

# LE MERITE EXPORTS LIMITED

Annual Report 2023 - 2024



LeMerite®  
Exports Ltd

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# Company Information

## **Board of Directors**

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

## **Company Secretary**

Mr. Sandeep Poddar	Company Secretary and Compliance Officer
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## **Audit Committee**

Mr. Narendra Kumar Srivastava	Chairman
Mr. Jaydeep Purujit Mehta	Member
Mr. Abhishek Lath	Member

## **Nomination and Remuneration Committee**

Mr. Jaydeep Purujit Mehta	Chairman
Mr. Narendra Kumar Srivastava	Member
Mr. Rohit Agarwal	Member



### **Stakeholders Relationship & Grievance Committee**

Mr. Jaydeep Purujit Mehta	Chairman
Mr. Narendra Kumar Srivastava	Member
Mr. Umashankar Lath	Member
Mr. Abhishek Lath	Member

### **Corporate Social Responsibility Committee**

Mr. Rohit Agarwal	Chairman
Mr. Abhishek Lath	Member
Mrs. Sweta Lath	Member

### **Risk Management Committee**

Mr. Abhishek Lath	Chairman
Mr. Rohit Agarwal	Member
Mrs. Sweta Lath	Member

### **Subsidiaries**

- Le Merite Filament Private Limited
- Le Merite Laxmi Spinning Private Limited

### **Statutory Auditors**

M/s Nagori Nuwal & Co.  
Chartered Accountants  
229, Starlit Tower, 29 Y. N. Road, Indore- 452001

### **Secretarial Auditors**

M/s Vijay Tiwari and Associates,  
Practising Company Secretaries  
601, A-Wing, Gayatri Co-op Housing Society Limited,  
Opp. Rajda School, Borivali (West),  
Mumbai – 400092



### **Bankers**

- Shinhan Bank Limited
- UCO Bank Limited
- ICICI Bank Limited
- HDFC Bank

### **Registered Office (w.e.f. from May 25, 2024)**

A-307, Boomerang, Chandivali Farm Road,  
Powai, Andheri (East), Mumbai - 400072.

Telephone: +91 22 45963506

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

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

### **Details of Registrar and Share Transfer Agent**

Bigshare Services Private Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai – 400059.

Phone: +91 22 6263 8200

Fax No.: +91 22 6263 8280

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

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



## About the Annual Report

This annual report has been carefully put together to provide the Stakeholders with highlights on our integrated management and brief overview of the reporting period. It seeks to improve stakeholders' understanding of our present business position and future sustainability prospects.

In line with the Companies Act, 2013, relevant rules, Accounting Standards, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have ensured that all financial and statutory information in this report is accurate and compliant. This demonstrates our dedication to creating value for all our stakeholders. Through this report, we want to share the steps we have taken and the outcomes we've achieved in our financial, environmental, and societal efforts.

Covering the period from April 1, 2023, to March 31, 2024, this report provides straightforward and clear insights, both quantitative and qualitative. It highlights our initiatives to create value for stakeholders and addresses the risks, opportunities, and strategies we've employed in response to an ever-changing external environment.

We're proud to present the 21st Annual Report of Le Merite Exports Limited ("LMEL"), offering a thorough overview of our financial and non-financial performance for the fiscal year 2023-24.

## Chairman's Message to Shareholders

**Dear Shareholders,**

Namaskar!

As we complete another year, with a mix of reflection and anticipation I present to you the Annual Report for Le Merite Exports Limited for the financial year 2023-24. This year especially has been very challenging as well as pivotal opportunities have come through to set the stage for our future growth.



### **A Challenging Year in Review**

The financial year 2023-24 was a period of considerable headwinds for our industry and our company. Global economic uncertainties, coupled with fluctuating raw material prices and evolving trade dynamics, led to a contraction in demand across several key markets. As a result, our profit margins for the year witnessed a decline. This downturn was not unexpected, given the macroeconomic environment, but it certainly posed challenges that tested our resilience and adaptability.

Despite the profit margin decline the revenue has increased by around 29% in Financial Year 2023-24, due to our focus remained steadfast on maintaining operational excellence, managing costs prudently, and ensuring that our core values of quality, sustainability, and innovation were not compromised. Our ability to navigate through these challenging times is a testament to the strength of our business model, the dedication of our team, and the trust placed in us by our stakeholders.

### **Resilience and Strategic Adaptation**

In response to these challenges, we undertook several strategic initiatives aimed at strengthening our foundation for future growth. We focused on diversifying our product portfolio, enhancing our operational efficiencies, and deepening our engagement with both existing and new customers. These efforts have positioned us well to capture the opportunities that lie ahead as global markets stabilize and demand recovers.

While the financial performance of the past year was below our expectations, we believe that the actions we have taken will enable us to emerge stronger and more competitive in the years to come. Our commitment to sustainability and innovation continues to guide our long-term strategy, ensuring that we remain at the forefront of the textile industry.



### **Looking Forward with Optimism**

As we look to the future, our vision remains clear: to build a sustainable and billion-dollar Company that is recognized globally for its excellence in the textile industry. We are committed to expanding our global footprint, leveraging our expertise in international markets, and introducing innovative, high-quality products that meet the evolving needs of our customers.

In the domestic market, we see significant opportunities for growth. By continuing to enhance our product offerings and strengthening our distribution networks, we aim to capture a larger share of the Indian corporate sales and contribute to the growth of the domestic textile industry.

### **Appreciation and Gratitude**

I would like to extend my heartfelt thanks to our shareholders for your unwavering support during this challenging year. Your confidence in our leadership and our vision for the future inspires us to continue striving for excellence. I am also deeply grateful to our employees, customers, and partners, whose dedication and trust have been integral to our resilience and ongoing success.

As we move forward, I am confident that the strategic initiatives we have undertaken will enable us to overcome the challenges of today and build a brighter, more sustainable future for Le Merite Exports Limited and all our stakeholders.

Warm regards,

**Umashankar Lath**

Chairman and Managing Director

Le Merite Exports Limited



## From the desk of the Managing Director

Dear Shareholders,

The financial year 2023-24 has been a crucial period for Le Merite Exports Limited, marked by our proactive efforts in navigating global economic factors and market dynamics. I am pleased to share that we have capitalised on strategic opportunities that will drive our future growth and position us for long-term success.



### **Navigating a Challenging Environment**

In the export market, which remains our primary focus, we continue to encounter significant geopolitical challenges. The ongoing Russia-Ukraine conflict has notably contracted demand in the European market, impacting the delivery of textile products. Additionally, new tensions in the Middle East have disrupted logistics in the Red Sea region and beyond, while also causing a further decline in demand. Freight costs have surged by 400-500% across key regions, including Europe, Turkey, Egypt, and South America, adding to our operational challenges. Furthermore, transit times have escalated significantly, compounding the complexities of our export operations.

### **A Breakthrough in Innovation: Licensing Agreement for Advanced Bed Sheets**

One of the most significant developments of this year has been our successful acquisition of a licensing agreement for the transfer of technology from Defence Research and Development Organisation (DRDO), department of the Ministry of Defence, Government of India, related to Anti-Bed Bug and Anti-Microbial bed sheets. This ground breaking technology represents a major leap forward for Le Merite Exports Limited, as it allows us to diversify our product offerings and enter new, high-potential market segments.

The demand for health-focused and hygienic specialised textile products is on the rise globally, and with this licensing agreement, we are well-positioned to capitalize on this trend. The Anti-Bed Bug and Anti-Microbial bed sheets will not only enhance our product portfolio but also align with our commitment to innovation and sustainability. We believe that this will be a key driver of growth in the coming years, enabling us to meet the evolving needs of our customers while also contributing to our financial recovery.

### **Strategic Focus on the Future**

As we look ahead, our focus remains on executing our strategic initiatives to drive growth and enhance shareholder value. We are committed to expanding our presence in key international markets, leveraging our new product offerings to tap into emerging



opportunities, and continuing to invest in technology and innovation to improve operational efficiencies.

Sustainability remains a cornerstone of our strategy, and we will continue to prioritize environmentally responsible practices across our operations. Our goal is to build a future where Le Merite Exports Limited is recognized not only for our financial performance but also for our contributions to a sustainable and equitable global textile industry.

### **In Gratitude**

I would like to express my sincere gratitude to our shareholders for your continued support and belief in our vision. Your trust in our leadership has been a source of strength as we navigate these challenging times. I would also like to thank our Stakeholders for their unwavering commitment to Le Merite Exports Limited.

Together, we will overcome the challenges of today and build a future that is prosperous, sustainable, and filled with new opportunities.

Warm regards,

**Abhishek Lath**

Managing Director & CFO  
Le Merite Exports Limited

## Management Discussion and Analysis Report

### **Global economic overview and outlook:**

The global economy faced a turbulent year in CY 2023, marked by rising interest rates and supply chain disruptions exacerbated by geopolitical tensions. Global growth slowed from 3.5% in CY 2022 to an estimated 3.2% in CY 2023, as inflationary pressures impacted both developed and developing nations. However, emerging markets, particularly in Asia and Latin America, showed resilience, with countries like India and Mexico benefiting from foreign capital inflows and robust domestic demand.

Looking ahead to CY 2024, global economic conditions are expected to stabilize as inflationary pressures ease. The IMF projects a modest rebound, driven by recovery in supply chains and policy adjustments aimed at supporting growth while keeping inflation in check. The textile industry is likely to benefit from this, especially as the demand for sustainable and value-added products continues to rise

Source

<https://www.custommarketinsights.com/report/india-textile-market/>

<https://www.mordorintelligence.com/industry-reports/global-textile-industry--growth-trends-and-forecast-2019---2024>

### **Indian Economy Overview and Outlook**

India continued to stand out as one of the fastest-growing major economies in CY 2023, with strong growth in manufacturing, services, and exports. The country's GDP growth was supported by increased public infrastructure spending and private consumption. The government's emphasis on self-reliance ("Aatmanirbhar Bharat") and export-led growth has positioned India favourably in the global market.

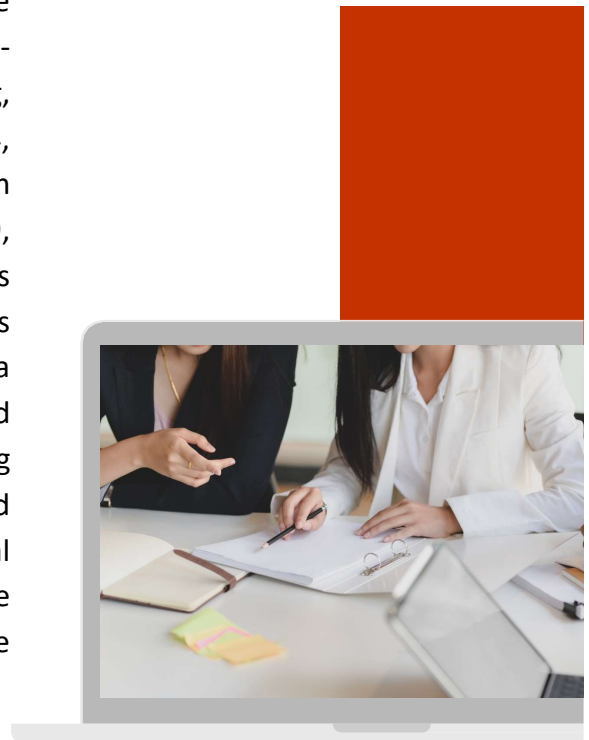
For FY 2023-24, the Indian economy is expected to maintain its growth momentum, driven by domestic demand and the expansion of sectors such as textiles, electronics, and pharmaceuticals. The government's ongoing reforms and incentives for industries, including the setup of textile parks and the production-linked incentive (PLI) schemes, are expected to further enhance India's manufacturing competitiveness

With improved business accessibility, the investment climate is becoming increasingly favourable. Rising consumer confidence, a progressing labour market, and increasing private consumption are encouraging the government to further enhance capital investment and reduce the budget deficit.

Source: <https://www.custommarketinsights.com/report/india-textile-market/>

### Global Textile Industry

The global textile industry encompasses textile manufacturing, refining, and retail clothing. As a multi-billion-dollar sector, it includes the production, refining, and sale of both synthetic and natural fibers. As of 2024, the textile market size is estimated at USD 748 billion and is projected to reach USD 889 billion by 2029, growing at a CAGR of 3.5% from 2024 to 2029. This dynamic market is dominated by key players such as China, the European Union, the US, and India. China holds the position of the largest textile producer and exporter globally. The European Union, with leading countries like Germany, Spain, France, Italy, and Portugal, accounts for more than one-fifth of the global textile industry. India stands as the third-largest textile manufacturer, contributing over 6% to global textile production.



With rapid industrialization and technological advancements, the textile industry is integrating modern installations to enhance production capacity. There is also a notable shift towards natural fibers such as cotton, silk, linen, wool, hemp, jute, and cashmere. These fibers are preferred for their low density and high strength compared to conventional fibers, leading to increased demand for fiber fabrics. Additionally, the post-pandemic focus on hygiene has boosted the popularity of natural fiber fabrics within the textile industry.

Source: <https://www.giiresearch.com/report/moi1433856-textile-market-share-analysis-industry-trends.html>

### Indian Cotton and Textile Market

As one of the largest textile industries globally, the Indian textile industry contributes approximately 2.3% to the country's GDP, 13% to industrial production, and 12% to total export earnings. India is a leading producer of cotton and jute and the second-largest producer of silk, with 95% of the world's hand-woven fabric originating from the country. India's total textile exports are projected to reach USD 65 billion by FY2026, with an expected growth rate of 10% CAGR from 2019-2020 to reach USD 190 billion by 2025-2026.

The Indian textiles and apparel industry boasts strengths across the entire value chain, from fiber, yarn, and fabric to apparel. It is highly diversified, encompassing a wide range of segments, including traditional handloom, handicrafts, wool, and silk products. India has been witnessing robust trade in technical textile products and has consistently been a net exporter. To further boost the sector, the government has launched the Production Linked Incentive Scheme with an approved outlay of ₹10,683 crore to promote the production of Man-Made Fibre Apparel, Man-Made Fibre Fabric, and technical textile products in the country

### **Opportunities and Threats:**

#### **Opportunities**

1. **Global Market Expansion:** With a growing demand for textile products globally, there is a significant opportunity for Indian textile companies to expand their market reach. The increasing preference for sustainable and ethically sourced products positions India well, given its large cotton production base and traditional expertise in textiles.
2. **Technological Advancements:** The adoption of new technologies such as AI, IoT, and automation can significantly enhance production efficiency, reduce costs, and improve product quality. Investment in smart manufacturing can lead to a competitive advantage.
3. **Government Support:** The Indian government has introduced several schemes and incentives, such as the Production Linked Incentive (PLI) scheme, to boost the textile sector. These initiatives aim to attract investment, promote exports, and create employment opportunities.
4. **Sustainability Trends:** There is a growing global trend towards sustainability in the textile industry. Companies focusing on sustainable practices, such as using organic cotton, reducing water consumption, and minimizing chemical usage, can tap into the increasing consumer demand for eco-friendly products.
5. **E-commerce Growth:** The rise of e-commerce platforms presents a significant opportunity for textile companies to reach a wider audience. Digital marketing and online sales can help in capturing the growing online consumer base, both domestically and internationally.

#### **Threats**

1. **Rising Raw Material Costs:** Fluctuations in the prices of raw materials, especially cotton, can impact profitability. Unpredictable weather patterns and

global supply chain disruptions can lead to increased costs and supply shortages.

2. **Competition from Other Countries:** India faces stiff competition from other textile-producing countries like China, Bangladesh, and Vietnam. These countries often have lower production costs and benefit from better infrastructure and more favorable trade agreements.
3. **Regulatory Challenges:** Compliance with various international standards and regulations can be complex and costly. Changes in trade policies, tariffs, and export-import regulations can pose significant challenges to the industry.
4. **Labor Issues:** The textile industry is labor-intensive and relies heavily on skilled and semi-skilled workers. Labor shortages, rising labor costs, and issues related to worker rights and safety can affect production and profitability.
5. **Environmental Concerns:** The textile industry is one of the largest polluters, and increasing environmental regulations can lead to higher compliance costs. Companies need to invest in sustainable practices and technologies to mitigate their environmental impact.
6. **Geopolitical Situation:** Ongoing international conflicts have caused disruption such as supply chain interruptions and changes in consumer behavior, continue to pose challenges. Companies need to be resilient and adaptable to navigate these uncertainties.

### Product Wise Performance



The Annual Report includes essential information, with detailed product-wise performance data available in Notes No. 21 of the Standalone Financial Statements and Consolidated Financial Statements respectively for the financial year ending on March 31, 2024.

#### **Risks and Concerns:**

The Management Discussion and Analysis section primarily consists of statements that may include forward-looking predictions based on perceptions and are, as a result, subject to potential risks and uncertainties. It

encompasses the collective sum of the Company's expectations, beliefs, assessments, and



projections, which may either be forward-looking or pessimistic in accordance with applicable laws and regulations. It is important to note that the actual outcomes may significantly differ from those expressed explicitly or implicitly in this context. Shareholders are advised to consider this factor in conjunction with the Company's financial statements.

#### **Internal Control Systems and Their Adequacy**

"The Company maintains a robust system of internal financial controls to ensure our financial statements are accurate and reliable. This system is designed to optimize operations, protect our resources, and ensure timely and precise financial reporting, while also ensuring compliance with all applicable procedures, laws, and regulations.

Our team is dedicated to testing and improving the effectiveness of our internal control systems as set by management. Throughout the year, these controls were thoroughly tested, and we're pleased to report that no significant weaknesses were found.

Our Audit Committee plays a vital role by reviewing and discussing the findings from internal audits in their meetings. They oversee any significant observations and ensure that appropriate actions are taken promptly to address any concerns raised.



