

LE MERITE EXPORTS LIMITED

**17th
Annual Report
2019-2020**

LE MERITE EXPORTS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2020
CIN - U17111MH2003PLC143645

(Amount in Rupees)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
<u>EQUITY AND LIABILITIES</u>			
(1) Shareholders' Funds			
Share Capital	2	1,70,81,000	1,70,81,000
Reserves and Surplus	3	15,76,21,320	12,51,82,202
Money Received Against Share Warrants			-
		17,47,02,320	14,22,63,202
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
Long-Term Borrowings	4	54,57,909	1,39,57,946
Deferred Tax Liabilities (Net)	5	1,28,789	55,827
Other Long-Term Liabilities		-	-
Long-Term Provisions		-	-
		55,86,698	1,40,13,773
(4) Current Liabilities			
Short-Term Borrowings	6	28,44,63,643	36,23,25,747
Trade Payables	7	6,90,39,169	2,11,05,390
Other Current Liabilities	8	3,14,01,962	2,72,03,654
		38,49,04,774	41,06,34,792
Total		56,51,93,792	56,69,11,766
<u>ASSETS</u>			
(1) Non-Current Assets			
Fixed Assets			
Tangible Assets			
Tangible Assets	9	1,57,04,578	1,73,76,528
Intangible Assets		-	-
Capital Work in Progress		-	-
Intangible Assets Under Development		-	-
Fixed Assets held for Sale		-	-
Non-Current Investments	10	1,07,62,259	1,07,62,259
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	11	1,26,32,249	18,44,168
Other Non-Current Assets		-	-
		3,90,99,086	2,99,82,955
(2) Current Assets			
Current Investments	12	69,97,238	32,77,481
Inventories	13	2,78,71,057	3,26,04,858
Trade Receivables	14	37,57,78,150	34,01,88,988
Cash and Cash Equivalents	15	5,46,03,045	10,01,64,969
Short-Term Loans and Advances	16	5,44,18,136	5,11,53,933
Other Current Assets	17	64,27,078	95,38,581
		52,60,94,705	53,69,28,810
Total		56,51,93,792	56,69,11,766
See accompanying notes forming part of the financial statements	1 to 32		

As per our report of even date
For MBRK & CO.
Chartered Accountants
(F.R.N. 145647W)

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

Kashish K Rathi
Partner
(M.No. 180106)
UDIN: 20180106AAAADA3786
Date: 4th November, 2020
Place: Mumbai

Ashadevi Lath
Director
(DIN - 02899120)

Abhishek Lath
Director
(DIN - 00331675)

LE MERITE EXPORTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020
CIN - U17111MH2003PLC143645

(Amount in Rupees)

Particulars	Note	Year ended 31 March, 2020	Year ended 31st March, 2019
(A) REVENUE			
Revenue From Operations	18	2,16,66,71,885	1,80,01,19,611
Other Income	19	61,27,986	92,12,865
Total Revenue		2,17,27,99,870	1,80,93,32,476
(B) EXPENDITURE			
Purchase of Stock-in-trade	20	1,96,56,02,313	1,63,47,33,980
Changes in Inventories of Stock-in-Trade	21	47,33,801	2,20,97,301
Employee Benefits Expenses	22	2,48,08,838	1,73,89,644
Finance Costs	23	2,52,42,197	3,49,14,984
Depreciation and Amortization Expense	9	15,56,155	19,42,140
Other Expenses	24	10,58,13,508	8,13,65,047
Total Expenditure		2,12,77,56,811	1,79,24,43,096
Profit Before Exceptional and Extraordinary Items and Tax		4,50,43,059	1,68,89,380
Exceptional Items		-	-
Profit Before Extraordinary Items and Tax		4,50,43,059	1,68,89,380
Extraordinary Items		-	-
Profit Before Tax		4,50,43,059	1,68,89,380
Prior Period Items		-	-
Tax Expense:			
(1) Current tax		1,25,30,979	46,98,626
(2) Deferred tax		72,962	43,778
(3) Excess / Short Tax Provision W/off		-	-
Profit for the year		3,24,39,118	1,21,46,977
Earning per equity share of the face value of Rs.10 /- each			
(1) Basic		18.99	7.11
(2) Diluted		18.99	7.11
See accompanying notes forming part of the financial statements		1 to 32	

