

LE MERITE EXPORTS LIMITED

**18th
Annual Report
2020-2021**

LE MERITE EXPORTS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2021
CIN: U17111MH2003PLC143645

(Amount in Rupees)

Particulars	Note	As at 31st March 2021	As at 31st March 2020
<u>EQUITY AND LIABILITIES</u>			
(1) Shareholders' Funds			
Share Capital	2	1,70,81,000	1,70,81,000
Reserves and Surplus	3	22,71,91,786	15,76,21,320
		24,42,72,786	17,47,02,320
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
Long-Term Borrowings	4	1,25,21,887	54,57,909
Deferred Tax Liabilities (Net)	5	1,97,248	1,28,789
		1,27,19,134	55,86,698
(4) Current Liabilities			
Short-Term Borrowings	6	52,75,04,264	28,44,63,643
Trade Payables	7	11,66,34,301	8,18,53,434
Other Current Liabilities	8	1,99,85,832	1,85,87,697
		66,41,24,396	38,49,04,774
Total		92,11,16,317	56,51,93,792
<u>ASSETS</u>			
(1) Non-Current Assets			
Plant Property and Equipment			
Tangible Assets	9	1,62,03,838	1,57,04,578
Non-Current Investments	10	1,07,62,259	1,07,62,259
Long Term Loans and Advances	11	1,87,67,802	1,26,32,249
		4,57,33,899	3,90,99,086
(2) Current Assets			
Current Investments	12	62,84,294	69,97,238
Inventories	13	10,13,39,574	2,78,71,057
Trade Receivables	14	58,50,12,113	37,57,78,150
Cash and Cash Equivalents	15	7,95,57,959	5,42,21,308
Short-Term Loans and Advances	16	10,01,02,082	5,44,18,136
Other Current Assets	17	30,86,396	68,08,815
		87,53,82,418	52,60,94,705
Total		92,11,16,317	56,51,93,792
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)

CA Kashish Rathi

Partner

(Membership No. 180106)

UDIN: 21180106AAAED5689

Date: 02nd August, 2021

Place: Mumbai

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
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021
CIN: U17111MH2003PLC143645

(Amount in Rupees)

Particulars	Note	Year ended 31 March, 2021	Year ended 31 March, 2020
(A) REVENUE			
Revenue From Operations	18	2,68,39,36,898	2,16,66,71,885
Other Income	19	54,51,758	61,27,986
Total Revenue		2,68,93,88,655	2,17,27,99,870
(B) EXPENDITURE			
Purchase of Stock-in-trade	20	2,43,84,33,391	1,96,56,02,313
Changes in Inventories of Stock-in-Trade	21	(7,34,68,517)	47,33,801
Employee Benefits Expenses	22	2,77,28,752	2,48,08,838
Finance Costs	23	1,60,75,909	2,15,70,953
Depreciation and Amortization Expense	9	16,38,891	15,56,155
Other Expenses	24	18,73,02,065	10,94,84,752
Total Expenditure		2,59,77,10,491	2,12,77,56,811
Profit Before Exceptional and Extraordinary Items and Tax		9,16,78,164	4,50,43,059
Exceptional Items		-	-
Profit Before Extraordinary Items and Tax		9,16,78,164	4,50,43,059
Extraordinary Items		-	-
Profit Before Tax		9,16,78,164	4,50,43,059
Prior Period Items		-	-
Tax Expense:			
(1) Current tax		2,30,00,000	1,25,30,979
(2) Deferred tax		68,459	72,962
(3) Excess / Short Tax Provision W/off		(9,60,761)	-
Profit for the year		6,95,70,466	3,24,39,118
Earning per equity share of the face value of Rs.10/- each			
(1) Basic		40.73	18.99
(2) Diluted		40.73	18.99
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)

CA Kashish Rathi
Partner
(Membership No. 180106)
UDIN: 21180106AAAED5689
Date: 02nd August, 2021
Place: Mumbai

**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 31st MARCH, 2021
CIN: U17111MH2003PLC143645

(Amount in Rupees)

