



# ANNUAL REPORT 2021-22

## Le Merite Exports Limited

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Email: [compliance@lemeriteexports.com](mailto:compliance@lemeriteexports.com)  
Website: [www.lemeriteexports.com](http://www.lemeriteexports.com)

Tel: (91) (022) 28579209  
Address: B1-104D Boomerang, Chandivili Farm Road,  
Andheri - East, Mumbai - 400072,

Mr. Umashankar Lath	Chairman & Managing Director
Mr. Abhishek Lath	Managing Director & CFO
Mrs. Sweta Lath	Executive Director
Mr. Rohit Agarwal	Independent Non-executive Director
Mr. Jaydeep Purujit Mehta	Independent Non-executive Director
Mr. Narendra Kumar Srivastava	Independent Non-executive Director

#### 1. COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Sarita Mishra	Company Secretary & Compliance Officer (Resignation w.e.f. July 06, 2022)
Mr. Sandeep Poddar	Company Secretary & Compliance Officer (Appointment w.e.f. September 05, 2022)

#### 2. AUDIT COMMITTEE

Mr. Narendra Kumar Srivastava	Chairman
Mr. Jaydeep Purujit Mehta	Independent Non-executive Director
Mr. Abhishek Lath	Managing Director & CFO

#### 3. NOMINATION AND REMUNERATION COMMITTEE

Mr. Jaydeep Purujit Mehta	Chairman
Mr. Narendra Kumar Srivastava	Independent Non-executive Director
Mr. Rohit Agarwal	Independent Non-executive Director

#### 4. STAKEHOLDERS RELATIONSHIP & GRIEVANCE COMMITTEE

Mr. Jaydeep Purujit Mehta	Chairman
Mr. Narendra Kumar Srivastava	Independent Non-executive Director
Mr. Abhishek Lath	Managing Director & CFO
Mr. Umashankar Lath	Chairman and Managing Director

#### 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Rohit Agarwal	Chairman
Mr. Abhishek Lath	Managing Director & CFO
Mrs. Sweta Lath	Executive Director

#### 6. RISK MANAGEMENT COMMITTEE

Mr. Abhishek Lath	Chairman
Mr. Rohit Agarwal	Independent Non-Executive Director
Mrs. Sweta Lath	Executive Director

## AUDITORS

Nagori Nuwal & Co.

Chartered Accountant

229, Starlit Tower, 29 Y. N. Road, Indore- 452001

## BANKERS

Shinhan Bank Limited

ICICI Bank Limited

UCO Bank Limited

Tirupati Urban Co-op Bank Ltd

## REGISTERED OFFICE

B1-104D, Boomerang, Chandivali Farm Road,

Powai, Andheri (East) Mumbai-400072

Telephone : (91) (022) 28579209

E-mail : [compliance@lemeriteexports.com](mailto:compliance@lemeriteexports.com)

Website : [www.lemeriteexports.com](http://www.lemeriteexports.com)

## REGISTRAR AND SHARE TRANSFER AGENTS

BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis, Makwana Road,

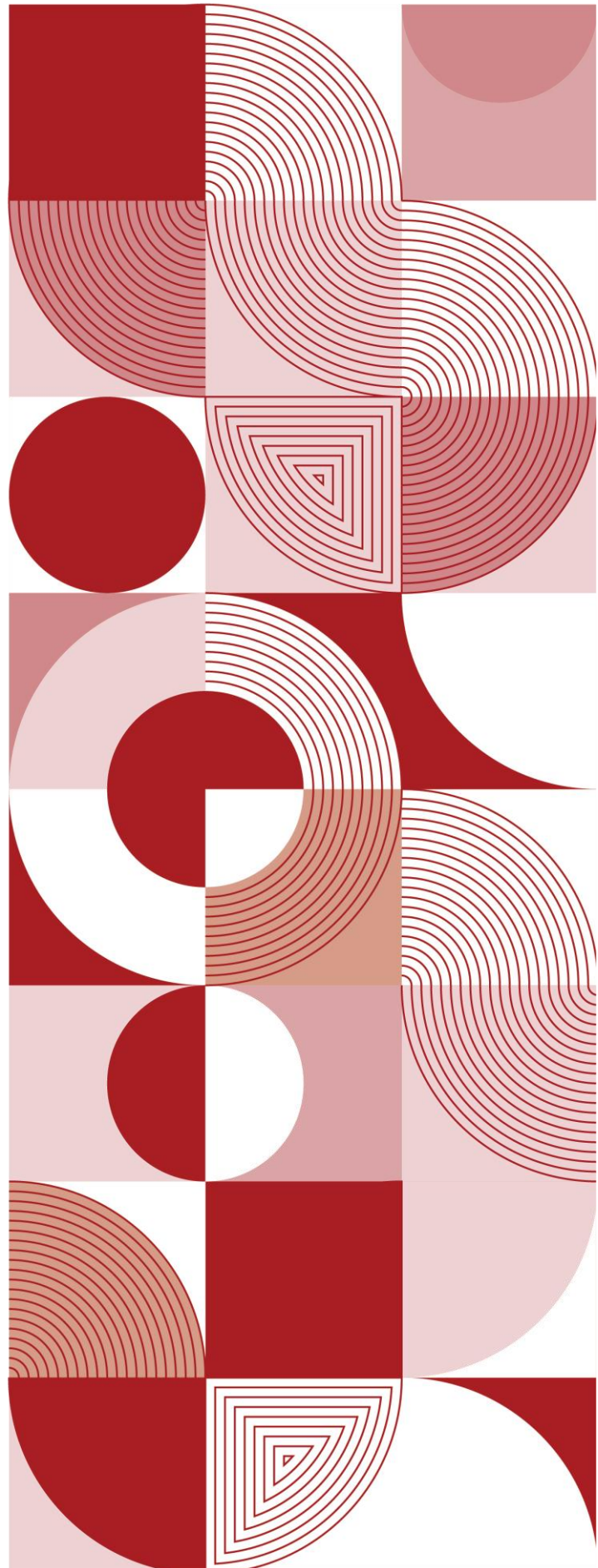
Marol, Andheri East, Mumbai-400059

Phone : (91) (022) 62638200

Fax No. : (91) (022) 62638280

E-mail ID : [arif@bigshareonline.com](mailto:arif@bigshareonline.com)

Website : [www.bigshareonline.com](http://www.bigshareonline.com)



The Chairman Overview	5
Dear Shareholders	6
E-COMMUNICATION REGISTRATION FORM	7
NOTICE	8
NOTES	9
Annexure to Notice	15
DIRECTORS' REPORT	16
Annexure - I to the Directors' Report	25
Annexure - II to the Directors' Report	26
Annexure 'A' to the Secretarial Audit Report	28
Annexure - III to the Directors' Report	29
Annexure - IV to the Directors' Report	29
Annexure - V to the Directors' Report	31
Annexure - VI to the Directors' Report	33
Management Discussion and Analysis Report	34
INDEPENDENT AUDITOR'S REPORT	41
"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT	45
ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT	49
STANDALONE BALANCE SHEET AS ON MARCH 31, 2022	51
STANDALNOE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022	52
Statement of cash flows for the year ended March 31, 2022	53
"Notes forming part of financial statement for the period ended March 31, 2022"	54
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022	58
INDEPENDENT AUDITOR'S REPORT	76
"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT	81
ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT	82
CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2022	84
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022	85
Consolidated Statement of cash flows for the year ended March 31, 2022	86
"Notes forming part of financial statement for the period ENDED MARCH 31, 2022"	87
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022	102

## THE CHAIRMAN OVERVIEW



Dear Stakeholders,

Let me start by wishing all of you a happy and healthy future. The pandemic has clearly reinforced the message that Health is Wealth.

If FY21 saw the darkest period of the pandemic, then the last financial year was the year of hope. Though the pandemic did not disappear, the nationwide roll out of the vaccine programme meant that lives were more secure and coupled with precautions; people could get back to some degree of normalcy.

With the period of uncertainty mostly behind us, I believe a more positive macroeconomic outlook dominates the executive agenda, across industries. While there are headwinds in the form of rising inflation and the Ukraine crisis, among several others, India is expected to grow 7.3% and is likely to be the fastest-growing major economy in the world in FY23 with the strength to absorb external shocks.

### Our Performance:

Encouraged by the prospects of a large nation and needing to be Self-Dependent, LeMerite was born with the sole objective of supplying global cloth manufacturers with the best quality of yarn and fibers. We built our business with this perspective: to meet the opportunities that came with a rapidly developing nation while reinventing ourselves to keep up with the times.

On this note, I would like to express my sincere thanks to our Board Members for their unwavering support and guidance. I would like to thank all the shareholders, customers, and vendors around the world for their continued trust in our company. And last but not the least, my heartfelt thanks to all our members, whose dedication and passion remain the biggest driver of the Company's vision and strategic goals.

Best wishes for the year ahead.



Umashankar Lath  
Chairman & Managing Director

# DEAR SHAREHOLDERS

## Sub: MCA's Green Initiative for Paperless Communications

Ministry of Corporate Affairs ("MCA") has recently taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies. Towards this, MCA has issued Circulars bearing no. 17/2011 dated April 21, 2011, and 18/2011 dated April 29, 2011 stating that the service of notice / document by a Company to its shareholders can now be made through electronic mode, subject to a few conditions.

Our Company appreciates the initiative taken by MCA, as it believes strongly in a Greener Environment. This initiative also helps in prompt receipt of communication, apart from helping avoid losses/delays in postal transit.

We, therefore, propose to send documents, such as the Notice of the Annual General Meeting, Annual Report, Half- yearly communications etc. henceforth to shareholders in Electronic Form at the e-mail address provided by them and made available to us by the depositories from time to time.

In case you wish to receive all the above communications in electronic form; and

hold your shares in dematerialized form, kindly register your e-mail address with your Depository Participant at the earliest; or

hold your shares in physical form, kindly register your e-mail address with Bigshare Services Pvt Ltd, our Registrar and Share Transfer Agent, at the following address at the earliest.

MR. Arif Siddiqui, Client Service Executive  
Bigshare Services Pvt Ltd, 1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059  
E-mail Address: arif@bigshareonline.com

You may use the format given below for registering your e-mail address with Bigshare Services Pvt Ltd.

We wish to inform you that in addition to getting the documents through your registered e-mail, you can also have access to the documents through our Company Website: [www.lemeriteexports.com](http://www.lemeriteexports.com). The document will also be available to you for inspection at the Registered Office of the Company during office hours.

We are sure you would appreciate the "Green Initiative" taken by MCA, just as it is being welcomed by companies like us. Needless to say, you will be, as a member of the Company, entitled to be furnished with a copy of the above-mentioned documents as required under the provisions of the Companies Act, 2013, free of cost, upon receipt of a requisition from you any time.

We solicit your whole-hearted co-operation in helping the Company implement the e-governance initiatives of the Government in the interest of environment, which is the need of the hour.

This communication may be ignored, if your email address is already registered with your Depository Participant/ Bigshare Services Pvt Ltd.

Thanking you,

Yours faithfully,  
For LE MERITE EXPORTS LIMITED  
SD/-  
ABHISHEK LATH  
MANAGING DIRECTOR AND CFO  
DIN: 00331675

# E-COMMUNICATION REGISTRATION FORM

*[Exclusively meant for Shareholders holding shares in physical form]*

To  
MR. ARIF SIDDIQUI,  
Client Service Executive  
BIGSHARE SERVICES PVT LTD  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai-400059

Name of the Company :

Folio No. :

Name of First Registered Holder :

Name of Joint Holder(s) :

E-mail ID [to be registered] :

Please register my above e-mail ID in your records for receiving communication in electronic form from the Company.

Signature of the First Holder

.....

Date: .....

Note: Shareholder(s) are requested to keep the Company informed of change, if any, in the e-mail address.

## NOTICE

Notice is hereby given that the NINETEENTH Annual General Meeting of the Members of LE MERITE EXPORTS LIMITED (CIN-U17111MH2003PLC143645) will be held on FRIDAY, the SEPTEMBER 30, 2022, at 04.00 P.M. through video conference to transact the following business:

As ordinary business:

1. Adoption of Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2022, along with the reports of the Board of Directors' and Auditors' thereon: -

To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2022, including the Audited Standalone and Consolidated Balance Sheet as at March 31, 2022, the Statement of Profit and Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.

2. Appointment of Mrs. Sweta Lath (DIN 07213314), as a "Executive Director", liable to retire by rotation, being eligible, offers herself for re-appointment: -

To appoint an Executive Director in place of Mrs. Sweta Lath (DIN 07213314), Executive Director, who retires by rotation and being eligible, offers herself for reappointment, as a "Executive Director" of the Company.

The Shareholders are requested to consider and if thought fit, to pass the following resolution As an ORDINARY RESOLUTION: -

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the Shareholders of the Company, be and is hereby accorded for the re-appointment of Mrs. Sweta Lath (DIN 07213314), as a "Executive Director", who shall be liable to retire by rotation."

3. Declaration of Final Dividend on Equity Shares for the Financial Year ended March 31, 2022: -

To declare Final Dividend on Equity Shares at the rate of 10% (Ten per cent) [i.e., 1.00/- (Rupees One only) per Equity Share of Face Value of 10/- (Rupees Ten Only)] for the Financial Year ended March 31, 2022

By Order of the Board

For LE MERITE EXPORTS LIMITED

Sd/-

ABHISHEK LATH

Managing Director & CFO

DIN: 00331675

Registered Office

B1-104D, Boomerang, Chandivali Farm Road,

Powai, Andheri (East), Mumbai-400072

CIN: U17111MH2003PLC143645

Dated: September 06, 2022

Place: Mumbai



# NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to the Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive).
4. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.lemeriteexports.com](http://www.lemeriteexports.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
8. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

## THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The remote e-voting period begins on, September 26, 2022 at 9:00 A.M. and ends on, September 29, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 23, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 23, 2022.

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<p>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>       <b>Google Play</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e., NSDL. Click on NSDL to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.</p>

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

#### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID

	For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) [Physical User Reset Password?](#) (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csvijaytiwari@gmail.com](mailto:csvijaytiwari@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Anubhav Saxena at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [compliance@lemeriteexports.com](mailto:compliance@lemeriteexports.com).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [compliance@lemeriteexports.com](mailto:compliance@lemeriteexports.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).
- Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- [In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.](#)

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER: -

- The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM
4. Shareholders are encouraged to join the Meeting through Laptops / iPad / Tablets for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address mentioning their demat account number/folio number, email id, mobile number, PAN at [compliance@lemeriteexports.com](mailto:compliance@lemeriteexports.com) on or before 24th September 2022 by 5.00 pm (IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

BY ORDER OF THE BOARD  
For LE MERITE EXPORTS LIMITED

SD/-  
ABHISHEK LATH  
MANAGING DIRECTOR AND CFO  
DIN: 00331675

Registered Office

B1-104D, Boomerang, Chandivali Farm Road,  
Powai, Andheri (East) Mumbai-400072

Dated: September 6, 2022

Place: Mumbai

# ANNEXURE TO NOTICE

Details of Directors seeking Appointment / Re-appointment (As per Regulation 36(3) of LODR)

Name	Sweta Lath
Date of Birth	January 04, 1985
Appointed on	November, 012021
Qualifications	Bachelor of Science
Brief Profile	She is an Executive Director of our Company. She has been on the board of our company since November 2021 and her key responsibilities in the company includes after Human Resource and administration and new product development in the Company. She is having experience of more than 10 years in the business as woman entrepreneur and is very keen and open for new ideas and products
Directorship held in Public Companies	-
Memberships/Chairmanships of Audit and Stakeholder's Relationship Committees across Public Companies	-
No. of Shares held in the Company	15,90,000
Relationships between Directors inter-se	Mrs. Sweta Lath is a wife of Mr. Abhishek Lath, who is Managing Director and CFO of the Company and Daughter In-Law of Mr. Umashankar Lath, who is Chairman and MD of the Company

## DIRECTORS' REPORT

To the Members of

LE MERITE EXPORTS LIMITED Your Directors have pleasure in presenting their NINETEENTH ANNUAL REPORT of the Company together with Audited Statement of Accounts for the year ended March 31, 2022.

### FINANCIAL HIGHLIGHTS

The key highlights of the performance of your Company for the financial year ended March 31, 2022 and comparison with the previous financial year ended March 31, 2021 are summarized as under:

(Rs. In Lakhs)

	STANDALONE		CONSOLIDATED	
	March 31, 2022,	March 31, 2021,	March 31, 2022	March 31, 2021
Income From Operations	52,590.14	26,839.37	52,590.14	26,839.37
Other Income	107.16	54.52	107.16	54.52
Total Income	52,697.30	26,893.89	52,697.30	26,893.89
Expenses [Except Depreciation Expenses]	49,848.96	25,960.72	49,849.16	25,960.72
Profit / (Loss) Before Depreciation, Amortisation and Taxation	2,848.34	933.17	2,797.95	933.17
Provision For Depreciation	50.19	16.39	50.19	16.39
Profit / (Loss) Before Extra-Ordinary Items [Net of Tax Expenses]	2,798.15	916.78	2,797.95	933.17
Less: Extra-Ordinary Items [Net of Tax Expenses]	--	--	--	--
Profit / (Loss) Before Tax	2,798.15	916.78	2,797.95	916.78
Less: TAX Expenses:				-
Current Tax	695.00	230.00	695.00	230.00
Deferred Tax	(2.81)	0.68	(2.81)	0.68
Excess / Short Tax Provision W/off	-	(9.61)	-	(9.61)
Profit / (Loss) before Minority Interest	-	-	2,105.76	695.70
Less: Minority Interest	-	-	(0.10)	-
Profit / (Loss) After Tax	2,105.96	695.70	2,105.86	695.70
Paid-up Share Capital	1708.10	170.81	1708.10	170.81

### COMPANY PERFORMANCE OVERVIEW

During the year under review your company has reported the revenue from operation amounted to Rs. 52,590.14 lakhs as against Rs. 26,839.37 lakhs during the previous financial year 2020-21. The Net Profit of your Company, for the year amounted to Rs. 2,105.96 lakhs as against Rs. 695.70 lakhs during the previous financial year 2020-21.

### INITIAL PUBLIC OFFER

The Directors are pleased to inform that the Company's Initial Public Offering (IPO) of 64,00,000 Equity Shares of face value of 10/- (Rupees Ten only) by way of Fixed Price Process received an overwhelming response from the investors. The Issue was opened on April 25, 2022 and closed on April 28, 2022. The trading of Equity Shares of the Company commenced on National Stock Exchange Emerge Platform of India Limited from May 09, 2022.

The success of IPO reflects the trust, faith and confidence that customers, business partners and markets have reposed in your Company.

Utilization of IPO Fund:

The Initial Public Offer fund has been utilized for the purpose for which it is raised as mentioned in the Prospectus.



### STATE OF AFFAIRS

(PURSUANT TO SECTION 134(3)(i) OF THE COMPANIES ACT, 2013)

The Company is engaged in the business of manufacturing and trading of textile products namely cotton yarn, greige fabric and finished fabric. There is no change in the business of the Company during the financial year ended March 31, 2022.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There have been no material changes and commitments, which affect the financial position of the Company, that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

### DIVIDEND

(PURSUANT TO SECTION 134(3)(k) OF THE COMPANIES ACT, 2013)

Board Of Directors considering the company's financial performance and the availability of distributable profit, have pleased to recommend a dividend of Rs. 1.00 per equity share of Rs. 10/- each (i.e., 10%) for the financial year ended on March 31, 2022, subject to the approval of members in the ensuing annual general meeting of the company.

The Company continues with its task to build businesses with long-term goals based on its intrinsic strengths in terms of its powerful brand, quality manufacturing process, distribution strengths and client relationships.

### TRANSFER TO RESERVE

The Company has not transferred any amount to the Reserves for the year ended March 31, 2022.

### CAPITAL STRUCTURE

The Authorised Share Capital of the company as on March 31, 2022 was Rs. 25 crores divided into 25,00,000 equity shares of Rs. 10 each.

During the year under review, the Company has issued 1,53,72,900 equity shares through Bonus Issue and 64,00,000 equity shares of Rs. 10/- each through Initial Public Offering (IPO).

Consequently, the paid-up equity shares capital of the company stood at Rs. 23.48 crores consisting of 23,481,000 equity shares of Rs.10 each.

### SUBSIDIARY / JOINT VENTURES / ASSOCIATES

As on March 31, 2022, the Company has 02 subsidiary companies pursuant to the provisions of section 129(3) of the Companies act, 2013 read with the companies (accounts) rules, 2014, a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in form AOC-1 is annexed herewith and marked as Annexure - 'I' to this Report.