As per our report of even date

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

Kashish K Rathi
Partner
(M.No. 180106)
UDIN: 20180106AAAADA3786
Date: 4th November, 2020
Place: Mumbai

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

Ashadevi Lath **Abhishek Lath**
Director Director
(DIN - 02899120) (DIN - 00331675)

LE MERITE EXPORTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020
CIN - U17111MH2003PLC143645

(Amount in Rupees)

		2019-20	2018-19
A. Cash flow from Operating Activities			
Profit/(loss) before tax		4,50,43,059	1,68,89,380
Adjustment For :			
Depreciation		15,56,155	19,42,140
Operating Profit/(Loss) before Working Capital changes		4,65,99,214	1,88,31,520
Adjustment for increase/decrease in:			
Increase / Decrease in short term borrowings		(7,78,62,104)	(2,01,52,298)
Increase / Decrease in trade payables		4,79,33,779	(47,27,139)
Increase / Decrease in other current liabilities		41,98,308	(27,35,089)
Increase / Decrease in Short Term provisions		-	-
Increase / Decrease in inventories		47,33,801	2,20,97,301
Increase / Decrease in trade receivables		(3,55,89,162)	(5,90,09,689)
Increase / Decrease in short term loans & advances		(32,64,204)	27,96,389
Increase / Decrease in other current assets		31,11,504	(15,42,491)
		-	-
Operating Profit/(Loss) after Working Capital changes		(1,01,38,864)	(4,44,41,496)
Operating Profit/(Loss) before Tax		(1,01,38,864)	(4,44,41,496)
Less : Tax Paid (Net)		(1,25,30,979)	(46,98,626)
Net Cash generated from Operating Activities	(A)	(2,26,69,843)	(4,91,40,122)
B. Cash flow from Investment Activities			
Payment towards capital expenditure		1,15,795	(2,17,474)
Additional Investment in office premises		-	-
Net Cash From Investment Activities	(B)	1,15,795	(2,17,474)
C. Cash flow from Financing Activities			
Increase in Long Term Borrowings		(85,00,036)	59,10,936
Non- Current Investments		(37,19,757)	(6,12,785)
Long Term Loans and Advances		(1,07,88,081)	8,80,981
Other Non-Current Assets		-	46,000
Net Cash from Financing Activities	(C)	(2,30,07,875)	62,25,132
Net (Decrease)/Increase in Cash and Cash Equivalents	(A+B+C)	(4,55,61,923)	(4,31,32,464)
Cash and Cash Equivalents at the beginning of the year		10,01,64,968	14,32,97,433
Cash and Cash Equivalents as at the end of the year		5,46,03,045	10,01,64,969
Compnents of cash and cash equivalents			
Cash on hand		2,04,281	11,59,864
Balances with banks		5,43,98,764	9,90,05,105
Total		5,46,03,045	10,01,64,969

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. 145647W)

Kashish K Rathi
Partner
(M.No. 180106)
UDIN: 20180106AAAADA3786
Date: 4th November, 2020
Place: Mumbai

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

Ashadevi Lath **Abhishek Lath**
Director Director
(DIN - 02899120) (DIN - 00331675)

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 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 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 comprises of 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, 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.

Le Merite Exports Limited
Notes to the Financial Statement as at and for the year ended 31 March 2020

e) Borrowing costs:

Borrowing costs attributable to the acquisition and construction of qualifying assets upto 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.

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 do not form a part of 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, 2020	As at 31st March, 2019
Authorised Share Capital 50,00,000 (P.Y. 50,00,000) Equity Shares of Rs 10 each	5,00,00,000	5,00,00,000
Issued, Subscribed and paid up : 17,08,100 (P.Y. 17,08,100) Equity Shares of Rs 10 each fully paid up	1,70,81,000	1,70,81,000
Total	1,70,81,000	1,70,81,000