## ■ Introducing LMEL– Company Overview

Le Merite Exports Limited (LMEL), established in 2003, is a prominent name in the cotton yarn and greige fabrics manufacturing industry. Renowned globally, “Le Merite” has become a trusted brand in numerous yarn-importing countries. Our strong relationships with customers and exclusive partnerships in top importing nations, such as Bangladesh, China, Turkey, Portugal, Egypt, Guatemala, South Korea, Spain, Italy, Vietnam, Thailand, Peru, UAE, and the USA, allow us to export to over 25 countries.

At LMEL, we believe in the power of team building and prefer to grow through an asset-light model. Our most significant investment is in acquiring top talent. With our marketing and branding expertise, our goal is to achieve the highest standards of customer satisfaction and loyalty.



### Mission

“Target is our mission – Revenue, Production, Team building, Enhancement of Sustainable product & most importantly value creation for all

### VISION

“Constant innovation to build sustainable & digital billion-dollar conglomerate”





## **CORE-VALUE**

At LMEL, we prioritize the well-being of people and the environment, believing that this focus enables us to make a positive impact. We trust in the dedication and capabilities of our team, expecting them to fulfill their responsibilities with unwavering commitment.

Our organization thrives on open and transparent communication, fostering a culture of trust and collaboration. By promoting a positive and inclusive environment, we build strong bonds and mutual respect among our team members.

Embracing sustainability is integral to our values and provides tangible benefits to our business. We believe that integrating sustainability into our operations drives profitability, revenue growth, enhances our reputation, boosts employee engagement, reduces turnover, and facilitates access to capital.

With a steadfast commitment to responsible business practices, we strive to meet our organizational goals while upholding principles of governance, sustainability, and our core values. This approach ensures that our actions align with our broader vision of creating a sustainable future for all.

At LMEL, we recognize the interconnectedness of profitability and sustainability. By operating with integrity, prioritizing sustainability, and staying true to our core values, we are confident in achieving long-term success while positively impacting the world.

## **Human Capital Management**

We believe that a company's most valuable asset is its human resources. Our philosophy acknowledges employees as dynamic contributors whose skills, dedication, and ingenuity drive the company's progress and success. We see employees not as passive entities but as active agents responsible for the company's growth and achievement of strategic goals.

In line with this belief, we consistently pursue the finest talent available, understanding that excellence, innovation, and adaptability are crucial in navigating a competitive marketplace. By attracting the best talent, we position ourselves to confidently face the complexities of an evolving business landscape.

## **Details of Significant Changes in the Key Financial Ratios:**

As per the Schedule V to the Listing Regulations read with Regulation 34(3) of the Listing Regulations, details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios of the Company including explanations therefor have been provided in note no. 31 of the Standalone Financial Statements of the Company.

## **Cautionary Statement:**

While the statements and views in this report reflect our best judgment, actual future results may differ.

## ACHIEVEMENTS AT A GLANCE



Mr. Samir V. Kamat, Chairman DRDO, handed over the LAToT to Mr. Sandeep Poddar, Company Secretary of Le Merite Exports Limited on May 23, 2024, at Tezpur, Assam.

### 1. Transfer of Technology from the Defence Research and Development Organisation (DRDO)

LMEL recently diversified into the lucrative businesses of Defence forces by obtaining a DRDO license. DRDO License enables LMEL to diversify from its traditional commodity-based manufacturing to high value customers like defence, Para Military forces, Ministry of home affairs forces (like CRPF, BSF), Railways, Government hospitals etc. LMEL recently secured a 10-Year License from DRDO for Advanced Antimicrobial and Anti-Bed Bug Bed Sheets Manufacturing.

The Licensing Agreement for Transfer of Technology (LAToT) was formally handed by DRDO to LMEL on May 23, 2024. The anti -microbial and anti-bed bug bed sheets represent a significant technological advancement and will undoubtedly propel the company towards achieving its long- term strategic goals. DRDO's advanced technology provides a unique selling proposition, distinguishing the LMEL products from competitors.

LMEL has started actively participating in government tenders for Ministry of Defence (Army, Navy, and Airforce) and Indian Railways operates extensive barracks for staff. Going forward, LMEL plans to become a reliable vendor for Indian defence & other central government organizations. This innovative technology, developed by the Defence Research Laboratory (DRL) of DRDO, Tezpur, Assam, marks a significant milestone in the company's strategic diversification efforts.

## 2. Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)



SRTEPC is the oldest Export Promotion Council in India promoting Exports of Indian man-made fibre and textiles.

Best Export Performance from STEPC for the year 2022-2023, Special Award in the Merchant Export Category presented by Textile Minister Shri Piyush Goyal ji.

Mr. Piyush Goyal Hon'ble Minister of Textiles presented the awards to Mr. Umashankar Lath, Chairman and MD and Mr. Abhishek Lath, MD & CFO of Le Merite Exports Limited.

## 3. Federation of Indian Exports Organisation (FIEO)

The company has been honoured with the 9th Set of Exports Excellence Award in the Three Star Export House (MSME) - Gold category for Fiscal Year 2021-2022 from the Federation of Indian Exports Organisation (FIEO) in an award ceremony held on June 22, 2024, and was duly received by Mr. Umashankar Lath, Chairman and MD and Mr. Abhishek Lath, MD & CFO of the Company.



## 4. Federation of Indian Exports Organisation (FIEO)



Mrs. Namita Nair, President - Yarn Exports, of Le Merite Exports Limited, has been awarded with 8<sup>th</sup> set of Export Excellence Award for outstanding performance in the Category of Women Entrepreneur – MSME during the year 2020-21 in an award ceremony held on June 22, 2024.



## NOTICE

Notice is hereby given that the Twenty-First Annual General Meeting of the Members of LE MERITE EXPORTS LIMITED (CIN - L17111MH2003PLC143645) will be held on Monday, September 30, 2024, at 4.00 p.m., through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"), to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Standalone Financial Statements for the Financial Year ended March 31, 2024, together with the reports of the Board and Auditors thereon.
2. To receive, consider, approve and adopt the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024, together with the report of the Auditors thereon.
3. To re-appoint Mr. Abhishek Lath (DIN 00331675), who is liable to retire by rotation, being eligible, seek re-appointment in terms of section 152(6) of the Companies Act, 2013.
4. To declare a Final Dividend on Equity Shares at the rate of 2% (Two percent) [i.e., paise 0.20/- (Twenty Paise only) per Equity Share of Face Value of 10/- (Rupees Ten Only)] for the Financial Year ended March 31, 2024.

**By the Order of the Board**

**Sd/-**

**Sandeep Poddar**

**Company Secretary and Compliance Officer**

Date: September 6, 2024

Place: Mumbai

### **Registered Office Address:**

Le Merite Exports Limited  
A-307, Boomerang Building,  
Chandivali Farm Road, Powai,  
Andheri (East), Mumbai – 400072.

## Notes

1. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular Nos. 14/2020 dated April 8, 2020, and 17/2020 dated April 13, 2020, about “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by “COVID-19”, General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023, concerning “Clarification on holding of Annual General Meeting (“AGM”) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)”, (collectively referred to as “MCA Circulars”) permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.\
2. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as “SEBI Circulars”), the Notice of the AGM along with the Integrated Annual Report for FY 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), collectively “Depositories”.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
4. Institutional shareholders/corporate shareholders (i.e., other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to Vijay Tiwari [csvijaytiwari@gmail.com](mailto:csvijaytiwari@gmail.com) with a copy marked to [ivote@bigshareonline.com](mailto:ivote@bigshareonline.com) Institutional shareholders (i.e., other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter, etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.

5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.lemeriteexports.com](http://www.lemeriteexports.com) The Notice can also be accessed from the websites of the Stock Exchange National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the AGM Notice is also available on the website of Bigshare Services Private Limited (agency for providing the Remote e-Voting facility) i.e., [www.ivote.bigshareonline.com](http://www.ivote.bigshareonline.com)
9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
10. A statement giving relevant details of the director seeking appointment/reappointment under item No.3 of the accompanying notice, as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed herewith as Annexure – I

11. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2024, to September 30, 2024 (both days inclusive).
12. The Dividend as recommended by the Board, if declared at the Meeting, will be paid, after deduction of applicable tax (TDS), within 30 days of the date of declaration i.e., September 30, 2024, to those Members whose names appear in the Register of Members of the Company on Record date i.e., September 23, 2024
13. The Company has appointed Mr. Vijay Kumar Tiwari, Practicing Company Secretary, proprietor of M/s Vijay S. Tiwari & Associates, Company Secretaries, Mumbai (ACS: 33084; COP: 12220) as Scrutinizer to scrutinize the e-voting process in fair and transparent manner
14. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [compliance@lemeriteexports.com](mailto:compliance@lemeriteexports.com) on or before September 23, 2024 by 05:00 PM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
15. The Board of Directors of the Company at its meeting have recommended a dividend of Paise 0.20/- per fully paid-up equity Share, for approval by the Members at the AGM.

Members may note that pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Shareholders effective April 1, 2020, and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. To enable compliance with TDS requirements, Members are requested to complete and/or update their Residential status, PAN and Category with their Depository Participants ('DPS') or in case shares are held in physical form with the Company / RTA by sending documents through e-mail.

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/ 15H, to avail the benefit of non-deduction of tax at source by email [tds@bigshareonline.com](mailto:tds@bigshareonline.com) by 11:59 p.m. IST on September 23, 2024. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [tds@bigshareonline.com](mailto:tds@bigshareonline.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on September 23, 2024

**THE INSTRUCTIONS FOR REMOTE E-VOTING ARE AS UNDER:**

- i. The voting period begins on Thursday, September 26, 2024, at 09:00 a.m. (IST) and ends on Sunday, September 29, 2024, at 05:00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as of the cut-off date of Monday, September 23, 2024, may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



1. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a> or visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of <b>BIGSHARE</b> the e-Voting service provider and you will be re-directed to <b>i-Vote</b> website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. <b>BIGSHARE</b>, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistrati on">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistrati on</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on <b>BIGSHARE</b> and you will be re-directed to <b>i-Vote</b> website for casting your vote during the remote e-voting period.</li> </ol>

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name <b>BIGSHARE</b> and you will be re-directed to <b>i-Vote</b> website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name <b>BIGSHARE</b> and you will be redirected to <b>i-Vote</b> website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

**2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

- You are requested to launch the URL on internet browser:  
<https://ivote.bigshareonline.com>
- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
  - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
  - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
  - Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

***Note** If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).*

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

**NOTE:** If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on '**LOGIN**' under '**INVESTOR LOGIN**' tab and then Click on '**Forgot your password?**'
- Enter "**User ID**" and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**Reset**'.  
*(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).*

#### **Voting method for shareholders on i-Vote E-voting portal:**

- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on "**VOTE NOW**" option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option "**IN FAVOUR**", "**NOT IN FAVOUR**" or "**ABSTAIN**" and click on "**SUBMIT VOTE**". A confirmation box will be displayed. Click "**OK**" to confirm, else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on investor portal.

#### **3. Custodian registration process for i-Vote E-Voting Website:**

- You are requested to launch the URL on internet browser:  
<https://ivote.bigshareonline.com>
- Click on "**REGISTER**" under "**CUSTODIAN LOGIN**", to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with "**User id and password will be sent via email on your registered email id**".  
**NOTE:** If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on '**LOGIN**' under '**CUSTODIAN LOGIN**' tab and further Click on '**Forgot your password?**'
- Enter "**User ID**" and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**RESET**'.  
*(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).*

**Voting method for Custodian on i-Vote E-voting portal:**

- After successful login, **Bigshare E-voting system** page will appear.

**Investor Mapping:**

- First you need to map the investor with your user ID under “**DOCUMENTS**” option on custodian portal.
  - Click on “**DOCUMENT TYPE**” dropdown option and select document type power of attorney (POA).
  - Click on upload document “**CHOOSE FILE**” and upload power of attorney (POA) or board resolution for respective investor and click on “**UPLOAD**”.
- Note:** The power of attorney (POA) or board resolution has to be named as the “**InvestorID.pdf**” (Mention Demat account number as Investor ID.)
- Your investor is now mapped and you can check the file status on display.

**Investor vote File Upload:**

- To cast your vote select “**VOTE FILE UPLOAD**” option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “**UPLOAD**”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on custodian portal.

**Helpdesk for queries regarding e-voting:**

Login type	Helpdesk details
Shareholder’s other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-Voting module available at <a href="https://ivote.bigshareonline.com">https://ivote.bigshareonline.com</a> , under download section or you can email us to <a href="mailto:ivote@bigshareonline.com">ivote@bigshareonline.com</a> or call us at: 1800 22 54 22.

**4. Procedure for joining the AGM/EGM through VC/ OAVM:**

**For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

- The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system** page will appear.

- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘EVENTS’ option on investor portal.
- Select event for which you are desire to attend the AGM/EGM under the dropdown option.
- For joining virtual meeting, you need to click on “VC/OAVM” link placed beside of “**VIDEO CONFERENCE LINK**” option.
- Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

**The instructions for Members for e-voting on the day of the AGM/EGM are as under:-**

- The Members can join the AGM/EGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM/EGM.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the AGM/EGM.

**Helpdesk for queries regarding virtual meeting:**

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions (‘FAQs’) available at <https://ivote.bigshareonline.com>, under download section or you can email us to [ivote@bigshareonline.com](mailto:ivote@bigshareonline.com) or call us at: 1800 22 54 22.

**By the Order of the Board**

**Sd/-**

**Sandeep Poddar  
Company Secretary and Compliance Officer**

Date: September 6, 2024

Place: Mumbai

**Annexure - I to Notice for Annual General Meeting**

Details of Directors Seeking Re-appointment at the forthcoming Annual General Meeting  
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements)  
Regulations, 2015)

Name of Director	Mr. Abhishek Lath
Date of Birth and Age	March 28, 1981, 43 years
Brief resume/experience and nature of expertise in specific functional areas.	Mr. Abhishek Lath, Managing Director and CFO of the company is an MBA in Finance from the prestigious college of Mumbai. He has 20 years of experience in the company and has grown the company from the start to the Government recognized 3 Star Export House
Terms and conditions of appointment / reappointment.	Retiring by rotation at the forthcoming Annual General Meeting and being eligible to seek re-appointment.
Details of Remuneration sought to be paid.	Rs. 66,00,000/- per annum Rs.5,50,000/- per month
Remuneration last drawn	Rs. 66,00,000/- per annum Rs.5,50,000/- per month
Qualification	Post Graduate
Number of shares held in the Company	5301200
Names of other companies in which the person also holds a directorship	M/s Burhanpur Integrated Textile Park Limited M/s Le Merite Fashions Private Limited M/s Le Merite Laxmi Spinning Private Limited M/s Le Merite Filament Private Limited
Number of Meetings of the Board attended during the year (i.e., F.Y. 2023-2024).	4 out of 4
Membership/ Chairmanship of the Committee on the Board of other Companies	Nil
Disclosure of Relationships between directors inter-se and with the KMPs.	Son of Mr. Umashankar Lath, Chairman & Managing Director, and Husband of Mrs. Sweta Lath, Executive Director of the Company

**BOARD'S REPORT**

To

The Members

**Le Merite Exports Limited**

Your directors have the pleasure to present the 21<sup>st</sup> Annual Report on the business and operations of your Company along with the Audited Financial Statements for the year ended March 31, 2024.

**Financial Results**

The Financial Results of the Company's performance for the year under review and those of the previous year are as follows: -

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Income From Operations	46,815.34	36,413.28	46,815.34	37,689.25
Other Income	370.93	311.04	373.38	321.66
<b>Total Income</b>	<b>47,186.26</b>	<b>36,724.32</b>	<b>47,188.72</b>	<b>38,010.91</b>
Expenses [Except Depreciation Expenses]	46,908.91	35,813.52	46,910.86	37,505.79
Profit / (Loss) Before Depreciation, Amortization and Taxation	277.36	910.80	277.86	505.12
Provision For Depreciation	46.61	60.64	46.61	60.64
Profit / (Loss) Before Extra- Ordinary Items [Net of Tax Expenses]	230.69	850.16	231.25	444.48
Less: Extra-Ordinary Items [Net of Tax Expenses]	-	-	-	-
Profit / (Loss) Before Tax	230.69	850.16	231.25	444.48
Less: Tax Expenses: -				
Current Tax	60.00	220.00	60.08	220.00
Deferred Tax	(3.56)	(5.51)	(3.56)	(5.51)
Excess / Short Tax Provision W/off	-	-	-	-
Profit / (Loss) before Minority Interest	-	-	174.73	229.99
Less: Minority Interest	-	-	0.21	(198.79)
<b>Profit / (Loss) After Tax</b>	<b>174.30</b>	<b>635.67</b>	<b>174.52</b>	<b>428.78</b>
<b>Paid-up Share Capital</b>	<b>2348.10</b>	<b>2348.10</b>	<b>2348.10</b>	<b>2348.10</b>



**COMPANY PERFORMANCE OVERVIEW**

During the year under review, your company reported the revenue from operation amounted to Rs. 46,815.34 lakh as against Rs. 36,413.28 lakh during the previous financial year 2022-23. The Net Profit of your Company, for the year amounted to Rs.174.30 lakh as against Rs. 635.67 lakh during the previous financial year 2022-23.

**State Of Affairs**

The Company is engaged in the business of manufacturing and trading of textile products namely cotton yarn, greige fabric and finished fabric. There is no change in the business of the Company during the financial year ended March 31, 2024.

**Material Changes and Commitments Affecting Financial Position Between the End Of The Financial Year And Date Of The Report**

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

**Dividend**

Your directors are pleased to recommend a final Dividend of 2% i.e., Paise 0.20 per Equity Share on the fully paid-up Equity Share of Rs. 10/- each for the financial year 2023-24 subject to the approval of shareholders at the ensuing Annual General Meeting. Accordingly, the Dividend for the FY 2023-24 is Paise 0.20 per share and the total outflow towards dividend on Equity Shares for the year under review would be Rs. 46.96 Lakh.

