
5	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.	221.12	371.98	742.98
6	Term loan - 3 from HDFC Bank Limited. Details of securities are mentioned below**	Repayable in multiple equated monthly installments starting from May, 2018	406.34	-	-
*	<p>a. Equitable Mortgage and hypothecation charge over entire Property, Plant and Equipment of the Group 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. Personal Guarantee of Promoter Directors, Mr. Pankaj Seth and Mrs. Anisha Seth.</p>				
**	<p>a. 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. Personal Guarantee of Mr. Pankaj Seth, Promoter Director.</p> <p>The Group has provided second pari passu charge on entire Property, Plant and Equipment (excluding Plant and Machineries financed by other banks/financial institutions of the borrower) as collateral security.</p>				



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**(ii) Current borrowings**

₹ in Lakhs

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a	Primary security : Hypothecation of Inventory, Book Debts and entire current assets of the Group, present and future, on pari passu basis.	On demand	-	-	1,523.29
b	Collateral security : For State Bank of India and HDFC Bank Limited - Securities offered for term loans are also offered as collateral securities for short-term loans.				
c	Promoter Directors Mr. Pankaj Seth and Mrs. Anisha Seth have given personal guarantee for Loan on March 31, 2017: Nil (March 31, 2016: ₹ 1094.04 Lakhs) and March 31, 2017: Nil (March 31, 2016: ₹ 363.98 Lakhs) from State Bank of India and DBS Bank respectively while Mr. Pankaj Seth has given personal guarantee for loan from HDFC Bank Limited on March 31, 2017: Nil (March 31, 2016: ₹ 65.27 Lakhs).				
<b>Total</b>			-	-	1,523.29

**(b) Assets pledged as security (of holding company):**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Current</b>			
Inventories	2,740.80	2,506.98	3,259.18
Receivables	3,116.15	3,480.66	3,401.65
<b>Non-Current</b>			
Wind Turbine Generator at Barmer Rajasthan	-	226.48	241.41
Property plant and equipment of the Group including Land and Building, Plant and Machineries situated at Surat	6,625.03	6,302.77	7,095.16
Fixed Deposit with Bank (Lien)	-	282.00	282.00
Immovable properties (existing and future) located at Dombivali and civil structures.	-	115.38	118.40
Asmeeta Textile Building located at Kalyan	771.45	780.10	788.74
<b>Total</b>	<b>13,253.43</b>	13,694.37	15,186.54

**2.16 Trade payables**

₹ in Lakhs

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	347.27	258.65	187.98
<b>Total</b>	<b>347.27</b>	258.65	187.98



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**2.17 Other Financial Liabilities**

₹ in Lakhs

Particulars	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of non-current borrowings	-	-	-	<b>883.71</b>	761.31	825.54
Salary and reimbursement expenses payable	-	-	-	<b>110.64</b>	102.22	83.02
Interest accrued but not due on loans		-	-	<b>3.37</b>	5.03	9.71
Unclaimed dividends*		-	-	<b>39.36</b>	36.11	30.59
Security deposit	<b>9.00</b>	-	-			
Liability for expenses		-	-	<b>279.94</b>	147.20	177.20
Payable for acquisition of Property, Plant & Equipment	<b>450.00</b>	-	-	<b>299.50</b>		
<b>Total</b>	<b>459.00</b>	-	-	<b>1,616.52</b>	1,051.87	1,126.06

\* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2018.

**Details of Current maturities of Non-current Borrowings**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Term Loan</b>			
Secured			
From Bank	<b>883.71</b>	761.31	825.54
<b>Total</b>	<b>883.71</b>	761.31	825.54

**2.18 Other Liabilities**

₹ in Lakhs

Particulars	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory Liabilities		-	-	<b>39.33</b>	45.95	41.12
Advance from Customers		-	-	<b>162.68</b>	145.83	174.33
Deferred Income for Capital Subsidy	<b>369.92</b>	417.91	372.59	<b>47.99</b>	47.99	47.99
<b>Total</b>	<b>369.92</b>	417.91	372.59	<b>250.00</b>	239.77	263.44



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**2.19 Provisions**

₹ in Lakhs

Particulars	Non-Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Employee benefits :</b>						
Provision for Bonus				<b>15.15</b>	13.88	13.85
Provision for Leave Encashment				<b>11.27</b>	5.50	4.03
Provision for Gratuity	<b>119.13</b>	83.75	40.45	<b>1.92</b>	1.33	28.29
	<b>119.13</b>	83.75	40.45	<b>28.34</b>	20.71	46.17
<b>Others :</b>						
Other Expenses	-	-	-	<b>28.35</b>	84.85	40.76
	-	-	-	<b>28.35</b>	84.85	40.76
<b>Total</b>	<b>119.13</b>	83.75	40.45	<b>56.69</b>	105.56	86.93

**2.20 Current Tax Liabilities (Net)**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Taxation (Net of advance tax)	<b>87.17</b>	137.91	2.66
<b>Total</b>	<b>87.17</b>	137.91	2.66

**3.01 Revenue from Operations**

₹ in Lakhs

Particulars	2017-18	2016-17
<b>Revenue from operations</b>		
Sale of Products	<b>13,142.61</b>	12,697.93
Sale of Services	-	22.77
<b>Other operating revenue</b>		
Export Incentives	<b>502.37</b>	716.56
<b>Total</b>	<b>13,644.98</b>	13,437.26

**3.02 Other Income**

₹ in Lakhs

Particulars	2017-18	2016-17
<b>Interest Income on financial assets</b>		
Bank Deposits (at amortized cost)	<b>58.36</b>	48.84
Unwinding of interest on Security Deposits	<b>4.26</b>	3.09
<b>Other Non-Operating Income</b>		
Government Assistant	<b>47.99</b>	47.99
Rent Income	<b>8.70</b>	-
Others	-	0.78
Dividend Income	<b>0.12</b>	0.12
Net gain on foreign exchange fluctuation	<b>237.96</b>	235.09
Exchange Difference on account of translation for consolidation	-	32.03
<b>Total</b>	<b>357.39</b>	367.94

**Notes to Consolidated Financial Statements for the year ended March 31, 2018****3.03 Cost of materials consumed**

₹ in Lakhs

Particulars	2017-18	2016-17
Inventory at the beginning of the year	559.43	538.71
Add : Purchases	4,898.70	5,023.74
	5,458.13	5,562.45
Less : Closing Inventory	646.89	559.43
<b>Total</b>	<b>4,811.24</b>	<b>5,003.02</b>