The Separate Audited Financial Statements in respect of each of the subsidiary shall be kept open for inspection at the Registered Office of the Company.

The Company will also make available these documents upon request by any member of the company interested in obtaining the same. The Separate Audited Financial Statements in respect of each of the subsidiary are also available on the website of the company at [www.lemeriteexports.com](http://www.lemeriteexports.com).

### EXTRACTS OF ANNUAL RETURN

As required under Section 134(3)(a) & Section 92(3) of the Act, the Annual Return is put up on the Company's website and can be accessed at [www.lemeriteexports.com](http://www.lemeriteexports.com) & Extracts of the Annual return in form MGT 9 for the Financial Year 2021-22 is uploaded on the website of the Company and can be accessed at [www.lemeriteexports.com](http://www.lemeriteexports.com)

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors state that:

- in the preparation of Annual Accounts, the applicable accounting standard have been followed along with proper explanation relating to material departures.
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of Financial Year March 31, 2022, and the Profit or Loss of the Company for the period;

- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and preventing and detecting fraud.
- The Directors had prepared the Annual Accounts for the Financial Year Ended March 31, 2022, on a going concern basis.
- the Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loan or guarantee during the year ended March 31, 2022.

#### FIXED DEPOSITS

The Company has not invited/ accepted any deposits from the public during the year ended March 31, 2022. Hence, there were no unclaimed or unpaid deposits as on March 31, 2021.

#### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, the provision of section 125(2) of Companies Act, 2013 does not apply as the company was not required to transfer any amount to the Investor Education Protection Fund (IEPF) established by Central Government of India.

#### APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During year, no application was made or proceeding pending under Insolvency and Bankruptcy code, 2016 against the Company.

#### INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has an adequate and effective Internal Control Mechanism in place which is commensurate with the size, scale and complexity of its operations, to ensure efficient conduct of its operations, security of assets, prevention and detection of frauds / errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information as per its Management Information System (MIS). These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations and protecting assets from unauthorized use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board consists of the following persons:

##### Key Managerial Personnel

- |                         |  |
|-------------------------|--|
| (1) Mr. Umashankar Lath | - Chairman and Managing Director   |
| (2) Mr. Abhishek Lath   | - Managing Director and Chief Financial Officer                                    |
| (3) Ms. Sarita Mishra   | - Company Secretary & Compliance Officer (Resignation w.e.f. July 06, 2022)        |
| (4) Mr. Sandeep Poddar  | - Company Secretary and Compliance officer (Appointment w.e.f. September 05, 2022) |

##### Executive Directors

- (1) Mrs. Sweta Lath

##### Non-Executive, Independent Directors

- (1) Mr. Narendra Kumar Srivastava  
 (2) Mr. Rohit Agarwal  
 (3) Mr. Jaydeep Purujit Mehta

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Sweta Lath, Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offer for re-appointment.

The above re-appointment form part of the Notice of the Annual General Meeting.

### MEETINGS OF THE BOARD

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. During the year, 16 (Sixteen) Board Meetings and were held on the following dates:

(i) May 13, 2021	(ii) June 28, 2021
(iii) August 02, 2021	(iv) August 12, 2021
(v) August 17, 2021	(vi) September 21, 2021
(vii) September 29, 2021	(viii) November 05, 2021
(ix) December 17, 2021	(x) December 20, 2021
(xi) December 30, 2021	(xii) January 05, 2022
(xiii) January 24, 2022	(xiv) January 25, 2022
(xv) January 27, 2022	(xvi) February 02, 2022

The composition of the Board and the attendance details of the Members are given below:

Name of the Directors	Category	No. of Meetings	
		Held	Attended
Mr. Abhishek Lath	Managing Director & CFO	16	16
Mr. Umashankar Lath	Chairman & Managing Director	16	16
Mrs. Sweta Lath	Executive Director	9	9
Mr. Narendra Kumar Srivastava	Non-Executive, Independent Director	8	8
Mr. Jaydeep Purujit Mehta	Non-Executive, Independent Director	8	8
Mr. Rohit Agarwal	Non-Executive, Independent Director	8	8

### INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on January 14, 2022, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of 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.

All the Independent Directors were present at the Meeting.

### DECLARATION BY INDEPENDENT DIRECTORS'

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports(ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. The Company has not received any complaint on the SCORES during financial year 2021-22.

### AUDITORS' AND AUDITORS' REPORT

#### Statutory Auditors

NAGORI NUWAL & CO., Chartered Accountant was appointed as the statutory auditor of the company.

The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

The observations of the Auditors are duly dealt in Notes of Accounts attached to the Balance Sheet and are self-explanatory in nature.

The first proviso to section 139(1) of the Companies Act, 2013 has been omitted vide section 40 of the Companies (Amendment) Act, 2017 notified on May 07, 2018. Therefore, it is not mandatory for the Company to place the matter relating to appointment of statutory auditor for ratification by members at every Annual General Meeting. Hence the Company has not included the ratification of statutory auditors in the Notice of AGM. During the Year under review, the Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

#### Internal Auditor

The Company has also appointed Mr. Narendra Sharma, Senior Accountant of the Company, as Internal Auditor of the Company. The Company is also having internal audit department to test the adequacy and effectiveness of Internal Control Systems laid down by the Management and suggests improvement in the systems. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board. During the year, Company's Internal Controls were tested and no reportable weakness in the system was observed.

#### Secretarial Audit

The Board has appointed M/s. Vijay S. Tiwari & Associates, Practicing Company Secretaries, to carry out the Secretarial Audit pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year ended March 31, 2022 is annexed herewith and marked as Annexure - 'II' to this Report.

#### Cost Records & Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

#### REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

#### COMMITTEES OF THE BOARD

The Company has constituted different Committees under the Board that are mandated under the Companies Act, 2013.

#### [I] Mandatory Committees

##### (a) Audit Committee

The Audit Committee of the Board of Directors oversees the Financial Statements and Financial Reporting before submission to the Board.

The Audit Committee is responsible for the recommendation of the appointment, remuneration, performance and oversight of the Internal and Statutory Auditors. It reviews the Reports of the Internal Auditors and Statutory Auditors. The Senior Management Personnel are invited to the meetings of the Audit Committee, along with the Head of Internal Audit.

During the year under review, the Audit Committee met 1 (One) times to deliberate on the various matters. The Meetings were held on February 02, 2022.

The composition of the Committee and the attendance details of the Members are given below:

Name of the Directors	Category	No. of Meetings	
		Held	Attended
Narendra Kumar Srivastava	Chairman, Non-Executive, Independent Director	1	1
Jaydeep Purujit Mehta	Non-Executive, Independent Director	1	1
Abhishek Lath	Managing Director & CFO	1	1

(b) Nomination and Remuneration Committee

Your Company has constituted the Nomination and Remuneration Committee of the Company pursuant to the provisions of Section 178 of the Companies Act, 2013. The functions of this Committee include identification of persons who are qualified to become Directors and who may be appointed as Senior Management, formulation of criteria for determining qualifications, positive attributes, independence, recommendations of their appointments to the Board, evaluation of every Director's performance, formulation of Remuneration Policy to include recommendation of remuneration for Directors, Key Managerial Personnel and Senior Management.

At present, there are 3 (Three) Members of the Nomination and Remuneration Committee, in which all are Non-Executive & Independent Directors.

During the year under review, the Nomination and Remuneration Committee met once in order to appoint to deliberate on the various matters. The Meeting was held on February 02, 2022.

The composition Committee and the attendance details of the Members are given below:

Name of the Directors	Category	No. of Meetings	
		Held	Attended
Narendra Kumar Srivastava	Chairman, Non-Executive, Independent Director	1	1
Jaydeep Purujit Mehta	Non-Executive, Independent Director	1	1
Rohit Agarwal	Non-Executive, Independent Director	1	1

Remuneration Policy, Details of Remuneration and Other Terms of Appointment of Directors.

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Policy for Selection and Appointment of Directors, Senior Management and their remuneration. This Policy inter-alia includes:

(i) Criteria of Selection of Non-Executive Directors

- Non-Executive Directors will be selected on the basis of Identification of Industry / subject leaders with strong experience. The advisory area and therefore the role may be defined for each independent director.
- The Nomination and Remuneration Committee shall ensure that the Candidate identified for Appointment as a Director is not disqualified for Appointment under Section 164 of the Companies Act, 2013.
- In case of Appointment of Independent Directors, the Nomination and Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

(ii) Remuneration

Pursuant to the resolution passed at the Board Meeting held, Independent Directors have decided to waive off their sitting fees till the time company comes out of the Financial Crunch. However, if the Company makes profit then:

- The Independent Directors shall be entitled to receive remuneration by way of sitting fees for each meeting of the Board or Committee of the Board attended by them, or such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- In addition, Independent Directors shall be entitled to receive reimbursement of expenses for participation in the Board/Committee Meetings.

(c) Stakeholders Relationship and Grievance Committee

Your Company has reconstituted the Stakeholders Relationship and Grievance Committee of the Company pursuant to Section 178 of the Companies Act, 2013 which comprises of 4 (Four) Directors out of these 2 are Non executive Independent Directors and 2 are Managing directors of the Company. The committee is headed by Mr. Jaydeep Purujit Mehta.

During the year under review, the Stakeholders Relationship and Grievance Committee met once in order to take on note the Share Transfer / Transmission / Demat of Shares / Sub-Division as intimated by the RTA of the Company.

The composition of the Share Transfer and Stakeholders Relationship Committee is given below:

Name of the Directors	Category	No. of Meetings	
		Held	Attended
Jaydeep Purujit Mehta	Chairman, Non-Executive, Independent	1	1
Narendra Kumar Srivastava	Non-Executive, Independent Director	1	1
Abhishek Lath	Managing Director and CFO	1	1
Umashankar Lath	Chairman and Managing Director	1	1

#### WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Act and Regulation 22 of the Listing Regulations.

The Policy provides protection to the directors, employees and business associates who report unethical practices and irregularities.

Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy. However, no complaint of this nature has been received by the Audit Committee during the Fiscal year 2022. The Whistle Blower Policy of the Company can be accessed at website of the Company at [www.lemeriteexports.com](http://www.lemeriteexports.com).

#### RISK MANAGEMENT POLICY

The Management has put in place adequate and effective system and manpower for the purposes of risk management. In the opinion of the Board, following would threaten the existence risk of the Company:

##### Staying one step ahead of risk

The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risks.

#### FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, the Directors individually including the Chairman of the Board as well as the evaluation of the Committees of the Board. The performance evaluation of the Independent Directors was also carried out by the entire Board.

The results of the evaluation done by Independent Directors were reported to the Chairman of the Board. It was reported that the performance evaluation of the Board, Committee etc. was satisfactory. The Directors expressed their satisfaction with the evaluation process.

#### ORDERS PASSED BY THE REGULATORS

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

#### DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. Internal Complaints Committee (ICC) has been constituted to consider & redress all sexual harassment complaints. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability, etc. All women associate (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

During Fiscal year 2022, the Company has not received any complaints of sexual harassment.

#### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The particulars of Conservation of Energy and Technology Absorption as required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are not applicable to the Company.

#### FOREIGN EXCHANGE EARNINGS OUTGO

During the period under review there was no Foreign Exchange Earnings or out flow.

#### MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

The Disclosures with respect to the Remuneration of Directors and Employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with, a statement containing particulars of Employees as required under Section 197 of Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked as Annexure - "III" and form part of this report.

#### PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

#### INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. The internal financial control of the company is adequate to ensure the accuracy and completeness of the accounting records, timely preparation of reliable financial information, prevention and detection of frauds and errors, safeguarding of the assets, and that the business is conducted in an orderly and efficient manner.

#### DEPOSITORY SYSTEM

As the Members are aware, your Company's shares are tradable compulsorily in Electronic Form and the Company has established connectivity with both the Depositories in the Country i.e. NSDL and CDSL. In view of the various advantages offered by the Depository System, Members are requested to avail of the facility of dematerialization of the Company's shares on either of the aforesaid Depositories.

#### CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct, which is applicable to the Members of the Board and all Employees in the course of day-to-day business operations of the Company. A copy of Certificate of Compliance thereof is annexed herewith and marked as Annexure - 'IV'.

#### SECRETARIAL STANDARDS

The Directors state that the applicable secretarial standards i.e., SS-1 and SS-2, relating to 'Meeting of the Board of Directors' and 'Meeting of General Meeting, respectively, have been duly followed by the Company.

#### LISTING OF SHARES ON STOCK EXCHANGE

The Company's equity shares are listed on emerge platform of National Stock Exchange of India Limited.

#### BUSINESS RESPONSIBILITY REPORT (BRR)

The Business Responsibility Reporting as required by regulation 34(2) (f) of the SEBI (listing obligations and disclosure requirement) regulations, 2015 is not applicable on company for the financial year ending, March 31, 2022.

#### PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in Securities by the Directors and Designated Employees of the Company. The Board is responsible for implementation of the Code.

#### CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

*"GOOD GOVERNANCE WITH GOOD INTENTIONS IS THE HALLMARK OF OUR COMPANY. IMPLEMENTATION WITH INTEGRITY IS OUR CORE PASSION"*

The Company is committed to maintain the highest standards of corporate governance and transparency. We ensure that we evolve & follow the corporate governance guidelines & best practices sincerely to boost long term shareholder value legally, ethically & sustainably. We consider it an inherent responsibility to disclose timely and accurate information regarding its operations and performance. We also endeavor to maximize shareholders value and respect minority rights in all our business decisions.

During year, our company is Listed on Emerge Platform of National Stock exchange of India Limited (NSE), by virtue of Regulation 15 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the compliance with the corporate Governance provisions as specified in regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 and Para C, D and E of schedule V is not applicable to the company.

#### EDUCATION, TRAINING AND DEVELOPMENT

In an ever changing and fast paced corporate world, training and development is an indispensable function and management of Le Merite believes that training presents a prime opportunity to expand the knowledge base of all employees. A structured training and development program are organized for employees to have a consistent experience and background knowledge. We encourage a culture of continual learning among employees through various Training & development sessions within the organization. Le Merite team always focus on producing targeted and tangible results for the business, treat it seriously and consider it a capital investment and make it results-driven. The results from our training and development initiatives have been very positive and clearly presented the enhanced productivity, efficiency & effectiveness.

#### BOARD POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 mandate the formulation of certain policies for all listed companies. The Corporate governance policies are available on the Company's website, at [www.lemeriteexports.com](http://www.lemeriteexports.com). The policies are reviewed periodically by the board and update as needed.

#### CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure - 'V' of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. This Policy is available on the Company's website at [www.lemeriteexports.com](http://www.lemeriteexports.com).

#### CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

As required under Regulation 17(8) of the Listing Obligations and Disclosures Requirements formulated by Securities and Exchange Board of India (SEBI), the CEO/CFO certification has been submitted to the Board and a copy thereof is annexed herewith and marked as Annexure - 'VI'.

#### OTHER DISCLOSURES

- a. The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors;
- b. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- c. The Company has not issued any sweat equity shares/ESOP/ RSUs to its directors or employees; and
- d. There was no revision of financial statements and Board's report of the Company during the year under review.

#### ACKNOWLEDGEMENT

Your Directors wish to thank the Shareholders, Clients, Bankers and Others associated with the Company for their continued support during the year. Your Directors also wish to place on record their appreciation for the dedication and commitment of the Employees at all levels.

#### BY ORDER OF THE BOARD

For LE MERITE EXPORTS LIMITED

SD/-

ABHISHEK LATH

MANAGING DIRECTOR AND CFO

DIN: 00331675

#### Registered Office

B1-104D, Boomerang, Chandivali Farm Road,

Powai, Andheri (East) Mumbai-400072

Dated: September 06, 2022

Place: Mumbai



## ANNEXURE - I TO THE DIRECTORS' REPORT

### FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the companies (accounts) rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures:

(Amount in Thousands)

S. No.	Name of the subsidiary :	Le Merite Laxmi Spinning Private Limited	Le Merite Filament Private Limited
1	Reporting period for the subsidiary concerned, if deferent from the holding company's reporting period	March 31, 2022	March 31, 2022
2	Reporting currency and Exchange rate as on the date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
3	Share Capital	5,000	1,000
4	Reserves & Surplus	(100)	(100)
5	Total Assets	5,259	1,259
6	Total Liabilities	359	359
7	Investments	-	-
8	Turnover	-	-
9	Profit / (Loss) before Taxation	(100)	(100)
10	Provision for Taxation	-	-
11	Profit / (Loss) after Taxation	(100)	(100)
12	Proposed Dividend	-	-
13	% of shareholding	51%	51%

# ANNEXURE - II TO THE DIRECTORS' REPORT

FORM NO. MR -3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[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]

To  
The Members,  
LE MERITE EXPORTS LIMITED  
B1-104D, Boomerang, Chandivali Farm Road,  
Powai, Andheri (East) Mumbai-400072

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Le Merite 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 my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, generally 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of 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'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) 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;

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with National Stock Exchange of India Limited.

## 1. The Trade Marks Act, 1999

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, Standards, etc. were not applicable to the Company:

- i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - ii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;
  - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings;
- and

WE HAVE ALSO EXAMINED COMPLIANCE WITH APPLICABLE CLAUSES OF THE FOLLOWING:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange Limited.

During the year under review the CSR committee of the company has identified some projects to spend a substantial amount of Rs.10,24,070/- but delay in implementation of such projects resulted into an unspent amount of Rs. 7,19,070/- towards CSR activities.

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

WE FURTHER REPORT THAT AS FAR AS WE ARE ABLE TO ASCERTAIN:

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

Adequate notice is 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 decisions are carried out while the dissenting members' views are captured and recorded as part of the minutes.

We 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.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the Company and its officers for systems and mechanism set-up by the Company for compliances under applicable laws. Our examination on a test-check basis was limited to the procedure followed by the Company for ensuring the compliance with the said provisions. 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 its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities/statements of the Company. Moreover we have not covered any matter related to any other laws, other than those mentioned in the report which may be applicable to the Company, except, the aforementioned corporate and other laws of the Union of India.

For, Vijay S. Tiwari & Associates  
Practicing Company Secretaries

SD/-

CS Vijaykumar Tiwari  
Membership No: 33084  
C. P. No: 12220

Peer Review Certificate No.: 1679/2022  
UDIN:033084D000816251

Place: Mumbai

Date: August 19, 2022

# ANNEXURE 'A' TO THE SECRETARIAL AUDIT REPORT

To  
The Members,  
LE MERITE EXPORTS LIMITED  
B1-104D, Boomerang, Chandivali Farm Road,  
Powai, Andheri (East) Mumbai-400072

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audits.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Vijay S. Tiwari & Associates  
Practicing Company Secretaries

SD/-  
CS Vijaykumar Tiwari  
Membership No: 33084  
C. P. No: 12220  
Peer Review Certificate No.: 1679/2022  
UDIN:033084D000816251

Place: Mumbai  
Date: August 19, 2022

## ANNEXURE - III TO THE DIRECTORS' REPORT

### PARTICULARS OF MANAGERIAL REMUNERATION

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees and percentage increase in remuneration of the Directors and Key Managerial Personnel of the Company for the financial year:

Name of Directors & Key Managerial Personnel	Designation	Increase in Remuneration in the financial year (%)	Ratio of remuneration of each director to median remuneration of all employees*
Abhishek Lath	Managing Director & CFO	44.74%	--
Umashankar Lath	Chairman & Managing Director	19.05%	--
Sweta Lath	Executive Director	--	--
Narendra Kumar Srivastava	Non Executive & Independent	--	--
Jaydeep Purujit Mehta	Non Executive & Independent	--	--
Rohit Agarwal	Non Executive & Independent	--	--
Sarita Mishra	Company Secretary	100%	--

- (ii) Percentage increase in the median remuneration of employees in the Financial Year: Nil  
 (iii) The number of permanent employees on the rolls of the Company: 135  
 (iv) 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:  
 (v) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

For LE MERITE EXPORTS LIMITED  
SD/-

ABHISHEK LATH  
MANAGING DIRECTOR AND CFO  
DIN: 00331675

Place: Mumbai

Date: September 06, 2022

## ANNEXURE - IV TO THE DIRECTORS' REPORT

### CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is hereby declared that all Board Members and Senior Management Personnel of the Company have affirmed the Compliance of the Code of Conduct for the year ended March 31, 2022.