The Board continues to support a steady dividend policy and the recommended dividend in accordance with the Dividend Distribution Policy of the Company which is available on the website of the Company at the link: <https://www.lemeriteexports.com/pdf/Dividend-Distribution-Policy.pdf>

**Transfer to Reserve**

The Company has not transferred any amount to the Reserves for the year ended March 31, 2023.

**Capital Structure**

The Authorised Share Capital of the company as on March 31, 2024, was Rs. 2500.00 Lakh divided into 2,50,00,000 equity shares of Rs. 10/- each.

The paid-up equity shares capital of the company stood at Rs. 2348.10 Lakh consisting of 2,34,81,000 equity shares of Rs.10/- each.

During the year under review, the Company has not issued/allotted any shares.



### **Subsidiary / Joint Ventures / Associates**

As on March 31, 2024, the Company has 2 subsidiary companies pursuant to the provisions of section 129(3) of the Companies Act, 2013 read with the Companies (accounts) rules, 2014, a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in form AOC-1 is annexed herewith and marked as Annexure – 'I' to this Report.

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

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

### **Extracts of Annual Return**

As required under Section 134(3)(a) & Section 92(3) of the Act, the Annual Return is put up on the Company's website and can be accessed at [www.lemeriteexports.com](http://www.lemeriteexports.com) & Extracts of the Annual Return in form MGT 9 for the Financial Year 2023-24 is uploaded on the website of the Company and can be accessed at [www.lemeriteexports.com](http://www.lemeriteexports.com)

### **Directors' Responsibility Statement**

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

In the preparation of Annual Accounts, the applicable accounting standard have been followed along with proper explanations relating to material departures.

The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reason-able 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 March 31, 2024, and the Profit or Loss of the Company for the period;

The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and preventing and detecting fraud.

The Directors had prepared the Annual Accounts for the Financial Year Ended March 31, 2024, on a going concern basis.

the Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.

The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the standalone financial statements forming a part of this Annual Report.

**Fixed Deposits**

According to Chapter V of the Companies Act, 2013, the Company has not invited/ accepted any deposits from the public during the year ended March 31, 2024. Hence, there were no unclaimed or unpaid deposits as on March 31, 2024.

**Investor Education and Protection Fund (IEPF)**

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

**Internal Control Systems & Their Adequacy**

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

**Directors and Key Managerial Personnel**

The composition of the Board consists of the following persons:

**Key Managerial Personnel**

- |                     |   |   |
|---------------------|---|---|
| Mr. Umashankar Lath | - | Chairman and Managing Director                |
| Mr. Abhishek Lath   | - | Managing Director and Chief Financial Officer |
| Mr. Sandeep Poddar  | - | Company Secretary and Compliance officer      |

**Executive Directors**

1. Mrs. Sweta Lath

**Non-Executive, Independent Directors**

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

In accordance with the provisions of the Companies Act, 2013 and the Company’s Articles of Association, Mr. Abhishek Lath, Managing Director and CFO of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offer for re-appointment.

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

**Meetings of the Board**

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Secretarial Standard-1 issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government. During the year, 4 (Four) Board Meetings were held on the following dates:

- |                         |                         |
|-------------------------|-------------------------|
| (i) May 29, 2023        | (ii) September 07, 2023 |
| (iii) November 06, 2023 | (iv) March 02, 2024     |

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

Name of the Directors	Category	No. of Meetings	
		Held	Attended
Mr. Umashankar Lath	Chairman & Managing Director	4	2
Mr. Abhishek Lath	Managing Director & CFO	4	4
Mrs. Sweta Lath	Executive Director	4	4
Mr. Narendra Kumar Srivastava	Non-Executive, Independent Director	4	3
Mr. Jaydeep Purujit Mehta	Non-Executive, Independent Director	4	4
Mr. Rohit Agarwal	Non-Executive, Independent Director	4	2

**Independent Director’s Meeting**

During the year under review, the Independent Directors met on March 02, 2024, inter alia, to discuss:

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



Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

Evaluation of the quality, content, and timeliness of the flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting except Mr. Rohit Agrawal Non-Executive Independent Director of the Company.

#### **Declaration by Independent Directors**

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

Grievance Redressal Mechanism [Sebi Complaints Redress System (SCORES)]:

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are the centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. The Company had received one complaint on the SCORES during the financial year 2023-24 and the same was resolved in the prescribed timeline.

#### **AUDITORS' AND AUDITORS' REPORT**

##### **Statutory Auditors**

M/s. Nagori Nuwal & Co., Chartered Accountant was appointed as the statutory auditor of the company.

The Audit Report on the Financial Statements for the Financial Year ended on March 31 2024, issued by M/s. Nagori Nuwal & Co., Chartered Accountants, is unmodified and does not contain any qualifications, reservations, or adverse remarks. The information referred to in Auditor's Report is self-explanatory and hence does not require any further clarification.

The first proviso to section 139(1) of the Companies Act, 2013 has been omitted vide section 40 of the Companies (Amendment) Act, 2017 notified on May 07, 2018. Therefore, it is not mandatory for the Company to place the matter relating to the appointment of a statutory auditor for ratification by members at every Annual General Meeting. Hence the Company has not included the ratification of statutory auditors in the Notice of AGM.

During the Year under review, the Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

**Internal Auditor**

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

**Secretarial Audit**

The Board has appointed M/s. Vijay S. Tiwari & Associates, Practicing Company Secretaries, to carry out the Secretarial Audit pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2023-24. The Secretarial Audit Report for the Financial Year ended March 31, 2024, is annexed herewith and marked as Annexure – 'II' to this Report.

**Cost Records & Audit**

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

**Reporting of Frauds by Auditors**

During the year under review, the Statutory Auditors, and Secretarial Auditors have not reported any instances of fraud committed in the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

**Awards And Recognition**

Your Company has been conferred with the following awards and recognition during the year under review: -

1. Best Export Performance from STEPC for the year 2022-2023, Special Award in the Merchant Export Category.
2. The company has been honoured with the 9th Set of Exports Excellence Award in the Three Star Export House (MSME) - Gold category for Fiscal Year 2021-2022y from the Federation of Indian Exports Organisation (FIEO) in an award ceremony held on June 22, 2024

**Committees of the Board**

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

**[I] Mandatory Committees****(a) Audit Committee**

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

The Audit Committee is responsible for the recommendation of the appointment, remuneration, performance and oversight of the Internal and Statutory Auditors. It reviews the Reports of the Internal Auditors and Statutory Auditors. The Senior Management

Personnel are invited to the meetings of the Audit Committee, along with the Head of Internal Audit.

During the year under review, the Audit Committee met 4 (Four) times to deliberate on various matters. The Meetings were held on May 29, 2023, September 26, 2023, November 06, 2023, and March 02, 2024.

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

Name of the Directors	Category	No. of Meetings	
		Held	Attended
<b>Narendra Kumar Srivastava</b>	Chairman, Non-Executive, Independent Director	4	4
<b>Jaydeep Purujit Mehta</b>	Member, Non-Executive, Independent Director	4	4
<b>Abhishek Lath</b>	Member, Managing Director & CFO	4	4

**(b) Nomination and Remuneration Committee**

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

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

During the year under review, the Nomination and Remuneration Committee met once to deliberate on various matters. The Meeting was held on March 20, 2024.

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

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

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

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

#### **(i) Criteria of Selection of Non-Executive Directors**

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

#### **(ii) Remuneration**

- Pursuant to recommendation of the Nomination and Remuneration Committee and Approval of the Board of Directors, Independent Directors are entitled to sitting fees for attending Board Meetings and Committee Meetings within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, In addition, Independent Directors shall be entitled to receive reimbursement of expenses for participation in the Board/Committee Meetings.

#### **(c) Stakeholders Relationship and Grievance Committee**

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

During the year under review, the Stakeholders Relationship and Grievance Committee met once on March 20, 2024, in order to take on note the Share Transfer / Transmission / Demat of Shares / Sub-Division as intimated by the RTA of the Company.



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

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

### **Whistle Blower Policy and Vigil Mechanism**

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

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

Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy. However, no complaint of this nature has been received by the Audit Committee during the Fiscal year 2024. The Whistle Blower Policy of the Company can be accessed at the website of the Company at [www.lemeriteexports.com](http://www.lemeriteexports.com).

### **Risk Management Policy**

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

### **Staying one step ahead of risk**

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

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

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

**Orders passed by the Regulators**

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

**Disclosures under Sexual Harassment of Women**

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

During Fiscal year 2024, the Company has not received any complaints of sexual harassment.

**Conservation of Energy and Technology Absorption**

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

**Foreign Exchange Earnings Outgo**

During the period under review, there was Rs.33,003.61 lakhs Foreign Exchange Earnings and Rs.223.75 lakhs Foreign Exchange Outflow.

**Managerial Remuneration and Particulars of Employees**

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

**Particulars of Contracts and Arrangements with Related Parties**

All related party transactions are entered on an arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have



a potential conflict with the interest of the Company at large. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

### **Internal Financial Control**

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

### **Depository System**

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

### **Code of Conduct**

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

### **Secretarial Standards**

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

### **Listing Of Shares on The Stock Exchange**

The Company's equity shares are listed on Emerge Platform of the National Stock Exchange of India Limited.

### **business responsibility & sustainability report (BRSR)**

The Business Responsibility & Sustainability Reporting as required by regulation 34(2) (f) of the SEBI (listing obligations and disclosure requirement) regulations, 2015 is not applicable to the company for the financial year ending, March 31, 2024.



## **Corporate Governance & Management Discussion and Analysis Report**

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

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

### **Education, Training and Development**

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

### **Board Policies**

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

### **Corporate Social Responsibility**

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



### **Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification**

Regulation 17(8) of the Listing Obligations and Disclosures Requirements formulated by the Securities and Exchange Board of India (SEBI), the CEO/CFO certification is not applicable to your Company as it is an SME Listed Entity.

### **Green Initiative**

The MCA had undertaken the Green Initiative in Corporate Governance by allowing paperless compliances by companies through electronic mode. We request all the shareholders to support the 'Green Initiative' of the Ministry of Corporate Affairs and the Company's continuance towards greener environment by enabling the service of the Annual Report, AGM Notice and other documents electronically to your email address registered with your Depository Participant/ Registrar and Share Transfer Agent. The Company appeals to you, its Shareholders, who are yet to register the E-mail addresses that they take necessary steps for registering the same so that you can also become a part of the initiative and contribute towards a greener environment.

### **Familiarization programmer for Independent Director:**

The Company proactively keeps its directors informed of the activities of the Company, its Management and operations and provides an overall industry perspective as well as issues being faced by the industry.

### **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the performance evaluation of the chairman and Non-Independent Directors was carried out by the Independent Directors in their separate Meeting also reviewed the performance of the Board as whole.

The Nomination and Remuneration Committee has defined the evaluation criteria and procedure for the performance evaluation of the Board of Directors

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and Composition, effectiveness of Board process, information and functioning.

The Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance /support to the Management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board and encouraging active engagement of all Board Members.

Evaluation of Independent Directors was done by the entire Board, excluding the director being evaluated.



### **Prevention of Insider Trading:**

The board of Directors has adopted the Insider Trading Policy in accordance with the requirement of the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company as well as consequences of violation. The Policy has been formulated to regulate, monitor and ensure the reporting of deals by employees and to maintain the highest ethical standard of dealing in the Company's Shares.

The insider trading Policy of the Company covering the code of practices and procedures for fair disclosures of unpublished price-sensitive information and the code of conduct for the prevention of Insider Trading is available on the website: [www.lemeriteexports.com](http://www.lemeriteexports.com)

### **Other Disclosures**

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

### **Acknowledgement**

Your directors wish to thank the Shareholders, Clients, Bankers and Stakeholders at large for their continued support during the year. Your directors also wish to place on record their appreciation for the dedication and commitment of the Employees at all levels.

### **For and on Behalf of the Board of Directors**

**Abhishek Lath**

**Managing Director and CFO**

DIN: 00331675

Dated: September 6, 2024

Place: Mumbai

**DIRECTOR'S REPORT**  
**ANNEXURE – I**

**Form AOC- 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures**

**Part A Subsidiaries**

(Rs. in Lakh)

Sr. No.	Particulars	Name of Subsidiary	
		Le Merite Laxmi Spinning Private Limited	Le Merite Filament Private Limited
1	Date since when the subsidiary was acquired	December 15, 2021 (Date of Incorporation)	October 08, 2021 (Date of Incorporation)
2	The reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2024	March 31, 2024
3	Reporting currency and Exchange rate as on the date of the relevant financial year in the case of foreign subsidiaries	INR	INR
4	Share Capital	5.00	1.00
5	Reserves & Surplus	(402.00)	(3.47)
6	Total Assets	437.89	1.87
7	Total Liabilities	834.89	4.33
8	Investments	-	-
9	Turnover	2.46	-
10	Profit / (Loss) before Taxation	0.55	(0.04)
11	Provision for Taxation	0.08	-
12	Profit / (Loss) after Taxation	0.46	(0.04)
13	Proposed Dividend	-	-
14	% Of shareholding	51%	51%



**DIRECTOR'S REPORT**  
**ANNEXURE – II**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024  
*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**LE MERITE EXPORTS LIMITED**  
A-307, Boomerang, Chandivali Farm Road,  
Powai, Andheri (East), Mumbai-400072

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Le Merite Exports Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards."

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - f. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. **Not Applicable during the year under review.**
  - g. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable during the year under review.**
  - h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable during the year under review.**
  - j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the period under review.**
- (vi) As confirmed by the management, there are no sector/Industry-specific laws that are applicable specifically to the company.

I have also examined compliance with the applicable clauses of the following:

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



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

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in compliance with the provisions of the Act and Rules made thereunder and Secretarial Standards on Board Meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

During the period under review, decisions were carried out with unanimous approval of the Board and no dissenting views were observed while reviewing the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, circulars, notifications, directions and guidelines.

**I further report that** during the audit period the Company has not undertaken any event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, acts, rules, regulations, circulars, notifications, directions, guidelines, standards:

**For Vijay S. Tiwari & Associates  
Practicing Company Secretaries**

**Vijaykumar Tiwari  
Proprietor**

COP No. 12220

M. No. 33084

Peer Review Certificate No.: 1679/2022

UDIN: A033084F001030696

Date: 23/08/2024

Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this report.



To,  
The Members,  
**LE MERITE EXPORTS LIMITED**  
A-307, Boomerang, Chandivali Farm Road,  
Powai, Andheri (East), Mumbai-400072

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Vijay S. Tiwari & Associates**  
**Practicing Company Secretaries**

**Vijaykumar Tiwari**  
**Proprietor**  
COP No. 12220  
M. No. 33084  
Peer Review Certificate No.: 1679/2022  
UDIN: A033084F001030696

Date: 23/08/2024  
Place: Mumbai

**DIRECTOR’S REPORT**

**ANNEXURE – III**

**PARTICULARS OF MANAGERIAL REMUNERATION**

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

**A. Ratio of remuneration of each Director to the Median remuneration of the employees of the Company for the F Y 2023-24 as well as the percentage increase in remuneration of each Director:**

Name of Director	Ratio to Median Remuneration	% Change in Remuneration over the previous year*
<b>Executive Director</b>		
Mr. Umashankar Lath (Chairman and Managing Director)	919.41	50%
Mr. Abhishek Lath (Managing Director and CFO)	1348.47	65%
Mrs. Sweta Lath (Executive Director)	858.12	68%
<b>Key Managerial Personnel</b>		
Mr. Sandeep Poddar (Company Secretary and Compliance Officer)	163.58	51.83%

\* The remuneration for all three executive directors appears higher for FY 2023-24 compared to FY 2022-23. However, it is the same as the approved amount for FY 2021-22 (or earlier), as authorized by the Members.

**B. Percentage increase in median remuneration in the FY 2023-24: 28.94%**

**C. Number of Permanent employees on the roll of the Company as on 31/03/2024: 26**

**D.**

Particulars	% Change in Remuneration*
Average percentile increases in Salary of employees other than managerial personnel	<b>2%</b>
Average percentile increases in remuneration of managerial personnel	<b>38.74%</b>

\* The remuneration for all three executive directors appears higher for FY 2023-24 compared to FY 2022-23. However, it is the same as the approved amount for FY 2021-22 (or earlier), as authorized by the Members.

**E. Affirmations:** It is affirmed that the remuneration paid to the directors, key managerial personnel, and other employees is per the Company’s Remuneration Policy.



**DIRECTOR'S REPORT**

**ANNEXURE – IV**

**CFO Certification on Code of Conduct**

**The Board of Directors**

**Le Merite Exports Limited**

A-307, Boomerang, Chandivali Farm Road,  
Powai, Andheri (East)  
Mumbai-400072

I the undersigned; in my capacity as Chief Financial Officer of **LE MERITE EXPORTS LIMITED** ("the Company"), to the best of our knowledge and belief, hereby certify that;

- (a) We have reviewed the financial statements and the cash flow statements of the Company for the year ended March 31, 2024, and:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws, and regulations.
- (b) There are no transactions entered into by the company during the year ended March 31, 2024, which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements; and
  - (ii) Instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

**For LE MERITE EXPORTS LIMITED**

Abhishek Lath  
Managing Director and CFO  
DIN: 00331675

Place: Mumbai  
Date: September 6, 2024

**DIRECTOR’S REPORT  
ANNEXURE – V**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

CSR Report for the financial year ended March 31, 2024

[Pursuant to Section 135 of the Companies Act, 2013]

- 1. A brief outline of the Company’s CSR policy, including an overview of projects or programmes proposed to be undertaken and a reference to the web link to the CSR policy and projects or programmes.**

LMEL is committed to supporting vulnerable groups within the community. The company has expanded its corporate social responsibility (CSR) programs to include a wider range of societal segments, providing aid to the disadvantaged, poor, and marginalized populations. Additionally, LMEL is developing social infrastructure to promote their welfare. Details of the CSR Policy are available on the company’s website. You can view the policy at [www.lemeriteexports.com](http://www.lemeriteexports.com).