**3.04 Changes in Inventories**

₹ in Lakhs

Particulars	2017-18	2016-17
Inventories at the end of the year (including in-transit)		
Work-in-Progress	258.52	279.28
Finished Goods	2,598.09	2,532.94
<b>Total (a)</b>	<b>2,856.61</b>	<b>2,812.22</b>
Inventories at the beginning of the year (including in-transit)		
Work-in-Progress	279.28	643.90
Finished Goods	2,532.94	2,806.03
<b>Total (b)</b>	<b>2,812.22</b>	<b>3,449.93</b>
<b>Total (b - a)</b>	<b>(44.39)</b>	<b>637.71</b>

**3.05 Employee Benefit Expenses**

₹ in Lakhs

Particulars	2017-18	2016-17
Salaries, wages and bonus	1,770.96	1,438.46
Contribution to provident and other fund	124.67	98.11
Staff welfare expenses*	41.02	16.01
<b>Total</b>	<b>1,936.65</b>	<b>1,552.58</b>

\* Includes reversal of Employee stock compensation amounting to ₹ 19.85 Lakhs

**3.06 Finance Cost**

₹ in Lakhs

Particulars	2017-18	2016-17
Interest and Finance charges on financial liabilities :		
Interest on borrowings	53.50	180.21
<b>Total</b>	<b>53.50</b>	<b>180.21</b>





**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**3.07 Depreciation and Amortization Expense**

₹ in Lakhs

Particulars	2017-18	2016-17
Depreciation of Property, Plant and Equipment	<b>707.05</b>	675.81
Amortisation of Intangible assets	<b>17.32</b>	15.64
<b>Total</b>	<b>724.37</b>	691.45

**3.08 Other Expenses**

₹ in Lakhs

Particulars	2017-18	2016-17
Power and Fuel	<b>576.50</b>	421.05
Labour Charges	<b>98.60</b>	115.63
Bad Debts written off	<b>29.57</b>	32.51
Electricity Expenses	<b>17.05</b>	17.06
Rates and taxes	<b>38.34</b>	38.75
Legal and Professional Charges	<b>156.10</b>	142.54
Advertisement, Sales Promotion and Marketing Fees	<b>107.36</b>	74.44
Travelling and Conveyance	<b>268.35</b>	272.20
Commission and Brokerage	<b>302.00</b>	344.59
Freight and Forwarding Expense	<b>261.44</b>	263.42
Selling and Distribution Expenses	<b>184.59</b>	123.81
Postage and Telephone	<b>74.99</b>	89.11
Bank Charges	<b>98.58</b>	95.01
Security Expense	<b>25.75</b>	21.87
<b>Repairs and Maintenance:</b>		
Plant and Machinery	<b>97.25</b>	46.60
IT Related	<b>87.71</b>	48.86
Others	<b>61.83</b>	70.14
Rent	<b>339.44</b>	290.67
Printing and Stationery	<b>17.47</b>	14.17
Miscellaneous Expenses	<b>39.48</b>	22.07
Insurance Charges	<b>58.51</b>	60.50
Allowance for doubtful trade receivable and advances (net of written back)	<b>20.72</b>	12.37
Membership and Subscription	<b>4.59</b>	4.50
<b>Remuneration to Statutory Auditor</b>		
Statutory Audit	<b>9.50</b>	8.10
Limited Review	<b>3.00</b>	2.25
Component Audit	<b>1.62</b>	8.00
Exchange Difference on account of translation for consolidation	<b>13.81</b>	-
<b>Total</b>	<b>2,994.15</b>	2,640.22



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**3.09 Exceptional Items**

₹ in Lakhs

Particulars	2017-18	2016-17
Profit on sale of property, plant and equipment from Jalgoan property	-	54.30
<b>Total</b>	<b>-</b>	<b>54.30</b>

**3.10 Tax Expenses**

₹ in Lakhs

Particulars	2017-18	2016-17
<b>(a) Income tax expenses :</b>		
Current tax		
In respect of the current year	<b>1,000.41</b>	1,043.45
Deferred tax		
In respect of the current year	<b>23.03</b>	33.63
Excess/ (Short) provision for Taxation for earlier years	<b>(4.27)</b>	40.96
Total income tax expense recognised in the current year	<b>1,019.17</b>	1,118.04
<b>(b) Income tax recognised in other comprehensive income</b>		
Remeasurements of the defined benefit plans		
<b>(c) A reconciliation between the Statutory income tax rate applicable to the Group and the effective income tax rate is as follows:</b>		
<b>Net profit / (loss) before tax</b>	<b>3,722.71</b>	3,262.49
Effective tax rate applicable to the Group	<b>34.61%</b>	34.61%
Tax amount at the enacted income tax rate	<b>1,288.36</b>	1,129.08
Share of profit/ (loss) in associate not taxable	<b>(67.78)</b>	(37.44)
Difference in tax rates of certain entities of the group	<b>(2.36)</b>	(1.53)
Add: Expenses not deductible in determining taxable profits	<b>295.46</b>	285.57
Less: Allowances/Deductibles	<b>(486.12)</b>	(307.82)
Less: Allowances/Deductibles - Income claimed exempt u/s 80IA(4)(iv)	<b>(27.15)</b>	(24.41)
Tax relating to earlier years	<b>(4.27)</b>	40.96
Temporary differences recognised in deferred tax	<b>23.03</b>	33.63
<b>Total</b>	<b>1,019.17</b>	1,118.04



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**4.01 Earning Per Share (EPS)**

Particulars	As At March 31, 2018	As At March 31, 2017
<b>Basic earnings per share :</b>		
Attributable to equity holders of the Group	<b>9.43</b>	7.47
<b>Diluted earnings per share :</b>		
Attributable to equity holders of the Group	<b>9.43</b>	7.47
<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)	<b>2,703.54</b>	2,144.45
<b>Diluted earnings per share</b>		
Profit attributable to equity holders of the Group used in calculating diluted earning per shares (₹ in Lakhs)	<b>2,703.54</b>	2,144.45
Weighted average number of Equity shares used as the denominator in calculating basic earnings per share	<b>2,86,71,859</b>	2,87,02,275
Weighted average number of Equity shares used as the denominator in calculating diluted earnings per share	<b>2,86,71,859</b>	2,87,10,478

**4.02 Leases**

**Operating Leases (As Lessee)**

The Group's significant leasing arrangements in terms of Ind AS 17 on lease are in respect of Operating Leases for Building and Vehicles. The period of these leasing arrangements, which are cancellable in nature range between eleven months to five years and are renewable by mutual consent.

