

LE MERITE EXPORTS LIMITED

CIN: U17111MH2003PLC143645

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

Email ID: sharma.accounts@lemeriteexports.com

NOTICE

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL MEETING OF THE MEMBERS OF LE MERITE EXPORTS LIMITED HELD ON MONDAY, 30th SEPTEMBER , 2019 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT B1-104D, BOOMERANG, CHANDIVALI FARM ROAD, POWAI, ANDHERI (EAST), MUMBAI – 400072

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Ordinary Business:

To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions –

1. To receive, consider, approve, and adopt the audited balance sheet as at 31st March, 2019 and Statement of Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. MBRK & Co., Chartered Accountants, (Firm Registration No. 145647W), as Auditors of the Company to hold office from the conclusion of the Annual General Meeting (AGM) held in the year 2018 till the conclusion of the AGM of the Company to be held in the year 2023.

**On and behalf of the Board of Directors
For Le Merite Exports Limited**

Sd/-

Abhisek Lath
DIN: 00331675
Director

Date: 03/09/2019
Place: Mumbai

LE MERITE EXPORTS LIMITED

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NOTES

A MEMBER ENTITLED TO ATTEND AND VOTE 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. THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

1. Explanatory Statement and reasons for the proposed Special Businesses pursuant to Section 102(1) read with Section 110 of the Companies Act, 2013 are given hereunder.
2. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours.
3. Members/proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. The Register of Directors and Directors Shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the meeting.

**On and behalf of the Board of Directors
For Le Merite Exports Limited**

Sd/-

Abhisek Lath
DIN: 00331675
Director

Date: 03/09/2019
Place: Mumbai

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Director's Report

To,
The Members,
Le Merite Exports Limited
(Formally known as Le Merite Exports Private Limited)
B1-104-D, Boomerang, Chandivali Farm Road, Powai,
Andheri (East), Mumbai-400072

Your Directors have pleasure in presenting Annual Report on the Business and Operations of the Company and the accounts for the Financial Year ended March 31, 2019.

Financial Summary:-

	For the year ended 31-03-2019	For the year ended 31-03-2018
Total Income	1,80,93,32,476	14,53,581,484
Total Expenditure	1,79,24,43,096	14,51,930,075
Profit Before Tax	1,68,89,380	16,51,410
Tax Expenses		
1. Current Tax	46,98,626	3,14,676
2. Deferred Tax (Net)	43,778	93,964
3. Excess Tax Provision W/off (Earlier Years)	-	-
Net Profit after Tax	1,21,46,977	12,42,770

1. Business Operations:

The company has done well during the current financial year as compared to last financial year. The Net Profit of the company is Rs. 1,21,46,977/- during the current financial year as compared to net profit of Rs. 12,42,770/- in last financial year.

2. Dividend:

Your Directors do not recommend any dividend for the year ended 31st March, 2019.

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3. Brief description of the Company's working during the year:

The Company's performance was good during the year. The company managed to net profit this year. Your Directors are hopeful that the company will be able to achieve even bigger targets of Net Profit in the year to come. The future of the company seems to be bright.

4. Change in the Nature of Business:

There are no changes in the Nature of Business of the Company.

5. Material Changes:

There are no Material changes and commitment, affecting the financial positions of the company which have occurred between the 31st March, 2019 & date of board report.

6. Details of Subsidiary/Joint Ventures/Associate Companies

The Company does not have any Subsidiary, Joint Ventures, Associate Company.

7. Deposits:

The details relating to deposits, covered under Chapter V of the Act,

(a) Accepted during the year : NIL

(b) Remained unpaid or unclaimed as at the end of the year : NIL

(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved : NIL

(i) At the beginning of the year : NIL

(ii) Maximum during the year : NIL

(iii) At the end of the year : NIL

8. Statutory Auditors:

M/s. MBRK & Co., Chartered Accountants, (Registration No. 145647W), were appointed as Statutory Auditors of the Company in the Annual the General Meeting (AGM) of the members to hold office, subject to ratification of their appointment in every AGM. In terms of the requirement the members are requested to ratify their appointment.

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9. Auditors' Report:

The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments of Directors.

10. Share Capital:

A) Issue of Equity Shares with differential Rights

The Company does not issue any Equity Shares with differential rights.

B) Issue of Sweat Equity Shares

The Company does not issue any share under Sweat Equity share.

C) Issue of Employee Stock Options

The Company does not issue any share under Employee Stock Option.

D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:

The Company does not maintain any provision of money for purchase of its own shares by employees or by trustees of the benefit of employees.

11. Extract of the Annual Return:

The extract of the Annual Return attached with Board's Report.

12. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of Energy:

The details as required by Companies for Conservation of energy are not applicable to the Company having regard to the Nature of the Business of the Company.

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B) Technology Absorption:

The details as required by Companies for Technology Absorption are not applicable to the Company having regard to the Nature of the Business of the Company.

C) Foreign exchange earnings and Outgo:

Disclosure of Information relating to foreign exchange earnings and outgo are as under.