- 2. The Composition of the CSR Committee.**

Sr. No.	Name of Director	Designation	No. of CSR Committee Meetings Held during the year	No. of CSR Committee Meetings attended during the year
1	Mr. Rohit Agrawal	Chairman	1	1
2	Mr. Abhishek Lath	Member	1	1
3	Mrs. Sweta Lath	Member	1	1

- 3. Provide the web link where the Composition of the CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

<https://www.lemeriteexports.com/corporate-social-responsibility.html>

- 4. Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

- Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amount required for set off for the financial year, if any

Sr. No	Financial Year	The amount available for set-off from preceding financial years (Rs.)	The amount required to be set off for the financial year, if any (Rs.)
1	NA		

6. Average net profit of the company as per section 135(5): Rs.15,21,70,083 /-

7. (a) Two per cent of the average net profit of the company: **Rs.30,43,402/-**  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**  
 (c) Amount required to be set off for the financial year, if any: **Not Applicable**  
 (d) Total CSR obligation for the financial year: **Rs.30,43,402/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs.)	Amount Unspent (Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		The amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5).		
	Amount (Rs.)	Date of Transfer	Name of Fund	Amount	Date of Transfer
3,48,000/-	28,17,402/-	April 29, 2024	Not Applicable		



**(b) Details of CSR amount spent against ongoing projects for the financial year:**

Sr. No.	Name of Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Reg. No.
1	The welfare of differently abled and underprivileged people of the community.	Promoting health care including preventive healthcare	Yes	Maharashtra	Manmad	Ongoing/ Multi-Year	50,000/-	NA	NA	No	Maharashtra Apang Unnati Seva Trust	CSR00026614
2	Providing underprivileged children in India, with free education, nutrition, and skill development.	Promoting education	Yes	Maharashtra	Palghar	Ongoing/ Multi-Year	75,000/-	NA	NA	No	Disha Foundation	CSR00039465
3	Serving the underprivileged, providing a haven for mistreated animals, and making every possible effort	Promoting education, promoting health care including preventive healthcare,	No	Gurgaon	Haryana	Ongoing/ Multi-Year	22,000/-	NA	NA	No	The Earth Saviour Foundation	CSR00002026





	to protect the environment	Animal Husbandry										
4	Provides a loving and temporary home for the parent or caretaker and the child undergoing the treatment for cancer	Promoting health care and eradication of poverty	Yes	Maharashtra	Mumbai	Ongoing/ Multi-Year	50,000/-	NA	NA	No	Access Life Assistance Foundation	CSR00000715
5	Enabling women and children community especially persons with blindness, destitute, physically handicapped, leprosy, & old age persons etc., to access the resources available to the society.	Promoting health care and eradication of poverty	No	Karnataka	Bangalore	Ongoing/ Multi-Year	36,000/-	NA	NA	No	The New Mighty Grace Charitable Trust	CSR00004500
6	Helping the Animals in need	Animal Husbandry	No	Uttarakhand	Haridwar	Ongoing/ Multi-Year	15,000/-	NA	NA	No	Anti-Pollution Charitable Trust	CSR00046998
7	Helping the Animals in need	Animal Husbandry	No	M.P.	Burhanpur	Ongoing/ Multi-Year	1,00,000	NA	NA	No	Gayatri Parivar Rachanatmak Trust	CSR00057854

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

(d) Amount spent on Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.3,48,000/-

(g) Excess amount for set off, if any: Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (Rs.)	Amount spent in the reporting Financial Year (Rs.)	The amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years.
				Name of Fund	Amount (Rs.)	Date of Transfer	
1	2021-22	10,00,000	7,28,5000	Not Applicable			Nil
2	2022-23	17,18,480	12,34,800	Not Applicable			4,83,480/-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was Commenced	Project Duration	Total Amount Allocated for the Project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed / Ongoing
1	CSR-22/23-001	Akshya Pratisthan	2022-23	Ongoing/ Multi-Year	1,25,000	1,25,000	1,25,000	Ongoing/ Multi-Year
2	CSR-22/23-002	Anand Ashram Charitable Trust	2022-23	Ongoing/ Multi-Year	25,000	25,000	25,000	Ongoing/ Multi-Year
3	CSR-22/23-003	Ashraya Foundation	2022-23	Ongoing/ Multi-Year	25,000	25,000	25,000	Ongoing/ Multi-Year
4	CSR-22/23-004	Atma Foundation	2022-23	Ongoing/ Multi-Year	50,000	50,000	50,000	Ongoing/ Multi-Year



5	CSR-22/23-005	Blind Welfare Council	2022-23	Ongoing/ Multi-Year	50,000	50,000	50,000	Ongoing/ Multi-Year
6	CSR-22/23-007	Disha Foundation	2022-23	Ongoing/ Multi-Year	2,00,000	35,000	1,10,000	Ongoing/ Multi-Year
7	CSR-22/23-007	Dream Girl Foundation	2022-23	Ongoing/ Multi-Year	1,50,000	75,000	95,000	Ongoing/ Multi-Year
8	CSR-22/23-008	Hemkunt Foundation	2022-23	Ongoing/ Multi-Year	50,000	25,000	25,000	Ongoing/ Multi-Year
9	CSR-22/23-009	Hkm Charitable Foundation	2022-23	Ongoing/ Multi-Year	1,00,000	1,00,000	1,00,000	Ongoing/ Multi-Year
10	CSR-22/23-010	Kokan Kala Shikshan	2022-23	Ongoing/ Multi-Year	1,00,000	1,00,000	1,00,000	Ongoing/ Multi-Year
11	CSR-22/23-011	Makkala Jagriti	2022-23	Ongoing/ Multi-Year	25,000	25,000	25,000	Ongoing/ Multi-Year
12	CSR-22/23-012	Narayan Seva Sansthan	2022-23	Ongoing/ Multi-Year	50,000	50,000	50,000	Ongoing/ Multi-Year
13	CSR-22/23-013	National Organisation For Social Empowerment	2022-23	Ongoing/ Multi-Year	1,50,000	89,800	1,31,800	Ongoing/ Multi-Year
14	CSR-22/23-014	Pratirodh Sansthan	2022-23	Ongoing/ Multi-Year	50,000	50,000	50,000	Ongoing/ Multi-Year
15	CSR-22/23-015	Rotary Avoidable Blindess Foundation	2022-23	Ongoing/ Multi-Year	50,000	50,000	50,000	Ongoing/ Multi-Year
16	CSR-22/23-019	Rotary Club Of Mumbai	2022-23	Ongoing/ Multi-Year	50,000	50,000	50,000	Ongoing/ Multi-Year
17	CSR-22/23-021	Servetogether Foundation	2022-23	Ongoing/ Multi-Year	25,000	25,000	25,000	Ongoing/ Multi-Year
18	CSR-22/23-022	Sharasvati Aadhar Foundation	2022-23	Ongoing/ Multi-Year	75,000	75,000	75,000	Ongoing/ Multi-Year
19	CSR-22/23-023	Swashtya Swaraj Society	2022-23	Ongoing/ Multi-Year	25,000	25,000	25,000	Ongoing/ Multi-Year



20	CSR-22/23-024	The Earth Saviour Foundation	2022-23	Ongoing/ Multi-Year	5,00,000	99,000	1,98,000	Ongoing/ Multi-Year
21	CSR-22/23-025	The New Mighty Grace Charitable Trust	2022-23	Ongoing/ Multi-Year	1,00,000	86,000	86,000	Ongoing/ Multi-Year

**10. In case of creation or acquisition of the capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable

**11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5):** The CSR committee has identified some projects to spend a substantial amount of Rs.30.43 Lakhs but delay in implementation of such projects resulted in to an unspent amount of Rs. 26.95 Lakhs towards CSR activities which is transferred the unspent CSR Account as per the provisions of the Section 135 of the Companies Act, 2013.

**DIRECTOR'S REPORT****ANNEXURE – VI****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

The Members,

**LE MERITE EXPORTS LIMITED**

A-307, Boomerang, Chandivali Farm Road,  
Powai, Andheri (East), Mumbai-400072

I have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of **Le Merite Exports Limited** having **CIN: L17111MH2003PLC143645** and having registered office at A-307, Boomerang, Chandivali Farm Road, Powai, Andheri (East), Mumbai-400 072. (Hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Appointment Date on Current Designation</b>
<b>1.</b>	Mr. Umashankar Lath	05135035	18.11.2021
<b>2.</b>	Mr. Abhishek Lath	00331675	18.11.2021
<b>3.</b>	Mrs. Sweta Lath	07213314	18.11.2021
<b>4.</b>	Mr. Narendra Kumar Srivastava	09439120	25.01.2022
<b>5.</b>	Mr. Jaydeep Purujit Mehta	06952808	25.01.2022
<b>6.</b>	Mr. Rohit Agrawal	01924587	25.01.2022

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the



future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Vijay S. Tiwari & Associates  
Practicing Company Secretaries**

**Vijaykumar Tiwari  
Proprietor**

COP No. 12220

M. No. 33084

Peer Review Certificate No.: 1679/2022

UDIN: A033084F001030795

Date: 23/08/2024

Place: Mumbai



## **STANDALONE INDEPENDENT AUDITOR'S REPORT**

**To the Members of LE MERITE EXPORTS LIMITED,**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of **LE MERITE EXPORTS LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2024, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules 2016 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

The key audit matters	How our audit addressed the key audit matter
Valuation of Inventory - Refer to Notes 16 and 24 to the standalone financial statements	
<p>The Company’s inventory primarily comprises cotton, yarn and fabric. Inventories are valued at lower of cost or net realizable value. There is a risk that inventories may be stated at values that are more than their net realizable value (‘NRV’).</p> <p>We identified the valuation of inventories as a key audit matter as the Company held significant inventories and significant degree of management judgment was involved in valuing the inventories.</p>	<ul style="list-style-type: none"> <li>• Evaluating the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect.</li> <li>• Obtained an understanding of and performed the test of design, implementation and operating effectiveness of the Company’s key internal controls over the process for valuation of inventories.</li> <li>• Compared the cost of raw materials with supplier invoices for selected samples. For work-in-progress and finished goods, we understood the determination of the net realizable value and assessing, testing and evaluating the reasonableness keeping in view the significant judgments applied by the management concerning overhead allocation by assessing the cost of the items included in overhead absorption for selected samples.</li> <li>• In connection with NRV testing, we have compared carrying value to the selling price prevailing around and subsequent to the year end for the selected samples.</li> </ul>

**Information Other than the Financial Statements and Auditor’s Report Thereon.**

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

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

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

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





### **Responsibility of Management for Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we

give in the “**Annexure A**” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”, to this report.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended,  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed details regarding pending litigations in note 28 of the standalone financial statements, which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note No. 2.5 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

**Place: Mumbai  
Date: 25<sup>th</sup> May, 2024  
UDIN: 24076554BKLBBV4771**

**CA Shankar Lal Laddha  
Partner  
M No.: 076554**



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

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

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

- i.
  - a)
    - A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
    - B. The Company do not have any intangible assets, no disclosure required.
  - b) The Company has a regular program of physical verification of its Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us by the management, no material discrepancies were noticed on such verification.
  - c) Based on our examination of the property tax receipts and registered sale deed / transfer deed/ conveyance deed provided to us, we report that, title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the Standalone Financial Statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the monthly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii. The Company has granted unsecured loans to parties, during the year, in respect of which:

- a) The Company has provided loans during the year, and details of which are given below:

Particulars	Aggregate amount of Loan granted during year (In Lakhs)	Balance outstanding as at balance sheet date: (In Lakhs)
- Subsidiaries	0.10	387.44
- Other than Subsidiaries	90.00	446.95

- b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- 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 (I) 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, duty of customs, duty of excise, Goods & Services Tax and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of income tax, duty of customs, duty of excise, Goods & Services Tax and other material statutory dues in arrears as at 31<sup>st</sup> March, 2024 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 and all past disputes have been resolved under the Maharashtra VAT Amnesty Scheme, 2022.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during year in the tax assessments under the Income Tax Act, 1961.
- ix.
- (a) The company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
  - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) The term loans taken by the company has been applied for the purpose for which the loans were obtained.
  - (d) On an overall examination of the Standalone Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
  - (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x.
- (a) Monies raised during the year by the Company by way of initial public offer was applied for the purpose for which they were raised. The Company has not raised any monies by way of or further public offer (including debt instruments) during the year.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi.
- (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
  - (c) No whistle blower complaints were received by the company for year ended 2023-24.

- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the companies Act, 2013 are not applicable to the company.
- xvi.
- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.





xx.

- (a) In respect of other than ongoing projects, the company has transferred the unspent amount of Rs. 26.95 Lakhs to unspent Corporate Social Responsibility (CSR) Account.
- (b) In respect of ongoing projects, the company do not have any ongoing projects hence reporting under clause 3(xx)(b) of the Order is not applicable.

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

**Place: Mumbai  
Date: 25<sup>th</sup> May, 2024  
UDIN: 24076554BKLBV4771**

**CA Shankar Lal Laddha  
Partner  
M No.: 076554**

**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 31<sup>st</sup> March, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting Standards issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financials Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place: Mumbai  
Date: 25<sup>th</sup> May, 2024  
UDIN: 23076554BGZZMZ6434**

**CA Shankar Lal Laddha  
Partner  
M No.: 076554**



## Standalone Balance Sheet as on March 31, 2024

(Amount in Lakhs)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>(1) Shareholders' Funds</b>			
Share Capital	2	2,348.10	2,348.10
Reserves and Surplus	3	7,258.03	7,231.13
		9,606.13	9,579.23
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
Long-Term Borrowings	4	183.65	144.12
Other Long Term Provisions	5	24.23	18.55
		207.89	162.67
<b>(4) Current Liabilities</b>			
Short-Term Borrowings	6	8,682.22	8,120.00
Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7	1,184.71	2,101.41
Other Current Liabilities	8	88.57	220.90
Short-term Provisions	9	2.99	3.40
		9,958.50	10,445.71
<b>Total</b>		<b>19,772.52</b>	<b>20,187.61</b>
<b><u>ASSETS</u></b>			
<b>(1) Non-Current Assets</b>			
Property Plant and Equipment and Intangible Assets			
Property Plant and Equipment	10	209.89	249.91
Capital work-in-progress	10	831.79	696.72
Non-Current Investments	11	110.68	110.68
Deferred Tax Asset	12	9.91	6.35
Long Term Loans and Advances	13	446.95	409.18
Other Non Current Asset	14	233.10	233.85
		1,842.32	1,706.69
<b>(2) Current Assets</b>			
Current Investments	15	113.65	89.75
Inventories	16	1,566.82	1,615.77
Trade Receivables	17	8,898.29	9,215.64
Cash and Cash Equivalents	18	4,490.76	4,197.96
Short-Term Loans and Advances	19	2,637.07	3,208.60
Other Current Assets	20	223.60	153.20
		17,930.19	18,480.91
<b>Total</b>		<b>19,772.52</b>	<b>20,187.61</b>

As per our report of even date

For Nagori Nuwal & Co  
Chartered Accountant  
(FRN 08185C)

CA Shankar Lal Laddha  
Partner  
(Membership No 76554)  
UDIN: 24076554BKLBV4771  
Place: Mumbai  
Date: May 25, 2024

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

Abhishek Lath      Umashankar Lath  
MD & CFO            Chairman & MD  
(DIN - 00331675)    (DIN - 05135035)

Sandeep Poddar  
Company Secretary  
(M. No. - A69365)



**Standalone Statement of Profit and Loss Account for the year ended March 31, 2024**  
(Amount in Lakhs)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>(A) REVENUE</b>			
Revenue From Operations	21	46,815.34	36,413.28
Other Income	22	370.93	311.04
<b>Total Income</b>		<b>47,186.26</b>	<b>36,724.32</b>
<b>(B) EXPENDITURE</b>			
Purchases	23	43,361.11	32,993.40
Changes in Inventories	24	48.95	(358.96)
Employee Benefits Expenses	25	351.25	281.96
Finance Costs	26	736.04	412.81
Depreciation and Amortization Expense	10	46.61	60.64
Other Expenses	27	2,411.54	2,484.32
<b>Total Expenditure</b>		<b>46,955.51</b>	<b>35,874.16</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>230.75</b>	<b>850.17</b>
Exceptional Items		-	-
<b>Profit Before Extraordinary Items and Tax</b>		<b>230.75</b>	<b>850.17</b>
Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>230.75</b>	<b>850.17</b>
<b>Tax Expense:</b>			
(1) Current tax		60.00	220.00
(2) Deferred tax		(3.56)	(5.51)
<b>Profit for the year</b>		<b>174.30</b>	<b>635.68</b>
<b>Earning per equity share of the face value of Rs.10/- each</b>			
(1) Basic	30	0.74	2.71
(2) Diluted	30	0.74	2.78

As per our report of even date

For Nagori Nuwal & Co  
Chartered Accountant  
(FRN 08185C)

CA Shankar Lal Laddha  
Partner  
(Membership No 76554)  
UDIN: 24076554BKLBV4771  
Place: Mumbai  
Date: May 25, 2024

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

Abhishek Lath MD & CFO  
(DIN - 00331675) Umashankar Lath  
Chairman & MD  
(DIN - 05135035)

Sandeep Poddar  
Company Secretary  
(M. No. A69365)



Standalone Cash Flow Statement for the year ended March 31, 2024

(Amount in Lakhs)