**Details of Non-cancellable Leases are as under:**

Particulars	₹ in Lakhs		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Due not later than one year	<b>326.30</b>	262.73	275.66
Due later than one year but not later than five years from the balance sheet date	<b>530.69</b>	624.08	676.41
<b>Total</b>	<b>856.99</b>	886.81	952.07

Rental Expenses debited to the Consolidated Statement of Profit and Loss ₹ 311.21 Lakhs (March 31, 2017: ₹ 267.07 Lakhs)

**Details of Cancellable Leases are as under:**

Lease Expenses debited to the Consolidated Statement of Profit and Loss ₹ 25.33 Lakhs (March 31, 2017: ₹ 23.03 Lakhs). Some of these lease agreements have price escalation clauses

**Operating Leases (As Lessor)**

Particulars	₹ in Lakhs		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Gross Carrying Amount of Assets capitalized as Building and given on operating lease	<b>107.34</b>	107.34	107.34
Accumulated Depreciation	<b>(40.82)</b>	(38.56)	(36.20)
Depreciation for the year	<b>(2.26)</b>	(2.26)	(2.36)
<b>Total</b>	<b>64.26</b>	66.52	68.78

**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

Details of Non-Cancellable lease are as under

Particulars	₹ in Lakhs		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Receivable in the next one year	36.60	-	-
Receivable after next one year but Before next five years	64.80	-	-
Receivable after five years	-	-	-
<b>Total</b>	<b>101.40</b>	-	-

Rental income of ₹ 8.70 Lakhs (March 31, 2017 : ₹ Nil) in respect of have been recognised in Consolidated Statement of Profit and Loss

**4.03 Contingent Liabilities**

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 consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. 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 and appropriate disclosure for contingent liabilities is given below :-

Particulars	₹ in Lakhs	
	2017-18	2016-17
Income tax dues where the matters are pending before appellate authority	114.28	108.15
Penalty on duty drawback	1.83	1.83
<b>Total</b>	<b>116.11</b>	109.98

**4.04 Contingent Assets**

Particulars	₹ in Lakhs	
	2017-18	2016-17
Late Payment Surcharge due with Jodhpur Discom (JVVNL)	8.17	-
<b>Total</b>	<b>8.17</b>	-

**4.05 Capital and other Commitments**

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 720.13 lakhs (March 31, 2017 : ₹ 676.28 lakhs & April 1, 2016 : ₹ 47 lakhs)
- 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, 2018: ₹ 98.34 lakhs, March 31, 2017: ₹ Nil and April 1, 2016: ₹ 197.86 lakhs\*)

\*Export obligation for this year has already been fulfilled, however, precedural formalities for the closure of the EPCG Licenses are pending.

- The Group has two segments Manufacturing of Textile and Windmill Power Generation. The gross operating income and profit from the Windmill Power Generation segment is below the norms prescribed in Ind AS 108, hence separate disclosure have not been made.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### 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 ₹ 94.13 Lakhs (March 31, 2017 ₹ 72.73 Lakhs) for the year ended March 31, 2018.

#### 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.

These plans typically expose the Group 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, 2018	As at March 31, 2017
Discount rate	7.75%	7.50%
Expected rate of salary increase	6.50%	6.50%
Withdrawal Rate	1% at all ages	1% at all ages
Mortality Rate	Indian Assured lives (2006-08) 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

Particulars	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Service cost:		
Current service cost	23.84	19.01
Interest Cost on net Defined Benefit Obligations	6.38	5.50
Net Actuarial (Gain)/loss	-	-
<b>Components of defined benefits cost recognised in Consolidated Statement of Profit and Loss</b>	<b>30.22</b>	<b>24.51</b>



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**4. (b) Amounts recognised in Other Comprehensive Income in respect of defined benefit plans**

Particulars	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Remeasurement of net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	-	-
Net Actuarial (Gain)/ Loss	9.03	(5.00)
<b>Components of defined benefits cost recognised in Consolidated Other Comprehensive Income</b>	<b>9.03</b>	<b>(5.00)</b>

**4. (c) Amounts recognised in Balance Sheet in respect of defined benefit plans**

Particulars	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Present Value of the Defined Benefit Obligations	121.05	85.08
Fair Value of Plan Assets	-	-
<b>Liability Recognised in the Consolidated Balance Sheet</b>	<b>121.05</b>	<b>85.08</b>

**5. (a) Movements in present value of defined benefit obligation**

Particulars	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligations	85.08	68.74
Current service cost	23.84	19.01
Interest cost	6.38	5.50
Remeasurement (Gains) / losses	-	-
Actuarial (gains) / losses on Defined Benefit Obligation	9.03	(5.00)
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(3.28)	(3.17)
<b>Closing defined benefit obligation</b>	<b>121.05</b>	<b>85.08</b>

**5. (b) Reconciliation**

Particulars	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Opening Net Liability	85.08	68.74
Add: Employer Expenses (Expenses recognised in the Consolidated statement of P/L account)	30.22	24.51
Add: Transfer to Consolidated Other Comprehensive Income	9.03	(5.00)
Less: Benefit Paid	(3.28)	(3.17)
<b>Closing Net Liability</b>	<b>121.05</b>	<b>85.08</b>



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### 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.

Particulars	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Discount Rate is increased by 1%	<b>(108.46)</b>	(74.65)
Discount Rate is decreased by 1%	<b>136.33</b>	97.93
Salary Growth Rate increased by 1%	<b>136.37</b>	97.29
Salary Growth Rate decreased by 1%	<b>(108.22)</b>	(75.09)

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, 2018, the Group has only one class of equity shares.