		2020-21	2019-20
A. Cash flow from Operating Activities			
Profit/(loss) before tax		9,16,78,164	4,50,43,059
Adjustment For :			
Depreciation		16,38,891	15,56,155
Operating Profit/(Loss) before Working Capital changes		9,33,17,055	4,65,99,214
Adjustment for increase/decrease in:			
Increase / Decrease in short term borrowings		24,30,40,621	(7,78,62,104)
Increase / Decrease in trade payables		3,47,80,867	6,07,48,044
Increase / Decrease in other current liabilities		13,98,135	(86,15,957)
Increase / Decrease in inventories		(7,34,68,517)	47,33,801
Increase / Decrease in trade receivables		(20,92,33,963)	(3,55,89,162)
Increase / Decrease in short term loans & advances		(4,56,83,946)	(32,64,204)
Increase / Decrease in other current assets		37,22,419	27,29,767
Operating Profit/(Loss) after Working Capital changes		4,78,72,670	(1,05,20,601)
Operating Profit/(Loss) before Tax		4,78,72,670	(1,05,20,601)
Less : Tax Paid (Net)		(2,20,39,239)	(1,25,30,979)
Net Cash generated from Operating Activities	(A)	2,58,33,431	(2,30,51,580)
B. Cash flow from Investment Activities			
Payment towards capital expenditure		(21,38,147)	1,15,795
Non- Current Investments		7,12,944	(37,19,757)
Net Cash From Investment Activites	(B)	(14,25,203)	(36,03,962)
C. Cash flow from Financing Activities			
Increase in Long Term Borrowings		70,63,977	(85,00,036)
Long Term Loans and Advances		(61,35,553)	(1,07,88,081)
Net Cash from Financing Activites	(C)	9,28,424	(1,92,88,117)
Net (Decrease)/Increase in Cash and Cash Equivalents	(A+B+C)	2,53,36,652	(4,59,43,660)
Cash and Cash Equivalents at the beginning of the year		5,42,21,307	10,01,64,968
Cash and Cash Equivalents as at the end of the year		7,95,57,959	5,42,21,308
Compnents of cash and cash equivalents			
Cash in hand		1,43,734	2,04,281
Balances with banks		7,94,14,224	5,40,17,027
Total		7,95,57,959	5,42,21,308

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)

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

CA Kashish Rathi
Partner
(Membership No. 180106)
UDIN: 21180106AAAAED5689
Date: 02nd August, 2021
Place: Mumbai

Abhishek Lath
Director
(DIN - 00331675)

Ashadevi Lath
Director
(DIN - 02899120)

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 2021

e) Borrowing costs:

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

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 recognized 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 recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized 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, 2021	As at 31st March, 2020
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:

(Amount in Rupees)

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	Amount	Percentage	Amount	Percentage
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%
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%
	17,07,900		17,07,900	

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

(Amount in Rupees)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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, 2021		As at 31st March, 2020	
Profit and loss Account				
As per last Balance sheet	15,76,21,320		12,51,82,202	
Add :- Profit for the year	6,95,70,466	22,71,91,786	3,24,39,118	15,76,21,320
Total		22,71,91,786		15,76,21,320

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

Note 4: LONG TERM BORROWINGS

(Amount in Rupees)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non Current	Current	Non Current	Current
Secured Loans				
Motor Car Loan	18,28,988	2,59,454	-	-
Unsecured Loans				
From Directors & Shareholders	1,06,92,898	-	54,57,909	-
Total	1,25,21,887	2,59,454	54,57,909	-

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

4.2 Motor Car Loan is Loan taken from HDFC Bank payable in 84 equated monthly installments, secured against the Car.

Note 5: DEFERRED TAX LIABILITY

(Amount in Rupees)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Deferred Tax Liability			
Related to Fixed Assets		1,97,248		1,28,789
Total		1,97,248		1,28,789

Note 6: SHORT TERM BORROWINGS

(Amount in Rupees)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Secured			
Working Capital Loan From Bank :-				
Export Packing Credit (Shinhan Bank)		14,75,00,000		9,30,85,010
L.C. Bill Discounting (Shinhan Bank)		32,35,96,203		19,09,56,252
Tirupati - Warehouse Receipt Loan		5,60,60,155		-
Unsecured Loans				
From Others		3,47,906		4,22,381
Total		52,75,04,264		28,44,63,643

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 chargeable 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 Warehouse Receipt Loan facility from Tirupati Urban Co Operative Bank Limited is primarily secured against the Stock Pledged in Warehouse.