Particulars	As at 31st March, 2024 (Audited)	As at 31st March, 2023 (Audited)
<b>A. Cash flow from Operating Activities</b>		
Profit/(loss) before tax	230.75	850.17
<b>Adjustment For :</b>		
Depreciation	46.61	60.64
Provisions	(24.72)	(42.63)
<b>Operating Profit/(Loss) before Working Capital changes</b>	252.64	868.17
Adjustment for increase/decrease in:		
Increase / Decrease in trade payables	(916.70)	186.96
Increase / Decrease in other current liabilities	(132.32)	(932.08)
Increase / Decrease in inventories	48.95	(358.96)
Increase / Decrease in trade receivables	317.36	3,466.25
Increase / Decrease in short term loans & advances	571.53	(1,047.03)
Increase / Decrease in other non current asset	0.75	(0.75)
Increase / Decrease in other current assets	(70.41)	(124.68)
<b>Operating Profit/(Loss) after Working Capital changes</b>	<b>71.79</b>	<b>2,057.88</b>
<b>Operating Profit/(Loss) before Tax</b>	71.79	2,057.88
Less : Tax Paid (Net)	(60.00)	(220.00)
<b>Net Cash generated from Operating Activities</b>	<b>(A) 11.79</b>	<b>1,837.88</b>
<b>B. Cash flow from Investment Activities</b>		
Payment towards capital expenditure	(135.07)	(711.98)
Payment towards fixed assets	(6.60)	-
Non- Current Investments	-	-
Current Investments	(23.90)	(19.54)
<b>Net Cash From Investment Activities</b>	<b>(165.57)</b>	<b>(731.52)</b>
<b>C. Cash flow from Financing Activities</b>		
Increase in Long Term Borrowings	39.54	(10.88)
Increase in Short Term Borrowings	562.22	(1,712.96)
Proceeds from fresh issue of IPO	-	4,800.00
IPO Expenses Incurred	-	(170.33)
Dividend Paid	(117.41)	(234.81)
Long Term Loans and Advances	(37.77)	(402.99)
<b>Net Cash from Financing Activities</b>	<b>(C) 446.58</b>	<b>2,268.04</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(A+B+C) 292.81</b>	<b>3,374.40</b>
Cash and Cash Equivalents at the beginning of the year	4,197.95	823.56
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>4,490.76</b>	<b>4,197.95</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	28.13	24.23
Balances with banks	4,462.62	4,173.72
<b>Total</b>	<b>4,490.75</b>	<b>4,197.95</b>

1 ) All figures in brackets are outflow

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

As per our report of even date

For Nagori Nuwal & Co  
Chartered Accountant  
( FRN 08185C )

CA Shankar Lal Laddha  
Partner  
( Membership No 76554 )  
UDIN: 24076554BKLBV4771  
Place: Mumbai  
Date: May 25, 2024

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

**Abhishek Lath**  
MD & CFO  
(DIN - 00331675)

**Umashankar Lath**  
Chairman & MD  
(DIN - 05135035)

**Sandeep Poddar**  
Company Secretary  
(M. No. A69365)

**Notes to the Standalone Financial Statement as at and for the year ended 31 March 2024****Note 1: Statement of Significant Accounting Policies****a) Basis of Preparation**

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

**Use of Estimates:**

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

**b) Property, Plant and Equipment**

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

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

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

**c) Intangible Assets**

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

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

Intangible assets are amortized over their useful life.

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

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

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

**e) Impairment**

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

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

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**f) Investments**

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

**g) Borrowing costs:**

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

**h) Leases:****i) Finance lease:**

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



ii) Operating lease:

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

**i) Inventories**

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

Cost is ascertained as,

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

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

**j) Revenue Recognition**

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

**Sale of Goods**

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

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

**Interest**

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

**Service Income**

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

**Dividend Income**

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

**Export Incentives**

Income from Exports Incentives received for Export Sales such as Duty Drawback or RoDTEP Licenses is recognized as income on Accrual basis together with the Export Sales.

**k) Foreign Currency Translation****Initial recognition**

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

**Conversion**

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

**Exchange differences**

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

**l) Employee benefits****(i) Defined Contribution Plan**

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

**(ii) Defined Benefit Plan**

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

**m) Income taxes**

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

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

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

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

**n) Earnings per share**

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

**o) Provisions**

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

reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

**p) Contingent liabilities**

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

**q) Cash and Cash equivalents**

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

**r) Research and Development**

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

**s) Cash Flow Statement**

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

**Note 2: Share Capital**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Authorised Share Capital</b> 2,50,00,000 (P.Y. 2,50,00,000) Equity Shares of Rs 10 each	2,500.00	2,500.00
<b>Issued, Subscribed, and paid up:</b> 2,34,81,000 (P.Y. 2,34,81,000) Equity Shares of Rs 10 each fully paid up	2,348.10	2,348.10
<b>Total</b>	<b>2,348.10</b>	<b>2,348.10</b>

**Terms and Rights attached to Equity Shares:**

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

**Note 2.1:**

**Terms and Rights attached to Equity Shares:**

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

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

(Amount in Lakhs)

Name of the Shareholder	As at 31st March, 2024		As at 31st March, 2023	
Abhishek Umashankar Lath	53.01	22.58%	52.50	22.36%
Asha Umashankar Lath	68.34	29.10%	68.34	29.10%
Umashankar Narhmal Lath	20.25	8.62%	20.25	8.62%
Sweta Lath	15.90	6.77%	15.90	6.77%
Umashankar Narhmal Lath HUF (Karta)	13.80	5.88%	13.80	5.88%
	<b>171.30</b>		<b>170.79</b>	

**Disclosure of Promoters Holding:**

Name	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
	No of Shares (in lakhs)	% of Total Share	No of Shares (in lakhs)	% of Total Share	
Abhishek Umashankar Lath	53.01	22.58%	52.50	22.36%	0.98%
Asha Umashankar Lath	68.34	29.10%	68.34	29.10%	-
Umashankar Narhmal Lath	20.25	8.62%	20.25	8.62%	-
Sweta Lath	15.90	6.77%	15.90	6.77%	-
Abhishek Umashankar Lath HUF (Karta)	0.01	0.00%	0.01	0.00%	-
Umashankar Naharmal Lath HUF (Karta)	13.80	5.88%	13.80	5.88%	-
	<b>171.31</b>		<b>170.80</b>		

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

(Amount in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Equity Share at the beginning of the year	234.81	170.81
Add : Shares Issued	-	-
Add : IPO Issued	-	64.00
Less : Shares transfer from Shareholder	-	-
Equity Share at the end of the year	<b>234.81</b>	<b>234.81</b>

**2.4** Pursuant to the approval of the shareholders in FY 22-23, the company has made an Initial Public Offer (IPO) of 64,00,000 Equity Shares each of Rs. 75/- having face value of Rs. 10/- per share and share premium of Rs. 65/- per share aggregating to Rs. 4,800 Lakhs. The allotment for the said IPO was made on 04th May, 2022 ranking pari-pasu with the existing shares. The shares of the company were listed on NSE Emerge (SME Platform of National Stock Exchange of India Limited (NSE)) on 09th May, 2022.

**2.5** The Board of Directors at its meeting held on 25th May, 2024 had recommended the dividend @ 2% amounting to Rs. 0.20/- per equity share of Rs. 10/- each for the FY 2023-24.

**Note 3: Reserves and Surplus**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
<b>Profit and loss Account</b>				
As per last Balance sheet	3,241.45		2,840.59	
Less: Excess / Short Tax Provisions Previous Years	30.00		-	
Less: Dividend Paid	117.41		234.81	
Add: Profit for the year	174.30	3,268.35	635.68	3,241.46
Share Premium	3,989.67		4,160.00	
Less: IPO expenses	-	3,989.67	170.33	3,989.67
<b>Total</b>		<b>7,258.03</b>		<b>7,231.13</b>

3.1 The company have incurred IPO Expenses in FY 2022-2023 and the same is utilised against the Securities Premium.

**Note 4:**

**Long Term Borrowings**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Non-Current	Current	Non-Current	Current
<b>Secured Loans</b>				
Jaguar Car Loan	21.76	15.01	36.77	13.97
Jeep Car Loan	9.58	5.82	15.39	5.40
Tata Harrier Car Loan A	8.13	4.63	12.76	4.28
Tata Harrier Car Loan B	9.14	3.30	12.44	3.04
<b>Unsecured Loans</b>				
From Directors	135.05	-	66.75	-
<b>Total</b>	<b>183.65</b>	<b>28.76</b>	<b>144.12</b>	<b>26.70</b>



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

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

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

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

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

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

**Note 5:**

**Other Long-Term Provisions**

(Amount in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>For Employee Benefits</b> - Gratuity payable	24.23	18.55
<b>Total</b>	<b>24.23</b>	<b>18.55</b>



**Note 6: Short Term Borrowings**

(Amount in lakhs)

Particulars	As at		As at	
	31st March, 2024		31st March, 2023	
<b>Secured</b>	-	-	-	-
<b>Working Capital Loan From Bank:-</b>				
Export Packing Credit (Shinhan Bank)		1,307.00		1,171.00
Export Packing Credit (ICICI Bank)		835.87		357.71
Export Packing Credit (UCO Bank)		1,475.28		1,499.96
Export Packing Credit (HDFC Bank)		1,135.74		136.21
L.C. Bill Discounting (ICICI Bank)		358.75		24.48
L.C. Bill Discounting (Shinhan Bank)		1,114.01		3,169.26
L.C. Bill Discounting (UCO Bank)		57.95		-
OD Facility (UCO Bank)		2,368.87		1,734.70
<b>Current Maturities of long term debts</b>				
Motor Car Loans		28.76		26.70
<b>Total</b>	-	<b>8,682</b>	-	<b>8,120.00</b>

6.1 Working Capital facility from Shinhan Bank is primarily secured against paripasu charge by way of Hypothecation on the entire inventory, receivables, bills and other chargeable current assets of the company (both present and future) to the extent of 23.16% of share and the collateral security as Equitable Mortgage by deposit of title deeds on premises of the Company situated in B1104D, Boomerang Building, Mumbai, Two Residential Flats in name of Directors situated in Powai, liquid collateral in form of Fixed Deposits of Rs. 2.25 Crs and the personal guarantee of Mr. Abhishek Lath, Mrs Sweta Lath, Mr. Umashankar Lath and Mrs Asha Devi Lath. The Rate of Interest chargeable by the Bank is 9 % p.a. (less Interest Equalization scheme benefit)"

6.2 Working Capital facility from ICICI Bank is primarily secured against paripasu charge by way of Hypothecation on the entire stock of Raw Material, Semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables both present and future in a form or manner satisfactory to bank to the extent of 25.04% of share and the collateral security as Equitable Mortgage on four properties in name of Directors and one property in name of company, consisting of Residential Property in Burhanpur, Vacant Land in Burhanpur, Commercial Property in Mumbai, and the unconditional personal guarantee of Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs Asha Devi Lath. The Rate of Interest chargeable by the Bank is Repo Rate + 2.75% p.a. (less Interest Equalization scheme benefits)."

6.3 Working Capital facility from UCO Bank is primarily secured against paripasu charge by way of Hypothecation on the entire stock of inventory, receivables, semi-finished and finished goods, consumable stores and spares and such other movables including book debts, bills and other current

asset of the company created through Bank finance both present and future to the extent of 25.90% of share and the collateral security as 50% liquid collateral security in form of FDR of Rs 7.50 Cr. duly charged in favour of Bank and the unconditional personal guarantee of Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs Asha Devi Lath. The Rate of Interest chargeable by the Bank is Pre Shipment: MCLR 6 Months + (1.00% to 1.25%) Post Shipment: Overnight MCLR + (1.05% to 1.45%) depending on the tenure.

6.4 Working Capital facility from HDFC is primarily secured against paripasu charge by way of Hypothecation on the entire stock of inventory, receivables, semi-finished and finished goods, consumable stores and spares and such other movables including book debts, bills and other current asset of the company created through Bank finance both present and future to the extent of 25.90% of share and the collateral security as FDR of Rs. 4.50 Crs duly charged in favour of Bank and the unconditional personal guarantee of Mr. Abhishek Lath, Mr. Umashankar Lath, Mrs. Sweta Lath and Mrs. Asha Devi Lath. The Rate of Interest chargeable by the Bank is 3 M T bill + Spread 1.83% - Constant."

**Note: 7 Trade Payables**

**Ageing of Trade Payable Outstanding as on 31st March 2024 is as follows:**

Particulars	Not Due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Trade Payables</b>						
MSME	-	-	-	-	-	-
Others	508.29	285.70	293.93	96.11	0.69	1,184.71
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	<b>508.29</b>	<b>285.70</b>	<b>293.93</b>	<b>96.11</b>	<b>0.69</b>	<b>1,184.71</b>

**Ageing of Trade Payable Outstanding as on 31st March 2023 is as follows:**

Particulars	Not Due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Trade Payables</b>						
MSME	-	-	-	-	-	-
Others	965.54	1,104.40	106.42	6.57	8.61	2,101.41
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	<b>965.54</b>	<b>1,104.40</b>	<b>106.42</b>	<b>6.57</b>	<b>8.61</b>	<b>2,101.41</b>

7.1 There is no complete information for all creditors available with the management, regarding the supplier's covered as MSME Under MSME Act, 2006, reported to the extent information available.

7.2 The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

**Note 8: Other Current Liabilities**

(Amount in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Statutory Dues		51.91	
Staff payable		0.98		36.21
Advance from customers		29.79		159.34
Deposit		5.00		2.50
Unclaimed Dividend		0.89		0.96
Other Payables		-		1.37
<b>Total</b>		<b>88.57</b>		<b>220.90</b>

**Note 9: Short Term Provisions**

(Amount in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	For Employee Benefits Gratuity (Current Liability)		2.99	
<b>Total</b>		<b>2.99</b>		<b>3.40</b>



**Note 10: Property Plant and Equipment**

Sr. No.	Description	Rate of Depreciation	Gross block				Accumulated depreciation & Amortization				Net block	
			Balance as at	Addition	Deduction	Balance as at	Balance as at	Current	Depreciation On	Balance as at	Balance as at	Balance as at
			1-Apr-23			31-Mar-2024	01-Apr-2023	Depreciation	Deduction	31-Mar-2024	31-Mar-2024	31-Mar-2023
1	Office Building	4.87%	222.29	-	-	222.29	105.09	5.71	-	110.79	111.49	117.20
2	Factory Building	9.50%	9.94	-	-	9.94	1.24	0.83	-	2.07	7.87	8.70
3	Furniture & Fixtures	25.89%	64.96	0.61	-	65.57	58.76	1.68	-	60.44	5.12	6.20
4	Electrical Installations & equipment	25.89%	27.83	-	-	27.83	10.51	4.48	-	15.00	12.83	17.32
5	Machinery	31.23%	12.50	-	-	12.50	5.87	2.07	-	7.94	4.56	6.63
6	Vehicle	31.23%	205.23	-	-	205.23	116.64	27.67	-	144.31	60.92	88.59
7	Office equipment	45.07%	15.35	5.83	-	21.17	11.41	3.39	-	14.80	6.38	3.94
8	IT equipment	39.30%	14.29	-	-	14.29	13.95	0.14	-	14.08	0.21	0.35
9	Computers	63.16%	3.82	0.16	-	3.97	2.83	0.65	-	3.47	0.50	0.99
	<b>TOTAL</b>		<b>576.20</b>	<b>6.60</b>	-	<b>582.80</b>	<b>326.30</b>	<b>46.61</b>	-	<b>372.90</b>	<b>209.89</b>	<b>249.91</b>
	<b>PREVIOUS YEAR</b>		<b>560.94</b>	<b>15.26</b>	-	<b>576.20</b>	<b>265.66</b>	<b>60.64</b>	-	<b>326.30</b>	<b>249.91</b>	<b>295.28</b>

10.1 - Office Building in Property, Plant and Equipment is given as security for borrowings (Refer Note No. 6)

10.2 - Capital work-in-progress is towards purchase of Commercial Office Premises which is under construction and the same is capitalised and put to use on 25th May, 2024.

**Note 11: Non-Current Investments**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Office Premises - Crescent Park <u>Unquoted</u>		107.62	
Investment in Subsidiaries				
Le Merite Filament Private Limited	0.51		0.51	
Le Merite Laxmi Spinning Private Limited	2.55	3.06	2.55	3.06
<b>Total</b>		<b>110.68</b>		<b>110.68</b>

11.1 Office Premises is given as security for borrowings refer Note No. 6

11.1 The company holds 51 % Stake in form of 5,100 Equity Shares of Rs. 10 each in Le Merite Filament Private Limited.

11.2 The company holds 51 % Stake in form of 25,500 Equity Shares of Rs. 10 each in Le Merite Laxmi Spinning Private Limited.