For LE MERITE EXPORTS LIMITED

SD/-

ABHISHEK LATH

MANAGING DIRECTOR AND CFO

DIN: 00331675

Place: Mumbai

Date: September 06, 2022

## ANNEXURE - V TO THE DIRECTORS' REPORT

### ANNUAL REPORT ON CSR ACTIVITIES [FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL 2021]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

The CSR vision of the Company is to integrate social and environmental concerns in its business operations and interactions with all stakeholders in order to achieve a balance of economic, environmental and social imperatives. CSR will remain a fundamental part of the Company's practices, broad objective and overall culture. Company has constituted CSR Committee which recommends CSR activities to the Board for their approval. There is a monitoring team to overview the implementation of CSR activities. The Company implemented its CSR Project through implementing agencies by way of contribution. During the year under review, the Company has contributed towards programs encompassing the following areas:

- (a) Education
- (b) Health
- (c) Environment
- (d) Upliftment of poor

The Company's CSR Policy is available at [www.lemeriteexports.com](http://www.lemeriteexports.com).

The Composition of the CSR Committee.

CSR Committee as on March 31, 2022 consists of:

Name of the Directors	Category	No. of Meetings	
		Held	Attended
Rohit Agarwal	Chairman, Non-Executive, Independent Director	1	1
Abhishek Lath	Managing Director and CFO	1	1
Sweta Lath	Executive Director	1	1

3. Information about Composition of CSR committee, CSR Policy and CSR projects approved by the board are available at [www.lemeriteexports.com](http://www.lemeriteexports.com)

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the Company for the last three financial years as per Section 135(5): Rs. 512.04 Lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5): Rs. 10.24 Lakhs

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 10.24 Lakhs

8. CSR amount spent for the financial year: 3.05 Lakhs

9. CSR amount unspent for the financial year: 7.19 Lakhs

9. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

The CSR committee has identified some projects to spend a substantial amount of Rs.1024070/- but delay in implementation of such projects resulted into an unspent amount of Rs. 719070/- Towards CSR activities.

For LE MERITE EXPORTS LIMITED

SD/-

ABHISHEK LATH

MANAGING DIRECTOR AND CFO

DIN: 00331675

Place: Mumbai

Date: September 06, 2022



# ANNEXURE – VI TO THE DIRECTORS' REPORT

## CEO / CFO CERTIFICATION

The Board of Directors  
LE MERITE EXPORTS LIMITED  
B1-104D, Boomerang, Chandivali Farm Road,  
Powai, Andheri (East) Mumbai-400072

We the undersigned; in our respective capacities as Chief Financial Officer and Managing Director of LE MERITE EXPORTS LIMITED ("the Company"), to the best of our knowledge and belief, hereby certify that

- (a) We have reviewed the financial statements and the cash flow statements of the Company for the year ended March 31, 2022 and:
- (i) These statements do not contain any materially untrue statement or omitted any material fact or contain any statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are no transactions entered into by the company during the year ended March 31, 2022, which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) Significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements; and
  - (ii) Instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

For LE MERITE EXPORTS LIMITED

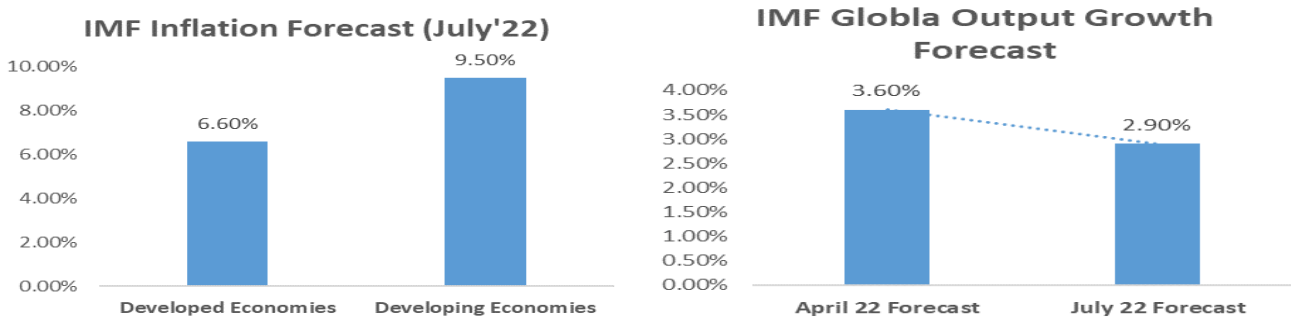
Sd/-

ABHISHEK LATH  
MANAGING DIRECTOR & CFO  
DIN: 00331675  
Place: Mumbai  
Date: September 06, 2022

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## Economic Scenario

The Global Economy has seen a sharp recovery after the anomalous disruptions due to COVID-19 in 2020-21. The vaccination drive accompanied by monetary and fiscal stimulus provided by various countries in a big way helped the global economy to recover and start its journey towards growth. However, again in the first half of 2021-22, the economy witnessed a slowdown in growth due to the outbreak of second wave of COVID-19. The commodity prices also surged due to the ongoing war between Russia and Ukraine. Rise in fuel prices, transportation cost, food prices along with high rate of inflation had put brakes on the growth of global economies. Moreover, a more than expected lockdown and Real Estate crisis in China had spill-over effects on major economies. As a result of these, monetary policies have been tightened in many countries and globally the interest rates have increased in order to mitigate the effect of inflation and bring the growth of the global economy to a sustainable level. The IMF in its July, 2022 publication regarding World Economic Outlook has revised the growth of global output to 2.9%, a 0.7% reduction from April, 2022 forecast, due to the expected disinflationary policy to be adopted by various economies. The inflation in developed economies is expected to be 6.6% and 9.5% in emerging and developing economies as per the World Economic Outlook publication by the IMF in July, 2022.



(Source: [www.imf.org](http://www.imf.org))

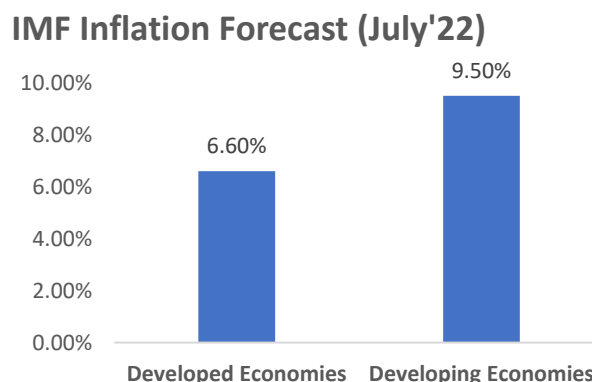
## Indian Economy

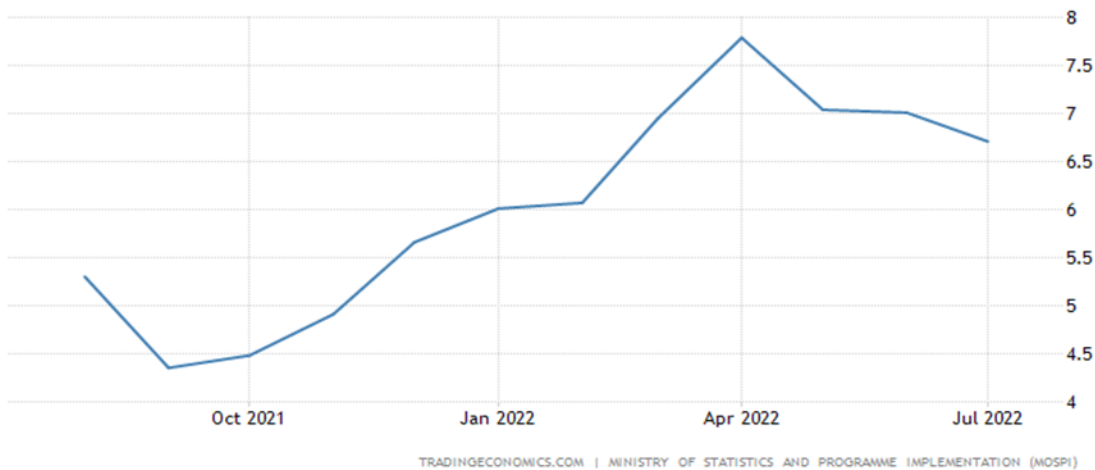
Indian economy has been affected in the same manner as the global economy has been affected but the growth rate has not slowed down to that extent as has been in other developed as well as developing economies. The recovery in the economic growth after the outbreak of COVID-19 in 2020-21 was remarkable but again with the outbreak of the second wave of COVID-19 in the first half of 2021-22 slowed down the growth rate of Indian economy. The fiscal and monetary stimulus helped the country to be on par with the economic growth to some extent. Also, the ongoing conflict between Russia and Ukraine has also contributed to the economic slowdown as there has been problems of rising fuel price, food prices and inflationary problems. To overcome these inflationary issues, the fiscal and monetary policy has been tightened. As a result, India's GDP is expected to grow at a slower pace.

To increase the growth of economy and to make it sustainable, government has also taken many initiatives and policies in the field of social development and healthcare infrastructures. Government has also announced certain PLI schemes for 13 sectors including Automobile, Telecom and Pharmaceutical drugs.

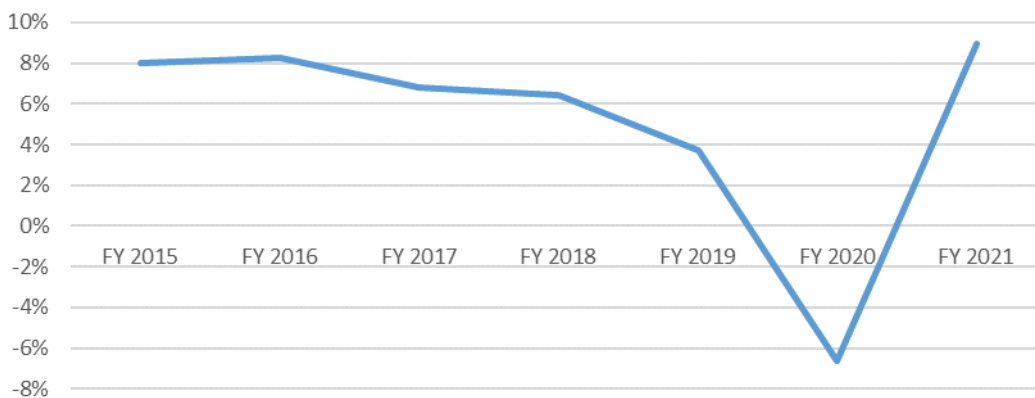
Thus in short term although the economic growth is expected to slow down but is expected to be amongst the fastest growing economies in the world in the coming times. IMF, in its World Economic Outlook has projected India's GDP growth rate to be 6.1%.

## Indian Inflation Rate chart (Historical)





#### Indian GDP Growth Rate chart (Historical)



(Source: [www.ibef.org](http://www.ibef.org), [www.imf.org](http://www.imf.org), [www.tradingeconomics.com](http://www.tradingeconomics.com), [data.worldbank.org](http://data.worldbank.org))

#### Industry Structure and Developments

##### Global

Valued at USD 993.6 billion in 2021, the global textile market is expected to grow at a CAGR of 4% from FY 22 to FY 30. Growth in demand from fashion industry with increasing e-commerce platforms has supported the growth in the overall demand sector.

The fashion application segment led the market and accounted for more than 73% of the global revenue share in 2021 owing to the increased consumer spending on clothing and apparel. In addition, high consumer demand for crease-free suiting & shirting fabrics, as well as quality-dyed & printed fabrics across the globe will drive the segment growth further. An increase in demand for formal & casual wear and other fashionable clothing among all age groups across the globe is the major growth driving factor for the market. Moreover, the growing population and rapid urbanization in the emerging economies, such as India, Bangladesh, Vietnam, and Brazil, are likely to boost the demand for clothing and apparel, thereby positively contributing to the segment growth.

\_(Source: [www.grandviewresearch.com](http://www.grandviewresearch.com))

##### India

The Indian Textile industry is one of the largest in the world with a large unmatched raw material base and manufacturing strength across the value chain. India is the 6th largest exporter of textile in the world and has a share of around 4% of the global trade in textiles and apparels. The strength of the industry lies both in the hand-woven sector as well as capital intensive mill sector, with capital intensive mill sector being the largest in the world. The sector has very well established itself to be perfectly in line with Government's Make In India plan. In keeping with goal of making India's development inclusive and participative, the Government's central focus has been on increasing textile manufacturing by building the best-in-class manufacturing infrastructure, upgradation of technology fostering innovation, enhancing skills and traditional innovation, enhancing skills and traditional strengths in the textile sector. India exports textile products to more than 100 countries where 47% of the total exports accounts for US, EU-27 and UK.

But the ongoing surge in the raw material prices including cotton and the after effects of COVID-19 has slowed down the growth of this sector as well. The margins have decreased due to rising raw material prices and shipping costs. The same should persist for some short time but if it remains for a longer time, the margins would further cut down and the growth of the industry in positive territory would be in question.

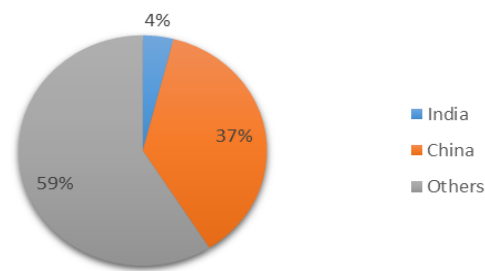
However, to be in line to make India a \$5 trillion industry, the government has been focusing on the textile sector as it contributes to nearly 2.3% of the country's GDP. Besides food, textile is considered to be the next basic necessity. The Government of India plans to set up 7 PM-MITRA Parks in Greenfield/Brownfield sites in partnership with the willing State Governments. The Scheme would lead to creation of a modern, integrated large scale, world class industrial infrastructure including plug and play facilities with a budgetary outlay of ₹4,445 crores for a period 2021-22 to 2027-28.

Government has also introduced Product Linked (PLI) schemes where incentives will be provided for setting up textile manufacturing unit in key-man made fibre based products which would give a further boost to the textile industry.

### Textile Contribution at 2.3% to India's GDP



### India's Share in Global Textile Market



#### Yarn - Global

Valued at USD 12.71 billion in 2020, the global yarn market is expected to grow at a CAGR of 4.35% between 2020-26 to reach USD 16.41 billion in 2026. Asia-Pacific is expected to hold the largest market share. The availability of cheap labor in the fabrication industries in China, India, and South Korea are expected to be the prime factors contributing to the growth of yarn industry. Yarn products such as cotton and polyester are among the widely used products in Asia-Pacific. Rise in disposable income, change in consumer behaviour and a substantial shift towards branded apparel and changing consumption pattern are also some of the major factors driving the yarn market in this region. The yarn industry is undergoing a drastic change due to global sourcing and high level of price competition.

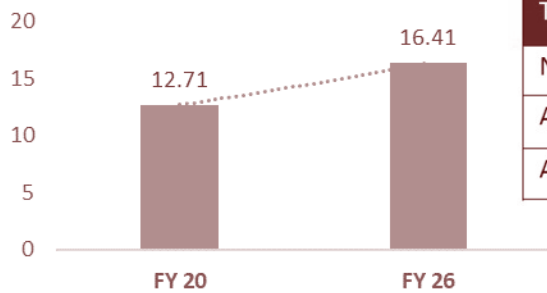
North America is expected to witness considerable growth in the yarn market. The growth of the market in the region can be attributed to increased technological advancement in the field of precision tools and sophisticated production process. The presence of leading yarn fabrication companies including Huntingdon Yarn Mill, Inc, Family Yarns Inc, and Parkdale Mills Inc. among others are expected to have a positive impact on the yarn market in the region. The market for yarn is also expected to grow in Europe. Europe is home to some of the most lucrative markets for apparel and clothing worldwide. Among the leading European countries, Germany and France clothing industry has the highest value. Women's and girl's apparel is responsible for the largest share of revenue overall in the yarn market.

#### Yarn - India

The spinning capacity of India has been continuously growing owing to the growing global demand of yarn for textile & apparel products. The spindle capacity has grown at a CAGR of 2% since FY-09 to reach ~53.4 million spindles in FY 20. Out of the total installation of 53 million. Spindles, approx. 86% of the spindles that is 46 million are currently in working condition and rest 14% are either obsolete or stopped due to breakdown or unviability of the spinning mill. Out of the total working spindle capacity, 67% of the spindles are up to 15-year-old and rest 33% are more than 15-year-old which need to be modernized. India's total spun yarn production was 5,713 million kg in 2019-20, while the Polyester Filament Yarn (PFY) production 3,934 million kg. The cotton spun yarn production has grown by a CAGR of 3% in 10 years whereas other blended spun yarns has grown by 4%. Overall the spun yarn production has grown by CAGR 3% in last 10 years.

With 50 Million Spindles and 0.75 Million Open-End Rotors, India has the world's second largest spinning capacity, commanding a share of the global Cotton Yarn market - currently producing over 4700 Million kgs of spun yarn of which over 3,400 Million kgs is cotton yarn. Cotton Yarn accounts for nearly 73% of total spun yarn production. Indian Spinning Industry is the most modern and efficient in the world. India produces a comprehensive range of yarns for every conveyable end use - non-spun or open-end; combed or carded, basic, compact, mélange or fancy. India's 1943 spinning mills produce them all for requirements ranging from a fine 200 count to a coarse 2 count.

## Global Yarn Market (In US\$ Bn)



Total Installed capacity till date (Million spindles)	53.4
No. of working spindles	46
Age of the machines: upto 15 years	31
Age of the machines: more than 15 years (need to be modernised)	15

(Source: Wazir Advisors, [www.globalmarketestimates.com](http://www.globalmarketestimates.com), [www.ibef.org](http://www.ibef.org), [www.texprocil.org](http://www.texprocil.org), Annual Report 2022 of Ministry of Textiles)

### Opportunities and Threats

India has a share of 4% in the global textile market while China enjoys a share of 37%. The outbreak of COVID-19, Russia-Ukraine war and US-China trade conflicts has adversely affected China's export market providing an opportunity for India to increase its global share.

Moreover, the government is in talks and has resumed negotiations with European Union on Free Trade Agreement which would help India to taper the market in the European region.

The PLI scheme introduced by the government in order to provide incentives to certain textile manufactures accompanied with the setup of & mega textile parks as discussed in the Union Budget would further help the industry in adopting newer infrastructure and technology.

Cotton being used approximately 60% in the raw material consumption in the textile industry is abundantly available in India. India cultivates around 41% of the world's cotton i.e. around 133 lakh hectares under cultivation out of 320.54 lakh hectares available in the whole world. This gives an extra edge to India in order to become a global leader in the textile industry.

India is well established in both Handloom sector and Capital Intensive Mill Sector. Availability of skilled and cheap labour in this industry provides an alternative to the entire world to look up on India and it is expected that more orders would shift to Indian Textile Industry.

Talking about Cotton being mostly used as Raw Material in the textile market, the demand for the same has increased in the recent times. Such scenarios in future would lead to rise in cotton prices even more than the already risen prices acting as a threat to industry margins.

Moreover, COVID-19 has not been permanently eliminated and the outrageous geo-political situation is expected to prevail for some more time leading to the threat of higher fuel cost and thus higher inflation.

The cotton and textile industry has also been a good to go business for India's neighbouring country where there is enough availability of skilled materials and required raw materials posing a threat to India competing at the global market.

(Source: Annual Report 2022 of Ministry of Textiles)

### Risks and Concern

Just like any other industry, the textile industry is also exposed to certain risks and concerns. The Global economic slowdown with the outbreak of COVID-19 and on-going war between Russia and Ukraine has multi-folded the risks and concerns in the textile market.

Indian textile market faces stiff competition from China, Bangladesh, Taiwan, Sri Lanka and other emerging economies. China has the highest global apparel and textile market share and is the largest textile producing and exporting country in the world.

Moreover, the price of cotton has surged in the previous year and being a major raw material in the textile industry, any further increase in the price would keep the textile market for a toss. Thus availability of raw cotton at the reasonable prices is crucial for the spinning industry. Any significant change in the raw cotton prices can affect the performance of the Industry.

The high rate of inflation led to the interest rate been raised and thus the cost of obtaining debt has increased. Spinning industry, being capital intensive, requires a lot of updated machinery and equipment as well as working capital for its running and now since the interest rate has increased, the cost to obtain loans has increased subsequently resulting in decreased margins.

Thus, concerning the above-mentioned scenario, the industry has to be in focus to mitigate those risks. Also, the government, although have taken remedial measures, have to constantly keep a watch on it as textile is a valuable industry to the country and plays a crucial role in achieving the dream of becoming a \$5 trillion economy.