Particulars	2017-18	2016-17
Dividend on equity shares paid during the year		
Final dividend for the year ended March 31, 2018 of ₹ 0.60/- (March 31, 2017 - ₹ 1.50) per equity share of ₹ 10/- each	<b>172.21</b>	215.27
Interim dividend for the year ended March 31, 2018 of ₹ Nil/- (March 31, 2017 - ₹ 2.00 (Pre-Bonus)) per equity share of ₹ 10/- each	-	287.30
Dividend distribution tax on the above dividends	<b>35.06</b>	102.29

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 Consolidated 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.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Net Debt	<b>1,094.57</b>	1,351.54	4,153.87
Total Equity	<b>14,281.50</b>	12,596.54	11,127.56
Net Debt to Equity Ratio	<b>0.08</b>	0.11	0.37



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### 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 Group 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, 2018		As at March 31, 2017		As at April 01, 2016	
	Carrying values	Fair value	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>						
<b>Measured at amortised cost:</b>						
Investment in bonds	-	-	-	-	35.00	35.00
Investments in Government securities	-	-	0.69	0.69	0.67	0.67
Trade receivables	<b>2,770.50</b>	<b>2,770.50</b>	3,033.20	3,033.20	2,874.78	2,874.78
Cash and Bank balances	<b>948.91</b>	<b>948.91</b>	876.89	876.89	694.57	694.57
Loans	<b>138.04</b>	<b>138.04</b>	72.70	72.70	73.40	73.40
Other financial assets	<b>69.18</b>	<b>69.18</b>	44.57	44.57	54.65	54.65
<b>Total (A)</b>	<b>3,926.63</b>	<b>3,926.63</b>	4,028.05	4,028.05	3,733.07	3,733.07
<b>Measured at fair value through profit or loss</b>						
Investment in equity shares of other entities	<b>1.00</b>	<b>1.00</b>	1.00	1.00	1.00	1.00
Derivative Instruments	<b>31.48</b>	<b>31.48</b>	116.53	116.53	85.16	85.16
<b>Total (B)</b>	<b>32.48</b>	<b>32.48</b>	117.53	117.53	86.16	86.16
<b>Total Financial assets (A+B)</b>	<b>3,959.11</b>	<b>3,959.11</b>	4,145.58	4,145.58	3,819.23	3,819.23
<b>Financial liabilities</b>						
<b>Measured at amortised cost :</b>						
Borrowing#	<b>1,400.40</b>	<b>1,400.40</b>	1,730.73	1,730.73	4,345.80	4,345.80
Trade payables	<b>347.27</b>	<b>347.27</b>	258.65	258.65	187.98	187.98
Other financial liabilities	<b>1,191.81</b>	<b>1,191.81</b>	290.56	290.56	300.52	300.52
<b>Total Financial liabilities</b>	<b>2,939.48</b>	<b>2,939.48</b>	2,279.94	2,279.94	4,834.30	4,834.30

# includes current maturities of long term debts.



**Notes to Consolidated Financial Statements for the year ended March 31, 2018****(iii) Level wise disclosure of financial instruments**

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	Level	Valuation techniques and key inputs
Foreign currency forward contracts - Assets	<b>31.48</b>	116.53	85.16	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.

**Table showing age of gross trade receivables and movement in expected credit loss allowance:**

₹ in Lakhs

Age of receivables	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Within the credit period	<b>1,652.79</b>	1,649.46	1,496.50
1-90 days past due	<b>909.38</b>	999.13	985.77
91-180 days past due	<b>76.66</b>	77.18	246.67
181-270 days past due	<b>57.57</b>	220.19	33.90
More than 270 days past due	<b>136.20</b>	119.71	132.03
<b>Total</b>	<b>2,832.59</b>	3,065.67	2,894.88

₹ in Lakhs

Movement in the expected credit allowance	As at March 2018	As at March 2017
Balance at the beginning of the year	<b>32.47</b>	20.10
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	<b>29.62</b>	12.37
<b>Total</b>	<b>62.09</b>	32.47

**Notes to Consolidated Financial Statements for the year ended March 31, 2018****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, 2018	< 1 Year	1 - 5 year	> 5 year	Total
Borrowings	968.44	566.23	-	1,534.67
Trade Payables	347.27	-	-	347.27
Other Financial Liabilities	1,616.52	459.00	-	2,075.52

₹ in Lakhs				
As on March 31, 2017	< 1 Year	1 - 5 year	> 5 year	Total
Borrowings	864.32	1,100.58	-	1,964.90
Trade Payables	258.65	-	-	258.65
Other Financial Liabilities	1,051.87	-	-	1,051.87

₹ in Lakhs				
As on April 1, 2016	< 1 Year	1 - 5 year	> 5 year	Total
Borrowings	2,515.54	2,138.70	-	4,654.24
Trade Payables	187.98	-	-	187.98
Other Financial Liabilities	1,126.06	-	-	1,126.06

**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.

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 polices set by Management.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

In general, the Group is a net receiver of foreign currency. Accordingly, changes in exchange rates, and in particular a strengthening of the Indian Rupee, will negatively affect the Group's net sales and gross margins as expressed in Indian Rupee. There is a risk that the Group may have to adjust local currency product pricing due to competitive pressures when there have been significant volatility in foreign currency exchange rates.

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:

₹ in Lakhs

Currencies	Liabilities			Assets		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
US Dollar (USD)	56.86	3.71	22.29	2075.50	2556.82	2597.86
EURO	0.22	-	-	53.52	54.77	11.89
British Pound (GBP)	8.24	-	2.06	32.61	95.50	47.82

### Foreign Currency Exposure

₹ in Lakhs

Foreign currency exposure as at March 31, 2018	USD	EURO	GBP
Trade receivables	2,044.02	53.52	32.61
Trade payables	56.86	0.22	8.24
Forward contracts for receivable	31.48	-	-

₹ in Lakhs

Foreign currency exposure as at March 31, 2017	USD	EURO	GBP
Trade receivables	2,440.29	54.77	95.50
Trade payables	3.71	-	-
Forward contracts for receivable	116.53	-	-

₹ in Lakhs

Foreign currency exposure as at April 1, 2016	USD	EURO	GBP
Trade receivables	2,512.70	11.89	47.82
Trade payables	22.29	-	2.06
Forward contracts for receivable	85.16	-	-

### Particulars of un-hedged foreign currency asset / liability as at Consolidated Balance Sheet date

Currency	Nature	As at March 31, 2018		As at March 31, 2017	
		Amount in Foreign Currency	Amount (₹ in lakhs)	Amount in Foreign Currency	Amount (₹ in lakhs)
EURO	Asset- Export Receivables	0.66	53.52	0.79	54.77
GBP	Asset- Export Receivables	0.35	32.61	1.18	95.50
USD	Asset- Export Receivables	2.64	171.55	2.34	151.86
USD	Liability- Export Payables	(0.04)	(2.33)	(0.05)	(2.98)

**Notes to Consolidated Financial Statements for the year ended March 31, 2018****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