**Note 12: Deferred Tax Assets (NET)**

(Amount in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Deferred Tax Assets Related to Fixed Assets and Gratuity Provision		9.91	
<b>Total</b>		<b>9.91</b>		<b>6.35</b>

**Note 13: Long Term Loans and Advances**

(Unsecured and Considered Good)

(Amount in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Advances in nature of Loans		446.95	
<b>Total</b>		<b>446.95</b>		<b>409.18</b>

**Note 14: Other Non-Current Assets**

(Amount in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
Security Deposit		233.10		233.85
<b>Total</b>		<b>233.10</b>		<b>233.85</b>

**Note 15: Current Investments**

(Amount in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
<b>Quoted</b>				
Investment in equity shares of listed company		103.23		82.33
Investment in mutual funds		10.42		7.42
<b>Total</b>		<b>113.65</b>		<b>89.75</b>

**Note 16: Inventories**

(Amount in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
Raw Material		-		40.54
Work In Progress		211.40		34.26
Finished Goods and Stock in Trade		1,355.42		1,540.97
<b>Total</b>		<b>1,566.82</b>		<b>1,615.77</b>

16.1 Inventories has been valued as per the Accounting Policies

16.2 Inventories as above are hypothecated to secured short term borrowings (Refer Note No. 6)



**Note 17: Trade Receivables**

Ageing of Trade Receivables Outstanding as on 31st March 2024 is as follows:

(Amount in lakhs)

Particulars	Not Due						Total
		up to 180 days	6 Months - 1 Year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade Receivables - considered good	5,347.15	2,690.55	358.82	284.76	2.48	21.88	8,705.65
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	151.65	40.99	-	-	192.64
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>5,347.15</b>	<b>2,690.55</b>	<b>510.47</b>	<b>325.75</b>	<b>2.48</b>	<b>21.88</b>	<b>8,898.29</b>



Ageing of Trade Receivables Outstanding as on 31st March 2023 is as follows:

(Amount in lakhs)

Particulars	Not Due						Total
		up to 180 days	6 Months - 1 Year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade Receivables - considered good	6,053.67	2,233.03	837.02	5.39	24.28	21.27	9,174.65
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	40.99	-	-	-	40.99
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>6,053.67</b>	<b>2,233.03</b>	<b>878.01</b>	<b>5.39</b>	<b>24.28</b>	<b>21.27</b>	<b>9,215.64</b>

17.1 - Trade Receivables as above are hypothecated to secured short term borrowings (Refer Note No. 6)



**Note 18: Cash And Cash Equivalents**

(Amount in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with Banks	93.53	33.01
Cash in hand	28.14	24.24
Balance with fixed deposits	4,369.10	4,140.71
<b>Total</b>	<b>4,490.76</b>	<b>4,197.96</b>

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

18.2 Balance with fixed deposits includes deposits placed as security against secured short term borrowings (Refer Note No. 6)

**Note 19: Short Term Loans and Advances**

(Amount in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Unsecured, considered good</b>		
<b>Balance with tax authorities</b>		
Export Incentives Receivable	358.64	347.30
GST Electronic Credit Ledger	542.66	404.89
GST Export Refund	392.81	321.23
Income Tax Refund Receivable	0.52	0.52
Advance Tax (Net of Provision)	66.21	23.73
Advance to Related Party	353.39	353.29
<b>Advances with Suppliers in Trade</b>		
Yarn	564.41	1,616.97
Fabric	169.08	35.68
Cotton	89.87	26.15
Others	99.47	78.82
<b>Total</b>	<b>2,637.07</b>	<b>3,208.60</b>

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

**Note 20: Other Current Assets** (Amount in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Unsecured, considered good</b>		
Advance to Staff	133.49	132.61
Advance to Investment Brokers	1.66	-
Other Current Assets	88.46	20.59
<b>Total</b>	<b>223.60</b>	<b>153.20</b>

**Note 21: Revenue from Operations** (Amount in lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
Sale of Products (Refer to Note No.21.1)		44,468.69		34,157.52
Other operating revenue (Refer to Note no.21.1)		2,346.65		2,255.77
<b>Total</b>		<b>46,815.34</b>		<b>36,413.28</b>

**21.1 Particulars of Revenue from Operations**

(Amount in lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
<b>Sale of Products</b>				
<b><u>Trading Operations:</u></b>	-	-	-	-
Yarn				
Export - Yarn	21,328.16		12,306.62	
Local - Yarn	3,601.17	24,929.33	4,937.36	17,243.98
Fabric				
Export - Fabric	3,186.84		3,110.77	
Local - Fabric	483.85	3,670.69	226.50	3,337.27
Cotton				
Export - Cotton	472.28		614.00	
Local - Cotton	4,017.34	4,489.62	1,359.99	1,973.99
<b><u>Manufacturing Operations:</u></b>		-		-
Yarn				
Export	8,016.34		4,174.68	
Local	3,362.72	11,379.06	7,427.60	11,602.28
<b>Total</b>		<b>44,468.69</b>		<b>34,157.52</b>

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
<b>Other Operating Revenue</b>				
Duty Drawback	619.27		355.35	
RoDTEP License Income	1,210.27		1,490.44	
Rebates, Discounts and Quality Claims Income	44.79		62.00	
Profit/ (Loss) on changes in foreign exchange	472.31	2,346.65	347.98	2,255.77
-	-	-	-	-
<b>Total</b>		<b>2,346.65</b>		<b>2,255.77</b>

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

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

**Note 22: Other Income**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
Dividend Income		2.04		2.17
Profit/ (Loss) on sale of Shares		18.58		4.28
Profit/ (Loss) Marked to Market on Equity		8.50		-
Interest Income on Advances		31.35		83.51
Interest on Fixed Deposits		296.47		211.81
Interest Income from Debtors		1.72		-
Rent Income - Crescent Office		3.78		4.21
Miscellaneous Other Income		8.49		4.53
Rate difference Income		-		0.53
<b>Total</b>		<b>370.93</b>		<b>311.04</b>

**Note 23: Purchases**

(Amount in lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
Raw Cotton		4,582.96		1,954.41
Polyester Chips		-		191.00
Polyester Fiber		-		462.02
Fabric		3,496.12		3,026.67
Yarn				
Local - Yarn Purchase	35,166.36		27,141.12	
Import	115.67	35,282.03	218.17	27,359.29
<b>Total</b>		<b>43,361.11</b>		<b>32,993.40</b>

**Note 24: Changes in Inventories Of Finished Goods, Stock-In-Process And Stock-In-Trade**

(Amount in lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
<b>Inventories (At Close)</b>				
Goods		1,566.82		1,615.77
<b>Inventories (At Commencement)</b>				
Goods		1,615.77		1,256.81
<b>Total</b>		<b>48.95</b>		<b>(358.96)</b>

**Note 25: Employee Benefits Expenses**

(Amount in lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
Directors				
Remuneration		157.20		110.96
Salaries & Wages		180.09		149.37
Other Employee				
benefits		4.60		6.48
Staff welfare expenses		4.09		13.30
Gratuity		5.28		1.84
<b>Total</b>		<b>351.25</b>		<b>281.96</b>



**Note 26: Finance Costs**

(Amount in lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Interest Expenses		695.77	
Bank Charges		40.27		25.09
<b>Total</b>		<b>736.04</b>		<b>412.81</b>

**Note 27: Other Expenses**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	<b><u>Direct Expenses</u></b>			
Job Work	748.59		301.33	
Labour Charges	4.35		8.82	
Packaging Expenses	0.52		9.95	
Factory Power Expenses	-		100.44	
Factory Repairs and Maintainance	-		30.00	
Factory Rent	-		69.93	
Factory Operating Expenses	-		107.86	
Stores and Spares	-		12.25	
Sample Expenses	1.65		2.27	
Other Direct Expense	2.96	<b>758.06</b>	-	<b>642.85</b>
<b><u>Administrative and Other Expenses</u></b>				
Auditor's Remuneration (Refer to note no.28.1)	5.35		4.25	
Communication Cost	1.28		0.78	
Electricity Charges	3.43		1.85	
Insurance Charges	4.50		5.40	
Legal & Professional Charges	61.60		78.31	
Printing & Stationery Cost	5.03		5.26	
Rent Rates & Taxes	25.57		26.51	
Repairs & Maintenance Cost	-		6.43	
Travelling & Conveyance Cost	6.54		8.81	
Donations / CSR	16.59		17.40	
Sundry Balances Written off	0.01		2.43	
Profit/ (Loss) on MTM Gain/Loss on shares and Mutual Funds	-		1.74	
Other Establishment Expenses	47.86	<b>177.75</b>	34.73	<b>193.92</b>



Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
<b>Selling &amp; Distribution Expenses</b>				
Discount	11.64		9.78	
Commission Expenses	286.10		418.19	
Tours & Travel expenses	15.01		56.29	
Business Promotion Expenses	31.21		41.97	
Exhibition Expenses	14.89		33.67	
Rebates and Discount on Yarn and Fabric	-		20.11	
Freight and Forwarding Expenses	1,116.88	<b>1,475.73</b>	1,067.54	<b>1,647.55</b>
<b>Total</b>		<b>2,411.54</b>		<b>2,484.32</b>

**27.1 Particulars of Payment to Auditor**

(Amount in lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
<b>(a) Auditor</b>				
Statutory Audit Fees	4.00		3.00	
Tax Audit fees	1.00	5.00	1.00	4.00
<b>(b) Certification &amp; Consulting Fees (Other Services)</b>		0.35		0.25
<b>Total</b>		<b>5.35</b>		<b>4.25</b>

27.2 There is significant reduction in Factory related expenses during the year, as the operations at Rokdeshwar Sahakari Soot Girni has discontinued.

**Note 28: Contingent Liabilities**

(Amount in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
Claim against company not acknowledged as debts				
- in respect of Statutory Dues		-		-
- in respect of Trade				
a. Towards Case Filed by Vendor		96.73		-

Particulars	As at 31st March, 2024	As at 31st March, 2023
b. Towards Case Filed by Lessor for lease of Rokadeshwar Shakari Soot Girni	312.39	-
<b>Total</b>	<b>409.12</b>	-

**Note 29: Related Party Disclosures**

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

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

The following transactions were carried out with the related parties and the balances of these related parties as at 31st March, 2024 for the period then ended are presented herein below:

(Amount in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Remuneration</b>		
Abhishek Lath	66.00	40.00
Umashankar Lath	45.00	30.00
Sweta Lath	42.00	25.00
Ashadevi Lath	12.00	12.00
Sandeep Poddar	8.01	3.28
<b>Sitting Fees</b>		
Rohit Agarwal	1.05	1.32
Narendra Srivastava	1.50	1.27
Jayadeep Mehta	1.65	1.37
<b>Loan Repaid</b>		
Abhishek Lath	67.40	-
Umashankar Lath	20.02	14.96
Sweta Lath	4.54	-
Umashankar Lath HUF	66.76	-
<b>Loan Given</b>		
Le Merite Laxmi Spinning Private Limited	-	384.05
Le Merite Filament Private Limited	0.10	3.29
<b>Loan Taken</b>		
Abhishek Lath	65.55	-
Umashankar Lath	95.70	31.00
Sweta Lath	15.00	-
Umashankar Lath HUF	50.76	-
<b>Sale Transaction</b>		
Le Merite Fashion Private Limited	181.95	14.62
Le Merite Laxmi Spinning Private Limited	-	28.85
<b>Purchase Transaction</b>		
Le Merite Fashion Private Limited	1,509.42	1,220.66
Le Merite Laxmi Spinning Private Limited	-	500.99



**Outstanding balances - Payable/Receivable**

(Amount in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Loan Payable</b>		
Abhishek Lath	1.75	3.61
Umashankar Lath	122.83	47.14
Umashankar Lath HUF	-	16.00
Sweta Lath	10.46	-
<b>Salary Payable</b>		
Abhishek Lath - Salary Payable	-	0.50
Umashankar Lath - Salary Payable	-	20.64
Sweta Lath - Salary Payable	-	5.39
Ashadevi Lath - Salary Payable	-	4.89
Rohit Agarwal	-	0.40
Narendra Srivastava	-	0.48
Jayadeep Mehta	-	0.48
Sandeep Poddar	0.76	-
<b>Receivable</b>		
Le Merite Filament Private Limited	3.39	3.29
Le Merite Laxmi Spinning Private Limited	384.05	384.05
<b>Payable</b>		
Le Merite Fashion Private Limited	15.99	426.21
Le Merite Laxmi Spinning Private Limited	29.48	29.51

**Note 30: Earnings Per Share**

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. The following reflects the profit and number of shares used in the basic and diluted EPS computations:

(Amount in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Profit attributable to equity holders	174.30	635.68
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	234.81	234.81
Weighted Average number of equity shares used for computing Earning Per Share (Diluted)	234.81	228.85
Earning Per Share (Basic)	0.74	2.71
Earning Per Share (Diluted)	0.74	2.78
Face value per share	10.00	10.00

**Note 31: Analytical Ratios**

The Ratios as on 31st March 2024 are as follows:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance
(a) Current ratio	17930.19	9958.50	1.80	1.77	1.72%
(b) Debt-equity ratio	212.41	9606.13	0.02	0.02	10.56%
(c) Debt service coverage ratio	284.25	33.59	8.46	27.38	-69.09%
(d) Return on equity ratio	174.30	9592.68	0.02	0.09	-79.81%
(e) Inventory turnover ratio	46815.34	1591.29	29.42	25.35	16.05%
(f) Trade receivables turnover ratio	46815.34	9056.96	5.17	3.33	55.22%
(g) Trade payables turnover ratio	43361.11	1643.06	26.39	16.43	60.62%
(h) Net capital turnover ratio	46815.34	8003.44	5.85	6.01	-2.67%
(i) Net profit ratio	174.30	46815.34	0.00	0.02	-81.38%
(j) Return on capital employed	174.30	9818.54	0.02	0.09	-80.27%
(k) Return on investment	174.30	9606.13	0.02	0.07	-74.08%

Note 31.1: The Variance in Debt Service Coverage Ratio, Return on Equity Ratio, Net Profit Ratio, Return on Capital Employed Ratio, Return on Investment Ratios is due to significant reduction in Operational Profitability during the year as compared to previous year.

Note 31.2: The Variance in Trade Receivable Turnover Ratios and Trade Payable Turnover Ratio is due to improved Credit vis a vis Turnover.

**Note 32: Corporate Social Responsibility**

(Amount in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Amount required to be spent by the company during the year	30.43	27.77
Amount of expenditure incurred towards current year	3.48	10.59
Shortfall at the end of the year	26.95	17.18
Total of previous years shortfall	4.84	0
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	0	0

Note 32.1: CSR obligation for the Financial Year 2023-24 was Rs. 30,43,402/- out of which Rs. 3,48,000/- was fulfilled during the year the balance of Rs. 26,95,402/- is to be fulfilled on ongoing projects in next three years as the remaining amount was transferred to Unspent CSR Account with ICICI Bank on 29-04-2024 in Compliance with Section 135(7) of the Companies Act, 2013.

Note 32.2: CSR obligation for the Financial Year 2022-23 was Rs. 27,76,910/- out of which Rs. 10,49,000/- was fulfilled during the year plus Rs.9,430/- Surplus of FY 2021-22 and the balance of Rs. 17,18,480/- is to be fulfilled on ongoing projects in next three years as the remaining amount was transferred to Unspent CSR Account with UCO Bank on 28-04-2023 in Compliance with Section 135(7) of the Companies Act, 2013. and out of this 17,18,480/- Rs. 12,34,800/- has been fulfilled during the year and the balance of Rs. 4,83,680/- shall be fulfilled in coming years (within 3 years).

**Note 33: Title of Immovable Properties**

(Amount in lakhs)

Relevant line items in the Balance Sheet	Description of items of property	Gross carrying value	Title deeds held in the Name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Reasons for not being held in the name of company (also indicate if in dispute)
Property Plant and Equipment	Office Building	222.29	Le Merite Exports Pvt Ltd	No	NA
	Factory Building	9.94	Le Merite Exports Pvt Ltd	No	NA
Non Current Investment	Office Premises - Crescent Park	107.62	Le Merite Exports Pvt Ltd	No	NA

**Note 34: Security of current assets against borrowings**

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

**Note 35: Employee Benefits**

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

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

Particulars	(Amount in lakhs)	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.21%	7.47%
Rate of Salary Increase	10.00%	10.00%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

**Change in the Present Value of Defined Benefit Obligation:**

Particulars	(Amount in lakhs)	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Present Value of Benefit Obligation at the Beginning of the Period	21.95	20.11
Interest Cost	1.64	1.44
Current Service Cost	2.09	2.77
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.66	(0.67)
Actuarial (Gains)/Losses on Obligations - Due to Experience Adjustment	0.88	(1.70)
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>27.22</b>	<b>21.95</b>

**Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss for Current Period  
(Amount in lakhs)**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Actuarial (Gains)/Losses on Obligation For the Period	1.54	(2.37)
Actuarial (Gains)/Losses on Plan Asset For the Period	-	-
Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss	1.54	(2.37)

**Details of amount recognized in the Balance Sheet:**

(Amount in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
(Present Value of Benefit Obligation at the end of the Period)	(27.22)	(21.95)
Fair Value of Plan Assets at the end of the Period	-	-
Unrecognized Past Service Cost at the end of the Period	-	-
Net (Liability)/Asset Recognized in the Balance Sheet	(27.22)	(21.95)

**Note 36: Un-hedged Foreign Currency Exposure**

Particulars of Un-hedged Foreign Currency Exposure as at Balance sheet date is Rs. 8.50 Crs as on 31st March, 2024 and Rs. 5.00 Crs as on 31st March, 2023 as per management.

**Note 37: 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 38: Expenditure in Foreign Currency**

(Amount in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Commission Expenses	223.75	263.37

**Note 39: Earnings in Foreign Currency**

(Amount in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Exports of goods	33,003.61	20,206.06

**Note 40: Operating Leases**

**Where company is the lessee:**

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

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

(Amount in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>Charged to Statement of Profit and Loss</b>		
Godown Rent	6.70	5.95
Factory Rent	-	69.93
Future minimum lease payments not later than one year*	-	-
Future minimum lease payments later than one year but not later than five years*	-	-

**Note 41: Segment Reporting**

The Company is primarily in the business of manufacturing, purchase and sale of textiles. The Management of the Company evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company ie. Textile Business

**Note 42: Other Regulatory Disclosures**

- a) The Company has not traded in crypto currency or virtual currency during the year.
- b) The Company is not declared a willful defaulter by any bank or financial institution or other lenders.
- c) The Company has no transactions with the struck off Companies under Section 248 or 560 of the Act.
- d) No proceedings were initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.