Earnings in foreign exchange

Particular	F.Y. 2018-19	F.Y 2017-18
Export on FOB basis	1,60,47,35,224	1,34,51,40,955
Total	1,60,47,35,224	1,34,51,40,955

Expenditure in foreign exchange

Particular	F.Y. 2018-19	F.Y 2017-18
Foreign Commission	59,78,103	58,13,013
Foreign Travel	-	-
Foreign Bank Charges	-	-
Import of Goods	6,51,71,628	-
Total	7,11,49,731	58,13,013

13. Directors:

A) Changes in Directors and Key Managerial Personnel:

Your Board comprises of efficient and able directors who have vast experience in this line of business. Mr. Abhisek Lath retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment as a Director.

There were no changes in Directorship and details for the same as under.

Sr. No.	Director's Name	Date of Appointment	Date of Resignation/Cessation
1.	Abhisek Lath (Director)	07/08/2004	---
2.	Ashadevi Lath (Director)	07/08/2004	---
3.	Umashankar Lath (Director)	20/01/2012	---
4.	Punit Kumar Lath (Director)	20/01/2012	09/08/2018

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14. Number of Meetings of the Board of Directors:

The Board of Directors duly met 05 (Six times) i.e. on 28/05/2018, 09/08/2018, 25/08/2018, 03/12/2018 and 13/02/2019 respectively and shareholders met one time i.e. 29/09/2018 in the year. The proceedings were recorded properly in the Minutes Book maintained for the purpose.

15 Particulars of Loans, Guarantees or Investments under section 186:

The company has not given any loans or guarantees or made investment under section 186.

16. Related Party Transactions:

All Related Party Transactions that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business. Accordingly, there are no contracts or arrangements with related parties to be disclosed in Form AOC-2 pursuant to Clause (h) of Sub section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

17. Managerial Remuneration:

Total remuneration paid to the Directors is Rs. 83,60,000/- during the financial year 2018-19.

18. Risk Management Policy:

Board approach to Risk Management assists us in identifying risks early and addressing them in ways that manage uncertainties, minimize potential hazards, and maximize opportunities for the good of all our stakeholders including shareholders, customers, suppliers, regulators and employees. Risks can be broadly classified as Strategic, Operational, Financial, and Legal/Regulatory.

19. Directors' Responsibility Statement:

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. Particulars of Employees:

Remuneration paid to Managerial Personnel is in accordance with the provisions laid down in section 197, read with Rule 5(1) of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014.

21. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place policy for prevention of Sexual Harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company did not receive any complain during the year 2017-18.

22. Acknowledgements:

Your Directors place on record their appreciation of the untiring efforts made by the Directors and the officers and employees at all levels, during the year under review. Your Directors also record their grateful thanks to the Bankers, Suppliers, Customers, Members and Investors for their continued co-operation and patronage.

**On and behalf of the Board of Directors
For Le Merite Exports Limited**

Abhisek Lath
DIN: 00331675
Director

Date: 03/09/2019
Place: Mumbai

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EXTRACT OF ANNUAL RETURN PURSUANT TO SECTION 134(3) (a) READ WITH SECTION 92(3) OF THE COMPANIES ACT, 2013:

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

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

I.	REGISTRATION AND OTHER DETAILS:				
	i)	CIN	:	U17111MH2003PLC143645	
	ii)	Registration Date	:	24/12/2003	
	iii)	Name of the Company	:	Le Merite Exports Limited	
	iv)	Category / Sub-Category of the Company :	:	Company Limited By Shares and Indian Non Government Company	
	v)	Address of the Registered office and Contact details	:	B1-104-D, Boomerang, Chandivali Farm Road, Powai, Andheri (East), Mumbai-400072	
	vi)	Whether Listed Company (Yes/No)	:	NO	
	vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A (IN HOUSE)	
II.	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY				
	All the Business activities contributing 10 % or more of the total turnover of the company shall be stated:-				
	Sl. No.	Name and Description of main Products/Services	NIC Code of the Product/ Service	% to Total Turnover of The Company	
	1	Spinning, weaving and finishing of textiles.	171	100%	
III.	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -				
	Sl.	Name and address of	CIN/GLN	Holding/	% of
					Applicable

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	(a) Bodies Corp.									
	i) Indian	0	0	0	0	0	0	0	0	0
	ii) Overseas	0	0	0	0	0	0	0	0	0
	(b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
	© Others (specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
	C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	0	1708100	1708100	100	0	1708100	1708100	100	0
	ii)	Shareholding of Promoters								

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Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Abhishek Lath	5,25,000	30.74%	NIL	5,25,000	30.74%	NIL	NIL
2.	Asha Devi Lath	3,55,000	20.78%	NIL	6,83,400	40.00%	NIL	19.22%
3.	Punit Lath	3,28,500	19.23%	NIL	-	NIL	NIL	-19.23%
4.	Uma Shankar Lath	2,02,500	11.85%	NIL	2,02,500	11.85%	NIL	NIL
5.	Uma Shankar Lath-HUF	1,38,000	8.08%	NIL	1,38,000	8.08%	NIL	NIL
6.	Sweta Lath	1,59,000	9.31%	NIL	1,59,000	9.31%	NIL	NIL
7.	Meghal Jawahar Shah-HUF	100	0.01%	NIL	100	0.01%	NIL	NIL
8.	Abhishek Lath HUF	0	0	NIL	100	0.01%	NIL	0.01%
	Total	17,08,100	100.00%	NIL	17,08,100	100.00%	NIL	NIL
iii)		Change in Promoters' Shareholding (please specify, if there is no change)						
		There is change in the shareholding of the Promoter Group are as follows:						
	Sl.	Sharehol	Shareholding at the		Share holding at the end of			