### Company Overview

Our Company is an ISO 9001:2015 certified company engaged in manufacturing and trading of textile products namely cotton yarn, greige fabric and finished fabric for domestic and export sales. We deal in diversified product portfolio with capability to supply compact cotton yarn varying from counts NE 16/1 to NE 32/1 & NE 16/2 to NE 32/2 combed carded & double yarn that are used in various forms and for varied end uses. We also export sustainable-ecofriendly organic yarn and fabric to international textile and garment manufacturers. Our company has been recognized as "Three Star Export House" by the Director General of Foreign Trade with a certificate valid from September 30, 2015 to September 29, 2020. Further our Company had made an application on September 29, 2021 for renewal of certificate. Our Company has been granted authorization according to STANDARD 100 by OEKO-TEX® to use the STANDARD 100 by OEKO-TEX® for Raw Yarns made of 100% Cotton, Combed, Carded, Open Ended and Compact and for Greige Woven Fabric made of 100% Cotton exclusively produced from material certified according to STANDARD 100 by OEKO-TEX®. Additionally, our Company has got certified the facilities of Jawahar Sahakari Soot Girni Limited and Charuta Textiles Private Limited, suppliers to the Company under Global Organic Textile Standard (GOTS) version 6 for 100% Organic cotton yarn and greige fabric. Similarly, our Company has got certified the facilities of Jawahar Sahakari Soot Girni Limited and Charuta Textiles Private Limited, suppliers to the company under Global Recycled Standard (GRS) version 4. The focus of the Company on organic and sustainable products will help in expanding its business globally as the demand of organic textile products is increasing globally. Our Company has incorporated two (2) subsidiary companies for diversification into non cotton yarn products.

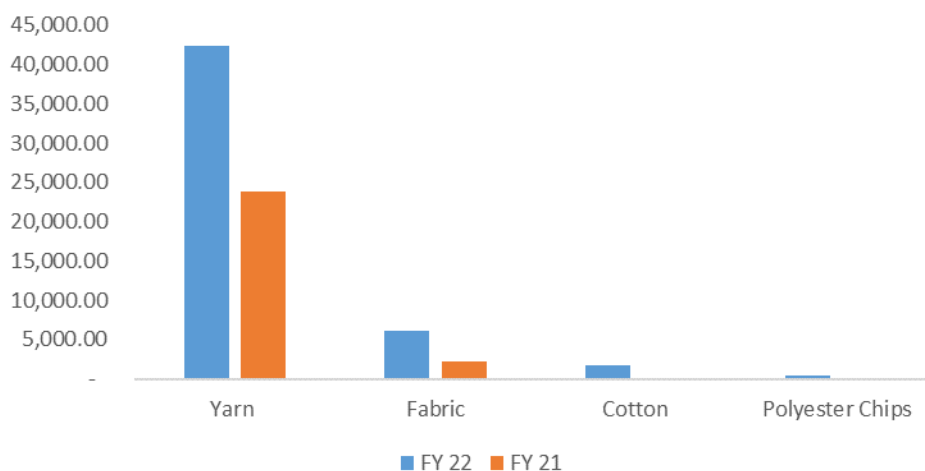
### Segment Wise and Product Wise Performance

Company is only operating in one segment i.e. Textile. Our company is primarily engaged in Trading of Yarn, Fabric, Cotton, Polyester Chips and Manufacturing of Yarn. Our company sales its products both in Export and Domestic Market with 85.41% of sales being in the foreign market. The export of Polyester Chips has been added to our product segment only in FY 2022 and with support and sheer determination of our team we were able to export Rs. 478.15 lacs worth of Polyester Chips. Other product line of the company had also shown good growth in numbers on Y-o-Y basis which has been summarized in the table and chart below -

(Rs. In Lacs)

Product	FY 22	FY 21	Y-o-Y growth (%)
Yarn	42,325.62	23,856.72	77%
Fabric	6,030.80	2,265.72	166%
Cotton	1,641.39	78.55	1990%
Polyester Chips	478.15	-	-
Total	50,475.96	26,201.00	93%

### Product Wise Performance Y-o-Y

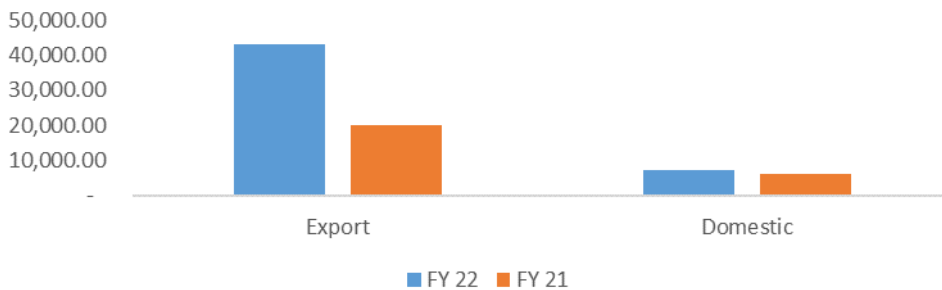


With Yarn being the highest performer, Cotton had shown an excellent growth the previous year. With the increasing demand of cotton and being used at around 60% as Raw Material in the textile industry, we were able to capture the opportunity and so there was a growth of 1990% (Y-o-Y basis) in the sales of cotton.

Bifurcating our sales into Export and Domestic, we saw a rise of around 116.28% in Export Sales and around 17.49% increase in Domestic Sales -  
(Rs. In Lacs)

Region	FY 22	FY 21	Y-o-Y growth (%)
Export	43,111.45	19,933.02	116%
Domestic	7,364.51	6,267.98	17%
Total	50,475.96	26,201.00	93%

### Region Wise Performance Y-o-Y



With all these data cited above, it is visible that our company performed quite well and was able to grab the opportunities available in the market and capitalize on the same. In order to view a detailed performance of our company, please refer to the Director's Report.

#### Internal Control Systems and their adequacy

The Company is maintaining an efficient and effective system of Internal Financial Control for facilitating accurate compilation of financial statements. The company's Internal Control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with procedures, laws and regulations. The Company's Internal Control system commensurate with the nature of its business and the size of its operations.

The Company has also appointed Mr. Narendra Sharma, as Internal Auditors of the Company for the financial year 2022-23. The Company is also having Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems laid down by the Management and suggests improvement in the systems. Internal Audit Reports are discussed with the Management. During the year, Company's Internal Controls were tested and no reportable weakness in the system was observed. Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on December 20, 2021 as per the applicable provisions of the Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). All the significant audit observation and follow up action thereon are taken care of by the Audit Committee. The Audit Committee met 1 time during the financial year under review.

#### Material Developments in Human Resources / Industrial Relations

Beyond Balance Sheet lies Company's singly biggest Asset "Human Resources". The Company is of firm belief that the Human Resources are the driving force that propels a Company towards progress and success. The Company continued its policy of attracting and recruiting the best available talent so that it can face business challenges ahead. The Company also offers attractive compensation packages to retain and motivate the professionals so that they can give their best. We would also like to inform you that during the challenging period of COVID-19 pandemic, Company has taken all possible steps to take care of the safety, security and health of the workers/ employees. The Company provided masks, hand sanitizer, regular body temperature check-up facility at the factory as well as office premises. The Company has also ensured that Company's factories and offices are sanitized at regular interval to safeguard its worker/ employees. The company also arranged vaccination camps at the factories as well as offices so that all the workers and employees get vaccinated. The total permanent employee's strength of the Company was 135 as on March 31, 2022. The industrial relation continued to remain cordial during the year.

#### Significant Changes in Key Financial Ratios

The SEBI LODR (Listing Obligation and disclosure requirements) (Amendment) Regulations, 2018 has mandated that Company should provide detail of Significant Changes in Key Sector Financial ratios. We would like to inform you that in the following key financial ratios, there have been Significant Change as compared to the last year:

Ratio	Current Period	Previous Period	% Variance
(a) Current ratio	1.31	1.32	-0.42%
(b) Debt-equity ratio	0.04	0.05	-24.56%
(c) Debt service coverage ratio	134.11	258.93	-48.21%
(d) Return on equity ratio	0.60	0.33	81.39%
(e) Inventory turnover ratio	46.33	41.54	11.52%
(f) Trade receivables turnover ratio	5.68	5.59	1.59%
(g) Trade payables turnover ratio	28.41	26.05	9.05%
(h) Net capital turnover ratio	17.04	15.22	12.01%
(i) Net profit ratio	0.04	0.03	54.47%
(j) Return on capital employed	0.59	0.36	66.24%
(k) Return on investment	0.46	0.28	62.55%

In spite of second wave of covid-19 and during the first quarter of the year, company has been able to put up an excellent performance during the year under review. The net profit margin has been increased to 4% in FY 22 from 3% in FY 21. The increase in Net Profits and Operating Profits resulted in increase in Equity Base which in turn led to decrease in Debt-Equity Ratio, increase in Debt-Service Coverage Ratio, increase in Return on Capital Employed and also increase in Return on Investment. Increase in Inventory Turnover Ratio, Trade Receivables Turnover Ratio and Net Capital Turnover Ratio depicts effective management of company's Inventory, Trade Receivables and Net Capital. However, the company also has increasing Trade Payables Ratio which shows that the company needs to take little more care in managing its Trade Payables.

#### Cautionary Statement

Though the statement and views expressed in the above said report are on the basis of best judgment but the actual future results might differ from whatever is stated in the report.

For and on behalf of the Board

Mr. Abhishek Lath

(Managing Director and CFO)

(DIN: 00331675)

Place: Mumbai

Date: September 06, 2022



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
LE MERITE EXPORTS LIMITED

Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of LE MERITE EXPORTS LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules 2016 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, and its cash flows for the year ended on that date.

## Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

The key audit matters	How our audit addressed the key audit matter
Valuation of Inventory - Refer to Notes 17 and 25 to the standalone financial statements	
<p>The Company's inventory primarily Comprises cotton, yarn and fabric. Inventories are valued at lower of cost or net realizable value. There is a risk that inventories may be stated at values that are more than their net realizable value ('NRV').</p> <p>We identified the valuation of inventories As a key a matter as the Company held significant inventories and significant degree of management judgment was invol in valuing the inventories.</p>	<ul style="list-style-type: none"> <li>• Evaluating the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect.</li> <li>• Obtained an understanding of and performed the test of design, implementation and operating effectiveness of the Company's key internal controls over the process for valuation of inventories.</li> </ul> <p>Compared the cost of raw materials with Supplier invoices for selected samples. For work-in-progress and finished goods, we understood the determination of the net realizable value and assessing, testing and evaluating the reasonableness keeping in view the significant judgments applied by the management concerning overhead allocation by assessing the cost of the items included in overhead absorption for selected samples.</p> <ul style="list-style-type: none"> <li>• In connection with NRV testing, we have compared carrying value to the selling price prevailing around and subsequent to the year end for the selected samples.</li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including Annexure to Board's but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) 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, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”, to this report.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed details regarding pending litigations in note 29 of the standalone financial statements, which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note No.2.5 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For, Nagori Nuwal & Co.,  
Chartered Accountants,  
F.R.N.: 08185C

SD/-

CA Shankar Lal Laddha  
Partner

Membership No.: 076554  
UDIN: 22076554AJXFCP4460

Place: Mumbai  
Date: May 30, 2022

## “ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in Report on Other Legal and Regulatory Requirements of our Report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company does not have any intangible assets, no disclosure required.

b) The Company has a regular program of physical verification of its Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us by the management, no material discrepancies were noticed on such verification.

c) Based on our examination of the property tax receipts and registered sale deed / transfer deed/ conveyance deed provided to us, we report that, title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the Standalone Financial Statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. The Company has made investments in companies i.e. Subsidiaries and granted Trade Advances to other parties, during the year, in respect of which:

a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

b) In our opinion, the investments made are towards investment in Subsidiaries and the terms and conditions of the loans and advances, during the year are, prima facie, not prejudicial to the Company’s interest.

c) The Company has not granted any loans or advances in the nature of loans, hence reporting under clause 3(iii) (c) of the Order on repayment of principal and payment of interest is not applicable.

d) The Company has not granted any loans or advances in the nature of loans; hence reporting under clause 3(iii) (d) of the Order on loans overdue for more than ninety days is not applicable.

e) The Company has not granted any loans or advances in the nature of loans; hence reporting under clause 3(iii) (e) of the Order is not applicable.

f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) is not applicable. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and security, as application

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Hence, clause (v) of paragraph 3 of the Order is not applicable.

vi. In our opinion the maintenance of cost records has been specified by the Central Government sub section (1) of section 148 of the Act and such accounts and records have been so made and maintained by the company. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, duty of excise, Goods & Services Tax and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of income tax, duty of customs, duty of excise, Goods & Services Tax and other material statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added taxes which have not been deposited by the Company on account of disputes except the following:

Name of the Statute / Nature of Dues	Forum where dispute pending	Dispute relating to FY	Disputed Amount (In Lakhs)
Maharashtra Value Added Tax Act 2002			
- Interest and Penalty Payable	Joint Commissioner of Sales Tax Appeal	2015-16	6.45
- Interest and Penalty Payable	Joint Commissioner of Sales Tax Appeal	2016-17	15.52
Central Sales Tax Act 1956			
- Interest and Penalty Payable	Joint Commissioner of Sales Tax Appeal	2016-17	2.85

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The term loans taken by the company has been applied for the purpose for which the loans were obtained.

(d) On an overall examination of the Standalone Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) No whistle blower complaints were received by the company for year ended 2021-22.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the companies Act, 2013 are not applicable to the company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. We have taken into consideration all the issues, objections and concerns raised by the outgoing auditor.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, the company has not transferred the unspent amount of Rs. 7.19 Lakhs towards Corporate Social Responsibility (CSR) to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said act till date.

(b) In respect of ongoing projects, the company do not have any ongoing projects hence reporting under clause 3(xx)(b) of the Order is not applicable

Place: Mumbai

Date: May 30, 2022

For, Nagori Nuwal & Co.,  
Chartered Accountants,  
F.R.N.: 08185C

SD/-

CA Shankar Lal Laddha  
Partner  
Membership No.: 076554  
UDIN: 22076554AJXFCP4460



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

(Referred to in paragraph 2(e) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of LE MERITE EXPORTS LIMITED ('the Company') as of 31st March, 2022 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 over financial reporting 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 Standards issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). 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.

## Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' 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 over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financials Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Nagori Nuwal & Co.,  
Chartered Accountants,  
F.R.N.: 08185C

SD/-

CA Shankar Lal Laddha  
Partner  
Membership No.: 076554  
UDIN: 22076554AJXFCP4460

Place: Mumbai  
Date: May 30, 2022

# STANDALONE BALANCE SHEET AS ON MARCH 31, 2022

PARTICULARS	Note	(Amount in Lakhs)	
		AS ON 31.03.2022	AS ON 31.03.2021
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. SHARE HOLDER'S FUND</b>			
(a) Share Capital	2	1,708.10	170.81
(b) Reserve & Surplus	3	2,840.59	2,271.92
<b>2. NON CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	154.99	125.22
(b) Deferred tax liabilities - Net	5	-	1.97
(c) Other Long Term Provisions	6	17.06	-
<b>3. CURRENT LIABILITIES</b>			
(a) Short Term borrowings	7	9,832.96	5,274.16
(b) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises	8	1,914.45	1,181.41
(c) Other Current Liabilities	9	1,152.98	143.54
(d) Short Term provisions	10	47.52	38.66
<b>TOTAL</b>		<b>17,668.65</b>	<b>9,207.68</b>
<b>B. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
(a) Property Plant and Equipment	11	295.28	162.04
(b) Non-Current Investments	12	110.68	107.62
(c) Deferred Tax Asset - Net	13	0.84	-
(d) Long term Loans and Advances	14	30.31	35.91
(e) Other Non Current Asset	15	233.10	148.29
<b>2. CURRENT ASSETS</b>			
(a) Current Investments	16	70.21	62.84
(b) Inventories	17	1,256.81	1,013.40
(c) Trade Receivables	18	12,681.89	5,850.12
(d) Cash & Cash Equivalents	19	823.56	795.58
(e) Short Term Loans and Advances	20	2,137.45	1,001.02
(f) Other Current Assets	21	28.52	30.86
<b>TOTAL</b>		<b>17,668.65</b>	<b>9,207.68</b>
See accompanying notes forming part of the financial statements		1 to 43	

AS PER OUR REPORT OF EVEN DATE  
FOR NAGORI NUWAL & CO.  
CHARTERED ACCOUNTANTS  
(F.R.N.: 08185C)

SD/-  
CA SHANKAR LAL LADDHA  
PARTNER  
(MEMBERSHIP NO. 76554)  
UDIN: 22076554AJXFCP4460  
DATE: May 30, 2022  
PLACE: MUMBAI

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF  
LE MERITE EXPORTS LIMITED

SD/-  
Abhishek Lath  
MD & CFO  
DIN - 00331675

SD/-  
Umashankar Lath  
Chairman & MD  
DIN - 05135035

DATE: May 30, 2022  
PLACE: MUMBAI

## STANDALNOE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in Lakhs)

PARTICULARS	Note	FOR THE YEAR 2021-22	FOR THE YEAR 2020-21
<b>A. CONTINUING OPERATION INCOME :-</b>			
Revenue from Operations (Net)	22	52,590.14	26,839.37
Other Income	23	107.16	54.52
<b>Total Revenue</b>		<b>52,697.30</b>	<b>26,893.89</b>
<b>EXPENSES</b>			
Purchase	24	43979.36	24384.33
Changes in Inventories	25	(243.41)	(734.69)
Employee benefit expenses	26	550.59	277.29
Finance cost	27	358.23	165.00
Depreciation and amortisation expense	11	50.19	16.39
Other Expenses	28	5,204.19	1,868.78
<b>Total Expenses</b>		<b>49,899.15</b>	<b>25,977.10</b>
Profit before exceptional and extraordinary items & tax		2,798.15	916.78
Exceptional Items		-	-
Profit before extraordinary items and tax		2,798.15	916.78
Extraordinary Items		-	-
Loss before tax		2,798.15	916.78
Tax Expenses:			
(a) Current tax expense for current year		695.00	230.00
(b) Deferred tax		(2.81)	0.68
(c) Excess / Short Tax Provision W/off		-	(9.61)
<b>PROFIT FOR THE YEAR (A)+(B)</b>		<b>2,105.96</b>	<b>695.70</b>
Earnings per share (of Rs. 10/- each):			
(a) Basic		12.33	4.07
(b) Diluted		12.33	4.07
See accompanying notes forming part of the financial statements	1-43		

AS PER OUR REPORT OF EVEN DATE  
FOR NAGORI NUWAL & CO.  
CHARTERED ACCOUNTANTS  
(F.R.N.: 08185C)

SD/-  
CA SHANKAR LAL LADDHA  
PARTNER  
(MEMBERSHIP NO. 76554)  
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DIN - 05135035

DATE: May 30, 2022  
PLACE: MUMBAI

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in Lakhs)

PARTICULARS	Note	FOR THE YEAR 2021-22	FOR THE YEAR 2020-21
<b>A. Cash flow from Operating Activities:-</b>			
Profit/(loss) before tax		2,798.15	916.78
Adjustment For :			
Depreciation		50.19	16.39
Provisions		25.91	-
<u>Operating Profit/(Loss) before Working Capital changes</u>		<u>2,874.25</u>	<u>933.17</u>
Adjustment for increase/decrease in:			
Increase / Decrease in trade payables		733.05	347.81
Increase / Decrease in other current liabilities		1009.44	13.98
Increase / Decrease in inventories		(243.41)	(734.69)
Increase / Decrease in trade receivables		(6,831.77)	(2,092.34)
Increase / Decrease in short term loans & advances		(1,136.43)	(456.84)
Increase / Decrease in long term loans & advances		(84.82)	(41.96)
Increase / Decrease in other current assets		2.35	37.22
Operating Profit/(Loss) after Working Capital changes		<u>(3,677.34)</u>	<u>(1,993.64)</u>
Operating Profit/(Loss) before Tax		<u>(3,677.34)</u>	<u>(1,993.64)</u>
Less : Tax Paid (Net)		(695.00)	(220.39)
Net Cash generated from Operating Activities	(A)	<u>(4,372.34)</u>	<u>(2,214.03)</u>
<b>B. Cash flow from Investment Activities</b>			
Payment towards capital expenditure		(183.44)	(21.38)
Non- Current Investments		(3.06)	-
Current Investments		(7.37)	7.13
Net Cash From Investment Activities	(B)	<u>(193.86)</u>	<u>(14.25)</u>
<b>C. Cash flow from Financing Activities</b>			
Increase in Long Term Borrowings		29.77	70.64
Increase in Short Term Borrowings		4,558.81	2,430.41
Long Term Loans and Advances		5.60	(19.40)
Net Cash from Financing Activities	(C)	<u>4,594.18</u>	<u>2,481.65</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	(A+B+C)	27.98	253.36
Cash and Cash Equivalents at the beginning of the year		795.58	542.21
Cash and Cash Equivalents as at the end of the year		<u>823.56</u>	<u>795.58</u>
Components of cash and cash equivalents			
Cash in hand		0.33	1.44
Balances with banks		823.23	794.14
	Total	<u>823.56</u>	<u>795.58</u>

1 The All figures in brackets are outflow

2 Previous year's figures have been regrouped/reclassified wherever necessary to this year's classification

AS PER OUR REPORT OF EVEN DATE  
FOR NAGORI NUWAL & CO.  
CHARTERED ACCOUNTANTS  
(F.R.N.: 08185C)

SD/-  
CA SHANKAR LAL LADDHA  
PARTNER  
(MEMBERSHIP NO. 76554)  
UDIN: 22076554AJXFCP4460  
DATE: May 30, 2022  
PLACE: MUMBAI

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF  
LE MERITE EXPORTS LIMITED

SD/-  
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DATE: May 30, 2022  
PLACE: MUMBAI

## “NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2022”

### Note 1: Statement of Significant Accounting Policies

#### a) Basis of Preparation

The standalone financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these standalone financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The standalone financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of standalone financial statements are consistent with those of previous year.