- e) There are no ultimate beneficiaries to whom the Company has lent/invested nor received any fund during the year within the meaning of Foreign Exchange Management Act 1999 and Prevention of money Laundering Act 2002.
- f) The Company has complied related to number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- g) There we no transaction in the Company which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- h) The Company does not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- i) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- j) The details pursuant to provisions of schedule III to the Companies Act, 2013 have been given to the extent applicable to the company

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

**As per our report of even date**

**For Nagori Nuwal & Co  
Chartered Accountant  
(FRN 08185C)**

**CA Shankar Lal Laddha  
Partner  
(Membership No 76554)  
UDIN: 24076554BKLBVV4771  
Place: Mumbai  
Date: 25<sup>th</sup> May, 2024**

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

**Abhishek Lath  
MD & CFO  
(DIN - 00331675)**

**Sandeep Poddar  
Company Secretary  
(M. No.: A69365)**

**Umashankar Lath  
Chairman & MD  
(DIN - 05135035)**



## **CONSOLIDATED INDEPENDENT AUDITOR'S REPORT**

**To the Members of LE MERITE EXPORTS LIMITED,**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the consolidated financial statements of **LE MERITE EXPORTS LIMITED** ("the Company"), which comprise the consolidated balance sheet as at 31<sup>st</sup> March 2024, and the consolidated statement of profit and loss, and statement of cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under Section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, and its profit, and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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





The key audit matters	How our audit addressed the key audit matter
<b>Valuation of Inventory</b> - Refer to Notes 16 and 24 to the consolidated Financial Statements	
<p>The Company's inventory primarily comprises cotton, yarn and fabric. Inventories are valued at lower of cost or net realizable value. There is a risk that inventories may be stated at values that are more than their net realizable value ('NRV').</p> <p>We identified the valuation of inventories as a key audit matter as the Company held significant inventories and significant degree of management judgment was involved in valuing the inventories.</p>	<ul style="list-style-type: none"> <li>• Evaluating the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect.</li> <li>• Obtained an understanding of and performed the test of design, implementation and operating effectiveness of the Company's key internal controls over the process for valuation of inventories.</li> <li>• Compared the cost of raw materials with supplier invoices for selected samples. For work-in-progress and finished goods, we understood the determination of the net realizable value and assessing, testing and evaluating the reasonableness keeping in view the significant judgments applied by the management concerning overhead allocation by assessing the cost of the items included in overhead absorption for selected samples.</li> <li>• In connection with NRV testing, we have compared carrying value to the selling price prevailing around and subsequent to the year end for the selected samples.</li> </ul>

### Other Matters

We have not audited the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 439.77 Lakhs as at 31<sup>st</sup> March, 2024 and total revenues as Rs. 2.46 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of section 143 of the act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

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



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

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

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

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

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

### **Responsibility of management for Consolidated Financial Statements**

The company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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



### Report on Other Legal and Regulatory Requirements

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

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

- (i) 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.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the board of directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (n) 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.
- (o) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (p) 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:
  - vi. The Company has disclosed details regarding pending litigations in note 28 of the consolidated financial statements, which would impact its financial position.
  - vii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- viii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
- ix.
- a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- x. As stated in Note No. 2.5 to the Consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

**Place: Mumbai  
Date: 25/05/2024  
UDIN: 24076554BKLBBU2593**

**CA Shankar Lal Laddha  
Partner  
Membership No.: 076554**



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

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

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

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

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

**Place: Mumbai  
Date: 25/05/2024  
UDIN: 24076554BKLBBU2593**

**CA Shankar Lal Laddha  
Partner  
Membership No.: 076554**



## **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 31<sup>st</sup> March, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting Standards issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

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



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financials Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Date: 25/05/2024  
UDIN: 24076554BKLBBU2593**

**CA Shankar Lal Laddha  
Membership No.: 076554**





## Consolidated Balance Sheet as on March 31, 2024

(Amount in Lakhs)

Particulars	Note	As at 31st March, 2024 (Audited)	As at 31st March, 2023 (Audited)
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>(1) Shareholders' Funds</b>			
Share Capital	2	2,348.10	2,348.10
Reserves and Surplus	3	7,051.25	7,024.12
		<b>9,399.35</b>	<b>9,372.22</b>
<b>(2) Non-Controlling Interest</b>			
	3A	(195.74)	(195.94)
		(195.74)	(195.94)
<b>(3) Non-Current Liabilities</b>			
Long-Term Borrowings	4	528.58	489.04
Other Long Term Provisions	5	24.23	18.55
		<b>552.81</b>	<b>507.59</b>
<b>(4) Current Liabilities</b>			
Short-Term Borrowings	6	8,682.22	8,120.00
Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7	1,277.37	2,191.54
Other Current Liabilities	8	102.69	205.04
Short-term Provisions	9	3.08	1.65
		<b>10,065.36</b>	<b>10,518.23</b>
	<b>Total</b>	<b>19,821.79</b>	<b>20,202.10</b>
<b><u>ASSETS</u></b>			
<b>(1) Non-Current Assets</b>			
Property Plant and Equipment and Intangible Assets			
Property Plant and Equipment	10	209.89	249.91
Capital work-in-progress	10	831.79	696.72
Intangible Asstes	10	0.33	0.41
Non-Current Investments	11	107.62	107.62
Deferred Tax Asset	12	9.91	6.35
Long Term Loans and Advances	13	446.95	407.43
Other Non Current Asset	14	334.09	334.35
		<b>1,940.59</b>	<b>1,802.80</b>
<b>(2) Current Assets</b>			
Current Investments	15	113.65	89.75
Inventories	16	1,766.35	1,803.93
Trade Receivables	17	8,897.11	9,196.60
Cash and Cash Equivalents	18	4,495.92	4,199.57
Short-Term Loans and Advances	19	2,383.22	2,956.28
Other Current Assets	20	224.95	153.20
		<b>17,881.20</b>	<b>18,399.31</b>
	<b>Total</b>	<b>19,821.79</b>	<b>20,202.11</b>

As per our report of even date

For Nagori Nuwal & Co  
Chartered Accountant  
(FRN 08185C)

CA Shankar Lal Laddha  
Partner  
(Membership No. 76554)  
UDIN: 24076554BKLBBU2593  
Place: Mumbai  
Date: May 25, 2024

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

Abhishek Lath      Umashankar Lath  
MD & CFO            Chairman & MD  
(DIN - 00331675)    (DIN - 05135035)

Sandeep Poddar  
Company Secretary  
(M. No.: A69365)

**Consolidated Statement of Profit and Loss Account for the year ended March 31, 2024****(Amount in Lakhs)**

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>(A) REVENUE</b>			
Revenue From Operations	21	46,815.34	37,689.25
Other Income	22	373.38	321.66
<b>Total Income</b>		<b>47,188.72</b>	<b>38,010.91</b>
<b>(B) EXPENDITURE</b>			
Purchases	23	43,372.49	34,115.93
Changes in Inventories	24	37.58	(547.12)
Employee Benefits Expenses	25	351.25	680.35
Finance Costs	26	736.04	412.85
Depreciation and Amortization Expense	10	46.61	60.64
Other Expenses	27	2,413.49	2,843.79
<b>Total Expenditure</b>		<b>46,957.46</b>	<b>37,566.43</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>231.26</b>	<b>444.48</b>
Exceptional Items		-	-
<b>Profit Before Extraordinary Items and Tax</b>		<b>231.26</b>	<b>444.48</b>
Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>231.26</b>	<b>444.48</b>
<b>Tax Expense:</b>			
(1) Current tax		60.08	220.00
(2) Deferred tax		(3.56)	(5.51)
<b>Profit after tax and before Minority Interest</b>		<b>174.73</b>	<b>229.99</b>
Less: Minority Interest		0.21	(198.79)
<b>Profit for the year</b>		<b>174.52</b>	<b>428.78</b>
<b>Earning per equity share of the face value of Rs.10/- each</b>			
(1) Basic	30	0.74	1.83
(2) Diluted	30	0.74	1.87

As per our report of even date

For Nagori Nuwal & Co  
Chartered Accountant  
(FRN 08185C)

CA Shankar Lal Laddha  
Partner  
(Membership No 76554)  
UDIN: 24076554BKLBBU2593  
Place: Mumbai  
Date: May 25, 2024

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

Abhishek Lath  
MD & CFO  
(DIN - 00331675)

Umashakar Lath  
Chairman & MD  
(DIN - 05135035)

Sandeep Poddar  
Company Secretary  
(M. No.: A69365)

**Consolidated Cash Flow Statement for the year ended March 31, 2024****(Amount in Lakhs)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>A. Cash flow from Operating Activities</b>		
Profit/(loss) before tax	231.26	444.48
<b>Adjustment For :</b>		
Depreciation	46.61	60.64
Provisions	7.11	(44.38)
<b>Operating Profit/(Loss) before Working Capital changes</b>	<b>284.97</b>	<b>460.74</b>
Adjustment for increase/decrease in:		
Increase / Decrease in trade payables	(914.17)	277.09
Increase / Decrease in other current liabilities	(102.35)	(946.10)
Increase / Decrease in inventories	37.57	(547.12)
Increase / Decrease in trade receivables	299.49	3,451.24
Increase / Decrease in short term loans & advances	573.06	(1,144.71)
Increase / Decrease in other non current asset	0.34	(101.15)
Increase / Decrease in other current assets	(71.76)	(122.23)
<b>Operating Profit/(Loss) after Working Capital changes</b>	<b>107.15</b>	<b>1,327.76</b>
<b>Operating Profit/(Loss) before Tax</b>	<b>107.15</b>	<b>1,327.76</b>
Less : Tax Paid (Net)	(90.08)	(220.00)
<b>Net Cash generated from Operating Activities</b>	<b>17.07</b>	<b>1,107.76</b>
<b>B. Cash flow from Investment Activities</b>		
Payment towards capital expenditure	(141.67)	(711.98)
Current Investments	(23.90)	(19.54)
<b>Net Cash From Investment Activities</b>	<b>(165.57)</b>	<b>(731.52)</b>
<b>C. Cash flow from Financing Activities</b>		
Increase in Long Term Borrowings	39.54	334.05
Increase in Short Term Borrowings	562.22	(1,712.96)
Proceeds from fresh issue of IPO	-	4,800.00
IPO Expenses Incurred	-	(170.33)
Dividend Paid	(117.41)	(234.80)
Long Term Loans and Advances	(39.52)	(17.19)
<b>Net Cash from Financing Activities</b>	<b>444.83</b>	<b>2,998.77</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>296.34</b>	<b>3,375.01</b>
Cash and Cash Equivalents at the beginning of the year	4,199.57	824.57
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>4,495.91</b>	<b>4,199.57</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	28.20	24.25
Balances with banks	4,467.71	4,175.32
	<b>4,495.91</b>	<b>4,199.57</b>

1 ) All figures in brackets are outflow

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

**As per our report of even date**

For Nagori Nuwal & Co  
Chartered Accountant  
( FRN 08185C )

CA Shankar Lal Laddha  
Partner  
( Membership No 76554 )  
UDIN: 24076554BKLB2593  
Place: Mumbai  
Date: May 25, 2024

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

**Abhishek Lath**  
MD & CFO  
(DIN - 00331675)

**Umashakar Lath**  
Chairman & MD  
(DIN - 05135035)

**Sandeep Poddar**  
Company Secretary  
(M. No.: A69365)

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024****Note 1: Statement of Significant Accounting Policies****a) Basis of Preparation**

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

**b) Basis of Accounting**

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

**c) Principles of Consolidation**

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

- i. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis in accordance with the principles laid down in Accounting Standard-21 on "Consolidated Financial Statements" by adding together the value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or loss.
- ii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the company's separate financial statements.
- iii. The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognized as 'Capital

Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.

- iv. Minority interests represent the amount of equity attributable to the minorities at the date on which investment in subsidiaries made and the share of movements in equity since that date. Minority interests in the net income of subsidiaries for the year are identified and adjusted against income of the Group.
- v. Investments in associates are accounted for using the equity method as per Accounting Standard (AS) 23. The excess of cost of investment over the proportionate share in equity of the associate as at the date of acquisition of stake is identified as goodwill or capital reserve and included in the carrying value of the investment of the associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However, the share of losses is accounted for only to the extent of the cost of the investment.
- vi. The following subsidiary companies are considered in the consolidated financial statements:

Sr No	Name of Subsidiary	Country of Incorporation	% Of Holding as on 31 <sup>st</sup> March, 2024	Date of Incorporation
1	Le Merite Filament Private Limited	India	51 %	08/10/2021
2	Le Merite Laxmi Spinning Private Limited	India	51 %	15/12/2021

**d) Use of Estimates:**

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

**e) Property, Plant and Equipment**

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

Cost includes purchase price, taxes and duties as applicable, freight, and other incidental expenses incurred till the commencement of commercial production. Incidental expenses

include establishment expenses, interest on borrowed funds used for qualifying assets and other related direct costs attributable to the same.

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

**f) Intangible Assets**

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

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

Intangible assets are amortized over their useful life.

Pre Incorporation Expenses are also accounted as Intangible Assets.

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

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

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

**h) Impairment**

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

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

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**i) Investments**

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

**j) Borrowing costs:**

Borrowing costs attributable to the acquisition and construction of qualifying assets up to the date of such acquisition or construction are capitalized as part of the cost of respective assets.

Other borrowing costs are charged to statement of profit and loss of the period in which they are incurred.

**k) Leases:**

iii) Finance lease:

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

iv) Operating lease:

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

**l) Inventories**

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

Cost is ascertained as,

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

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

**m) Revenue Recognition**

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

**Sale of Goods**

Sales is recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincide with the delivery of goods to the

customers. Sales include income from services, export incentives and exchange fluctuations, other recurring and non-recurring incentives from the Governments.

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

**Interest**

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

**Service Income**

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

**Dividend Income**

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

**n) Foreign Currency Translation****Initial recognition**

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

**Conversion**

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

**Exchange differences**

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

**o) Employee benefits****(iii) Defined Contribution Plan**

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



**(iv) Defined Benefit Plan**

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

**p) Income taxes**

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

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

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

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

**q) Earnings per share**

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

**r) Provisions**

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

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

**s) Contingent liabilities**

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

**t) Cash and Cash equivalents**

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

**u) Research and Development**

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

**v) Cash Flow Statement**

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

**Note 2: SHARE CAPITAL**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Authorised Share Capital</b> 2,50,00,000 (P.Y. 2,50,00,000) Equity Shares of Rs 10 each	2,500.00	2,500.00
<b>Issued, Subscribed and paid up:</b> 2,34,81,000 (P.Y. 2,34,81,000) Equity Shares of Rs 10 each fully paid up	2,348.10	2,348.10
<b>Total</b>	<b>2,348.10</b>	<b>2,348.10</b>

**Terms and Rights attached to Equity Shares:**

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

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

(Amount in Lakhs)

Name of the Shareholder	As at 31st March, 2024		As at 31st March, 2023	
Abhishek Umashankar Lath	53.01	22.58%	52.50	22.36%
Asha Umashankar Lath	68.34	29.10%	68.34	29.10%
Umashankar Naharmal Lath	20.25	8.62%	20.25	8.62%
Sweta Lath	15.90	6.77%	15.90	6.77%
Umashankar Naharmal Lath HUF (Karta)	13.80	5.88%	13.80	5.88%
	171.30		170.79	

**2.2 Disclosure of Promoters Holding**

(Amount in Lakhs)

Name	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
	No of Shares	% of Total Share	No of Shares	% of Total Share	
Abhishek Umashankar Lath	53.01	22.58%	52.50	22.36%	0.98%
Asha Umashankar Lath	68.34	29.10%	68.34	29.10%	-
Umashankar Narhmal Lath	20.25	8.62%	20.25	8.62%	-
Sweta Lath	15.90	6.77%	15.90	6.77%	-
Abhishek Umashankar Lath HUF (Karta)	0.01	0.00%	0.01	0.00%	-
Umashankar Narhmal Lath HUF (Karta)	13.80	5.88%	13.80	5.88%	-
	<b>171.31</b>		<b>170.80</b>		

**2.3 The reconciliation of the number of shares outstanding is set out below**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Equity Share at the beginning of the year	234.81	170.81
Add: Shares Issued	-	-
Add: IPO Issued	-	64.00
Less: Shares transfer from Shareholder	-	-
Equity Share at the end of the year	<b>234.81</b>	<b>234.81</b>

2.4 Pursuant to the approval of the shareholders in FY 22-23, the company has made an Initial Public Offer (IPO) of 64,00,000 Equity Shares each of Rs. 75/- having face value of Rs. 10/- per share and share premium of Rs. 65/- per share aggregating to Rs. 4,800 Lakhs. The allotment for the said IPO was made on 04th May, 2022 ranking pari passu with the existing shares. The shares of the company were listed on NSE Emerge (SME Platform of National Stock Exchange of India Limited (NSE)) on 09th May, 2022.

2.5 The Board of Directors at its meeting held on 25th May, 2024 had recommended the dividend @ 2% amounting to Rs. 0.20/- per equity share of Rs. 10/- each for the FY 2023-24.