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		No	der's Name	beginning of the year			the year			% change in share holding during the year
				No. of Shares	% of total Shares of the compa ny	% of Shares Pledge d / encum bered to total shares	No. of Shares	% of total Shares of the compa ny	% of Shares Pledge d / encum bered to total shares	
		1.	Asha Devi Lath	3,55,000	20.78 %	NIL	6,83,400	40.00%	NIL	19.22%
		2.	Punit Lath	3,28,500	19.23 %	NIL	-	NIL	NIL	-19.23%
		3.	Abhishek Lath HUF	0	0	NIL	100	0.01%	NIL	0.01%
	iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):								
		There is no change in the shareholding of top ten shareholders.								
	v)	Shareholding of Directors & Key Managerial Personnel:								
		There is no change in the Director Shareholding								
	Sl. No.	Shareholders Name	Shareholding at the beginning of the year	Shareholding at the end of the year	Net Changes	% to Capital				
	1.	Abhishek Lath	5,25,000	5,25,000	NIL	30.74				
	2.	Asha Devi Lath	3,55,000	6,83,400	19.22%	40.01				
	3.	Uma Shankar Lath	2,02,500	2,02,500	NIL	11.85				
	4.	Punit Kumar Lath	3,28,500	NIL	-19.23%	NIL				
		Total								
V.	INDEBTEDNESS									
	Indebtedness of the Company including interest outstanding/accrued but not due for payment									

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		(Amount in Rs.)			
		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year 1 April 2018				
	i) Principal Amount	38,82,79,078	35,02,200	0	39,17,81,278
	ii) Interest due but not paid	0	0	0	0
	iii) Interest due & paid	0	0	0	0
	iii) Interest accrued but not due	0	0	0	0
	Total (i+ii+iii)	38,82,79,078	35,02,200	0	39,17,81,278
	Change in Indebtedness during the financial year				
	• Addition (Includes interest due)	0	91,64,881	0	91,64,881
	• Reduction (includes interest paid)	2,30,71,506	0	0	2,30,71,506
	Indebtedness at the end of the financial year March 31, 2019				
	i) Principal Amount	36,52,07,572	1,26,67,081	0	37,78,74,653
	ii) Interest due but not paid	0	0	0	0
	iii) Interest due and paid	0	0	0	0
	iv) Interest accrued but not due	0	0	0	0
	Total (i+ii+iii)	36,52,07,572	1,26,67,081	0	37,78,74,653
VI.	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager:				

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			(Rs. in Lacs)					
	Sl. No.	Particulars of Remuneration	Name of MD/MTD/Manager					
			Abhishek Lath	Ashadevi Lath	Uma shankar Lath	Punit Lath	Total	
	1.	Gross salary	43,85,000	18,00,000	18,75,000	3,00,000	83,60,000	
		(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0		
		(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0		
		(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0		
	2.	Stock Option	0	0	0	0		
	3.	Sweat Equity	0	0	0	0		
	4.	Commission - as % of profit - others, specify...	0	0	0	0		
	5.	Others, please specify	0	0	0	0		
		Total (A)	43,85,000	18,00,000	18,75,000	3,00,000	83,60,000	
	B.	Remuneration to other Directors:						
		I) Independent Directors						
			(Rs. in Lacs)					
		Particulars of Remuneration	Name of Directors			Total Amount		
			N.A	N.A	N.A			

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	Fee for attending board / committee meetings	0	0.	0	0.		
	Commission	0	0.	0	0.		
	Others, please specify	0	0.	0	0.		
	Total	0	0.	0	0.		
II) Non Executive Directors (Rs. in Lacs)							
	Particulars of Remuneration	Name of Directors					Total Amount
	Fee for attending board / committee meetings	0	0.	0	0	0.	
	Commission	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	
	Total	0	0		0	0	
	3. Total (B)=(I+II)	0	0	0	0	0	
	4. Total Managerial Remuneration (A)+(B)						83,60,000
	C.	REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
	Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
			CEO*	Company Secretary	CFO*	Total	
	1.	Gross salary					
		(a) Salary as per	0	0	0	0	

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	provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total	0	0	0	0

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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	Penalty	NONE
	Punishment	
	Compounding	

On and behalf of the Board of Directors
For Le Merite Exports Limited

Abhisek Lath
DIN : 00331675
Director

Date : 03/09/2019
Place : Mumbai

LE MERITE EXPORTS LIMITED

Sixteenth
Annual Report
2018-19

INDEPENDENT AUDITOR'S REPORT

To the Members of LE MERITE EXPORTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **LE MERITE EXPORTS LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, 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.

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, 2019, and its loss, 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 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 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.

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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

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Responsibility of Management for 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 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 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 are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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, 2016 ("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.