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

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
Abhishek Uma Shankar Lath	5,25,000	30.74%	5,25,000	30.74%
Asha Uma Shankar Lath	6,83,400	40.01%	6,83,400	40.01%
Punit Uma Shankar Lath	-	0.00%	-	0.00%
Uma Shankar Narhmal Lath	2,02,500	11.86%	2,02,500	11.86%
Shweta Lath	1,59,000	9.31%	1,59,000	9.31%
Uma Shankar Narhmal Lath HUF (Karta)	1,38,000	8.08%	1,38,000	8.08%
	<u>17,07,900</u>		<u>17,07,900</u>	

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Equity Share at the beginning of the year	17,08,100	17,08,100
Add : Shares Transfer to Shareholder	-	-
Less : Shares transfer from Shareholder	-	-
Equity Share at the end of the year	17,08,100	17,08,100

Note 3: RESERVES AND SURPLUS

(Amount in Rupees)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Profit and loss Account				
As per last Balance sheet	12,51,82,202		11,30,35,226	
Add :- Profit for the year	3,24,39,118	15,76,21,320	1,21,46,977	12,51,82,202
Total		15,76,21,320		12,51,82,202

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note 4: LONG TERM BORROWINGS

(Amount in Rupees)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Non Current	Current	Non Current	Current
Secured Loans				
Property Loan	-	-	33,07,946	15,90,960
Unsecured Loans				
From Directors & Shareholders	54,57,909	-	1,06,50,000	-
Total	54,57,909	-	1,39,57,946	15,90,960

4.1 Property Loan consist of loan from Deutsche Bank, which is fully repaid in current financial year.

4.2 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, 2020		As at 31st March, 2019	
	Deferred Tax Liability			
Related to Fixed Assets		1,28,789		55,827
Total		1,28,789		55,827

Note 6: SHORT TERM BORROWINGS

(Amount in Rupees)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Secured			
Working Capital Loan From Bank :-				
Export Packing Credit (UCO Bank)		-		19,37,60,126
Export Packing Credit (Shinhan Bank)		9,30,85,010		-
L.C. Bill Discounting (Shinhan Bank)		19,09,56,252		16,65,48,540
Unsecured Loans				
From Others		4,22,381		20,17,081
Total		28,44,63,643		36,23,25,747

6.1 Working Capital facility from Bank is primarily secured against first pari pasu charge by way of Hypothecation on the entire stock, receivables, bills and other chargable current assets of the company and the collateral security as Equitable Mortgage by deposit of title deeds on premises of the Company and Hypothecation of all tangible movable assets of the borrower including the personal guarantee of Directors.

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, 2020		As at 31st March, 2019	
	Micro, Small and Medium Enterprises (Refer to Note No. 7.1 and 7.2)		-	
Other trade payables (Refer to note no 7.3)		6,90,39,169		2,11,05,390
Total		6,90,39,169		2,11,05,390

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, 2020 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, 2020		As at 31st March, 2019	
	Payable for Indigenous Goods			
Yarn	6,14,95,323		1,50,10,413	
Fabric	75,43,846	6,90,39,169	60,94,977	2,11,05,390
Total		6,90,39,169		2,11,05,390

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note 9: FIXED ASSETS

(Amount in Rupees)

SR.NO.	DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION & AMORTISATION				NET BLOCK		
		Balance as at 01-Apr-2019	Addition	Deduction	Balance as at 31-Mar-2020	Balance as at 01-Apr-2019	Current Depreciation	Depreciation on Deduction	Balance as at 31-Mar-2020	Balance as at 31-Mar-2020	Balance as at 31-Mar-2019
1	Office Building -Boomrang	2,22,28,854	-	-	2,22,28,854	79,18,038	6,96,937	-	86,14,975	1,36,13,879	1,56,14,048
2	Furniture & Fixtures	64,95,582	-	-	64,95,582	44,40,874	5,31,964	-	49,72,838	15,22,744	28,43,206
3	Vehicle	52,21,483	-	7,01,920	45,19,563	46,01,888	1,65,610	5,86,125	41,81,373	3,38,190	8,29,547
4	Office Equipments	9,39,106	-	-	9,39,106	8,03,568	61,087	-	8,64,655	74,451	1,77,210
5	Computers	14,29,255	-	-	14,29,255	11,73,384	1,00,557	-	12,73,941	1,55,314	3,86,430
	TOTAL	3,63,14,280	-	7,01,920	3,56,12,360	1,89,37,752	15,56,155	5,86,125	1,99,07,782	1,57,04,578	1,98,50,440
	PREVIOUS YEAR	3,60,96,805	2,17,475	-	3,63,14,280	1,69,95,612	19,42,140	-	1,89,37,752	1,73,76,528	1,98,50,440

LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020****Note 8: OTHER CURRENT LIABILITIES***(Amount in Rupees)*

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Payable for expenses		15,55,206	
Current Maturities of long term debts				
<i>Motor Car Loan</i>	-		-	
<i>Property Loan</i>	-	-	15,90,960	15,90,960
Statutory Dues		17,87,533		11,27,401
Security Deposit		4,00,000		4,00,000
Staff payable & For Expenses		47,76,035		33,65,221
Payable for assets		46,490		47,198
Advance from customers		52,49,196		65,25,492
Other Payable-Credit Card, Shares		15,39,819		75,692
Creditors For Commission		44,79,815		10,85,797
Creditors For Courier		2,48,078		4,69,661
Creditors For Transport		80,86,372		93,00,284
Provision for Taxes		32,33,417		-
Total		3,14,01,962		2,72,03,654

8.1 Staff payable & For Expenses consist of Expenses Payable to Directors as disclosed in Related Party Transactions

Note 10: NON CURRENT INVESTMENTS*(Amount in Rupees)*

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Office Premises - Cresecent Park		1,07,62,259	
Total		1,07,62,259		1,07,62,259

Note 11: LONG TERM LOANS AND ADVANCES*(Unsecured and Considered Good)**(Amount in Rupees)*

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Security Deposit		1,06,32,760	
Other Long term loans & advances		19,99,489		12,11,408
Total		1,26,32,249		18,44,168

LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020****Note 12: CURRENT INVESTMENTS***(Amount in Rupees)*

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in equity shares of listed company	60,46,187	26,26,430
Investment in mutual funds	9,51,051	6,51,051
Total	69,97,238	32,77,481

Note 13: INVENTORIES*(Amount in Rupees)*

Particulars	As at 31st March, 2020	As at 31st March, 2019
Stock in Trade [As Taken Valued & Certified by the Management]	2,78,71,057	3,26,04,858
Total	2,78,71,057	3,26,04,858

Note 14: TRADE RECEIVABLE*(Unsecured & Considered Good)**(Amount in Rupees)*

Particulars	As at 31st March, 2020	As at 31st March, 2019
For the period exceeding six months	1,73,03,371	96,05,768
Other Debts	35,84,74,779	33,05,83,220
Total	37,57,78,150	34,01,88,988

14.1 Other Debts consists of the following details:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Bills Receivable	19,09,56,252	16,65,48,543
Cotton Debtors	23,580	-
Export Debtors	13,89,75,221	12,51,70,977
Fabric Debtors	1,07,00,470	1,57,90,387
Sundry Debtors (Yarn Local)	1,78,19,256	2,30,73,312
Total	35,84,74,779	33,05,83,220

Note 15: CASH AND CASH EQUIVALENTS*(Amount in Rupees)*

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks	80,06,618	39,64,347
Cash on hand	2,04,281	11,59,864
Balance with fixed deposits	4,63,92,146	9,50,40,758
Total	5,46,03,045	10,01,64,969

Note 16: SHORT TERM LOANS AND ADVANCES*(Amount in Rupees)*

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance with tax authorities		
Export Incentives Receivable	78,62,224	1,30,44,211
Income Tax	17,09,162	26,60,799
VAT Refund Receivable	3,27,732	3,27,732
GST ECL	10,53,402	32,67,860
GST Export Refund	1,72,74,537	1,65,96,003
Advances with Suppliers		
Yarn	2,47,46,697	1,46,43,033
Fabric	14,44,383	6,14,295
Total	5,44,18,136	5,11,53,933

Note 17: OTHER CURRENT ASSETS*(Amount in Rupees)*

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance to Staff	20,33,628	19,78,568
Advance to Staff for Expenses	1,97,576	1,35,400
Advance for Imports	-	73,22,805
Rent Receivable	-	1,01,808
Interest Receivable (Excess Charges)	30,48,709	-
Share Margin	11,47,165	-
Total	64,27,078	95,38,581

LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020****Note 18: REVENUE FROM OPERATIONS***(Amount in Rupees)*

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
Sale of Products (Refer to Note No.18.1)		2,09,76,78,988		1,74,68,81,954
Other operating revenue (Refer to Note no.18.1)		6,89,92,896		5,32,37,657
Total		2,16,66,71,885		1,80,01,19,611

18.1 Particulars of Revenue from Operations*(Amount in Rupees)*

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
Sale of Products				
<u>Trading Goods</u>				
Yarn				
Export	1,66,93,82,186		1,59,14,21,175	
Local	22,59,94,893	1,89,53,77,079	9,35,44,850	1,68,49,66,025
Fabric				
Export	64,83,819		1,33,14,049	
Local	3,53,72,545	4,18,56,365	4,29,81,523	5,62,95,572
Cotton				
Export	4,30,48,028			
Local	1,73,65,766	6,04,13,794	55,87,340	55,87,340
Spinning Unit Yarn				
Export	3,30,98,520		-	
Local	6,46,88,197	9,77,86,717	-	-
Interstate Sales GST				
Scrap Sales		22,45,034		33,016
Total		2,09,76,78,988		1,74,68,81,954
Other Operating Revenue				
Duty Drawback & SHIS	2,96,22,093		2,23,55,706	
Foreign Commission Income	2,24,392		-	
Premium On Preshipment	82,66,458		53,98,035	
MEIS Income	26,61,140		29,00,979	
Profit/ (Loss) on changes in foreign exchange	2,82,18,813	6,89,92,896	2,25,82,937	5,32,37,657
Total		6,89,92,896		5,32,37,657

18.2 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 19: OTHER INCOME*(Amount in Rupees)*

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
Interest Income				-
Dividend Income		48,650		25,755
Commission Income		-		12,55,633
Interest on Income Tax		66,614		4,06,190
Profit/ (Loss) on sale of Shares		2,35,064		62,803
Interest on advance given		89,849		1,06,994
Interest on UCO Bank FD		45,84,779		61,15,800
Interest on Shinhan Bank FD		4,44,270		27,863
Rent Income - Crescent Office		6,58,760		12,11,828
Total		61,27,986		92,12,865

Note 20: PURCHASE OF TRADING GOODS*(Amount in Rupees)*

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
Yarn				
Local		1,75,33,80,193		1,52,76,87,316
Import		4,10,96,684		6,51,71,628
Fabric				
Local		3,22,38,140		3,63,54,530
Cotton				
Local		4,92,09,261		55,20,506
Spinning Unit Yarn				
Local		8,96,78,035		-
Total		1,96,56,02,313		1,63,47,33,980

20.1 Import Yarn Purchase includes all the clearing charges on imports and all other expenses related to Imports.

LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020****Note 21: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE***(Amount in Rupees)*

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
Inventories (At Close)				
Trading Goods		2,78,71,057		3,26,04,858
Inventories (At Commencement)				
Trading Goods		3,26,04,858		5,47,02,159
Total		47,33,801		2,20,97,301

Note 22: EMPLOYEE BENEFITS EXPENSES*(Amount in Rupees)*

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
Directors Remuneration		1,63,80,000		96,05,000
Salaries & Wages		48,14,419		49,11,256
Bonus		5,11,500		4,22,266
Other Employee benefits		23,69,292		19,55,409
Staff welfare expenses		7,33,627		4,32,464
Gratuity		-		63,250
Total		2,48,08,838		1,73,89,644

Note 23: FINANCE COSTS*(Amount in Rupees)*

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
Interest Expenses		2,14,46,686		3,05,07,602
Bank charges		36,71,244		44,07,381
Interest-Fabric		1,24,267		-
Total		2,52,42,197		3,49,14,984

LE MERITE EXPORTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note 24: **OTHER EXPENSES**

(Amount in Rupees)