6.3 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, 2021		As at 31st March, 2020	
	Micro, Small and Medium Enterprises (Refer to Note No. 7.1)		-	
Other trade payables (Refer to note no 7.2)		11,66,34,301		8,18,53,434
Total		11,66,34,301		8,18,53,434

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 Other Trade payables

(Amount in Rupees)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Payable for Indigenous Goods			
Yarn	6,87,01,762		6,14,95,323	
Fabric	1,20,21,545	8,07,23,307	75,43,846	6,90,39,169
Payable for Commission		1,50,08,356		44,79,815
Payable for Transport		2,05,14,094		80,86,372
Payable for Others		3,88,545		2,48,078
Total		11,66,34,301		8,18,53,434

LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****Note 9: PLANT PROPERTY AND EQUIPMENT***(Amount in Rupees)*

SR.NO.	DESCRIPTION	RATE OF DEPRECIATION	GROSS BLOCK				ACCUMULATED DEPRECIATION & AMORTISATION				NET BLOCK	
			Balance as at 01-Apr-2020	Addition	Deduction	Balance as at 31-Mar-2021	Balance as at 01-Apr-2020	Current Depreciation	Depreciation on Deduction	Balance as at 31-Mar-2021	Balance as at 31-Mar-2021	Balance as at 31-Mar-2020
1	Office Building -Boomrang	4.87%	2,22,28,854	-	-	2,22,28,854	86,14,975	6,62,996	-	92,77,971	1,29,50,883	1,36,13,879
2	Furniture & Fixtures	25.89%	64,95,582	-	-	64,95,582	49,72,838	3,94,238	-	53,67,076	11,28,506	15,22,744
3	Vehicle	31.23%	45,19,563	20,15,000	-	65,34,563	41,81,373	4,55,602	-	46,36,975	18,97,588	3,38,190
4	Office Equipments	45.07%	9,39,106	52,542	-	9,91,648	8,64,655	45,298	-	9,09,953	81,695	74,451
5	IT Equipments	39.30%	14,29,255	-	-	14,29,255	12,73,941	61,038	-	13,34,979	94,276	1,55,314
6	Computers	63.16%	-	70,609	-	70,609	-	19,718	-	19,718	50,891	-
	TOTAL		3,56,12,360	21,38,151	-	3,77,50,511	1,99,07,782	16,38,891	-	2,15,46,673	1,62,03,838	1,57,04,578
	PREVIOUS YEAR		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

LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****Note 8: OTHER CURRENT LIABILITIES***(Amount in Rupees)*

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Payable for expenses		15,06,246	
Current Maturities of long term debts				
Motor Car Loan		2,59,454		-
Statutory Dues		7,28,484		17,87,533
Security Deposit		-		4,00,000
Staff payable		37,64,586		47,76,035
Payable for assets		-		46,490
Advance from customers		97,20,474		52,49,196
Other Payable-Credit Card, Shares		1,40,299		15,39,819
Provision for Taxes (Net of Advance Tax)		38,66,290		32,33,418
Total		1,99,85,832		1,85,87,697

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

8.2 Provision for Expenses are created as per Management

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	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, 2021		As at 31st March, 2020	
	Security Deposit		1,48,28,560	
Other Long term loans & advances		39,39,242		19,99,489
Total		1,87,67,802		1,26,32,249

LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****Note 12: CURRENT INVESTMENTS***(Amount in Rupees)*

Particulars	As at 31st March, 2021	As at 31st March, 2020
Quoted		
Investment in equity shares of listed company	50,28,243	60,46,187
Investment in mutual funds	12,51,051	9,51,051
Unquoted		
Tirupati Urban Co Operative Bank Shares	5,000	-
Total	62,84,294	69,97,238

Note 13: INVENTORIES*(Amount in Rupees)*

Particulars	As at 31st March, 2021	As at 31st March, 2020
Stock in Trade	10,13,39,574	2,78,71,057
Total	10,13,39,574	2,78,71,057

13.1 Stock in Trade is Valued and Certified by the Management

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
For the period exceeding six months	70,99,980	1,73,03,371
Other Debts (Refer to note no 14.1)	57,79,12,133	35,84,74,779
Total	58,50,12,113	37,57,78,150

14.1 Other Debts consists of the following details:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Bills Receivable	32,35,96,202	19,09,56,252
Cotton Debtors	-	23,580
Export Debtors	23,51,10,314	13,89,75,221
Fabric Debtors	58,36,526	1,07,00,470
Yarn Debtors	1,33,69,091	1,78,19,256
Total	57,79,12,133	35,84,74,779

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with Banks	92,74,017	80,06,618
Cash in hand	1,43,734	2,04,281
Balance with fixed deposits	7,01,40,207	4,60,10,409
Total	7,95,57,959	5,42,21,308