#### Use of Estimates:

The preparation of standalone financial statements is in conformity with Indian GAAP, requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation/amortization and impairment losses, if any.

Cost includes purchase price, taxes and duties as applicable, freight, and other incidental expenses incurred till the commencement of commercial production. Incidental expenses include establishment expenses, interest on borrowed funds used for qualifying assets and other related direct costs attributable to the same.

Capital Work in Progress includes pre-operative and other incidental expenses pending allocation/ apportionment in respect of the uninstalled/ incomplete fixed assets.

#### c) Intangible Assets

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment.

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are amortized over their useful life.

#### d) Depreciation on Property, Plant and Equipment

Depreciation on Property, Plant and Equipment is calculated on a WDV basis using the rates arrived at based on the useful lives of fixed assets specified by Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date, to check if there is any indication of impairment based on internal/external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the greater of the asset's net selling price 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 risks specific to the asset.

#### f) Investments

Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

#### g) Borrowing costs

Borrowing costs attributable to the acquisition and construction of qualifying assets up to the date of such acquisition or construction are capitalized as part of the cost of respective assets. Other borrowing costs are charged to statement of profit and loss of the period in which they are incurred.

h) Leases

i) Finance lease:

Assets acquired under finance leases are recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is 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. Assets given under finance leases are recognized as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

ii) Operating lease:

Leases other than finance lease, are operating leases, and the leased assets are not recognized on the Company's Balance Sheet. Payments / rental income under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

i) Inventories

Inventories are valued at lower of cost or net realizable value, after providing for obsolesces and damages as follows:

Cost is ascertained as,

a)	Raw Material, Packing Material & Stores and Spares	At cost, on FIFO/ weighted average basis.
b)	Finished goods	At cost, plus appropriate production overheads if applicable.
c)	Material in Process	At Cost, plus appropriate production overheads.

Net realizable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

j) Revenue Recognition

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

Sale of Goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincide with the delivery of goods to the customers. Sales include income from services, export incentives and exchange fluctuations, other recurring and non-recurring incentives from the Governments.

The Company collects Goods and Service Tax (GST) and / or Tax Collected at source on behalf of the government and, therefore, these do not form a part of economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Service Income

Income from service rendered is recognised based on the terms of the agreements as and when services are rendered and are net of Goods and Service Tax (GST)/ Service tax.

Dividend Income

Dividend income from investments, if any, is accounted on the receipt basis.

k) Foreign Currency Translation

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported into rupees at the rate of exchange prevailing on the date of Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

#### l) Employee benefits

##### (i) Defined Contribution Plan

The Company contributes to Government Provident Fund Scheme. The Company's contribution paid/ payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

##### (ii) Defined Benefit Plan

The Company's liabilities on account of gratuity and leave encashment are determined at the end of each financial year on the basis of actuarial Valuation as per requirements of Accounting Standard 15 on "Employee Benefits".

#### m) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

#### n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of preferential issue/ allotment of equity shares. For the purpose of calculating diluted earnings per shares, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### o) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

#### p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.



q) Cash and Cash equivalents

Cash and cash equivalents for the purpose of Cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

r) Research and Development

Revenue expenditure on research is expensed under respective heads of account in the period in which it is incurred. Capital expenditure is shown as addition to fixed assets.

s) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### NOTE 2. SHARE CAPITAL

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
<b>Authorised Share Capital</b>		
2,50,00,000 Equity shares of Rs. 10/- each (Previous Year 50,00,000 Equity Share)	2,500.00	500.00
	2,500.00	500.00
<b>Issued, Subscribed and Paid Up Capital</b>		
1,70,81,000 Equity shares of Rs. 10/- each fully paid up (P.Y. 17,08,100 Equity Shares)	1,708.10	170.81
<b>TOTAL</b>	<b>1,708.10</b>	<b>170.81</b>

2.1 The details of Shareholders holding more than 5% shares in the Company:

Name of the Shareholder	AS ON 31-03-2022		AS ON 31-03-2021	
	No. of Shares	% Held	No. of Shares	% Held
Abhishek Lath	52,50,000	30.74%	5,25,000	30.74%
Asha Devi Lath	68,34,000	40.01%	6,83,000	40.01%
Uma Shankar Lath	20,25,000	11.86%	2,03,000	11.86%
Sweta Lath	15,90,000	9.31%	15,90,000	9.31%
Uma Shankar Lath HUF	13,80,000	8.08%	13,80,000	8.08%
	<b>1,70,79,000</b>		<b>17,08,000</b>	

2.2 The reconciliation of the number of shares outstanding is set out below:-

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Equity Shares at the beginning of the year	17,08,000	17,08,000
Add:-Shares issued during the year	15,373,000	-
Less:-Shares cancelled on buy back of Equity Shares	-	-
Equity Shares at the end of the year	<b>1,70,81,000</b>	<b>17,08,000</b>

(Amount in Lakhs)

### NOTE 3. RESERVE AND SURPLUS

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
<b>Profit and Loss Account</b>		
As per last Balance sheet	2,271.92	1,576.21
Less: Bonus Issue	1,537.29	0.00
Add: Profit for the year	2,105.96	695.70
<b>TOTAL</b>	<b>2,840.59</b>	<b>2,271.92</b>

<b>NOTE 4. LONG TERM BORROWINGS</b>		(Amount in Lakhs)		
Particulars	AS ON 31-03-2022		AS ON 31-03-2021	
	Non-Current	Current	Non-Current	Current
<u>Secured Loans</u>				
Jaguar Car Loan	50.74	13.00	-	-
Jeep Car Loan	20.79	5.02	-	-
Tata Harrier Car Loan A	17.05	3.96	-	-
Tata Harrier Car Loan B	15.71	2.58	18.29	2.59
<u>Unsecured Loans</u>				
From Directors & Shareholders	50.71	-	106.93	-
<b>TOTAL</b>	<b>154.99</b>	<b>24.56</b>	<b>125.22</b>	<b>2.59</b>

<b>NOTE 5. DEFERRED TAX LIABILITY</b>		(Amount in Lakhs)		
Particulars	AS ON 31-03-2022		AS ON 31-03-2021	
	Deferred Tax Liability			
Related to Fixed Assets		-		1.97
<b>TOTAL</b>		<b>-</b>		<b>1.97</b>

<b>NOTE 6. Other Long Term Provisions</b>		(Amount in Lakhs)		
Particulars	AS ON 31-03-2022		AS ON 31-03-2021	
	For Employee Benefits			
Gratuity payable		17.06		-
<b>TOTAL</b>		<b>17.06</b>		<b>-</b>

<b>NOTE 7. SHORT TERM BORROWINGS</b>		(Amount in Lakhs)		
Particulars	AS ON 31-03-2022		AS ON 31-03-2021	
	<u>Secured</u>			
Working Capital Loan From Bank :-		1,111.00		1,475.00
Export Packing Credit (Shinhan Bank)				-
Export Packing Credit (ICICI Bank)		500.00		-
Export Packing Credit (UCO Bank)		599.77		-
L.C. Bill Discounting (Shinhan Bank)		7,597.63		3,235.96
Current Maturities of long term debts				
Motor Car Loans		24.56		2.59
Tirupati - Warehouse Receipt Loan		-		560.60
<b>TOTAL</b>		<b>9,832.96</b>		<b>5,274.16</b>

7.1 Working Capital facility from Shinhan Bank is primarily secured against paripasu charge by way of Hypothecation on the entire inventory, receivables, bills and other chargeable current assets of the company (both present and future) to the extent of 53.83% of share and the collateral security as Equitable Mortgage by deposit of title deeds on premises of the Company situated in Boomerang Building, Sakinaka, Mumbai; Two

Residential Flats in name of Directors situated in Powai; liquid collateral in form of Fixed Deposits of Rs. 4.50 Crore and the personal guarantee of Mr. Abhishek Lath, Mrs. Sweta Lath, Mr. Umashankar Lath and Mrs. Asha Devi Lath.

The Rate of Interest chargeable by the Bank is 7.40 % p.a. (less Interest Equalisation scheme benefit)

7.2 Working Capital facility from ICICI Bank is primarily secured against paripasu charge by way of Hypothecation on the entire stock of Raw Material, Semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables both present and future in a form or manner satisfactory to bank to the extent of 22.08% of share and the collateral security as Equitable Mortgage on three properties in name of Directors consisting of Residential Property in Burhanpur, Vacant Land in Burhanpur, Commercial Property in Mumbai, and the unconditional personal guarantee of Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Asha Devi Lath.

The Rate of Interest chargeable by the Bank is Repo Rate + 3.65 p.a. (less Interest Equalisation scheme benefit).

7.3 Working Capital facility from UCO is primarily secured against paripasu charge by way of Hypothecation on the entire stock of inventory, receivables, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills and other current asset of the company created through Bank finance both present and future to the extent of 24.09 % of share and the collateral security as 50% liquid collateral security in form of FDR duly charged in favor of Bank and the unconditional personal guarantee of Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Asha Devi Lath.

The Rate of Interest chargeable by the Bank is

Pre Shipment: MCLR 6 Months + (1.00% to 1.25%)

Post Shipment: Over nigh MCLR + (1.05% to 1.45%) depending on the tenure.

#### NOTE 8. TRADE PAYABLES

Ageing of Trade Payable Outstanding as on March 31, 2022 is as follows:

(Amount in Lakhs)

Particulars	Not Due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Trade Payables						
MSME	-	-	-	-	-	-
Others	1,547.04	365.42	0.49	0.85	0.63	1,914.45
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

Ageing of Trade Payable Outstanding as on March 31, 2021 is as follows:

Particulars	Not Due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Trade Payables						
MSME	-	-	-	-	-	-
Others	646.02	470.05	60.86	1.31	3.16	1,181.41
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

**NOTE 9. OTHER CURRENT LIABILITIES**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Statutory Dues	55.24	7.28
Staff payable	97.70	37.65
Advance from customers	994.98	97.20
Deposit	2.50	-
Other Payables	-	1.40
Payable to Subsidiary	2.55	-
<b>TOTAL</b>	<b>1,152.98</b>	<b>143.54</b>

**NOTE 10. SHORT TERM PROVISIONS**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
For Employee Benefits		
Gratuity (Current Liability)	3.05	-
Other Provisions		
Provision for Taxes (Net of Advance Tax)	44.46	38.66
<b>TOTAL</b>	<b>47.52</b>	<b>38.66</b>



Note 11.1 Office Building in Property, Plant and Equipment is given as security for borrowings (Refer Note No. 7.1)

<b>NOTE 12. NON-CURRENT INVESTMENTS</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
Office Premises - Crescent Park	107.62	107.62	
Unquoted			
Investment in Subsidiaries			
Le Merite Filament Private Limited	0.51		
Le Merite Laxmi Spinning Private Limited	2.55	3.06	-
<b>TOTAL</b>	<b>110.68</b>	<b>107.62</b>	
<b>NOTE 13. DEFERRED TAX ASSETS (NET)</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
Deferred Tax Assets			
Related to Fixed Assets	0.84	-	
<b>TOTAL</b>	<b>0.84</b>	<b>-</b>	
<b>NOTE 14. LONG TERM LOANS AND ADVANCES</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
(Unsecured and Considered Good)			
Other Long term loans & advances	30.31	35.91	
<b>TOTAL</b>	<b>30.31</b>	<b>35.91</b>	
<b>NOTE 15. OTHER NON CURRENT ASSETS</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
Security Deposit	233.10	148.29	
<b>TOTAL</b>	<b>233.10</b>	<b>148.29</b>	
<b>NOTE 16. CURRENT INVESTMENTS</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
Quoted			
Investment in equity shares of listed company	65.49	50.28	
Investment in mutual funds	4.67	12.51	
Unquoted			
Tirupati Urban Co Operative Bank Shares	0.05	0.05	
<b>TOTAL</b>	<b>70.21</b>	<b>62.84</b>	

16.1 The Company has previously been reporting the carrying amount of current investments at cost. However, in order to comply with Accounting Standard 13 - Accounting for Investments, the carrying amount of investments will now be reported at lower of cost and Net Realisable Value.

**NOTE 17. INVENTORIES**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Raw Material	38.49	-
Work In Progress	28.95	-
Finished Goods and Stock in Trade	1,189.37	1,013.40
<b>TOTAL</b>	<b>1,256.81</b>	<b>1,013.40</b>

17.1 Inventories has been valued as per the Accounting Policies

17.2 Inventories as above are hypothecated to secured short term borrowings (Refer Note No. 7)

**NOTE 18. TRADE RECEIVABLES**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Secured, considered good	-	-
Unsecured considered good	12,681.89	5,850.12
Doubtful	-	-
<b>TOTAL</b>	<b>12,681.89</b>	<b>5,850.12</b>

Ageing of Trade Receivables Outstanding as on March 31, 2022, is as follows:

Particulars	Not due	Outstanding for following period from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Year	2-3 Year	More than 3 years	
Undisputed Trade Receivables - considered good	11,232.01	1,388.97	10.78	13.60	36.49	0.03	12,681.89
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>							<b>12,681.89</b>



Ageing of Trade Receivables Outstanding as on March 31, 2021 is as follows:

Particulars	Not due	Outstanding for following period from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Year	2-3 Year	More than 3 years	
Undisputed Trade Receivables - considered good	5,271.07	489.74	26.01	60.47	2.81	0.03	5,850.12
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total							5,850.12

18.1 Trade Receivables as above are hypothecated to secured short term borrowings

(Refer Note No. 7)

#### NOTE 19. CASH AND CASH EQUIVALENTS

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Balances with Banks	71.83	92.74
Cash in hand	0.33	1.44
Balance with fixed deposits	751.40	701.40
TOTAL	823.56	795.58

19.1 Balances with Banks include balances in Operative and Non-Operative Accounts.

19.2 Balance with fixed deposits includes deposits placed as security against secured short-term borrowings (Refer Note No. 7)

#### NOTE 20. SHORT TERM LOANS AND ADVANCES

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Balance with tax authorities		
Export Incentives Receivable	279.56	118.32
VAT Refund Receivable	3.92	3.28
GST Electronic Credit Ledger	221.50	44.38
GST Export Refund	541.61	339.11
Advance to Related Party	366.77	1.84
Advances with Suppliers		
Yarn	610.74	387.85
Fabric	88.33	106.26
Cotton	25.03	-
TOTAL	2,137.45	1,001.02

20.1 Advance to Related Party is advance against trade and not in nature of Loan as per Management

**NOTE 21. OTHER CURRENT ASSETS**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Advance to Staff	19.65	17.05
Advance to Staff for Expenses	-	0.56
Advance to Investment Brokers	0.20	1.88
Accrued Interest on Fixed Deposits	8.67	11.38
<b>TOTAL</b>	<b>28.52</b>	<b>30.86</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**NOTE 22. REVENUE FROM OPERATIONS**

(Amount in Lakhs)

Particulars	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Sale of Products (Refer to Note No.22.1)	50,475.96	26,201.00
Other operating revenue (Refer to Note no.22.1)	2,114.18	638.37
<b>TOTAL</b>	<b>52,590.14</b>	<b>26,839.37</b>

## 22.1 Particulars of Revenue from Operations

(Amount in Lakhs)

Particulars	YEAR ENDED MARCH 31, 2022		YEAR ENDED MARCH 31, 2021	
Sale of Products				
<u>Trading Operations:</u>				
Yarn				
Export - Yarn	22,489.42		13,372.64	
Local - Yarn	2,022.22	24,511.64	1,260.69	14,633.33
Fabric				
Export - Fabric	5,939.80		2,175.34	
Local - Fabric	91.00	6,030.80	90.39	2,265.72
Cotton				
Export - Cotton	811.79		-	-
Local - Cotton	829.60	1,641.39	78.55	78.55
Polyster Chips				
Export - Polyster Chips	478.15	478.15	-	-
<u>Manufacturing Operations:</u>				
Yarn				
Export	13,392.29		4,385.05	
Local	4,421.69	17,813.98	4,838.35	9,223.40
<b>Total</b>		<b>50,475.96</b>		<b>26,201.00</b>
<u>Other Operating Revenue</u>				
Duty Drawback	759.51		380.91	
Foreign Commission Income	-		0.63	
MEIS / RODTPE License Sale	642.31		18.92	
Profit/ (Loss) on changes in foreign exchange	712.37	2,114.18	237.91	638.37
<b>Total</b>		<b>2,114.18</b>		<b>638.37</b>

22.2 Management has classified Revenue from Long Term Lease / Arrangement as Revenue from Manufacturing Operations taking into consideration the Substance over form of the transaction.

22.3 MEIS / RODTPE License Sale is recognised based on Sale of License, MEIS / RODTPE is not accrued on accrual basis as per Management.

22.4 The majority of Profit/ (Loss) is part of Revenue from operations / Export Sales as all export sales are Forward in nature and the Sales Consideration is determined considering the Spot Rate added with the Forward Premium earned for competitive pricing. Therefore, considering the substance over form and the nature of income, the same is shown as Profit/ (Loss) on changes in foreign exchange under the head, other operating revenue.