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
Direct Expenses				
Job Work	27,90,627		20,76,295	
Labour Charges	3,76,890		5,50,335	
Packaging Expenses	12,52,131		12,92,604	
Cancellation of Contract Charges	60,500		4,88,996	
Export Quality Claims Paid	-		35,30,737	
Shrinkage Expenses	22,590		-	
Sample Expenses	6,199	45,08,936	-	79,38,967
Establishment Expenses				
Auditor's Remuneration (Refer to note no.25.1)	2,55,000		2,55,000	
Communication Cost	3,24,977		1,49,353	
Electricity Charges	3,08,428		1,39,860	
Insurance Charges	3,87,844		6,32,466	
Legal & Professional Charges	15,29,427		18,86,591	
Printing & Stationery Cost	4,28,392		2,40,348	
Rent Rates & Taxes	9,20,231		7,45,811	
Repairs & Maintenance Cost	2,02,939		7,05,151	
Travelling & Conveyance Cost	6,43,084		1,77,439	
Donations	1,02,100		88,700	
Loss on Sale of Motor Car	31,049		-	
Sundry Balances Written off	7,68,440		-	
Loss on Currency Derivatives	8,07,918		-	
Reversal of Excess Provisions	4,04,728		-	
Other Establishment Expenses	33,23,547	1,04,38,103	21,11,828	71,32,546
Selling & Distribution Expenses				
Advertising Expenses	-		1,62,129	
Discount Export	1,06,675		17,61,845	
Commission Expenses	1,79,73,016		1,34,10,116	
Tours & Travel expenses	31,80,679		10,48,302	
Business Promotion Expenses	15,33,661		21,85,815	
Exhibition Expenses	6,34,360		12,45,616	
Other Selling & Distribution Expenses	15,06,106		4,32,075	
Rebates and Discount on Fabric	1,08,768		10,92,939	
Freight and Forwarding Expenses	6,58,23,202	9,08,66,468	4,49,54,698	6,62,93,535
Total		10,58,13,508		8,13,65,047

24.1 Particulars of Auditor's Remunerations

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
(a) Auditor				
Statutory Audit Fees	1,40,000		1,40,000	
Tax Audit fees	75,000	2,15,000	75,000	2,15,000
(b) Certification & Consulting Fees (Other Services)		40,000		40,000
Total		2,55,000		2,55,000

Note 25: 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 26: 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
Umashankar Lath HUF	HUF of Director
Punit Lath	Brother of Director
Shweta 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, 2020 for the period then ended are presented herein below:

(Amount in Rupees)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Directors Remuneration		
Abhishek Lath	45,60,000	43,85,000
Umashankar Lath	37,80,000	18,75,000
Ashadevi Lath	38,40,000	18,00,000
Punit Lath	-	3,00,000
Shweta Lath	42,00,000	12,45,000
Loan Repaid		
Punit Lath	-	6,50,000
Abhishek Lath	9,12,931	-
Umashankar Lath	3,81,466	-
Ashadevi Lath	81,56,465	-
Loan Taken		
Abhishek Lath	27,00,000	-
Umashankar Lath	4,00,000	-
Umashankar Lath HUF	7,00,000	-
Ashadevi Lath	-	1,06,50,000

Outstanding balances

(Amount in Rupees)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Directors Payable		
Abhishek Lath	22,45,840	4,77,018
Umashankar Lath	8,14,781	12,46,793
Umashankar Lath HUF	7,00,000	-
Ashadevi Lath	25,03,539	56,450
Punit Lath	7,62,646	7,62,646
Shveta Lath	31,76,780	4,46,500

Note 27: Un-hedged Foreign Currency Exposure

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

Note 28: 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 29: Expenditure in Foreign Currency*(Amount in Rupees)*

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Commission Expenses (In INR)	1,49,68,134	59,78,103
Import of goods (In INR)	4,10,96,684	6,51,71,628

Note 30: Earnings in Foreign Currency*(Amount in Rupees)*

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Exports of goods (In INR)	1,75,20,12,554	1,60,47,35,224
Foreign Commission (In INR)	2,24,392	-

Note 31: Segment Reporting

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

Note 32: 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)

For and on behalf of Board of Directors

of Le Merite Exports Limited

Kashish K Rathi

Partner

(M.No. 180106)

UDIN: 20180106AAAADA3786

Date: 4th November, 2020

Place: Mumbai

Ashadevi Lath

Director

(DIN - 02899120)

Abhishek Lath

Director

(DIN - 00331675)