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- (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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 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:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Mumbai
Date: 3rd September, 2019

For,
MBRK & Co.
Chartered Accountants
Firm Registration No. 145647W



Kashish Rathi
Partner
Membership No. 180106



"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i)
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, periodicity of physical verification is reasonable having regards to the size of the company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us, as the Company owns no immovable properties, the requirement on reporting whether title deeds of immovable properties held in the name of the Company is not applicable.
- (ii) The inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) A The company has granted loans, unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013
- Terms and conditions of the grant of such loan are not prejudicial to the company's interest.
 - The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular.
 - There is no amount overdue.
- (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 applicable.
- (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) We are informed that the Central Government has not prescribed maintenance of cost records under sub-section (l) of Section 148 of the Companies Act, 2013 in respect of the activities carried on by the Company. Hence, clause (vi) of paragraph 3 of the Order is not applicable.
- (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, sales tax, service tax,

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duty of customs, duty of excise, value added tax, cess, 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, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods & Services Tax and other material statutory dues in arrears as at March 31, 2019 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 tax which have not been deposited by the Company on account of disputes.
- (viii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to bank. The Company did not have any outstanding dues in respect of a financial institution, government or debenture holders during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans. Hence, Clause(ix) of Paragraph 3 of the order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a Private Limited Company as per the Act. The requirement of payment of managerial remuneration as per the provisions of section 197 read with Schedule V of the Act is not applicable. Hence, clause (xi) of paragraph 3 of the Order is not applicable.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 as applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3(xiv) of the Order is not applicable.



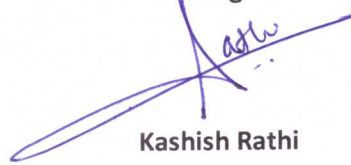
(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, clause (xvi) of paragraph 3 of the Order is not applicable.

Place: Mumbai

Date: 3rd September, 2019

For,
MBRK & Co.
Chartered Accountants
Firm Registration No. 145647W


Kashish Rathi
Partner

Membership No. 180106



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, 2019 in conjunction with our audit of the 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 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 financial statements, whether due to fraud or error.

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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 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 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 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, 2019, 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,
MBRK & Co.
Chartered Accountants
Firm Registration No. 145647W


Kashish Rathi

Partner

Membership No. 180106



Place: Mumbai

Date: 3rd September, 2019

MBRK - Mumbai

LE MERITE EXPORTS LIMITED
BALANCE SHEET AS AT MARCH 31, 2019
CIN - U17111MH2003PLC143645

(Amount in Rupees)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<u>EQUITY AND LIABILITIES</u>			
(1) Shareholders' Funds			
Share Capital	2	17,081,000	17,081,000
Reserves and Surplus	3	125,182,202	113,035,226
Money Received Against Share Warrants		-	-
		142,263,202	130,116,226
(2) Share Application Money Pending Allotment		-	-
(3) Non-Current Liabilities			
Long-Term Borrowings	4	13,957,946	8,047,010
Deferred Tax Liabilities (Net)	5	55,827	12,049
Other Long-Term Liabilities		-	-
Long-Term Provisions		-	-
		14,013,773	8,059,059
(4) Current Liabilities			
Short-Term Borrowings	6	362,325,747	382,478,045
Trade Payables	7	21,105,390	25,832,529
Other Current Liabilities	8	27,203,654	29,938,743
		410,634,792	438,249,317
Total		566,911,766	576,424,601
<u>ASSETS</u>			
(1) Non-Current Assets			
Fixed Assets			
Tangible Assets	9	17,376,528	19,101,193
Intangible Assets		-	-
Capital Work in Progress		-	-
Intangible Assets Under Development		-	-
Fixed Assets held for Sale		-	-
Non-Current Investments	10	10,762,259	10,762,259
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	11	1,844,168	2,725,149
Other Non-Current Assets	12	-	46,000
		29,982,955	32,634,601
(2) Current Assets			
Current Investments	13	3,277,481	2,664,695
Inventories	14	32,604,858	54,702,159
Trade Receivables	15	340,188,988	281,179,299
Cash and Cash Equivalents	16	100,164,969	143,297,434
Short-Term Loans and Advances	17	51,153,933	53,950,322
Other Current Assets	18	9,538,581	7,996,090
		536,928,810	543,789,999
Total		566,911,766	576,424,601
See accompanying notes forming part of the financial statements	1 to 33		

As per our report of even date

For MBRK & CO.

Chartered Accountants
(F.R.N. 145647 W)

Kashish K Rath
Partner
(M.No. 180106)



For and on behalf of Board of Directors
of Le Merite Exports Limited

Abhishek Lath
Director
(DIN - 00331675)

Ashadevi Lath
Director
(DIN - 02899120)

Place: Mumbai
Date: 03rd Sept 2019

LE MERITE EXPORTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019
CIN - U17111MH2003PLC143645

(Amount in Rupees)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
(A) REVENUE			
Revenue From Operations	19	1,777,536,674	1,433,188,351
Other Income	20	31,795,802	20,393,134
Total Revenue		1,809,332,476	1,453,581,484
(B) EXPENDITURE			
Purchase of Stock-in-trade	21	1,634,733,980	1,337,712,271
Changes in Inventories of Stock-in-Trade	22	22,097,301	(7,451,470)
Employee Benefits Expenses	23	17,389,644	19,278,874
Finance Costs	24	34,914,984	30,639,636
Depreciation and Amortization Expense	9	1,942,140	1,997,450
Other Expenses	25	81,365,047	69,753,314
Total Expenditure		1,792,443,096	1,451,930,075
Profit Before Exceptional and Extraordinary Items and Tax		16,889,380	1,651,410
Exceptional Items		-	-
Profit Before Extraordinary Items and Tax		16,889,380	1,651,410
Extraordinary Items		-	-
Profit Before Tax		16,889,380	1,651,410
Prior Period Items		-	-
Tax Expense:			
(1) Current tax		4,698,626	314,676
(2) Deferred tax		43,778	93,964
(3) Excess / Short Tax Provision W/off		-	-
Profit for the year		12,146,977	1,242,770
Earning per equity share of the face value of Rs.10 /- each			
(1) Basic		7.11	0.73
(2) Diluted		7.11	0.73
See accompanying notes forming part of the financial statements		1 to 33	

As per our report of even date

For MBRK & CO.