**NOTE 23. OTHER INCOME**

(Amount in Lakhs)

Particulars	YEAR ENDED	YEAR ENDED
	MARCH 31, 2022	MARCH 31, 2021
Dividend Income	1.26	0.29
Interest on Income Tax	0.67	-
Profit/ (Loss) on sale of Shares	19.95	5.11
Profit/ (Loss) on sale of Mutual Funds	6.54	-
Profit/ (Loss) on futures and derivatives	15.36	3.32
Forward Settlement	1.78	1.01
Interest Income	-	0.21
Interest on UCO Bank FD	8.83	0.31
Interest on Shinhan Bank FD	27.49	37.85
LIC Maturity Receipts	-	6.30
Balances Written Back	-	0.12
Discount Received	2.07	-
Rate difference Income	23.22	-
<b>TOTAL</b>	<b>107.16</b>	<b>54.52</b>

**NOTE 24 PURCHASE**

(Amount in Lakhs)

Particulars	YEAR ENDED	YEAR ENDED
	MARCH 31, 2022	MARCH 31, 2021
Raw Cotton		
Local	2,715.58	834.71
Polyster Chips		
Local	430.90	-
Polyster Fiber		
Local	107.57	-
Fabric		
Local-Fabric Purchase	5,692.07	2,078.59
Yarn		
Local	35,033.23	21,471.03
<b>Total</b>	<b>43,979.36</b>	<b>24,384.33</b>

**NOTE 25. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Inventories (At Close)		
Trading Goods	1,256.81	1,013.40
Inventories (At Commencement)		
Trading Goods	1,013.40	278.71
TOTAL	(243.41)	(734.69)

**NOTE 26. EMPLOYEE BENEFITS EXPENSES**

(Amount in Lakhs)

Particulars	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Directors Remuneration	165.00	163.80
Salaries & Wages	280.85	66.33
Bonus	9.63	2.75
Other Employee benefits	46.15	34.52
Staff welfare expenses	28.85	9.45
Gratuity	20.11	0.43
TOTAL	550.59	277.29

**NOTE 27. FINANCE COSTS**

(Amount in Lakhs)

Particulars	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Interest Expenses		
On term Loans	6.35	1.01
On short term borrowings	340.03	159.75
Bank charges	11.85	4.24
TOTAL	358.23	165.00

**NOTE 28. OTHER EXPENSES**

(Amount in Lakhs)

Particulars	YEAR ENDED		YEAR ENDED	
	MARCH 31, 2022		MARCH 31, 2021	
<u>Direct Expenses</u>				
Job Work	504.88		189.04	
Labour Charges	48.16		2.11	
Packaging Expenses	40.84		6.85	
Cancellation of Contract Charges	-		10.41	
Factory Power Expenses	300.46		-	
Factory Repairs and Maintenance	28.00		-	
Factory Rent	111.89		-	
Factory Operating Expenses	30.13		12.22	
Stores and Spares	28.75		-	
Sample Expenses	0.22	1,093.32	0.29	220.91
<u>Administrative and Other Expenses</u>				
Auditor's Remuneration (Refer to note no.28.1)	4.49		3.00	
Communication Cost	2.83		2.14	
Electricity Charges	2.87		2.03	
Insurance Charges	16.18		5.11	
Legal & Professional Charges	51.28		18.70	
Printing & Stationery Cost	10.14		4.99	
Rent Rates & Taxes	57.05		13.92	
Repairs & Maintenance Cost	4.11		3.46	
Travelling & Conveyance Cost	10.83		8.11	
Donations / CSR	5.58		2.41	
Transport Cost	1.14		-	
Sundry Balances Written off	0.95		97.94	
Settlement of Contract	33.87		-	
Profit/ (Loss) on MTM Gain/Loss on shares and Mutual Funds				
Other Establishment Expenses	13.54		-	
	45.45	260.30	50.47	212.27
<u>Selling &amp; Distribution Expenses</u>				
Commission Expenses				
Tours & Travel expenses	839.05		369.77	
Business Promotion Expenses	8.62		21.38	
Exhibition Expenses	36.12		21.30	
Other Selling & Distribution Expenses	3.98		0.50	
Rebates and Discount on Yarn and Fabric	0.07		6.15	
Freight and Forwarding Expenses	99.76		37.78	
	2,862.97	3,850.57	978.71	1,435.59
<b>TOTAL</b>		5,204.19		1,868.78

**28.1 PARTICULARS OF PAYMENT TO AUDITOR**

(Amount in Lakhs)

Particulars	YEAR ENDED		YEAR ENDED	
	MARCH 31, 2022		MARCH 31, 2021	
<u>(a) Auditor</u>				
Statutory Audit Fees	2.00		1.75	
Tax Audit fees	1.00	3.00	0.75	2.50
<u>(b) Certification &amp; Consulting Fees (Other Services)</u>				
		1.49		0.50
<b>TOTAL</b>		4.49		3.00

## NOTE 29. CONTINGENT LIABILITIES

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Claim against company not acknowledged as debts		
- in respect of Income Tax	-	-
- in respect of Other Indirect Taxes	24.83	-
TOTAL	24.83	-

Name of the Statute / Nature of Dues	Forum where dispute pending	Dispute relating to FY	Disputed Amount
Maharashtra Value Added Tax Act 2002			
-Interest and Penalty Payable	Joint Commissioner of Sales Tax Appeal	2015-16	6.45
-Interest and Penalty Payable	Joint Commissioner of Sales Tax Appeal	2016-17	15.52
Central Sales Tax Act 1956			
- Interest and Penalty Payable	Joint Commissioner of Sales Tax Appeal	2016-17	2.85

## NOTE-30 RELATED PARTY DISCLOSURES:

In accordance with the requirement of Accounting Standard (AS) -18 on Related Party Disclosures, the names of the related parties where control exists and /or with whom transactions have taken place during the year in the or during the course of business, as identified and certified by the management are:

Name of the Party	Relationship / Designation
Abhishek Lath	Managing Director and CFO
Umashankar Lath	Chairman and Managing Director
Sweta Lath	Executive Director
Rohit Agarwal	Independent Director
Jaydeep Mehta	Independent Director
Narendra Srivastava	Independent Director
Ashadevi Lath	Relative of Director
Umashankar Lath HUF	HUF of Director
Sarita Mishra	Company Secretary & Compliance Officer
Burhanpur Integrated Textile Park Limited	Enterprises over which directors have significant influence
Le Merite Fashions Private Limited	Enterprises over which directors have significant influence
Le Merite Laxmi Spinning Private Limited	Subsidiary
Le Merite Filament Private Limited	Subsidiary

The following transactions were carried out with the related parties and the balances of these related parties as at March 31, 2022 for the period then ended are presented herein below:

Particulars	(Amount in Lakhs)	
	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Remuneration		
Abhishek Lath	66.00	45.60
Umashankar Lath	45.00	37.80
Sweta Lath	42.00	42.00
Ashadevi Lath	12.00	38.40
Sarita Mishra	1.24	-
Loan Repaid		
Abhishek Lath	17.14	4.46
Umashankar Lath	5.00	-
Ashadevi Lath	39.41	-
Le Merite Fashion Private Limited	-	0.74
Umashankar Lath HUF	16.00	-
Loan Taken		
Abhishek Lath	2.74	-
Umashankar Lath	1.00	42.95
Ashadevi Lath	9.75	4.63
Umashankar Lath HUF	9.00	-
Sale Transaction		
Le Merite Fashion Private Limited	13.02	1.20
Purchase Transaction		
Le Merite Fashion Private Limited	790.80	731.10

Outstanding balances - Payable / Receivable

Particulars	(Amount in Lakhs)	
	AS ON 31-03-2022	AS ON 31-03-2021
Loan Payable		
Abhishek Lath	3.61	18.00
Umashankar Lath	47.10	51.10
Umashankar Lath HUF	-	7.00
Ashadevi Lath	-	29.66
Sweta Lath	45.55	26.72
Salary Payable		
Abhishek Lath - Salary Payable	0.67	-
Umashankar Lath - Salary Payable	30.43	-
Ashadevi Lath - Salary Payable	7.35	-
Receivable		
Le Merite Fashion Private Limited - Trade Advance	372.68	6.05

**NOTE 31: EARNINGS PER SHARE**

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the profit and number of shares used in the basic and diluted EPS computations:

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Profit attributable to equity holders	2,105.96	695.70
Weighted Average number of equity shares used for computing earnings Per Share (Basic)	170.81	170.81
Weighted Average number of equity shares used for computing earnings Per Share (Basic)	170.81	170.81
Earnings Per Share (Basic)	12.33	4.07
Earnings Per Share (Diluted)	12.33	4.07
Face value per share	10.00	10.00

**NOTE 32: ANALYTICAL RATIOS**

The Ratios as on March 31, 2022 are as follows:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance
(a) Current ratio	16998.43	12947.91	1.31	1.32	0.45
(b) Debt-equity ratio	179.55	4548.69	0.04	0.05	24.56
(c) Debt service coverage ratio	2848.34	21.28	133.82	258.65	48.26
(d) Return on equity ratio	2105.96	3495.71	0.60	0.33	-81.40
(e) Inventory turnover ratio	52590.14	1135.10	46.33	41.54	-11.52
(f) Trade receivables turnover ratio	52590.14	9266.01	5.68	5.59	-1.59
(g) Trade payables turnover ratio	43979.36	1547.93	28.41	26.05	-9.05
(h) Net capital turnover ratio	52590.14	3083.29	17.06	15.22	-12.10
(i) Net profit ratio	2105.96	52590.14	0.04	0.03	-54.59
(j) Return on capital employed	2804.50	4728.24	0.59	0.36	-66.25
(k) Return on investment	2105.96	4548.69	0.46	0.28	62.56

Note 32.1: The reduction in Debt Service Coverage Ratio is due to the Car loans taken by the company during the year aggregating to Rs.122.90 Lakhs

Note 32.2: The increase in Return on Equity, Net Profit Ratio, Return on Capital Employed and Return on Investment is due to the expansion of Manufacturing Activities during the year and which leads to improved Revenue Targets and Profit Margins.



**NOTE 33: CORPORATE SOCIAL RESPONSIBILITY**

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Amount required to be spent by the company during the year	10.24	NA
Amount of expenditure incurred	3.05	NA
Shortfall at the end of the year	7.19	NA
Total of previous years' shortfall	0	NA
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA	NA

**NOTE 34: TITLE OF IMMOVABLE PROPERTIES**

Relevant line items in the Balance Sheet	Description of items of property	Gross carrying value	Title deeds held in the Name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Reasons for not being held in the name of company (also indicate if in dispute)
Property Plant and Equipment	Office Building	222.29	Le Merite Exports Pvt Ltd	No	NA
	Factory Building	7.83	Le Merite Exports Pvt Ltd	No	NA
Non-Current Investment	Office Premises - Crescent Park	107.62	Le Merite Exports Pvt Ltd	No	NA

**NOTE 35: SECURITY OF CURRENT ASSETS AGAINST BORROWINGS**

The Company has been sanctioned working capital limits from Shinhan Bank on the basis of security of current assets and quarterly statements to be filled, There are no variances in Security of current assets as per Books of Accounts and the Quarterly Statements filled to the Bank.

**NOTE 36: EMPLOYEE BENEFITS**

As required under Accounting Standard 15 (Revised 2005), Actuarial Gains and Losses is recognised immediately in the Statement of Profit and Loss.

Followings are the principal actuarial assumptions used as at the balance sheet date, including, where applicable:

Particulars	Assumptions
Expected Return on Plan Assets	N.A.
Rate of Discounting	7.15%
Rate of Salary Increase	10.00%
Rate of Employee Turnover	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Ultimate

There are no changes in the fair value of the Plan Assets during the year.

Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss for Current Period: Nil

Following are the total expense recognized in the statement of profit and loss:

Particulars	Rs.
Current Service Cost	20.11
Net Interest Cost	Nil
Actuarial (Gains)/Losses	Nil
Past Service Cost - Non-Vested Benefit Recognized	Nil
Past Service Cost - Vested Benefit Recognized	Nil

Details of amount recognized in the Balance Sheet:

Particulars	Rs.
Present Value of Benefit Obligation at the end of the Period	(20.11)
Fair Value of Plan Assets at the end of the Period	-
Unrecognized Past Service Cost at the end of the Period	-
Net (Liability)/Asset Recognized in the Balance Sheet	(20.11)

#### NOTE 37: UN-HEDGED FOREIGN CURRENCY EXPOSURE

Particulars of Un-hedged Foreign Currency Exposure as at Balance sheet date is 8.90 Crores as on March 31, 2022 and 12.10 Crores as on March 31, 2021 as per management.

#### NOTE 38: MICRO AND SMALL ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006.

#### NOTE 39: EXPENDITURE IN FOREIGN CURRENCY

(Amount in Lakhs)

Particulars	YEAR ENDED	YEAR ENDED
	MARCH 31, 2022	MARCH 31, 2021
Commission Expenses (In INR)	230.08	223.12

#### NOTE 40: EARNINGS IN FOREIGN CURRENCY

(Amount in Lakhs)

Particulars	YEAR ENDED	YEAR ENDED
	MARCH 31, 2022	MARCH 31, 2021
Exports of goods (In INR)	43,111.45	19,933.02
Foreign Commission (In INR)	-	0.63

**NOTE 41: OPERATING LEASES**

Where company is the lessee:

The company has taken various godown and units under operating lease, that are renewable on a periodic basis at the option of both the lessor and the lessee.

Lease payment recognized in the statement of Profit and Loss for the period:

Particulars	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Charged to Statement of Profit and Loss		
Godown Rent		
Factory Rent	11.50	6.70
Future minimum lease payments not later than one year*	111.89	-
Future minimum lease payments later than one year but not later than five years*	-	-

**NOTE 42: SEGMENT REPORTING**

The Company is primarily in the business of manufacturing, purchase and sale of textiles. The Management of the Company evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, there is only one reportable segment for the Company ie. Textile Business

**NOTE 43:** Previous year's figures have been regrouped/ reclassified, wherever necessary to conform to this years' classification.

AS PER OUR REPORT OF EVEN DATE  
FOR NAGORI NUWAL & CO.  
CHARTERED ACCOUNTANTS  
(F.R.N.: 08185C)

SD/-  
CA SHANKAR LAL LADDHA  
PARTNER  
(MEMBERSHIP NO. 76554)  
UDIN: 22076554AJXFCP4460  
DATE: May 30, 2022  
PLACE: MUMBAI

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF  
LE MERITE EXPORTS LIMITED

SD/-		SD/-
Abhishek Lath		Umashankar Lath
MD & CFO		Chairman & MD
DIN - 00331675		DIN - 05135035

DATE: May 30, 2022  
PLACE: MUMBAI

# INDEPENDENT AUDITOR'S REPORT

To the Members of LE MERITE EXPORTS LIMITED,

Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the consolidated financial statements of LE MERITE EXPORTS LIMITED ("the Company"), which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss, and statement of cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under Section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

The key audit matters	How our audit addressed the key audit matter
Valuation of Inventory - Refer to Notes 19 and 27 to the consolidated Financial Statements	
<p>The Company's inventory primarily comprises cotton, yarn and fabric.</p> <p>Inventories are valued at lower of cost or net realizable value. There is a risk that inventories may be stated at values that are more than their net realizable value ('NRV').</p>	<ul style="list-style-type: none"> <li>Evaluating the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect.</li> <li>Obtained an understanding of and performed the test of design, implementation and operating effectiveness of the</li> </ul>

<p>We identified the valuation of inventories as a key audit matter as the Company held significant inventories and significant degree of management judgment was involved in valuing the inventories.</p>	<p>Company's key internal controls over the process for valuation of inventories.</p> <ul style="list-style-type: none"> <li>• Compared the cost of raw materials with supplier invoices for selected samples. For work-in-progress and finished goods, we understood the determination of the net realizable value and assessing, testing and evaluating the reasonableness keeping in view the significant judgments applied by the management concerning overhead allocation by assessing the cost of the items included in overhead absorption for selected samples.</li> <li>• In connection with NRV testing, we have compared carrying value to the selling price prevailing around and subsequent to the year end for the selected samples.</li> </ul>
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#### Other Matters

We have not audited the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 6.52 Lakhs as at March 31, 2022 and total revenues as Nil for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the group's share of net loss of Rs. 0.20 Lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have 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 the subsidiary and our report in terms of sub-sections (3) and (11) of section 143 of the act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Information other than the financial statements and auditor's report thereon.

The company's board of directors is responsible for the other information. The other information comprises the information included in the board's report including annexure to board's report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of management for Consolidated Financial Statements

The company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The boards of directors are also responsible for overseeing the company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

(c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the act, read with rule 7 of the companies (accounts) rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", to this report.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed details regarding pending litigations in note 31 of the consolidated financial statements, which would impact its financial position.

ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other

persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note No. 2.5 to the Consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For, Nagori Nuwal & Co.,  
Chartered Accountants,  
F.R.N.: 08185C

SD/-

CA Shankar Lal Laddha  
Partner  
Membership No.: 076554  
UDIN: 22076554AJXFCP4460

Place: MUMBAI  
Date: May 30, 2022



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

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

xxi. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxii) of the Order is not applicable to the Holding Company.

For, Nagori Nuwal & Co.,  
Chartered Accountants,  
F.R.N.: 08185C

SD/-

CA Shankar Lal Laddha  
Partner  
Membership No.: 076554  
UDIN: 22076554AJXFCP4460

Place: MUMBAI  
Date: May 30, 2022

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

(Referred to in paragraph 2(e) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of LE MERITE EXPORTS LIMITED ('the Company') as of March 31, 2022 in conjunction with our audit of the Consolidated 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 over financial reporting 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 Standards issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). 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.

### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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 Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financials Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Nagori Nuwal & Co.,  
Chartered Accountants,  
F.R.N.: 08185C

SD/-

CA Shankar Lal Laddha  
Partner  
Membership No.: 076554  
UDIN: 22076554AJXFCP4460

Place: MUMBAI  
Date: May 30, 2022

## CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2022

(Amount Rs. in Lakhs)

PARTICULARS	Note	AS ON 31.03.2022	AS ON 31.03.2021
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. SHARE HOLDER'S FUND</b>			
(a) Share Capital	2	1,708.10	170.81
(b) Reserve & Surplus	3	2,840.49	2,271.92
<b>2. NON-CONTROLLING INTEREST</b>			
	4	2.84	
<b>3. NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	5	154.99	125.22
(b) Deferred tax liabilities	6	-	1.97
(c) Other Long-Term Provisions	7	17.06	-
<b>4. CURRENT LIABILITIES</b>			
(a) Short Term borrowings	8	9,832.96	5,274.16
(b) Trade Payables	9		
- Total outstanding dues of micro enterprises and small enterprises		-1,914.45	-1,181.41
(c) Other Current Liabilities	10	1,151.14	143.54
(d) Short Term provisions	11	47.52	38.66
	<b>TOTAL</b>	<b>17,669.56</b>	<b>9,207.68</b>
<b>B. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
(a) Property Plant and Equipment		295.28	162.04
(b) Intangible Assets	13	0.52	-
(c) Non-Current Investments	14	107.62	107.62
(d) Deferred Tax Asset - Net	15	0.84	-
(e) Long term Loans and Advances	16	30.31	35.91
(f) Other Non-Current Asset	17	233.10	148.29
<b>2. CURRENT ASSETS</b>			
(a) Current Investments	18	70.21	62.84
(b) Inventories	19	1,256.81	1,013.40
(c) Trade Receivables	20	12,681.89	5,850.12
(d) Cash & Cash Equivalents	21	824.56	795.58
(e) Short Term Loans and Advances	22	2,137.45	1,001.02
(f) Other Current Assets	23	30.97	30.86
	<b>TOTAL</b>	<b>17,669.56</b>	<b>9,207.68</b>

See accompanying notes forming part of the financial statements

1 to 45

AS PER OUR REPORT OF EVEN DATE  
FOR NAGORI NUWAL & CO.  
CHARTERED ACCOUNTANTS  
(F.R.N.: 08185C)  
SD/-  
CA SHANKAR LAL LADDHA  
PARTNER  
(MEMBERSHIP NO. 76554)  
UDIN: 22076554AJXFCP4460  
DATE: May 30, 2022  
PLACE: MUMBAI

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF  
LE MERITE EXPORTS LIMITED

SD/-  
Abhishek Lath  
MD & CFO  
DIN - 00331675

SD/-  
Umashankar Lath  
Chairman & MD  
DIN - 05135035

DATE: May 30, 2022  
PLACE: MUMBAI

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in Lakhs)

PARTICULARS	Note	FOR THE YEAR 2021-22	FOR THE YEAR 2020-21
<b>A. CONTINUING OPERATION INCOME:-</b>			
Revenue from Operations (Net)	24	52,590.14	26,839.37
Other Income	25	107.16	54.52
<b>Total Revenue</b>		<b>52,697.30</b>	<b>26,893.89</b>
<b>EXPENSES</b>			
Purchase	26	43979.36	24384.33
Changes in Inventories	27	(243.41)	(734.69)
Employee benefit expenses	28	550.59	277.29
Finance cost	29	358.23	165.00
Depreciation and amortisation expense	12	50.19	16.39
Other Expenses	30	5,204.19	1,868.78
<b>Total Expenses</b>		<b>49,899.15</b>	<b>25,977.10</b>
Profit before exceptional and extraordinary items & tax		2,797.95	916.78
Exceptional Items		-	-
Profit before extraordinary items and tax		2,797.95	916.78
Extraordinary Items		-	-
Loss before tax		2,797.95	916.78
Tax Expenses:			
(a) Current tax expense for current year		695.00	230.00
(b) Deferred tax		(2.81)	0.68
(c) Excess / Short Tax Provision W/off		-	(9.61)
Profit after tax and before Minority Interest		2,105.76	695.70
Less: Minority Interest		(0.10)	-
<b>Profit for the year</b>		<b>2,105.86</b>	<b>695.70</b>
<b>Earnings per share (of Rs. 10/- each):</b>			
(a) Basic		12.33	4.07
(b) Diluted		12.33	4.07
See accompanying notes forming part of the financial statements	1-45		

AS PER OUR REPORT OF EVEN DATE  
FOR NAGORI NUWAL & CO.  
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CA SHANKAR LAL LADDHA  
PARTNER  
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UDIN: 22076554AJXFCP4460  
DATE: May 30, 2022  
PLACE: MUMBAI

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF  
LE MERITE EXPORTS LIMITED

SD/- Abhishek Lath MD & CFO DIN - 00331675	SD/- Umashankar Lath Chairman & MD DIN - 05135035
---	--

DATE: May 30, 2022  
PLACE: MUMBAI

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in Lakhs)

PARTICULARS	Note	FOR THE YEAR 2021-22	FOR THE YEAR 2020-21
<b>A. Cash flow from Operating Activities: -</b>			
Profit/(loss) before tax		2,797.95	916.78
Adjustment For:			
Depreciation		50.19	16.39
Provisions		25.91	-
<u>Operating Profit/(Loss) before Working Capital changes</u>		2,874.05	933.17
Adjustment for increase/decrease in:			
Increase / Decrease in trade payables		733.05	347.81
Increase / Decrease in other current liabilities		1007.61	13.98
Increase / Decrease in inventories		(243.41)	(734.69)
Increase / Decrease in trade receivables		(6,831.77)	(2,092.34)
Increase / Decrease in short term loans & advances		(1,136.43)	(456.84)
Increase / Decrease in long term loans & advances		(84.82)	(41.96)
Increase / Decrease in other current assets		(0.10)	37.22
Operating Profit/(Loss) after Working Capital changes		(3,681.82)	(1,993.64)
Operating Profit/(Loss) before Tax		(3,681.82)	(1,993.64)
Less: Tax Paid (Net)		(695.00)	(220.39)
Net Cash generated from Operating Activities	(A)	(4,376.82)	(2,214.03)
<b>B. Cash flow from Investment Activities</b>			
Payment towards capital expenditure		(183.95)	(21.38)
Non- Current Investments		-	-
Current Investments		(7.37)	7.13
Net Cash From Investment Activities	(B)	(191.32)	(14.25)
<b>C. Cash flow from Financing Activities</b>			
Increase in Long Term Borrowings		29.77	70.64
Increase in Short Term Borrowings		4,558.81	2,430.41
Long Term Loans and Advances		5.60	(19.40)
Proceeds from issue of shares to Non-Controlling Interest		2.94	-
Net Cash from Financing Activities	(C)	4,597.12	2,481.65
Net (Decrease)/Increase in Cash and Cash Equivalents	(A+B+C)	28.98	253.36
Cash and Cash Equivalents at the beginning of the year		795.58	542.21
Cash and Cash Equivalents as at the end of the year		824.56	795.58
Components of cash and cash equivalents			
Cash in hand		0.33	1.44
Balances with banks		824.23	794.14
Total		824.56	795.58

1 The All figures in brackets are outflow

2 Previous year's figures have been regrouped/reclassified wherever necessary to this year's classification

AS PER OUR REPORT OF EVEN DATE  
FOR NAGORI NUWAL & CO.  
CHARTERED ACCOUNTANTS  
(F.R.N.: 08185C)  
SD/-  
CA SHANKAR LAL LADDHA  
PARTNER  
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UDIN: 22076554AJXFCP4460  
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FOR AND ON BEHALF OF BOARD OF DIRECTORS OF  
LE MERITE EXPORTS LIMITED

SD/-  
Abhishek Lath  
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SD/-  
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Chairman & MD  
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DATE: May 30, 2022  
PLACE: MUMBAI

## “NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2022”

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Preparation

The Consolidated financial statements relate to Le Merite Exports Limited (‘the Company’) and its subsidiary Companies Le Merite Laxmi Spinning Private Limited and Le Merite Filament Private Limited. The Company and its subsidiaries constitute the Group.