Particulars	Impact on profit after Tax and Equity			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	<b>1% increase</b>	1% increase	<b>1% decrease</b>	1% decrease
EURO	<b>0.54</b>	0.55	<b>(0.54)</b>	(0.55)
GBP	<b>0.33</b>	0.96	<b>(0.33)</b>	(0.96)
USD	<b>1.69</b>	1.49	<b>(1.69)</b>	(1.49)

**4.11 Related party disclosures****Related parties with whom transactions have taken place during the year**

Associate Company - Rainbow Line Trading (L.L.C)

**Key management personnel**

Mr. Pankaj Seth - Managing Director

Mrs. Anisha Seth - Whole time Director

Mr. Bruce Kieval - Executive Director

Mr. Mukesh Deopura - Chief Financial Officer

Mrs. Neha Poddar - Company Secretary

**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 Kieval

Mrs. Chanda Deopura - Wife of Mr. Mukesh Deopura

**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

**Non-Executive Directors**

Mr. Gopikrishna Bubna

Mr. Balkrishna Patil

Mr. Saumil Marfatia

Mr. Pardeep Khosla

Mr. Varun Daga



## Notes to Consolidated Financial Statements

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Name	Relationship	Nature of Transaction	Amount of transaction in FY 2017-18	Amount outstanding as on March 31, 2018 (Payable)/ Receivable	Amount of transaction in FY 2016-17	₹ in Lakhs	
						Amount outstanding as on March 31, 2017 (Payable)/ Receivable	Amount outstanding as on March 31, 2016 (Payable)/ Receivable
Mr. Pankaj Seth	Managing Director	Remuneration	156.00	(13.00)	156.00	(13.00)	(13.00)
Mr. Pankaj Seth	Managing Director	Dividend	67.70	-	197.46	-	-
Mr. Pankaj Seth	Managing Director	Rent	3.60	(3.60)	3.60	-	-
Mrs. Anisha Seth	Whole Time Director	Remuneration	151.00	(12.60)	150.00	(12.50)	(12.50)
Mrs. Anisha Seth	Whole Time Director	Dividend	22.69	-	66.18	-	-
Mr. Mukesh Deopura	CFO, KMP	Salary	29.87	(2.38)	28.88	(2.38)	(2.15)
Mrs. Neha Poddar	CS, KMP	Salary	8.39	(0.69)	7.63	(0.64)	(0.57)
Mrs. Vishakha Seth Mehra	Daughter of Mr. Pankaj Seth	Salary	24.51	(2.14)	23.29	(1.94)	(1.94)
Mrs. Sangeeta Bhatia	Sister of Mr. Pankaj Seth	Salary	2.34	(0.20)	2.34	(0.20)	(0.20)
Mr. Shyamsunder Seth	Father of Mr. Pankaj Seth	Consultancy Fees	1.38	(0.12)	1.38	(0.12)	(0.12)
Mr. Parth Seth	Son of Mr. Pankaj Seth	Salary	10.09	(0.97)	6.43	(0.72)	-
Mr. Prachya Thongnak	Son of Mr. Bruce Kievel	Consultancy Fees	34.93	-	80.15	-	-
Mrs. Chanda Deopura	Wife of Mr. Mukesh Deopura	Salary	16.77	(1.47)	14.00	(1.17)	(1.17)
Mediaman Multitrade Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	Dividend	15.17	-	43.91	-	-
Rainbow Line Trading L.L.C.	Associate Company	Sales	2,550.39	1017.86	1,404.12	1,027.01	1170.53
Orbit Foundation	Enterprises owned or significantly influenced by key management personnel or their relatives	CSR activity	2.30	-	-	-	-
Golden Bo Tree Impex Co. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	Commission	33.27	(11.78)	0.84	-	(6.09)
Mr. Gopikrishna Bubna	Non-Executive Director	Sitting Fees	0.82	-	0.85	-	-
Mr. Balkrishna Patil	Non-Executive Director	Sitting Fees	0.47	-	0.20	-	-
Mr. Saamil Marfatia	Non-Executive Director	Sitting Fees	0.39	-	0.46	-	-
Mr. Pardeep Khosla	Non-Executive Director	Sitting Fees	0.62	-	0.77	-	-
Mr. Varun Daga	Non-Executive Director	Sitting Fees	0.46	-	0.64	-	-

\*Reimbursement of expenses are not included in above statement



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**Compensation to key management personnel**

₹ in Lakhs

Particulars	Amount of transaction in FY 2017-18	Amount of transaction in FY 2016-17
Short-term employee benefits	345.26	342.51
Post-employment benefits	42.85	22.40
Other long-term benefits	-	-
Sitting Fees	2.76	2.91
<b>Total</b>	<b>390.87</b>	367.82

**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.

The following table summarizes the Company's Stock Options activity:

Shares Underlying Options Outstanding

₹ in Lakhs

Sr. No.	Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		No. of Shares	Weighted Average Exercise Price in ₹	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	1,64,000	171.16	92,000	315.66	1,45,000	244.37
	b. Options granted during the year - Option II	-	-	-	-	-	-
	c. Options granted during the year - Option III	-	-	-	-	4,000	348.50
	d. Exercised during the year - Option I	-	-	9,000	69.75	43,000	69.75
	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	-	-	1,000	342.00	14,000	342.00
	i. Lapsed during the year - Option III	-	-	-	-	-	-
<b>B</b>	a. Outstanding at the end of the year	1,64,000	171.16	82,000	342.32	92,000	315.66
	b. Adjusted (Bonus 1:1) options granted and outstanding at the end of the year	-	-	1,64,000	-	-	-
<b>C</b>	a. Exercisable at the end of the year - Option I	-	-	-	-	9,000	69.75
	b. Exercisable at the end of the year - Option II	1,56,000	171.00	78,000	342.00	-	-
	c. Exercisable at the end of the year - Option III	8,000	174.25	-	-	-	-
	d. Adjusted (Bonus 1:1) options exercisable at the end of the year - Option II	-	-	1,56,000	-	-	-
	e. Adjusted (Bonus 1:1) options exercisable at the end of the year - Option III	-	-	-	-	-	-



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

Share options outstanding at the end of the year have the following expiry date and exercise prices:

S. No.	Particulars	Expiry Date	Exercise Price	Shares Options Outstanding as at		
				March 31, 2018	March 31, 2017	April 1, 2016
1	September 13, 2013	March 12, 2019	69.75	-	-	9,000
2	January 27, 2015	June 26, 2020	342.00	1,56,000*	78,000	79,000
3	December 24, 2015	June 23, 2021	348.50	8000*	4,000	4,000
	<b>Total</b>			<b>1,64,000</b>	82,000	92,000

\* Adjusted against Issue of Bonus Shares in the ratio of 1:1

### 4.13 Unclaimed Dividend

During the year, Unclaimed dividend for the F.Y. 2010-11 amounting to ₹ 1.95 Lakhs has been deposited by the Group to the credit of Investor Education and Protection fund (IEPF) in terms of section 124(5) of the Companies Act, 2013.