Chartered Accountants
(F.R.N. 145647 W)

Kashish K Rathi

Partner

(M.No. 180106)

Place: Mumbai

Date: 03rd Sept 2019



**For and on behalf of Board of Directors
of Le Merite Exports Limited**

Abhishek Lath

Director

(DIN - 00331675)

Ashadevi Lath

Director

(DIN - 02899120)

LE MERITE EXPORTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019
CIN - U17111MH2003PLC143645

(Amount in Rupees)

		2018-19	2017-18
A. Cash flow from Operating Activities			
Profit/(loss) before tax		16,889,380	1,651,410
Adjustment For :			
Depreciation		1,942,140	1,997,450
Operating Profit/(Loss) before Working Capital changes		18,831,520	3,648,860
Adjustment for increase/decrease in:			
(Decrease) in short term borrowings		(20,152,298)	(8,257,373)
(Decrease) in trade payables		(4,727,139)	12,831,874
Increase in other current liabilities		(2,735,089)	2,663,045
Increase in Short Term provisions		-	-
Increase in inventories		22,097,301	(7,451,470)
(Decrease) in trade receivables		(59,009,689)	23,476,768
(Decrease) in short term loans & advances		2,796,389	(18,105,501)
Increase in other current assets		(1,542,491)	(135,101)
		-	-
Operating Profit/(Loss) after Working Capital changes		(44,441,496)	8,671,101
Operating Profit/(Loss) before Tax		(44,441,496)	8,671,101
Less : Tax Paid (Net)		(4,698,626)	(314,676)
Net Cash generated from Operating Activities	(A)	(49,140,122)	8,356,425
B. Cash flow from Investment Activities			
Payment towards capital expenditure		(217,474)	(1,248,202)
Additional Investment in office premises		-	(1,379,075)
Net Cash From Investment Activities	(B)	(217,474)	(2,627,277)
C. Cash flow from Financing Activities			
Increase in Long Term Borrowings		5,910,936	(4,253,678)
Non- Current Investments		(612,785)	1,751,015
Long Term Loans and Advances		880,981	353,947
Other Non-Current Assets		46,000	2,969,164
Net Cash from Financing Activities	(C)	6,225,132	820,447
Net (Decrease)/Increase in Cash and Cash Equivalents	(A+B+C)	(43,132,464)	6,549,594
Cash and Cash Equivalents at the beginning of the year		143,297,433	136,747,840
Cash and Cash Equivalents as at the end of the year		100,164,969	143,297,434
Compnents of cash and cash equivalents			
Cash on hand		1,159,864	515,030
Balances with banks		99,005,105	142,782,404
Total	Total	100,164,969	143,297,434

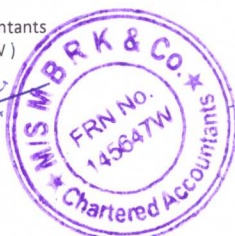
- 1) All figures in brackets are outflow
2) Previous years figures have been regrouped/reclassified wherever necessary to this year's classification

As per our report of even date

For MBRK & CO.
Chartered Accountants
(F.R.N. 145647 W)

Kashish K Rath
Partner
(M.No. 180106)

Place: Mumbai
Date: 03rd Sept 2019



For and on behalf of Board of Directors
of Le Merite Exports Limited

Abhishek Lath
Director
(DIN - 00331675)

Ashadevi Lath
Director
(DIN - 02899120)

31/08/2019

Note 1: Statement of Significant Accounting Policies

a) Basis of Preparation

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

Use of Estimates

The preparation of financial statements 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 comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

c) 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

d) Impairment

The carrying amounts of assets are reviewed at each balance sheet date 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.



e) Borrowing costs:

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

f) Leases:

i) As a Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on straight-line basis over the lease term.

ii) As a Lessor:

Assets subject to operating lease are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

g) Inventories

Inventories are valued as follows:

Traded products	Lower of cost and net realizable value. Cost is determined on FIFO basis, includes purchase price, freight, duties and other incidental expenses.
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Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) 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

Revenue is recognised when significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects Goods and Service Tax (GST), sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue from operations is stated net of sales return and trade discount.

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.



i) Foreign Currency Translation

(i) 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.

(ii) 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.

(iii) 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 recognised as income or as expenses in the year in which they arise.

j) Short term employee benefits

All the employee benefits payable wholly within 12 months of rendering of services are classified as short term employee benefits.

Benefits such as salaries, wages, short term compensated absences etc. and the expected bonus are recognized in the period in which employee renders his services.

k) 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.



l) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) 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.

n) 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 financial statements.

o) 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.