#### b) Basis of Accounting

The Consolidated financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these consolidated financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

#### c) Principles of Consolidation

The consolidated financial statements are prepared using the financial statements of the company, its subsidiaries and associates. The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21, Accounting Standards (AS) 23, other applicable accounting standards, as applicable, notified by the Companies (Accounts) Rules, 2014 the Companies (Accounting Standards) Amendment Rules 2016. The consolidated financial statements are prepared on the following basis:

i. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis in accordance with the principles laid down in Accounting Standard-21 on “Consolidated Financial Statements” by adding together the value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or loss.

ii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the company’s separate financial statements.

iii. The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as ‘Goodwill’ being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognized as ‘Capital Reserve’ and shown under the head ‘Reserves & Surplus’, in the consolidated financial statements.

iv. Minority interests represent the amount of equity attributable to the minorities at the date on which investment in subsidiaries made and the share of movements in equity since that date. Minority interests in the net income of subsidiaries for the year are identified and adjusted against income of the Group.

v. Investments in associates are accounted for using the equity method as per Accounting Standard (AS) 23. The excess of cost of investment over the proportionate share in equity of the associate as at the date of acquisition of stake is identified as goodwill or capital reserve and included in the carrying value of the investment of the associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However, the share of losses is accounted for only to the extent of the cost of the investment.

vi. The following subsidiary companies are considered in the consolidated financial statements:

Sr. No	Name of Subsidiary	Country of Incorporation	% of Holding as on 31st March, 2022	Date of Incorporation
1	Le Merite Filament Private Limited	India	51 %	08/10/2021
2	Le Merite Laxmi Spinning Private Limited	India	51 %	15/12/2021

#### d) Use of Estimates:

The preparation of consolidated financial statements is in conformity with Indian GAAP, requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the

reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### e) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation/amortization and impairment losses, if any.

Cost includes purchase price, taxes and duties as applicable, freight, and other incidental expenses incurred till the commencement of commercial production. Incidental expenses include establishment expenses, interest on borrowed funds used for qualifying assets and other related direct costs attributable to the same.

Capital Work in Progress includes pre-operative and other incidental expenses pending allocation/ apportionment in respect of the uninstalled/ incomplete fixed assets.

#### f) Intangible Assets

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment.

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are amortized over their useful life.

Pre-Incorporation Expenses are also accounted as Intangible Assets.

#### g) Depreciation on Property, Plant and Equipment

Depreciation on Property, Plant and Equipment is calculated on a WDV basis using the rates arrived at based on the useful lives of fixed assets specified by Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### h) Impairment

The carrying amounts of assets are reviewed at each balance sheet date, to check if there is any indication of impairment based on internal/external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the greater of the asset's net selling price 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 risks specific to the asset.

#### i) Investments

Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

#### j) Borrowing costs:

Borrowing costs attributable to the acquisition and construction of qualifying assets up to the date of such acquisition or construction are capitalized as part of the cost of respective assets. Other borrowing costs are charged to statement of profit and loss of the period in which they are incurred.

#### k) Leases:

##### i) Finance lease:

Assets acquired under finance leases are recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is 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. Assets given under finance leases are recognized as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

##### ii) Operating lease:

Leases other than finance lease, are operating leases, and the leased assets are not recognized on the Company's Balance Sheet. Payments / rental income under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

#### l) Inventories

Inventories are valued at lower of cost or net realizable value, after providing for obsolesce and damages as follows:



Cost is ascertained as,

a)	Raw Material, Packing Material & Stores and Spares	At cost, on FIFO/ weighted average basis.
b)	Finished goods	At cost, plus appropriate production overheads if applicable.
c)	Material in Process	At Cost, plus appropriate production overheads.

Net realizable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

m) Revenue Recognition

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

Sale of Goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincide with the delivery of goods to the customers. Sales include income from services, export incentives and exchange fluctuations, other recurring and non-recurring incentives from the Governments.

The Company collects Goods and Service Tax (GST) and / or Tax Collected at source on behalf of the government and, therefore, these do not form a part of economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Service Income

Income from service rendered is recognised based on the terms of the agreements as and when services are rendered and are net of Goods and Service Tax (GST)/ Service tax.

Dividend Income

Dividend income from investments, if any, is accounted on the receipt basis.

n) Foreign Currency Translation

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported into rupees at the rate of exchange prevailing on the date of Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

o) Employee benefits

(i) Defined Contribution Plan

The Company contributes to Government Provident Fund Scheme. The Company's contribution paid/ payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(ii) Defined Benefit Plan

The Company's liabilities on account of gratuity and leave encashment are determined at the end of each financial year on the basis of actuarial Valuation as per requirements of Accounting Standard 15 on "Employee Benefits".

p) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of preferential issue/ allotment of equity shares. For the purpose of calculating diluted earnings per shares, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

t) Cash and Cash equivalents

Cash and cash equivalents for the purpose of Cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

u) Research and Development

Revenue expenditure on research is expensed under respective heads of account in the period in which it is incurred. Capital expenditure is shown as addition to fixed assets.

v) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

**NOTE 2. SHARE CAPITAL**

(Amount in Lakhs)

Particulars	AS ON	AS ON
	31-03-2022	31-03-2021
<u>Authorised Share Capital</u>		
2,50,00,000 Equity shares of Rs. 10/- each (Previous Year 50,00,000 Equity Share)	2,500.00	500.00
	2,500.00	500.00
<u>Issued, Subscribed and Paid-Up Capital</u>		
1,70,81,000 Equity shares of Rs. 10/- each fully paid up (P.Y. 17,08,100 Equity Shares)	1,708.10	170.81
<b>TOTAL</b>	<b>1,708.10</b>	<b>170.81</b>

Terms and Rights attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of ` 10/- per share. The holders of the Equity Shares are entitled to dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

2.1 The details of Shareholders holding more than 5% shares in the Company:

Name of the Shareholder	AS ON 31-03-2022		AS ON 31-03-2021	
	No. of Shares	% Held	No. of Shares	% Held
Abhishek Lath	52,50,000	30.74%	5,25,000	30.74%
Asha Devi Lath	68,34,000	40.01%	6,83,000	40.01%
Uma Shankar Lath	20,25,000	11.86%	2,03,000	11.86%
Sweta Lath	15,90,000	9.31%	15,90,000	9.31%
Uma Shankar Lath HUF	13,80,000	8.08%	13,80,000	8.08%
	<b>1,70,79,000</b>		<b>17,08,000</b>	

2.2 The reconciliation of the number of shares outstanding is set out below: -

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Equity Shares at the beginning of the year	17,08,000	17,08,000
Add: -Shares issued during the year	15,373,000	-
Less: -Shares cancelled on buy back of Equity Shares	-	-
Equity Shares at the end of the year	<b>1,70,81,000</b>	<b>17,08,000</b>

2.3 Pursuant to the approval of the shareholders, the company has issued 1,53,72,900 bonus shares in the ratio of nine Equity Shares of Rs. 10/- each for one existing equity share of Rs. 10/- each on Record Date January 25, 2022. Accordingly, earnings per share (EPS) (basic and diluted) have been adjusted on account of bonus shares.

2.4 The Board of Directors at its meeting held on May 30, 2022 had recommended the dividend of Rs. 1/- per equity share of Rs. 10/- each for the FY 2021-22.

2.5 The allotment of shares by an Initial Public Offer (IPO) was made on May 04, 2022 for 64,00,000 Equity Shares each of Rs. 75/- having face value of Rs. 10/- per share and share premium of Rs. 65/- per share aggregating to Rs. 4,800 Lakhs ranking pari passu with the existing shares. The shares of the company were listed on NSE Emerge (SME Platform) of National Stock Exchange of India Limited (NSE) on May 09, 2022.

**NOTE 3. RESERVE AND SURPLUS**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Profit and Loss Account		
As per last Balance sheet	2,271.92	1,576.21
Less: Bonus Issue	1,537.29	0.00
<u>Add: Profit for the year</u>	2,105.86	695.70
<b>TOTAL</b>	<b>2,840.49</b>	<b>2,271.92</b>

## 3.1 Profit for the year

Particulars	Profit / Loss	Attributable to Holding Company	Attributable to NCI
Net Profit as per Standalone Statement of Profit and Loss	2,010.96	2,010.96	
Add: Profit/(Loss) of subsidiaries:			
Le Merite Laxmi Spinning Private Limited	(0.10)	(0.05)	(0.05)
Le Merite Filament Private Limited	(0.10)	(0.05)	(0.05)
Consolidated Profit for the year	2,010.76	2,010.86	(0.10)

**NOTE 4. NON-CONTROLLING INTEREST (NCI)**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Le Merite Laxmi Spinning Private Limited		
Paid up value of shares		
Share in profit/(loss) for the year	2.45	-
	(0.05)	-
Le Merite Filament Private Limited		
Paid up value of shares	0.49	-
Share in profit/(loss) for the year	(0.05)	-
<b>TOTAL</b>	<b>2.84</b>	<b>-</b>

**NOTE 5. LONG TERM BORROWINGS**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022		AS ON 31-03-2021	
	Non-Current	Current	Non-Current	Current
<u>Secured Loans</u>				
Jaguar Car Loan	50.74	13.00	-	-
Jeep Car Loan	20.79	5.02	-	-
Tata Harrier Car Loan A	17.05	3.96	-	-
Tata Harrier Car Loan B	15.71	2.58	18.29	2.59
<u>Unsecured Loans</u>				
From Directors & Shareholders	50.71	-	106.93	-
TOTAL	154.99	24.56	125.22	2.59

5.1 Unsecured Loans consists of Loan from Related Party as disclosed in Related Party Disclosure.

5.2 Jaguar Car Loan is Loan taken from HDFC Bank secured against Car and Repayable in 60 monthly installments of Rs. 1.43 Lakhs each (including interest) commencing from Aug 2021 and last Installment due in Jul 2026. The Rate of Interest is 7.20 % p.a.

5.3 Jeep Car Loan is Loan taken from Kotak Mahindra Prime Ltd secured against Car and Repayable in 60 monthly installments of Rs. 0.56 Lakhs each (including interest) commencing from Oct 2021 and last Installment due in Sept 2026. The Rate of Interest is 7.43 % p.a.

5.4 Tata Harrier Car Loan A is Loan taken from Kotak Mahindra Prime Ltd secured against Car and Repayable in 60 monthly installments of Rs. 0.46 Lakhs each (including interest) commencing from Nov 2021 and last Installment due in Oct 2026. The Rate of Interest is 7.93 % p.a.

5.5 Tata Harrier Car Loan B is Loan taken from HDFC Bank secured against Car and Repayable in 84 monthly installments of Rs. 0.35 Lakhs each (including interest) commencing from Sept 2020 and last Installment due in Aug 2027. The Rate of Interest is 8.00 % p.a.

5.6 There is no default in repayment or interest of any loans on due dates.

**NOTE 6. DEFERRED TAX LIABILITY**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
	Deferred Tax Liability	
Related to Fixed Assets	-	1.97
TOTAL	-	1.97

**NOTE 7. Other Long-Term Provisions**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
	For Employee Benefits	
Gratuity payable	17.06	-
TOTAL	17.06	-

7.1 The Company previously has been providing expenditure of Gratuity on actual cash payment basis. However, in order to comply with Accounting Standard 15 - Employee Benefits, the Expenditure for Gratuity has been provided as per Actuarial Valuation Report in FY 2021-2022.

**NOTE 8. SHORT TERM BORROWINGS**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Secured		
Working Capital Loan From Bank:-		
Export Packing Credit (Shinhan Bank)	1,111.00	1,475.00
Export Packing Credit (ICICI Bank)	500.00	-
Export Packing Credit (UCO Bank)	599.77	-
L.C. Bill Discounting (Shinhan Bank)	7,597.63	3,235.96
Current Maturities of long-term debts		
Motor Car Loans	24.56	2.59
Tirupati - Warehouse Receipt Loan	-	560.60
TOTAL	9,832.96	5,274.16

8.1 Working Capital facility from Shinhan Bank is primarily secured against paripasu charge by way of Hypothecation on the entire inventory, receivables, bills and other chargeable current assets of the company (both present and future) to the extent of 53.83% of share and the collateral security as Equitable Mortgage by deposit of title deeds on premises of the Company situated in Boomerang Building Mumbai, Two Residential Flats in name of Directors situated in Powai, liquid collateral in form of Fixed Deposits of Rs. 4.50 Cr. and the personal guarantee of Mr. Abhishek Lath, Mrs. Sweta Lath, Mr. Umashankar Lath and Mrs. Asha Devi Lath.

The Rate of Interest chargeable by the Bank is 7.40 % p.a. (less Interest Equilisation scheme benefit)

8.2 Working Capital facility from ICICI Bank is primarily secured against paripasu charge by way of Hypothecation on the entire stock of Raw Material, Semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables both present and future in a form or manner satisfactory to bank to the extent of 22.08% of share and the collateral security as Equitable Mortgage on three properties in name of Directors consisting of Residential Property in Burhanpur, Vacant Land in Burhanpur, Commercial Property in Mumbai, and the unconditional personal guarantee of Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Asha Devi Lath.

The Rate of Interest chargeable by the Bank is Repo Rate + 3.65 p.a. (less Interest Equilisation scheme benefit).

8.3 Working Capital facility from UCO is primarily secured against paripasu charge by way of Hypothecation on the entire stock of inventory, receivables, semi-finished and finished goods, consumable stores and spares and such other movables including book debts, bills and other current asset of the company created through Bank finance both present and future to the extent of 24.09 % of share and the collateral security as 50% liquid collateral security in form of FDR duly charged in favor of Bank and the unconditional personal guarantee of Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Asha Devi Lath.

The Rate of Interest chargeable by the Bank is

Pre-Shipment: MCLR 6 Months + (1.00% to 1.25%)

Post Shipment: Over nigh MCLR + (1.05% to 1.45%) Depending on the tenure

**NOTE 9. TRADE PAYABLES**

Ageing of Trade Payable Outstanding as on March31, 2022 is as follows:

(Amount in Lakhs)

Particulars	Not Due	Outstanding for following period from due date of payment				Total
		Less than1 Year	1-2 YearS	2-3 Years	More than 3 years	
Trade Payables						
MSME	-	-	-	-	-	-
Others	1,547.04	365.42	0.49	0.85	0.63	1,914.45
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
						1,914.45

Ageing of Trade Payable Outstanding as on March 31, 2021 is as follows:

(Amount in Lakhs)

Particulars	Not Due	Outstanding for following period from due date of payment				Total
		Less than1 Year	1-2 Years	2-3 Years	More than 3 years	
Trade Payables						
MSME	-	-	-	-	-	-
Others	646.02	470.05	60.86	1.31	3.16	1,181.41
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
						1,181.41

**NOTE 10. OTHER CURRENT LIABILITIES**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Statutory Dues	55.24	7.28
Staff payable	97.70	37.65
Advance from customers	994.98	97.20
Deposit	2.50	-
Other Payables	0.72	1.40
TOTAL	1,151.14	143.54

10.1 Staff payable includes of Expenses Payable to Directors as disclosed in Related Party Transactions

**NOTE 11. SHORT TERM PROVISIONS**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
For Employee Benefits		
Gratuity (Current Liability)	3.05	-
Other Provisions		
Provision for Taxes (Net of Advance Tax)	44.46	38.66
TOTAL	47.52	38.66



**NOTE 12. PROPERTY PLANT AND EQUIPMENT**

Note 12:	PROPERTY PLANT AND EQUIPMENT										(Amount in Lakhs)	
	DESCRIPTION	RATE OF DEPRECIATION	GROSS BLOCK		ACCUMULATED DEPRECIATION & AMORTISATION		NET BLOCK		Balance as at 31-Mar-2022	Balance as at 31-Mar-2021		
			Balance as at 01-Apr-2021	Addition	Deduction	Balance as at 31-Mar-2022	Current Depreciation on Deduction	Depreciation on Deduction			Balance as at 31-Mar-2022	
	Office Building	4.87%	222.29	-	-	92.78	6.31	-	99.09	123.20	129.51	
	Factory Building	9.50%	-	7.83	-	-	0.44	-	0.44	7.39	-	
	Furniture & Fixtures	25.89%	64.96	-	-	53.67	2.92	-	56.59	8.36	11.29	
	Electrical Installations & Equipments	25.89%	-	26.56	-	-	4.69	-	4.69	21.87	-	
	Machinery	31.23%	-	12.50	-	-	2.87	-	2.87	9.63	-	
	Vehicle	31.23%	65.35	132.40	-	46.37	30.63	-	77.00	120.74	18.98	
	Office Equipments	45.07%	9.92	1.43	-	9.10	0.70	-	9.80	1.54	0.82	
	IT Equipments	39.30%	14.29	-	-	13.35	0.37	-	13.72	0.57	0.94	
	Computers	63.16%	0.71	2.71	-	0.20	1.26	-	1.45	1.96	0.51	
	<b>TOTAL</b>		<b>377.51</b>	<b>183.44</b>	-	<b>215.47</b>	<b>50.19</b>	-	<b>265.66</b>	<b>295.28</b>	<b>162.04</b>	
	<b>PREVIOUS YEAR</b>		<b>356.12</b>	<b>21.38</b>	-	<b>199.08</b>	<b>16.39</b>	-	<b>215.47</b>	<b>162.04</b>	<b>157.05</b>	
	12.1 Office Building in Property, Plant and Equipment is given as security for borrowings (Refer Note No. 8.1)											

12.1 Office Building in Property, Plant and Equipment is given as security for borrowings (Refer Note No. 8.1)

<b>NOTE 13. INTANGIBLE ASSETS</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
Pre-incorporation Expenses	0.52	-	
<b>TOTAL</b>	<b>0.52</b>	<b>-</b>	

13.1 Pre-Incorporation Expenses (pertaining to the subsidiaries) are not written off during the current financial year as there are no business operations during the current financial year as per Management.