During the previous year, Unclaimed dividend for the F.Y. 2009-10 amounting to ₹ 1.29 Lakhs has been deposited by the Group to the credit of Investor Education and Protection fund (IEPF) in terms of section 124(5) of the Companies Act, 2013. However there was a delay of 2 days in depositing the same.

### 4.14 Individually immaterial associate:

Particulars	₹ in Lakhs		
	As At March 31, 2018	As At March 31, 2017	As At March 31, 2016
Aggregate carrying amount of individually immaterial associate	<b>491.20</b>	295.33	187.15
Aggregate amount of the Group's share of :			
Profit / (Loss) from operations	<b>195.86</b>	108.18	1.38
Other comprehensive income	-	-	-
Total comprehensive income for the year	<b>195.86</b>	108.18	1.38
Share of profit/(loss) from associate	<b>195.86</b>	108.18	1.38
<b>Total share of profits from associate</b>	<b>195.86</b>	108.18	1.38



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**4.15 Reconciliation to first time adoption of Ind AS**

**(a) Reconciliation between previous GAAP and Ind AS as at April 1, 2016**

₹ in Lakhs

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	IND AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	a	8,460.95	(7.72)	8,453.23
Capital work-in-progress		209.04	-	209.04
Intangible assets		-	-	-
Financial assets:				
Investments		223.82	-	223.82
Loans	b	89.68	(17.10)	72.58
Other financial assets		163.22	-	163.22
Other non-current assets	b	46.39	19.29	65.68
<b>Total non-current assets</b>		<b>9,193.10</b>	<b>(5.53)</b>	<b>9,187.57</b>
<b>Current Assets</b>				
Inventories		4,005.80	-	4,005.80
Financial Assets:				
Trade Receivables	f	2,915.65	(40.87)	2,874.78
Cash and cash equivalents		191.93	-	191.93
Bank balances other than Cash and cash equivalents		339.42	-	339.42
Loans		0.82	-	0.82
Other financial assets	g	54.65	85.16	139.81
Current Tax Assets (Net)		89.41	-	89.41
Other current assets	b	819.06	2.89	821.95
<b>Total current assets</b>		<b>8,416.74</b>	<b>47.18</b>	<b>8,463.92</b>
<b>TOTAL ASSETS</b>		<b>17,609.84</b>	<b>41.65</b>	<b>17,651.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital		1,434.22	-	1,434.22
Other Equity		10,072.26	(378.92)	9,693.34
<b>Total equity</b>		<b>11,506.48</b>	<b>(378.92)</b>	<b>11,127.56</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities:				
Borrowings		1,996.97	-	1,996.97
Provisions	c	40.45	-	40.45
Deferred tax liabilities (Net)	e	923.57	-	923.57
Other Non-current liabilities		-	372.59	372.59
<b>Total non-current liabilities</b>		<b>2,960.99</b>	<b>372.59</b>	<b>3,333.58</b>
<b>Current liabilities</b>				
Financial Liabilities:				
Borrowings		1,523.29	-	1,523.29
Trade payables		187.98	-	187.98
Other financial liabilities		1,126.06	-	1,126.06
Other current liabilities	e	215.45	47.99	263.44
Provisions		86.93	-	86.93
Current Tax Liability (Net)		2.66	-	2.66
<b>Total current liabilities</b>		<b>3,142.37</b>	<b>47.99</b>	<b>3,190.36</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,609.84</b>	<b>41.65</b>	<b>17,651.49</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.





**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**(b) Reconciliation between previous GAAP and Ind AS as at March 31, 2017**

₹ in Lakhs

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	IND AS
<b>Non-current assets</b>				
Property, Plant and Equipment	a	8,024.42	(7.37)	8,017.05
Capital work-in-progress		20.81	-	20.81
Intangible assets		83.15	-	83.15
Financial assets:				
Investments		297.02	-	297.02
Loans	b	83.05	(16.95)	66.10
Other financial assets		245.99	-	245.99
Other non-current assets	b	242.63	17.54	260.17
<b>Total non-current assets</b>		<b>8,997.06</b>	<b>(6.78)</b>	<b>8,990.28</b>
<b>Current Assets</b>				
Inventories		3,423.77	-	3,423.77
Financial Assets				
Trade Receivables	f	3,065.67	(32.47)	3,033.20
Cash and cash equivalents		379.19	-	379.19
Bank balances other than Cash and cash equivalents		251.71	-	251.71
Loans		6.60	-	6.60
Other financial assets	g	158.81	2.29	161.10
Current Tax Assets (Net)		50.56	-	50.56
Other current assets	b	508.66	3.91	512.57
<b>Total current assets</b>		<b>7,844.96</b>	<b>(26.27)</b>	<b>7,818.70</b>
<b>TOTAL ASSETS</b>		<b>16,842.02</b>	<b>(33.04)</b>	<b>16,808.98</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital		2,870.23	-	2,870.23
Other Equity		10,215.74	(489.43)	9,726.31
<b>Total equity</b>		<b>13,085.97</b>	<b>(489.43)</b>	<b>12,596.54</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings		969.42	-	969.42
Provisions	c	83.75	-	83.75
Deferred tax liabilities (Net)	e	957.11	(9.51)	947.60
Other Non-current liabilities		-	417.91	417.91
<b>Total non-current liabilities</b>		<b>2,010.28</b>	<b>408.40</b>	<b>2,418.68</b>
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings		-	-	-
Trade payables		258.65	-	258.65
Other financial liabilities		1,051.87	-	1,051.87
Other current liabilities	e	191.78	47.99	239.77
Provisions		105.56	-	105.56
Current Tax Liability (Net)		137.91	-	137.91
<b>Total current liabilities</b>		<b>1,745.77</b>	<b>47.99</b>	<b>1,793.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,842.02</b>	<b>(33.04)</b>	<b>16,808.98</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**4.16 Reconciliation of Consolidated total Comprehensive Income for the year ended March 31, 2017**