Note 2: SHARE CAPITAL

(Amount in Rupees)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised Share Capital 50,00,000 (P.Y. 50,00,000) Equity Shares of Rs 10 each	50,00,000	50,00,000
Issued, Subscribed and paid up : 17,08,100 (P.Y. 17,08,100) Equity Shares of Rs 10 each fully paid up	17,081,000	17,081,000
Total	17,081,000	17,081,000

2.1 The details of shareholders holding more than 5 % equity shares in the company:

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
			No of shares	% held
Abhishek Uma Shankar Lath	525,000	30.74%	525,000	30.74%
Asha Uma Shankar Lath	683,500	40.02%	355,000	20.78%
Punit Uma Shankar Lath	-	0.00%	328,500	19.23%
Uma Shankar Narhmal Lath	202,500	11.86%	202,500	11.86%
Shweta Lath	159,000	9.31%	159,000	9.31%
Uma Shankar Narhmal Lath (Karta)	138,000	8.08%	138,000	8.08%
	<u>1,708,000</u>		<u>1,708,000</u>	

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
		No of shares
Equity Share at the beginning of the year	1,708,100	1,708,100
Add : Shares Transfer to Shareholder	-	-
Less : Shares transfer from Shareholder	-	-
Equity Share at the end of the year	1,708,100	1,708,100

Note 3: RESERVES AND SURPLUS

(Amount in Rupees)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Profit and loss Account				
As per last Balance sheet	113,035,226		111,792,456	
Add :- Profit for the year	12,146,977	125,182,202	1,242,770	113,035,226
Total		125,182,202		113,035,226



LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****Note 4: LONG TERM BORROWINGS**

(Amount in Rupees)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	Current	Non Current	Current
Secured Loans				
Motor Car Loan	-	-	-	360,987
Property Loan	3,307,946	1,590,960	7,397,010	895,236
Unsecured Loans				
From Directors & Shareholders	10,650,000	-	650,000	-
Total	13,957,946	1,590,960	8,047,010	1,256,223

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

Note 5: DEFERRED TAX LIABILITY

(Amount in Rupees)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Deferred Tax Liability				
Related to Fixed Assets		55,827		12,049
Total		55,827		12,049

Note 6: SHORT TERM BORROWINGS

(Amount in Rupees)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Secured				
Working Capital Loan From Bank :-				
Export Packing Credit (UCO Bank)		193,760,126		228,494,082
Bill Discounting (Shinhan Bank)		166,548,540		151,131,764
Unsecured Loans				
From Others		2,017,081		2,852,200
Total		362,325,747		382,478,045

6.1 Cash Credit from Bank is Secured by Equitable Mortgage by deposit of title deeds on premises of the Company and Hypothecation of all tangible movable assets of the borrower including in particular of all stocks of laboratory glassware wherever stocked or situated or in transit. In short the entire working capital is Secured by equitable mortgage of the assets of the present firm.

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

Note 7: TRADE PAYABLES

(Amount in Rupees)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Micro, Small and Medium Enterprises (Refer to Note No. 7.1 and 7.2)				-
Other trade payables (Refer to note no 7.3)		21,105,390		25,832,529
Total		21,105,390		25,832,529

7.1 There are no information available with the management, regarding the supplier's covered by Micro, Small & Medium Enterprises Under Micro, Small and Medium Enterprises Development Act, 2006.

7.2 As of 31st March, 2019, it can not be verified whether the Company had any outstanding dues to Micro, Small & Medium Enterprises for sum of Rs.1 lakh or more than 30 days.

7.3 Other Trade payable includes payable for Imported Goods & payable for Indigenous purchased goods.

(Amount in Rupees)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Payable for Imported Goods				-
Payable for Indigenous Goods				-
Yarn	15,010,413		13,870,091	-
Fabric	6,094,977	21,105,390	11,962,438	25,832,529
Total		21,105,390		25,832,529



LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 9: FIXED ASSETS

SR.NO.	DESCRIPTION	GROSS BLOCK		ACCUMULATED DEPRECIATION & AMORTISATION			NET BLOCK	
		Balance as at 01-Apr-19	Addition	Deduction	Balance as at 31-Mar-2019	Current Depreciation	Balance as at 31-Mar-2019	Balance as at 31-Mar-2018
1	Office Building - Boomrang	22,228,854	-	-	22,228,854	732,615	7,918,038	15,614,048
2	Furniture & Fixtures	6,305,719	189,863	-	6,495,582	657,110	4,440,874	2,843,206
3	Vehicle	5,221,483	-	-	5,221,483	281,372	4,601,888	829,547
4	Office Equipments	939,106	-	-	939,106	111,209	803,568	177,210
5	Computers	1,401,643	27,612	-	1,429,255	159,834	1,173,384	386,430
	TOTAL	36,096,805	217,475	-	36,314,280	1,942,140	18,937,752	19,850,440
	PREVIOUS YEAR	34,848,601	1,248,203	-	36,096,805	1,997,450	19,101,193	19,850,440



LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****Note 8: OTHER CURRENT LIABILITIES**

(Amount in Rupees)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Payable for expenses		3,215,947		2,208,337
Current Maturities of long term debts				
Motor Car Loan		-	360,987	
Property Loan	1,590,960	1,590,960	895,236	1,256,223
Statutory Dues		1,127,401		981,488
Security Deposit		400,000		711,828
Staff payable & For Expenses		3,365,221		1,665,507
Payable for assets		47,198		62,698
Advance from customers		6,525,492		16,325,213
Other Payable-Credit Card,Shares		75,692		204,199
Creditors For Commission		1,085,797		364,591
Creditors For Courier		469,661		208,361
Creditors For Transport		9,300,284		5,950,290
Total		27,203,654		29,938,736