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance with tax authorities		
Export Incentives Receivable	1,18,31,603	78,62,224
Income Tax	-	17,09,162
VAT Refund Receivable	3,27,732	3,27,732
GST Electronic Credit Ledger	44,37,581	10,53,402
GST Export Refund	3,39,10,586	1,72,74,537
Advances with Suppliers		
Yarn	3,87,85,256	2,47,46,697
Fabric	1,08,09,325	14,44,383
Total	10,01,02,082	5,44,18,136

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance to Staff	17,04,568	20,33,628
Advance to Staff for Expenses	56,246	1,97,576
Advance to Investment Brokers	1,87,642	-
Accrued Interest on Fixed Deposits	11,37,940	3,81,737
Interest Receivable (Excess Charges)	-	30,48,709
Share Margin	-	11,47,165
Total	30,86,396	68,08,815

LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****Note 18: REVENUE FROM OPERATIONS***(Amount in Rupees)*

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Sale of Products (Refer to Note No.18.1)		2,62,01,00,125	
Other operating revenue (Refer to Note no.18.1)		6,38,36,773		6,89,92,896
Total		2,68,39,36,898		2,16,66,71,885

18.1 Particulars of Revenue from Operations

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Sale of Products			
Trading Operations:				
Yarn				
Export	1,33,72,63,524		1,66,93,82,186	
Local	12,60,69,289	1,46,33,32,813	22,59,94,893	1,89,53,77,079
Fabric				
Export	21,75,33,636		64,83,819	
Local	90,38,729	22,65,72,365	3,53,72,545	4,18,56,365
Cotton				
Export	-		4,30,48,028	
Local	78,55,285	78,55,285	1,73,65,766	6,04,13,794
Manufacturing Operations:				
Spinning Unit Yarn				
Export	43,85,04,873		3,30,98,520	
Local	48,38,34,789	92,23,39,662	6,46,88,197	9,77,86,717
Scrap Sales				22,45,034
Total		2,62,01,00,125		2,09,76,78,988
Other Operating Revenue				
Duty Drawback	3,80,91,062		2,96,22,093	
Foreign Commission Income	62,746		2,24,392	
Premium On Preshipment	-		82,66,458	
MEIS License Sale	18,92,318		26,61,140	
Profit/ (Loss) on changes in foreign exchange	2,37,90,647	6,38,36,773	2,82,18,813	6,89,92,896
Total		6,38,36,773		6,89,92,896

18.2 Manufacturing Operations are carried out on Long Term Lease / Arrangement

18.3 MEIS License Sale is recognised based on Sale of Licence, MEIS is not accrued on accrual basis as the receipt of licence is uncertain due to amendments in FTP Policy

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

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

Particulars	As at		As at	
	31st March, 2021		31st March, 2020	
Dividend Income		29,405		48,650
Interest on Income Tax		-		66,614
Profit/ (Loss) on sale of Shares		5,10,826		2,35,064
Profit/ (Loss) on futures and derivatives		3,31,535		-
Forward Settlement		1,00,634		-
Interest Income		21,252		89,849
Interest on UCO Bank FD		31,405		45,84,779
Interest on Shinhan Bank FD		37,84,900		4,44,270
LIC Maturity Receipts		6,30,000		-
Balances Written Back		11,800		-
Rent Income - Crescent Office		-		6,58,760
Total		54,51,758		61,27,986

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

Particulars	As at		As at	
	31st March, 2021		31st March, 2020	
Yarn				
Local		1,33,20,17,493		1,75,33,80,193
Import (Refer to note no 20.1)		-		4,10,96,684
Fabric				
Local		20,78,59,036		3,22,38,140
Cotton				
Local		8,34,71,385		4,92,09,261
Spinning Unit Yarn				
Local		81,50,85,477		8,96,78,035
Total		2,43,84,33,391		1,96,56,02,313

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

LE MERITE EXPORTS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****Note 21: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE***(Amount in Rupees)*

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Inventories (At Close)			
Trading Goods		10,13,39,574		2,78,71,057
Inventories (At Commencement)				
Trading Goods		2,78,71,057		3,26,04,858
Total		(7,34,68,517)		47,33,801

Note 22: EMPLOYEE BENEFITS EXPENSES

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Directors Remuneration		1,21,80,000	
Salaries & Wages		1,08,33,464		90,14,419
Bonus		2,74,750		5,11,500
Other Employee benefits		34,52,023		23,69,292
Staff welfare expenses		9,45,245		7,33,627
Gratuity		43,270		-
Total		2,77,28,752		24808837.52