₹ in Lakhs

Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	IND AS
<b>Income</b>				
Revenue from operations		13,437.26	-	13,437.26
Other income	b, e and g	313.79	54.15	367.94
<b>Total Income</b>		<b>13,751.05</b>	<b>54.15</b>	<b>13,805.20</b>
<b>Expenses</b>				
Cost of materials consumed		5,003.02	-	5,003.02
Changes in inventories		637.71	-	637.71
Employee benefits expense	d	1,547.58	5.00	1,552.58
Finance costs		180.21	-	180.21
Depreciation and amortization expense	a	691.81	(0.36)	691.45
Other expenses	a, b, and f	2,623.68	16.54	2,640.22
<b>Total Expenses</b>		<b>10,684.01</b>	<b>21.18</b>	<b>10,705.19</b>
<b>Profit before share of profit of Associate and exceptional items</b>		<b>3,067.04</b>	<b>32.97</b>	<b>3,100.01</b>
Share of profit / (loss) of Associate		108.18	-	108.18
<b>Profit before exceptional items and tax</b>		<b>3,175.22</b>	<b>32.97</b>	<b>3,208.20</b>
Exceptional items		54.30	-	54.30
<b>Profit / (loss) before tax</b>		<b>3,229.52</b>	<b>-</b>	<b>3,262.50</b>
Tax expenses				
Current tax		1,043.45	-	1,043.45
Deferred tax		33.63	-	33.63
Excess/(Short) provision for Taxation of earlier years		40.96	-	40.96
		<b>1,118.04</b>	<b>-</b>	<b>1,118.04</b>
<b>Profit/ (loss) for the year</b>		<b>2,111.48</b>	<b>32.97</b>	<b>2,144.45</b>
Other Comprehensive income / losses (net of tax)	d	-	5.00	5.00
<b>Total</b>		<b>2,111.48</b>	<b>37.97</b>	<b>2,149.45</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**Notes to Consolidated Financial Statements for the year ended March 31, 2018****4.17 Reconciliation of total other equity as at March 31, 2017 and April 01, 2016**

₹ in Lakhs

Particulars	Notes to first time adoption	March 31, 2017	April 01, 2016
Total other equity as per previous GAAP		10,008.49	9,813.33
<b>Adjustments (net of taxes) :</b>			
Deferred Capital Subsidy from Government	e	(513.89)	(420.58)
Income on deferred capital Subsidy	e	47.99	
Impact of Expected Credit Loss on Trade Receivables	f	(32.47)	(20.10)
Effect of measuring financial instruments at fair value	g	2.29	64.39
Adjustment relating to unamortised share issue		(0.78)	(1.20)
Fair Valuation of Security Deposits	b	(0.53)	-
Impact of reclassification of Leasehold land	a	(1.32)	(1.20)
Deferred tax adjustments on above items		9.51	
Others		207.02	258.69
<b>Total adjustments</b>		<b>(282.18)</b>	<b>(120.00)</b>
<b>Total other equity as per Ind AS</b>		<b>9,726.31</b>	<b>9,693.34</b>

**Impact of Ind AS adoption on the Consolidated statements of cash flows for the year ended March 31, 2017**

₹ in Lakhs

Particulars	Previous GAAP	Adjustments	IND AS
Net cash flow from operating activities	3,731.02	512.08	3,218.94
Net cash flow from investing activities	(330.60)	(344.19)	13.59
Net cash flow from financing activities	(3,213.16)	(167.89)	(3,045.27)
<b>Net increase/ (decrease) in cash and cash equivalent</b>	<b>187.26</b>	<b>-</b>	<b>187.26</b>
Cash and cash equivalent as at April 01, 2016	191.93	-	191.93
<b>Cash and cash equivalent as at March 31, 2017</b>	<b>379.19</b>	<b>-</b>	<b>379.19</b>

**4.18 Notes to First Time Adoption****a Property, Plant and Equipment**

The Group has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and intangibles as recognised in the Consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

**(i) Finance Lease**

Under the previous GAAP, leasehold land was accounted for at the premium paid at the time of commencement of the lease. The lease rentals paid were recognised in the Consolidated Statement of Profit and Loss. Land was not covered under the scope of AS -19 Leases. Ind AS 17 Leases now includes land under the scope of the standard. As on the transition date to Ind AS, the Group recognises the lease as an asset as well as liability at fair value (present value of minimum lease payments). Any direct expense incurred by the Group is added to the cost of leased asset. The lease payments are apportioned



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

between finance charge and finance lease obligation. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### **b Security Deposit**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Group has fair valued these security deposits under Ind AS and the difference between the fair value and the transaction value of the security deposit has been recognised as prepaid rent.

### **c Deferred Tax**

The previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments has resulted in recognition of temporary differences.

### **d Defined benefit obligations**

Under previous GAAP, actuarial gains and losses were recognised in Consolidated Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss.

### **e Government Grants**

The government grant related to fixed assets was netted off with the cost of respective Property, Plant and Equipment under previous GAAP. Under Ind AS, Property, Plant and Equipment has been recognised at gross cost and government grant has been recognised as deferred income.

### **f Trade Receivables**

Under the previous GAAP, the Group has created provision for impairment of receivables consisting specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss Model which has led to an increase in the amount of provision as on the date of transition.

### **g Derivative Instruments - Forward contracts**

Under previous GAAP, the loss on forward contract was recognised based on difference between spot rate and forward rate. Under Ind AS, forward contract is required to be accounted at fair value.

### **h Inclusion of Bank Overdraft for the purpose of Cashflow**

Under Ind AS, bank overdrafts which are repayable on demand and form an integral part of the Group's cash management system and are included in cash and cash equivalents for the purpose of presentation of Statement of Cash flows. Whereas under previous GAAP, there was no similar guidance and hence, bank overdrafts were considered similar to other borrowings and the movements therein were reflected in cash flows from financing activities.

### **i Other Comprehensive income**

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, items of income or expense that are not recognised in Consolidated Statement of Profit and Loss are recognised as "other comprehensive income" which includes remeasurement of defined benefit plans.

## **4.19 Ind AS issued but not yet effective**

Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs :

### **Ind AS 115- Revenue from Contract with Customers**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

The standard permits two possible methods of transition :

- Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018

The Group has adopted the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

### Ind AS 21 : The Effects of Changes in Foreign Exchange Rates

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration is inserted to clarify the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The Appendix explains that the date of the transaction, for the purpose of determining the exchange rate, to use on the initial recognition of the related asset, expense or income (or part of it) is the date on which the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the date of the transaction is determined for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on its financial statements and the impact is not material.