Note 10: NON CURRENT INVESTMENTS

(Amount in Rupees)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Office Premises - Cresecent Park		10,762,259		10,762,259
Total		10,762,259		10,762,259

Note 11: LONG TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

(Amount in Rupees)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Security Deposit		632,760		92,200
Other Long term loans & advances		1,211,408		2,632,949
Total		1,844,168		2,725,149

Note 12: OTHER NON CURRENT ASSETS

(Unsecured and Considered Good)

(Amount in Rupees)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Advance for Capital Assets		-		46,000
Total		-		46,000



LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****Note 13: CURRENT INVESTMENTS**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in equity shares of listed company	2,626,430	2,313,644
Investment in mutual funds	651,051	351,051
Total	3,277,481	2,664,695

Note 14: INVENTORIES

Particulars	As at 31st March, 2019	As at 31st March, 2018
Stock in Trade [As Taken Valued & Certified by the Management]	32,604,858	54,702,159
Total	32,604,858	54,702,159

Note 15: TRADE RECEIVABLE**(Unsecured & Considered Good)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
For the period exceeding six months	9,605,768	17,571,424
Other Debts	330,583,220	263,607,875
Total	340,188,988	281,179,299

Note 16: CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with Banks	3,964,347	14,344,148
Cash on hand	1,159,864	515,030
Balance with fixed deposits	95,040,758	128,438,256
Total	100,164,969	143,297,434



Note 17: SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance with tax authorities		
Export Incentives Receivable	13,044,211	9,890,694
Income Tax	2,660,799	4,752,485
VAT Refund Receivable	327,732	327,732
GST ECL	3,267,860	2,705,539
GST Export Refund	16,596,003	32,356,266
Advances with Suppliers		
Yarn	14,643,033	3,323,205
Fabric	614,295	594,402
Total	51,153,933	53,950,322

17.1 Income Tax balance consists of Balance Net of Provision for tax for Current Year

Note 18: OTHER CURRENT ASSETS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Accrued Interest	-	5,381,638
Advance to Staff	1,978,568	2,052,500
Advance to Staff for Expenses	135,400	218,977
Advance for Imports	7,322,805	212,486
Rent Receivable	101,808	-
Balance in Duties and Taxes	-	30,482
Advance to Creditors -Commission	-	100,000
Total	9,538,581	7,996,083



LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****Note 19: REVENUE FROM OPERATIONS**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Sale of Products (Refer to Note No.17.1)		1,746,881,954		1,390,569,515
Other operating revenue (Refer to Note no.17.1)		30,654,720		42,618,836
Total		1,777,536,674		1,433,188,351

19.1 Particulars of Revenue from Operations

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Sale of Products				
Trading Goods				
Yarn				
Export	1,591,421,175		1,328,839,209	
Local	93,544,850	1,684,966,025	-	1,328,839,209
Fabric				
Export	13,314,049		16,301,746	
Local	42,981,523		15,802,399	
Cotton				
Local	5,587,340			
Interstate Sales GST	-	61,882,912	29,617,011	61,721,155
Scrap Sales		33,016		9,150
Total		1,746,881,954		1,390,569,515
Other Operating Revenue				
Duty Drawback & SHIS	22,355,706		21,447,712	
Service Tax Income	-		138,456	
Other Income	-		15,445,336	
Premium On Preshipment	5,398,035		3,479,714	
MEIS Income	2,900,979		1,800,000	
Discount Received/Sundry bal w/back	-	30,654,720	307,618	42,618,836
Total		30,654,720		42,618,836

Note 20: OTHER INCOME

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Interest Income		-		-
Profit/ (Loss) on changes in foreign exchange		22,582,937		10,668,224
Dividend Income		25,755		56,448
Commission Income		1,255,633		-
Interest on Income Tax		406,190		-
Profit/ (Loss) on sale of Shares		62,803		1,058,580
Other Income		-		-
Interest on advance given		106,994		350,938
Interest on UCO Bank FD		6,115,800		6,753,280
Interest on Shinhan Bank FD		27,863		-
Keyman Insurance income		-		830,000
License fees-Crescent Office		1,211,828		440,000
Miscellaneous Other Income		-		235,664
Total		31,795,802		20,393,134



- 20.1 Profit/ (Loss) on changes in foreign exchange is accounted as per AS 11, where as considering the Substance Over Form of the transaction, 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. However following the Accounting Standards the same is shown under Profit/ (Loss) on changes in foreign exchange instead of Revenue from Export Sales

Note 21: PURCHASE OF TRADING GOODS

Particulars	As at		As at	
	31st March, 2019		31st March, 2018	
Yarn				
Local		1,527,687,316		1,281,971,346
Import		65,171,628		-
Fabric				
Local		36,354,530		55,740,925
Import				-
Cotton		5,520,506		
Total		1,634,733,980		1,337,712,271



LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****Note 22: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Inventories (At Close)				
Trading Goods		32,604,858		54,702,159
Inventories (At Commencement)				
Trading Goods		54,702,159		47,250,688
Total		22,097,301		(7,451,470)

Note 23: EMPLOYEE BENEFITS EXPENSES

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Directors Remuneration		9,605,000		9,720,000
Salaries & Wages		4,911,256		6,409,591
Bonus		422,266		159,000
Other Employee benefits		1,955,409		2,344,267
Staff welfare expenses		432,464		536,016
Gratuity		63,250		110,000
Total		17,389,644		19,278,874