Note 23: FINANCE COSTS

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Interest Expenses		1,60,75,909	
Interest - Fabric		-		1,24,267
Total		1,60,75,909		2,15,70,953

LE MERITE EXPORTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

Note 24: OTHER EXPENSES

(Amount in Rupees)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Factory Expenses				
Job Work	1,89,03,863		27,90,627	
Labour Charges	2,10,836		3,76,890	
Packaging Expenses	6,84,763		12,52,131	
Cancellation of Contract Charges	10,40,580		60,500	
Repairs and Maintaince	8,71,541		-	
Factory Operating Expenses	3,50,000		-	
Shrinkage Expenses	-		22,590	
Sample Expenses	29,361	2,20,90,944	6,199	45,08,936
Establishment Expenses				
Auditor's Remuneration (Refer to note no.24.1)	3,00,000		2,55,000	
Communication Cost	2,14,444		3,24,977	
Electricity Charges	2,02,652		3,08,428	
Insurance Charges	5,10,857		3,87,844	
Legal & Professional Charges	18,70,484		15,29,427	
Printing & Stationery Cost	4,98,663		4,28,392	
Rent Rates & Taxes	13,91,514		9,20,231	
Repairs & Maintenance Cost	3,45,700		2,02,939	
Travelling & Conveyance Cost	8,10,707		6,43,084	
Donations	2,40,700		1,02,100	
Bank charges	4,24,488		36,71,244	
Loss on Sale of Motor Car	-		31,049	
Sundry Balances Written off	97,94,060		7,68,440	
Loss on Currency Derivatives	-		8,07,918	
Reversal of Excess Provisions	-		4,04,728	
Other Establishment Expenses	50,47,444	2,16,51,714	33,23,547	1,41,09,348
Selling & Distribution Expenses				
Discount Export	-		1,06,675	
Commission Expenses	3,69,76,829		1,79,73,016	
Tours & Travel expenses	21,37,698		31,80,679	
Business Promotion Expenses	21,30,081		15,33,661	
Exhibition Expenses	50,000		6,34,360	
Other Selling & Distribution Expenses	6,15,270		15,06,106	
Rebates and Discount on Yarn and Fabric	37,78,270		1,08,768	
Freight and Forwarding Expenses	9,78,71,260	14,35,59,407	6,58,23,202	9,08,66,468
Total		18,73,02,065		10,94,84,752

24.1 Particulars of Payment to Auditor

Particulars	As at 31st March, 2021		As at 31st March, 2020	
(a) Auditor				
Statutory Audit Fees	1,75,000		1,40,000	
Tax Audit fees	75,000	2,50,000	75,000	2,15,000
(b) Certification & Consulting Fees (Other Services)		50,000		40,000
Total		3,00,000		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, 2021 for the period then ended are presented herein below:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Remuneration		
Abhishek Lath	45,60,000	45,60,000
Umashankar Lath	37,80,000	37,80,000
Ashadevi Lath	38,40,000	38,40,000
Shweta Lath	42,00,000	42,00,000
Loan Repaid		
Punit Lath	7,62,646	-
Abhishek Lath	4,46,225	9,12,931
Umashankar Lath	-	3,81,466
Ashadevi Lath	-	81,56,465
Le Merite Fashion Private Limited	74,475	-
Loan Taken		
Abhishek Lath	-	27,00,000
Umashankar Lath	42,95,210	4,00,000
Umashankar Lath HUF	-	7,00,000
Ashadevi Lath	4,62,796	-

Outstanding balances

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Abhishek Lath	17,99,615	22,45,840
Umashankar Lath	51,09,992	8,14,781
Umashankar Lath HUF	7,00,000	7,00,000
Ashadevi Lath	29,66,335	25,03,539
Punit Lath	-	7,62,646
Shweta Lath	26,71,602	31,76,780
Le Merite Fashion Private Limited	3,47,906	4,22,381

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Commission Expenses (In INR)	2,23,12,144	1,49,68,134
Import of goods (In INR)	-	4,10,96,684

Note 30: Earnings in Foreign Currency

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Exports of goods (In INR)	1,99,33,02,033	1,75,20,12,554
Foreign Commission (In INR)	62,746	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.: 145647W)

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

CA Kashish Rathi

Partner
(Membership No. 180106)
UDIN: 21180106AAAED5689
Date: 02nd August, 2021
Place: Mumbai

Abhishek Lath
Director
(DIN - 00331675)

Ashadevi Lath
Director
(DIN - 02899120)