### 4.20 Additional Information as required under Schedule III to the Companies Act, 2013, of Enterprises Consolidated as Subsidiary/Associates:

#### March 31, 2018

Particulars	Percentage of ownership interest as at March 31, 2018	Percentage of ownership interest as at March 31, 2017	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in total Comprehensive Income	
			% of consolidated net assets	₹	% of consolidated profit or loss	₹	% of consolidated Other Comprehensive Income	₹	% of consolidated total Comprehensive Income	₹
<b>Parent</b>										
Orbit Exports Limited	-	-	96.55	13,789.26	92.13	2,490.88	100.00	(9.03)	92.11	2,481.85
<b>Subsidiary</b>										
<b>Foreign:</b>										
Orbit Inc.	100.00	100.00	0.41	57.95	0.62	16.80	-	-	0.62	16.80
Excellere (UK) Limited	100.00	-	-	-	-	-	-	-	-	-
<b>Associate</b>										
<b>Foreign:</b>										
Rainbow Line Trading L.L.C.	49.00	49.00	3.04	434.29	7.24	195.86	-	-	7.27	195.86
<b>Total</b>			<b>100.00</b>	<b>14,281.50</b>	<b>100.00</b>	<b>2,703.54</b>	<b>100.00</b>	<b>(9.03)</b>	<b>100.00</b>	<b>2,694.51</b>

The accompanying notes are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

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

**Pankaj Seth**  
Managing Director  
DIN : 00027554

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

**Atul Shah**  
Partner  
Membership No. 39569  
Place : Mumbai  
Date : May 30, 2018

**Mukesh Deopura**  
Chief Financial Officer  
Place : Mumbai  
Date : May 30, 2018

**Neha Poddar**  
Company Secretary

**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)**

<b>Particulars</b>	<b>Details</b>	<b>Details</b>
1. Sl. No.	1	2
2. Name of the subsidiary	Orbit Inc.	Excellere (UK) Ltd.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same	Same
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD ₹ 65.04/-	GBP ₹ 92.29/-
5. Share capital	1,000,000	1,000
6. Reserves & surplus	89,093	NIL
7. Total assets	1,902,724	2,000
8. Total Liabilities	813,631	1,000
9. Investments	NIL	NIL
10. Turnover	1,744,661	NIL
11. Profit before taxation	32,790	NIL
12. Provision for taxation	6,596	NIL
13. Profit after taxation	26,195	NIL
14. Proposed Dividend	NIL	NIL
15. % of shareholding	100%	100%

**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 -LLC</b>
1. Latest audited Balance Sheet Date	March 31, 2018
<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 18,42,960.07
<b>6. Profit / Loss for the year</b>	
i. Considered in Consolidation	AED 11,19,709
ii. Not Considered in Consolidation	AED 2,79,927

For and on behalf of the Board of Directors  
CIN: L40300MH1983PLC030872

**Mr. Pankaj Seth**  
Managing director  
DIN: 00027554

**Ms. Anisha Seth**  
Whole time director  
DIN: 00027611

**Mr. Mukesh Deopura**  
Chief Financial Officer

**Ms. Neha Poddar**  
Company Secretary

**ORBIT EXPORTS LIMITED**

CIN No: L40300MH1983PLC030872

Registered Office: 122, Mistry Bhawan, 2nd Floor,  
Dinshaw Wachha Road, Churchgate, Mumbai – 400020.

Phone No: +91 – 22- 66256262;

Email id: investors@orbitexports.com; Website: www.orbitexports.com

**ATTENDANCE SLIP**

(to be presented at the entrance hall)

I/We hereby record my presence at the Thirty-Fifth Annual General Meeting of the Company to be held on Wednesday, September 12, 2018 at 04:00 P.M at Babasaheb Dahanukar Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400001.

Folio No/DP ID No./Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/ Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report reference at the Meeting.

**ORBIT EXPORTS LIMITED**

CIN No: L40300MH1983PLC030872

Registered Office: 122, Mistry Bhawan, 2nd Floor,  
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Phone No: +91 – 22- 66256262;

Email id: investors@orbitexports.com; Website: www.orbitexports.com

**Form No. MGT-11  
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

Email id : \_\_\_\_\_ Folio No./DP ID No./ Client ID No : \_\_\_\_\_

I/We, being the member(s) of ..... shares of Orbit Exports Limited, hereby appoint:

1. Name: ..... Email id: .....  
Address: .....  
Signature : ..... or failing him/her
2. Name: ..... Email id: .....  
Address: .....  
Signature : ..... or failing him/her
3. Name: ..... Email id: .....  
Address: .....  
Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on Wednesday, September 12, 2018 at 04:00 P.M. at Babasaheb Dahanukar Sabhagriha, C/o. Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions No	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	To consider and adopt: (a) the Audited Financial Statement of the Company for the Financial Year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon; and (b) the Audited consolidated financial statement of the Company for the financial year ended March 31, 2018.		
2.	Appoint a Director in place of Mr. Bruce Larry Kieval (DIN NO: 00335336) who retires by rotation and being eligible, offers himself for re-appointment.		
<b>Special Business</b>			
3.	To consider and approve re-classification of Promoters of the Company.		
4.	Ratification of the Remuneration of the Cost Auditors of the Company for Financial Year 2018-2019.		
5.	Approval on Material Related Party Transactions.		

Signed this ..... day of ..... 2018

Signature of shareholder ..... Signature of Proxyholder(s) .....

**NOTES:**

1. **This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 122, Mistry Bhawan, 2nd Floor, Dinshaw Wachha Road, Churchgate, Mumbai – 400020.**
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy Form.



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## *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; Website: www.orbitexports.com

### **Factories / Warehouse:**

#### **Surat**

Plot No. 6-9, Fairdeal Textile Park, Village Mahuvej, Taluka Mangrol, Dist - Surat - 394 102 (Gujarat).

#### **Hojiwala:**

Industrial Shed No. B-21/5, Sachin Udhog Sakhari Mandli Ltd, Hojiwala Industrial Estate, Vanz Sachin, Surat.

#### **Kalyan:**

Plot No.1, Building No. B-12, Asmeeta Infratech Textile Park, Additional Kalyan Bhiwandi Industrial Area,  
Sarawali - Kon Village, Taluka - Bhiwandi, Dist - Thane.

#### **Bhiwandi:**

A-4, Unit No. 1-5, Mahavir Logiplot, Aamne Village, Near Sawad Naka, Bhiwandi, Thane - 421302.