<b>NOTE 14. NON-CURRENT INVESTMENTS</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
Office Premises - Crescent Park	107.62	107.62	
<b>TOTAL</b>	<b>107.62</b>	<b>107.62</b>	

14.1 Office Premises is given as security for borrowings refer Note No. 8.2

<b>NOTE 15. DEFERRED TAX ASSETS (NET)</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
Deferred Tax Assets Related to Fixed Assets	0.84	-	
<b>TOTAL</b>	<b>0.84</b>	<b>-</b>	

<b>NOTE 16. LONG TERM LOANS AND ADVANCES</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
(Unsecured and Considered Good) Other Long-term loans & advances	30.31	35.91	
<b>TOTAL</b>	<b>30.31</b>	<b>35.91</b>	

<b>NOTE 17. OTHER NON CURRENT ASSETS</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
Security Deposit	233.10	148.29	
<b>TOTAL</b>	<b>233.10</b>	<b>148.29</b>	

**NOTE 18. CURRENT INVESTMENTS**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Quoted		
Investment in equity shares of listed company	65.49	50.28
Investment in mutual funds	4.67	12.51
Unquoted		
Tirupati Urban Co-Operative Bank Shares	0.05	0.05
TOTAL	70.21	62.84

**NOTE 19. INVENTORIES**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Raw Material	38.49	-
Work In Progress	28.95	-
Finished Goods and Stock in Trade	1,189.37	1,013.40
TOTAL	1,256.81	1,013.40

19.1 Inventories are Valued and Certified by the Management

19.2 Inventories as above are hypothecated to secured short term borrowings (Refer Note No. 8)

**NOTE 20. TRADE RECEIVABLES**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Secured, considered good	-	-
Unsecured considered good	12,681.89	5,850.12
Doubtful	-	-
TOTAL	12,681.89	5,850.12



20.1 Trade Receivables as above are hypothecated to secured short term borrowings (Refer Note No. 8)

<b>NOTE 21. CASH AND CASH EQUIVALENTS</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
Balances with Banks	72.83	92.74	
Cash in hand	0.33	1.44	
Balance with fixed deposits	751.40	701.40	
<b>TOTAL</b>	<b>824.56</b>	<b>795.58</b>	

20.1 Balances with Banks includes balances in Operative and Non-Operative Accounts.

20.2 Balance with fixed deposits includes deposits placed as security against secured short-term borrowings (Refer Note No. 8)

<b>NOTE 22. SHORT TERM LOANS AND ADVANCES</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
Balance with tax authorities			
Export Incentives Receivable	279.56	118.32	
VAT Refund Receivable	3.92	3.28	
GST Electronic Credit Ledger	221.50	44.38	
GST Export Refund	541.61	339.11	
Advance to Related Party	366.77	1.84	
Advances with Suppliers			
Yarn	610.74	387.85	
Fabric	88.33	106.26	
Cotton	25.03	-	
<b>TOTAL</b>	<b>2,137.45</b>	<b>1,001.02</b>	

22.1 Advance to Related Party is advance against trade and not in nature of Loan as per Management

<b>NOTE 23. OTHER CURRENT ASSETS</b>		(Amount in Lakhs)	
Particulars	AS ON 31-03-2022	AS ON 31-03-2021	
Advance to Staff	19.65	17.05	
Advance to Staff for Expenses	-	0.56	
Advance to Investment Brokers	0.20	1.88	
Accrued Interest on Fixed Deposits	8.67	11.38	
Subscription money receivable	2.45	-	
<b>TOTAL</b>	<b>30.97</b>	<b>30.86</b>	

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### NOTE 24. REVENUE FROM OPERATIONS

(Amount in Lakhs)

Particulars	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
	50,475.96	26,201.00
Sale of Products (Refer to Note No. 24.1)		
Other operating revenue (Refer to Note no. 24.1)	2,114.18	638.37
<b>TOTAL</b>	<b>52,590.14</b>	<b>26,839.37</b>

### 24.1 Particulars of Revenue from Operations

(Amount in Lakhs)

Particulars	AS ON 31-03-2022		AS ON 31-03-2021	
Sale of Products				
<u>Trading Operations:</u>				
Yarn				
Export - Yarn	22,489.42	24,511.64	13,372.64	14,633.33
Local - Yarn	2,022.22		1,260.69	
Fabric				
Export - Fabric	5,939.80	6,030.80	2,175.34	2,265.72
Local - Fabric	91.00		90.39	
Cotton				
Export - Cotton	811.79	1,641.39	-	78.55
Local - Cotton	829.60		78.55	
Polyster Chips		478.15		-
Export - Polyster Chips	478.15		-	
<u>Manufacturing Operations:</u>				
Yarn				
Export	13,392.29	17,813.98	4,385.05	9,223.40
Local	4,421.69		4,838.35	
<b>Total</b>		<b>50,475.96</b>		<b>26,201.00</b>
Other Operating Revenue				
Duty Drawback	759.51		380.91	
Foreign Commission Income	-		0.63	
MEIS / RODTPE License Sale	642.31		18.92	
Profit/ (Loss) on changes in foreign exchange	712.37	2,114.18	237.91	638.37
<b>Total</b>		<b>2,114.18</b>		<b>638.37</b>

24.2 Management has classified Revenue from Units in Long Term Lease / Arrangement as Revenue from Manufacturing Operations taking into consideration the Substance over form of the transaction.

24.3 MEIS / RODTPE License Sale is recognised based on Sale of License, MEIS / RODTPE is not accrued on accrual basis as per Management

24.4 The majority of Profit/ (Loss) is part of Revenue from operations / Export Sales as all export sales are Forward in nature and the Sales Consideration is determined considering the Spot Rate added with the Forward Premium earned for competitive pricing. Therefore, considering the substance over form and the nature of income, the Profit/ (Loss) on changes in foreign exchange is shown under the head other operating revenue.

**NOTE 25. OTHER INCOME**

(Amount in Lakhs)

Particulars	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Dividend Income	1.26	0.29
Interest on Income Tax	0.67	-
Profit/ (Loss) on sale of Shares	19.95	5.11
Profit/ (Loss) on sale of Mutual Funds	6.54	-
Profit/ (Loss) on futures and derivatives	15.36	3.32
Forward Settlement	1.78	1.01
Interest Income	-	0.21
Interest on UCO Bank FD	8.83	0.31
Interest on Shinhan Bank FD	27.49	37.85
LIC Maturity Receipts	-	6.30
Balances Written Back	-	0.12
Discount Received	2.07	-
Rate difference Income	23.22	-
<b>TOTAL</b>	<b>107.16</b>	<b>54.52</b>

**NOTE 26. PURCHASE**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Raw Cotton		
Local	2,715.58	834.71
Polyster Chips		
Local	430.90	-
Polyster Fiber		
Local	107.57	-
Fabric		
Local-Fabric Purchase	5,692.07	2,078.59
Yarn		
Local	35,033.23	21,471.03
Total	43,979.36	24,384.33

**NOTE 27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE**

(Amount in Lakhs)

Particulars	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Inventories (At Close)		
Trading Goods	1,256.81	1,013.40
Inventories (At Commencement)		
Trading Goods	1,013.40	278.71
<b>TOTAL</b>	<b>(243.41)</b>	<b>(734.69)</b>

**NOTE 28. EMPLOYEE BENEFITS EXPENSES**

(Amount in Lakhs)

Particulars	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Directors Remuneration	165.00	163.80
Salaries & Wages	280.85	66.33
Bonus	9.63	2.75
Other Employee benefits	46.15	34.52
Staff welfare expenses	28.85	9.45
Gratuity	20.11	0.43
TOTAL	550.59	277.29

**NOTE 29. FINANCE COSTS**

(Amount in Lakhs)

Particulars	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Interest Expenses		
On term Loans	6.35	1.01
On short term borrowings	340.03	159.75
Bank charges	11.85	4.24
TOTAL	358.23	165.00



**NOTE 30. OTHER EXPENSES**

(Amount in Lakhs)

Particulars	YEAR ENDED		YEAR ENDED	
	MARCH 31, 2022		MARCH 31, 2021	
<u>Direct Expenses</u>				
Job Work	504.88		189.04	
Labour Charges	48.16		2.11	
Packaging Expenses	40.84		6.85	
Cancellation of Contract Charges	-		10.41	
Factory Power Expenses	300.46		-	
Factory Repairs and Maintenance	28.00		-	
Factory Rent	111.89		-	
Factory Operating Expenses	30.13		12.22	
Stores and Spares	28.75		-	
Sample Expenses	0.22	1,093.32	0.29	220.91
<u>Administrative and Other Expenses</u>				
Auditor's Remuneration (Refer to note no.28.1)	4.69		3.00	
Communication Cost	2.83		2.14	
Electricity Charges	2.87		2.03	
Insurance Charges	16.18		5.11	
Legal & Professional Charges	51.28		18.70	
Printing & Stationery Cost	10.14		4.99	
Rent Rates & Taxes	57.05		13.92	
Repairs & Maintenance Cost	4.11		3.46	
Travelling & Conveyance Cost	10.83		8.11	
Donations / CSR	5.58		2.41	
Transport Cost	1.14		-	
Sundry Balances Written off	0.95		97.94	
Settlement of Contract	33.87		-	
Profit/ (Loss) on MTM Gain/Loss on shares and Mutual Funds				
Other Establishment Expenses	13.54		-	
	45.45	260.50	50.47	212.27
<u>Selling &amp; Distribution Expenses</u>				
Commission Expenses	839.05		369.77	
Tours & Travel expenses	8.62		21.38	
Business Promotion Expenses	36.12		21.30	
Exhibition Expenses	3.98		0.50	
Other Selling & Distribution Expenses	0.07		6.15	
Rebates and Discount on Yarn and Fabric	99.76		37.78	
Freight and Forwarding Expenses	2,862.97	3,850.57	978.71	1,435.59
<b>TOTAL</b>		<b>5,204.39</b>		<b>1,868.78</b>

**30.1 PARTICULARS OF PAYMENT TO AUDITOR**

(Amount in Lakhs)

Particulars	YEAR ENDED		YEAR ENDED	
	MARCH 31, 2022		MARCH 31, 2021	
(a) Auditor				
Statutory Audit Fees	2.20			
Tax Audit fees	1.00	3.20	1.75	2.50
(b) Certification & Consulting Fees (Other Services)		1.49	0.75	0.50
<b>TOTAL</b>		<b>4.69</b>		<b>3.00</b>

**NOTE 31. CONTINGENT LIABILITIES**

(Amount in Lakhs)

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Claim against company not acknowledged as debts		
- in respect of Income Tax	-	-
- in respect of Other Indirect Taxes	24.83	-
<b>TOTAL</b>	<b>24.83</b>	<b>-</b>

Name of the Statute / Nature of Dues	Forum where dispute pending	Dispute relating to FY	Disputed Amount
Maharashtra Value Added Tax Act 2002			
-Interest and Penalty Payable	Joint Commissioner of Sales Tax Appeal	2015-16	6.45
-Interest and Penalty Payable	Joint Commissioner of Sales Tax Appeal	2016-17	15.52
Central Sales Tax Act 1956			
- Interest and Penalty Payable	Joint Commissioner of Sales Tax Appeal	2016-17	2.85

**NOTE-32 RELATED PARTY DISCLOSURES:**

In accordance with the requirement of Accounting Standard (AS) -18 on Related Party Disclosures, the names of the related parties where control exists and /or with whom transactions have taken place during the year in the or during the course of business, as identified and certified by the management are:

Name of the Party	Relationship / Designation
Abhishek Lath	Managing Director and CFO
Umashankar Lath	Chairman and Managing Director
Sweta Lath	Executive Director
Rohit Agarwal	Independent Director
Jaydeep Mehta	Independent Director
Narendra Srivastava	Independent Director
Ashadevi Lath	Relative of Director
Umashankar Lath HUF	HUF of Director
Sarita Mishra	Company Secretary & Compliance Officer
Burhanpur Integrated Textile Park Limited	Enterprises over which directors have significant influence
Le Merite Fashions Private Limited	Enterprises over which directors have significant influence

The following transactions were carried out with the related parties and the balances of these related parties as at March 31, 2022 for the period then ended are presented herein below:

Particulars	(Amount in Lakhs)	
	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Remuneration		
Abhishek Lath	66.00	45.60
Umashankar Lath	45.00	37.80
Sweta Lath	42.00	42.00
Ashadevi Lath	12.00	38.40
Sarita Mishra	1.24	-
Loan Repaid		
Abhishek Lath	17.14	4.46
Umashankar Lath	5.00	-
Ashadevi Lath	39.41	-
Le Merite Fashion Private Limited	-	0.74
Umashankar Lath HUF	16.00	-
Loan Taken		
Abhishek Lath	2.74	-
Umashankar Lath	1.00	42.95
Ashadevi Lath	9.75	4.63
Umashankar Lath HUF	9.00	-
Sale Transaction		
Le Merite Fashion Private Limited	13.02	1.20
Purchase Transaction		
Le Merite Fashion Private Limited	790.80	731.10

Outstanding balances - Payable / Receivable

Particulars	(Amount in Lakhs)	
	AS ON 31-03-2022	AS ON 31-03-2021
Loan Payable		
Abhishek Lath	3.61	18.00
Umashankar Lath	47.10	51.10
Umashankar Lath HUF	-	7.00
Ashadevi Lath	-	29.66
Sweta Lath	45.55	26.72
Salary Payable		
Abhishek Lath - Salary Payable	0.67	-
Umashankar Lath - Salary Payable	30.43	-
Ashadevi Lath - Salary Payable	7.35	-
Receivable		
Le Merite Fashion Private Limited - Trade Advance	372.68	6.05

### Note 33: Earnings per Share

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the profit and number of shares used in the basic and diluted EPS computations:

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Profit attributable to equity holders	2,105.96	695.70
Weighted Average number of equity shares used for computing earnings Per Share (Basic)	170.81	170.81
Weighted Average number of equity shares used for computing earnings Per Share (Basic)	170.81	170.81
Earnings Per Share (Basic)	12.33	4.07
Earnings Per Share (Diluted)	12.33	4.07
Face value per share	10.00	10.00

#### NOTE 34: ANALYTICAL RATIOS

The Ratios as on March 31, 2022 are as follows:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance
(a) Current ratio	17001.88	12946.08	1.31	1.32	-0.42
(b) Debt-equity ratio	179.55	4548.69	0.04	0.05	-24.56
(c) Debt service coverage ratio	2854.39	21.28	134.11	258.93	-48.21
(d) Return on equity ratio	2105.76	3495.66	0.60	0.33	81.39
(e) Inventory turnover ratio	52590.14	1135.10	46.33	41.54	11.52
(f) Trade receivables turnover ratio	52590.14	9266.01	5.68	5.59	1.59
(g) Trade payables turnover ratio	43979.36	1547.93	28.41	26.05	9.05
(h) Net capital turnover ratio	52590.14	3085.93	17.04	15.22	12.10
(i) Net profit ratio	2105.96	52590.14	0.04	0.03	54.47
(j) Return on capital employed	2804.20	4728.14	0.59	0.36	66.24
(k) Return on investment	2105.76	4548.59	0.46	0.28	62.55

Note 34.1: The reduction in Debt Service Coverage Ratio is due to the Car loans taken by the company during the year aggregating to Rs.122.90 Lakhs

Note 34.2: The increase in Return on Equity, Net Profit Ratio, Return on Capital Employed and Return on Investment is due to the expansion of Manufacturing Activities during the year and which leads to improved Revenue Targets and Profit Margins.

**NOTE 35: CORPORATE SOCIAL RESPONSIBILITY**

Particulars	AS ON 31-03-2022	AS ON 31-03-2021
Amount required to be spent by the company during the year	10.24	NA
Amount of expenditure incurred	3.05	NA
Shortfall at the end of the year	7.19	NA
Total of previous years shortfall	0	NA
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA	NA

**Note 35.1:** The CSR committee has identified some projects to spend a substantial amount of Rs.10.24 Lakhs but delay in implementation of such projects resulted in to an unspent amount of Rs. 7.19 Lakhs towards CSR activities.

**NOTE 36: TITLE OF IMMOVABLE PROPERTIES**

Relevant line items in the Balance Sheet	Description of items of property	Gross carrying value	Title deeds held in the Name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Reasons for not being held in the name of company (also indicate if in dispute)
Property Plant and Equipment	Office Building	222.29	Le Merite Exports Pvt Ltd	No	NA
	Factory Building	7.83	Le Merite Exports Pvt Ltd	No	NA
Non-Current Investment	Office Premises - Crescent Park	107.62	Le Merite Exports Pvt Ltd	No	NA

**NOTE 37: SECURITY OF CURRENT ASSETS AGAINST BORROWINGS**

The Company has been sanctioned working capital limits from Shinhan Bank on the basis of security of current assets and quarterly statements to be filled, there are no variances in Security of current assets as per Books of Accounts and the Quarterly Statements filled to the Bank.

**NOTE 38: EMPLOYEE BENEFITS**

As required under Accounting Standard 15 (Revised 2005), Actuarial Gains and Losses is recognised immediately in the Statement of Profit and Loss.

Followings are the principal actuarial assumptions used as at the balance sheet date, including, where applicable:

Particulars	Assumptions
Expected Return on Plan Assets	N.A.
Rate of Discounting	7.15%
Rate of Salary Increase	10.00%
Rate of Employee Turnover	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Ultimate

There are no changes in the fair value of the Plan Assets during the year.

Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss for Current Period: Nil

Following are the total expense recognized in the statement of profit and loss:

Particulars	Rs.
Current Service Cost	20.11
Net Interest Cost	Nil
Actuarial (Gains)/Losses	Nil
Past Service Cost - Non-Vested Benefit Recognized	Nil
Past Service Cost - Vested Benefit Recognized	Nil

Details of amount recognized in the Balance Sheet:

Particulars	Rs.
Present Value of Benefit Obligation at the end of the Period	(20.11)
Fair Value of Plan Assets at the end of the Period	-
Unrecognized Past Service Cost at the end of the Period	-
Net (Liability)/Asset Recognized in the Balance Sheet	(20.11)

#### NOTE 39: UN-HEDGED FOREIGN CURRENCY EXPOSURE

Particulars of Un-hedged Foreign Currency Exposure as at Balance sheet date is 8.90 Crores as on March 31, 2022 and 12.10 Crores as on March 31, 2021 as per management.

#### NOTE 40: MICRO AND SMALL ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006.

#### NOTE 41: EXPENDITURE IN FOREIGN CURRENCY

(Amount in Lakhs)

Particulars	YEAR ENDED	YEAR ENDED
	MARCH 31, 2022	MARCH 31, 2021
Commission Expenses (In INR)	230.08	223.12

#### NOTE 42: EARNINGS IN FOREIGN CURRENCY

(Amount in Lakhs)

Particulars	YEAR ENDED	YEAR ENDED
	MARCH 31, 2022	MARCH 31, 2021
Exports of goods (In INR)	43,111.45	19,933.02
Foreign Commission (In INR)	-	0.63

**NOTE 43: OPERATING LEASES**

Where company is the lessee:

The company has taken various godowns and units under operating lease that are renewable on a periodic basis at the option of both the lessor and the lessee.

Lease payment recognized in the statement of Profit and Loss for the period:

Particulars	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Charged to Statement of Profit and Loss		
Godown Rent	11.50	6.70
Factory Rent	111.89	-
Future minimum lease payments not later than one year*	-	-
Future minimum lease payments later than one year but not later than five years*	-	-

\*Lease Agreements are to be renewed annually as per management.

**NOTE 44: SEGMENT REPORTING**

The Company is primarily in the business of manufacturing, purchase and sale of textiles. The Management of the Company evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, there is only one reportable segment for the Company ie. Textile Business

**NOTE 45:** Previous year's figures have been regrouped/ reclassified, wherever necessary to conform to this years' classification.

AS PER OUR REPORT OF EVEN DATE  
FOR NAGORI NUWAL & CO.  
CHARTERED ACCOUNTANTS  
(F.R.N.: 08185C)

SD/-  
CA SHANKAR LAL LADDHA  
PARTNER  
(MEMBERSHIP NO. 76554)  
UDIN: 22076554AJXFCP4460  
DATE: May 30, 2022  
PLACE: MUMBAI

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF  
LE MERITE EXPORTS LIMITED

SD/-  
Abhishek Lath  
MD & CFO  
DIN - 00331675

SD/-  
Umashankar Lath  
Chairman & MD  
DIN - 05135035

DATE: May 30, 2022  
PLACE: MUMBAI