Note 24: FINANCE COSTS

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Interest Expenses		30,507,602		26,176,991
Bank charges		4,407,381		4,454,476
Interest-Fabric		-		8,169
Total		34,914,984		30,639,636



LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
Note 25: OTHER EXPENSES

Particulars	As at 31st March, 2019		As at 31st March, 2018	
Direct Expenses				
Job Work	2,076,295		2,780,254	
Labour Charges	550,335		753,431	
Packaging Expenses	1,292,604		1,073,076	
Cancellation of Contract Charges	488,996		-	
Export Quality Claims Paid	3,530,737		-	
Shrinkage Expenses	-		64,071	
Stuffing Charges	-		2,000	
Sample Expenses	-	7,938,967	428,305	5,101,138
Establishment Expenses				
Auditor's Remuneration (Refer to note no.23.1)	255,000		240,000	
Communication Cost	149,353		173,931	
Electricity Charges	139,860		222,194	
Insurance Charges	632,466		313,043	
Legal & Professional Charges	1,886,591		622,859	
Printing & Stationery Cost	240,348		246,048	
Rent Rates & Taxes	745,811		913,707	
Repairs & Maintenance Cost	705,151		272,956	
Travelling & Conveyance Cost	177,439		107,701	
Donations	88,700		-	
Other Establishment Expenses	2,111,828	7,132,546	3,604,177	6,716,616
Selling & Distribution Expenses				
Advertising Expenses	162,129		32,886	
Discount Export	1,761,845		985,609	
Commission Expenses	13,410,116		6,405,428	
Tours & Travel expenses	1,048,302		3,084,502	
Business Promotion Expenses	2,185,815		988,460	
Exhibition Expenses	1,245,616		-	
Other Selling & Distribution Expenses	432,075		882,017	
Rebates and Discount on Fabric	1,092,939		-	
Freight and Forwarding Expenses	44,954,698		45,556,651	
		66,293,535		57,935,553
Total		81,365,047		69,753,307

25.1 Particulars of Auditor's Remunerations

Particulars	As at 31st March, 2019		As at 31st March, 2018	
(a) Auditor				
Statutory Audit Fees	140,000		125,000	
Tax Audit fees	75,000	215,000	75,000	200,000
(b) Certification & Consulting Fees (Other Services)		40,000		40,000
Total		255,000		240,000



Note 26: Contingent Liabilities

The Company is contesting the sales tax demands and the management, including its tax advisors, believe that its position will likely be upheld in the process. No duty expense has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

Other than above, As informed by the management no contingent liability is to be provided for.

Note 27: 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
Abhishek Lath	Director
Umashankar Lath	Director
Ashadevi Lath	Director
Punit Lath	Brother of Director
Shveta Lath	Spouse of Director
Le Merite Fashion 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, 2019 for the period then ended are presented herein below:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Directors Remuneration		
Abhishek Lath	4,385,000	4,920,000
Umashankar Lath	1,875,000	1,500,000
Ashadevi Lath	1,800,000	1,500,000
Punit Lath	300,000	900,000
Shveta Lath	1,245,000	900,000
Loan Repaid		
Punit Lath	650,000	-
Loan Taken		
Ashadevi Lath	10,650,000	-



Outstanding balances

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Directors Payable		
Abhishek Lath	477,018	(322,305)
Umashankar Lath	1,246,793	669,191
Ashadevi Lath	56,450	16,116
Punit Lath	762,646	521,146
Shveta Lath	446,500	182,600
Loan Repaid		
Punit Lath	-	650,000
Loan Taken		
Ashadevi Lath	10,650,000	-

Note 28: Un-hedged Foreign Currency Exposure

Particulars of Un-hedged Foreign Currency Exposure as at Balance sheet date is Nil

Note 29: 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 30: Expenditure in Foreign Currency

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Commission Expenses (In INR)	5,978,103	5,813,013
Import of goods (In INR)	65,171,628	-

Note 31: Earnings in Foreign Currency

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Exports of goods (In INR)	1,604,735,224	1,345,140,955



Note 32: Segment Reporting

The Company has only one reportable segment , no separate disclosures of segment information have been made.

Note 33: Previous year's figures have been regrouped/ reclassified, wherever necessary to conform to this years' classification

As per our report of even date

For MBRK & CO.

Chartered Accountants

(F.R.N. 145647 W)



Kashish K Rath

Partner

(M.No. 180106)



**For and on behalf of Board of Directors
of Le Merite Exports Limited**



Abhishek Lath

Director

(DIN - 00331675)



Ashadevi Lath

Director

(DIN - 02899120)

LE MERITE EXPORTS LIMITED
Calculation of Deferred tax liability for the F.Y.2018-19

Net Block under Companies Act, on 31-3-2019	17376528
WDV as per the I.Tax Act, as on 31-03-2019	17175855
	<u>200673</u>
Deferred Liabilities of Depreciation	
Deferred Tax Liability on account of Depreciation	55827
Deferred Assets	
On a/c of brought forward Losses & depreciation	0
	<u>55827</u>
Net Deferred Tax Liability	
	<u>12049</u>
Deferred tax liability already provided to be reverted	<u>43778</u>
Net Deferred tax Liability to be created	