**Note 3: Reserves and Surplus**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	<b>Profit and loss Account</b>			
As per last Balance sheet	3,034.45		2,840.48	
Less: Excess / Short Tax Provisions Previous Years	30.00		-	
Less: Dividend Paid	117.41		234.81	
Add: Profit for the year	174.52	3,061.58	428.78	3,034.45
Share Premium	3,989.67		4,160.00	
Less: IPO expenses	-	3,989.67	170.33	3,989.67
<b>Total</b>		<b>7,051.25</b>		<b>7,024.12</b>

**3.1 Profit for the year**

(Amount in Lakhs)

Particulars	Profit / Loss	Attributable to Holding Company	Attributable to NCI
Net Profit as per Standalone Statement of Profit and Loss	174.30	174.30	-
Add:			
Profit/(Loss) of subsidiaries:			
Le Merite Laxmi Spinning Private Limited	0.46	0.24	0.23
Le Merite Filament Private Limited	(0.04)	-0.02	(0.02)
<b>Consolidated Profit for the year</b>	<b>174.73</b>	<b>174.52</b>	<b>0.21</b>



**Note 3A: Non-Controlling Interest (NCI)**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	<b>Le Merite Laxmi Spinning Private Limited</b>			
Paid up value of shares	2.45		2.45	
Opp Share in profit/(loss) for the year	(197.21)		(0.05)	
Share in profit/(loss) for the year	0.23	(194.53)	(197.16)	(194.76)
<b>Le Merite Filament Private Limited</b>				
Paid up value of shares	0.49		0.49	
Opp Share in profit/(loss) for the year	(1.68)		(0.05)	
Share in profit/(loss) for the year	(0.02)	(1.21)	(1.63)	(1.19)
<b>Total</b>		<b>(195.74)</b>		<b>(195.94)</b>

**Note 4: Long Term Borrowings**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Non Current	Current	Non Current	Current
<b>Secured Loans</b>				
Jaguar Car Loan	21.76	15.01	36.77	13.97
Jeep Car Loan	9.58	5.82	15.39	5.40
Tata Harrier Car Loan A	8.13	4.63	12.76	4.28
Tata Harrier Car Loan B	9.14	3.30	12.44	3.04
<b>Unsecured Loans</b>				
From Directors & Shareholders	135.05	-	66.75	-
From Others	344.92		344.92	-
<b>Total</b>	<b>528.58</b>	<b>28.76</b>	<b>489.04</b>	<b>26.70</b>

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



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

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

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

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

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

**Note 5: Other Long Term Provisions**

(Amount in Lakhs)

Particulars	As at	
	31st March, 2024	31st March, 2023
<b>For Employee Benefits</b> - Gratuity payable	24.23	18.55
<b>Total</b>	<b>24.23</b>	<b>18.55</b>

**Note 6: Short Term Borrowings**

(Amount in Lakhs)

Particulars	As at	
	31st March, 2024	31st March, 2023
<b><u>Secured</u></b>		
<b>Working Capital Loan From Bank: -</b>		
Export Packing Credit (Shinhan Bank)	1,307.00	1,171.00
Export Packing Credit (ICICI Bank)	835.87	357.71
Export Packing Credit (UCO Bank)	1,475.28	1,499.96
Export Packing Credit (HDFC Bank)	1,135.74	136.21



Particulars	As at 31st March, 2024		As at 31st March, 2023	
L.C. Bill Discounting (ICICI Bank)		358.75		24.48
L.C. Bill Discounting (Shinhan Bank)		1,114.01		3,169.26
L.C. Bill Discounting (UCO Bank)		57.95		-
OD Facility (UCO Bank)		2,368.87		1,734.70
<b>Current Maturities of long term debts</b>				
Motor Car Loans		28.76		26.70
<b>Total</b>	-	<b>8,682</b>	-	<b>8,120.00</b>



**Note 7: Trade Payables**

Ageing of Trade Payable Outstanding as on 31st March 2024 is as follows:

(Amount in Lakhs)

Particulars	Not Due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Trade Payables</b>						
MSME	-	-	-	-	-	-
Others	508.29	378.36	293.93	96.11	0.69	1,277.37
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	<b>508.29</b>	<b>378.36</b>	<b>293.93</b>	<b>96.11</b>	<b>0.69</b>	<b>1,277.37</b>

Ageing of Trade Payable Outstanding as on 31st March 2023 is as follows:

(Amount in Lakhs)

Particulars	Not Due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Trade Payables</b>						
MSME	-	-	-	-	-	-
Others	965.54	1,104.40	106.42	6.57	8.61	2,191.54
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	<b>965.54</b>	<b>1,104.40</b>	<b>106.42</b>	<b>6.57</b>	<b>8.61</b>	<b>2,191.54</b>

7.1 There is no complete information for all creditors available with the management, regarding the supplier's covered as MSME Under MSME Act, 2006, reported to the extent information available.

7.2 The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

**Note 8: Other Current Liabilities**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
Statutory Dues		53.16		21.78
Staff payable		1.09		36.32
Advance from customers		42.55		139.32
Deposit		5.00		2.50
Unclaimed Dividend		0.89		0.96
Other Payables		-		4.17
<b>Total</b>		<b>102.69</b>		<b>205.04</b>

**Note 9: Short Term Provisions**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
For Employee Benefits		3.08		1.65
<b>Total</b>		<b>3.08</b>		<b>1.65</b>



**Note 10: Property Plant and Equipment**

SR. NO.	DESCRIPTION	RATE OF DEPRECIATION	GROSS BLOCK				ACCUMULATED DEPRECIATION & AMORTISATION				NET BLOCK	
			Balance as at	Addition	Deduction	Balance as at	Balance as at	Current	Depreciation	Balance as at	Balance as at	Balance as at
			1-Apr-23			31-Mar-2024	01-Apr-2023	Depreciation	on Deduction	31-Mar-2024	31-Mar-2024	31-Mar-2023
1	Office Building	4.87%	222.29	-	-	222.29	105.09	5.71	-	110.79	<b>111.49</b>	117.20
2	Factory Building	9.50%	9.94	-	-	9.94	1.24	0.83	-	2.07	<b>7.87</b>	8.70
3	Furniture & Fixtures	25.89%	64.96	0.61	-	65.57	58.76	1.68	-	60.44	<b>5.12</b>	6.20
4	Electrical Installations & Equipment	25.89%	27.83	-	-	27.83	10.51	4.48	-	15.00	<b>12.83</b>	17.32
5	Machinery	31.23%	12.50	-	-	12.50	5.87	2.07	-	7.94	<b>4.56</b>	6.63
6	Vehicle	31.23%	205.23	-	-	205.23	116.64	27.67	-	144.31	<b>60.92</b>	88.59
7	Office Equipment	45.07%	15.35	5.83	-	21.17	11.41	3.39	-	14.80	<b>6.38</b>	3.94
8	IT Equipment	39.30%	14.29	-	-	14.29	13.95	0.14	-	14.08	<b>0.21</b>	0.35
9	Computers	63.16%	3.82	0.16	-	3.97	2.83	0.65	-	3.47	<b>0.50</b>	0.99
	<b>TOTAL</b>		<b>576.20</b>	<b>6.60</b>	-	<b>582.80</b>	<b>326.30</b>	<b>46.61</b>	-	<b>372.90</b>	<b>209.89</b>	<b>249.91</b>
	<b>PREVIOUS YEAR</b>		<b>560.94</b>	<b>15.26</b>	-	<b>576.20</b>	<b>265.66</b>	<b>60.64</b>	-	<b>326.30</b>	<b>249.91</b>	<b>295.28</b>

10.1 Office Building in Property, Plant and Equipment is given as security for borrowings (Refer Note No. 6)

10.2 Capital work-in-progress is towards purchase of Commercial Office Premises which is under construction and the same is capitalised and put to use on 25th May, 2024.

10.3 Intangible assets relates to the Pre Incorporation Expenses incurred by subsidiaries.

**Note 11: Non-Current Investments**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Office Premises - Crescent Park		107.62	
<b>Total</b>		<b>107.62</b>		<b>107.62</b>

11.1 Office Premises is given as security for borrowings refer Note No. 6

**Note 12: Deferred Tax Assets (NET)**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Deferred Tax Assets Related to Fixed Assets and Gratuity Provision		9.91	
<b>Total</b>		<b>9.91</b>		<b>6.35</b>

**Note 13: Long-Term Loans and Advances (Unsecured and Considered Good)**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Advances in nature of Loans		446.95	
<b>Total</b>		<b>446.95</b>		<b>407.43</b>

**Note 14: Other Non-Current Assets**

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Security Deposit		334.09	
<b>Total</b>		<b>334.09</b>		<b>334.35</b>

**Note 15: Current Investments**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Quoted</b>		
Investment in equity shares of listed company	103.23	82.33
Investment in mutual funds	10.42	7.42
<b>Total</b>	<b>113.65</b>	<b>89.75</b>

**Note 16: Inventories**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw Material	-	40.54
Work In Progress	410.93	34.26
Finished Goods and Stock in Trade	1,355.42	1,729.13
<b>Total</b>	<b>1,766.35</b>	<b>1,803.93</b>

16.1 Inventories has been valued as per the Accounting Policies

16.2 Inventories as above are hypothecated to secured short term borrowings (Refer Note No. 6)



**Note 17: Trade Receivables**

Ageing of Trade Receivables Outstanding as on 31st March 2024 is as follows:

(Amount in Lakhs)

Particulars	Not Due						Total
		up to 180 days	6 Months - 1 Year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade Receivables - considered good	5,347.15	2,690.55	357.65	284.76	2.48	21.88	8,704.47
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	151.65	40.99	-	-	192.64
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>5,347.15</b>	<b>2,690.55</b>	<b>509.30</b>	<b>325.75</b>	<b>2.48</b>	<b>21.88</b>	<b>8,897.11</b>



**Ageing of Trade Receivables Outstanding as on 31st March 2023 is as follows:**

Particulars	Not Due						Total
		up to 180 days	6 Months - 1 Year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade Receivables - considered good	6,053.67	2,233.03	817.97	5.39	24.28	21.27	9,155.61
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	40.99	-	-	-	40.99
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>6,053.67</b>	<b>2,233.03</b>	<b>858.96</b>	<b>5.39</b>	<b>24.28</b>	<b>21.27</b>	<b>9,196.60</b>

17.1 Trade Receivables as above are hypothecated to secured short term borrowings (Refer Note No. 6)

**Note 18: Cash and Cash Equivalents**

(Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with Banks	98.61	34.55
Cash in hand	28.21	24.31
Balance with fixed deposits	4,369.10	4,140.71
<b>Total</b>	<b>4,495.91</b>	<b>4,199.57</b>

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

18.2 Balance with fixed deposits includes deposits placed as security against secured short term borrowings (Refer Note No. 6)

**Note 19: Short Term Loans and Advances**

(Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Unsecured, considered good</b>		
<b>Balance with tax authorities</b>		
Export Incentives Receivable	358.64	347.30
GST Electronic Credit Ledger	637.67	498.68
GST Export Refund	392.81	321.23
Income Tax Refund Receivable	0.52	0.52
Advance Tax (Net of Provision)	66.21	25.84
Advance to Related Party	0.00	3.29
<b>Advances with Suppliers in Trade</b>		
Yarn	564.41	1,618.75
Fabric	169.08	35.68
Cotton	89.87	26.15
Others	104.00	78.82
<b>Total</b>	<b>2,383.22</b>	<b>2,956.28</b>

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





**Note 20: Other Current Assets**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Unsecured, considered good</b>		
Advance to Staff	133.49	132.61
Advance to Investment Brokers	1.66	-
Other Current Assets	89.81	20.59
<b>Total</b>	<b>224.95</b>	<b>153.20</b>

**Note 21: Revenue from Operations**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
Sale of Products (Refer to Note No.21.1)		44,468.69		35,433.48
Other operating revenue (Refer to Note no.21.1)		2,346.65		2,255.77
<b>Total</b>		<b>46,815.34</b>		<b>37,689.25</b>

**21.1 Particulars of Revenue from Operations**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
<b>Sale of Products</b>				
-	-	-	-	-
<b>Trading Operations:</b>				
Yarn				
Export - Yarn	21,328.16		12,306.62	
Local – Yarn	3,601.17	24,929.33	4,937.36	17,243.98
Fabric				
Export - Fabric	3,186.84		3,110.77	
Local - Fabric	483.85	3,670.69	226.50	3,337.27
Cotton				
Export - Cotton	472.28		614.00	
Local - Cotton	4,017.34	4,489.62	824.49	1,438.49



Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
<b>Manufacturing Operations:</b>				
Yarn				
Export	8,016.34		4,174.68	
Local	3,362.72	11,379.06	9,239.06	13,413.74
<b>Total</b>		<b>44,468.69</b>		<b>35,433.48</b>
<b>Other Operating Revenue</b>				
Duty Drawback	619.27		355.35	
RoDTEP License Income	1,210.27		1,490.44	
Rebates, Discounts and Quality Claims Income	44.79		62.00	
Profit/ (Loss) on changes in foreign exchange	472.31	2,346.65	347.98	2,255.77
-	-	-	-	-
<b>Total</b>		<b>2,346.65</b>		<b>2,255.77</b>

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

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

**Note 22: Other Income**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
Dividend Income		2.04		2.17
Profit/ (Loss) on sale of Shares		18.58		4.28
Profit/ (Loss) Marked to Market on Equity		8.50		-
Interest Income on Advances		31.35		83.51
Interest on Fixed Deposits		296.47		211.81



Interest Income From Debtors		1.72		-
Interest on IT Refund		0.13		
Rent Income - Crescent Office		3.78		4.21
Miscellaneous Other Income		8.49		5.15
Rate difference Income		2.33		10.53
<b>Total</b>		<b>373.38</b>		<b>321.66</b>

**Note 23: Purchases**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
Raw Cotton		4,582.96		2,876.43
Polyester Chips		-		191.00
Polyester Fiber		-		462.02
Fabric		3,496.12		3,026.67
Yarn				
Local - Yarn Purchase	35,177.74		27,341.63	
Import	115.67	35,293.41	218.17	27,559.80
<b>Total</b>		<b>43,372.49</b>		<b>34,115.93</b>

**Note 24: Changes in Inventories of Finished Goods, Stock-In-Process And Stock-In-Trade**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Inventories (At Close) Goods		1,766.35	
Inventories (At Commencement) Goods		1,803.93		1,256.81
<b>Total</b>		<b>37.58</b>		<b>(547.12)</b>

**Note 25: Employee Benefits Expenses**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Directors Remuneration		157.20	
Salaries & Wages		180.09		538.61
Other Employee benefits		4.60		15.63
Staff welfare expenses		4.09		13.30
Gratuity		5.28		1.84
<b>Total</b>		<b>351.25</b>		<b>680.35</b>

**Note 26: Finance Costs**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Interest Expenses		695.77	
Bank Charges		40.27		25.13
<b>Total</b>		<b>736.04</b>		<b>412.85</b>

**Note 27: Other Expenses**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
<b><u>Direct Expenses</u></b>				
Job Work	748.59		301.33	
Labour Charges	4.35		8.82	
Packaging Expenses	0.52		9.95	
Factory Power Expenses	-		219.46	
Factory Repairs and Maintainance	-		30.00	
Factory Rent	-		273.93	
Factory Operating Expenses	-		133.67	
Stores and Spares	-		12.25	
Sample Expenses	1.65		2.27	
Other Direct Expense	3.21	<b>758.31</b>	-	<b>991.68</b>
<b><u>Administrative and Other Expenses</u></b>				
Auditor's Remuneration (Refer to note no.28.1)	5.35		4.25	
Communication Cost	1.28		0.78	
Electricity Charges	3.43		1.85	
Insurance Charges	4.50		12.66	
Legal & Professional Charges	62.61		78.79	
Printing & Stationery Cost	5.03		5.26	
Rent Rates & Taxes	26.18		26.51	
Repairs & Maintenance Cost	-		6.43	
Travelling & Conveyance Cost	6.54		8.81	
Donations / CSR	16.59		17.40	
Sundry Balances Written off	0.09		2.43	
Profit/ (Loss) on MTM Gain/Loss on shares and Mutual Funds	-		1.74	
Other Establishment Expenses	47.86	<b>179.45</b>	46.10	<b>213.03</b>
<b><u>Selling &amp; Distribution Expenses</u></b>				
Discount	11.64		9.78	
Commission Expenses	286.10		418.19	
Tours & Travel expenses	15.01		56.29	
Business Promotion Expenses	31.21		41.97	
Exhibition Expenses	14.89		36.57	
Rebates and Discount on Yarn and Fabric	-		20.11	
Freight and Forwarding Expenses	1,116.88	<b>1,475.73</b>	1,056.17	<b>1,639.08</b>
<b>Total</b>		<b>2,413.49</b>		<b>2,843.79</b>

**27.1 Particulars of Payment to Auditor**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	<b>(a) Auditor</b>			
Statutory Audit Fees	4.00		3.00	
Tax Audit fees	1.00	5.00	1.00	4.00
<b>(b) Certification &amp; Consulting Fees (Other Services)</b>		0.35		0.25
<b>Total</b>		<b>5.35</b>		<b>4.25</b>

27.2 There is significant reduction in Factory related expenses during the year, as the operations at Rokadeshwar Sahakari Soot Girni has discontinued.

**Note 28: Contingent Liabilities**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Claim against company not acknowledged as debts		
- in respect of Statutory Dues	-	-
- in respect of Trade		
a. Towards Case Filed by Vendor	96.73	-
b. Towards Case Filed by Lessor for lease of Rokadeshwar Shakari Soot Girni	312.39	-
<b>Total</b>	<b>409.12</b>	<b>-</b>

**Note 29: 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

<b>Name of the Party</b>	<b>Relationship / Designation</b>
Abhishek Lath	Managing Director and CFO
Umashankar Lath	Chairman and Managing Director
Sweta Lath	Executive Director
Rohit Agarwal	Independent Director
Jayadeep Mehta	Independent Director
Narendra Srivastava	Independent Director
Ashadevi Lath	Relative of Director
Umashankar Lath HUF	HUF of Director
Sandeep Poddar	Company Secretary
Burhanpur Integrated Textile Park Limited	Enterprises over which directors have significant influence
Le Merite Fashions Private Limited	Enterprises over which directors have significant influence

The following transactions were carried out with the related parties and the balances of these related parties as at 31st March, 2024 for the period then ended are presented herein below:  
(Amount in Lakhs)

<b>Particulars</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
<b>Remuneration</b>		
Abhishek Lath	66.00	40.00
Umashankar Lath	45.00	30.00
Sweta Lath	42.00	25.00
Ashadevi Lath	12.00	12.00
Sandeep Poddar	8.01	3.28
<b>Sitting Fees</b>		
Rohit Agarwal	1.05	1.32
Narendra Srivastava	1.50	1.27
Jayadeep Mehta	1.65	1.37
<b>Loan Repaid</b>		
Abhishek Lath	67.40	-
Umashankar Lath	20.02	14.96



Particulars	As at 31st March, 2024	As at 31st March, 2023
Sweta Lath	4.54	45.55
Umashankar Lath HUF	66.76	-
<b>Loan Taken</b>		
Abhishek Lath	65.55	-
Umashankar Lath	95.70	31.00
Sweta Lath	15.00	-
Umashankar Lath HUF	50.76	-
<b>Sale Transaction</b>		
Le Merite Fashion Private Limited	181.95	14.62
<b>Purchase Transaction</b>		
Le Merite Fashion Private Limited	1,509.42	1,220.66

**Outstanding balances - Payable/Receivable**

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Loan Payable</b>		
Abhishek Lath	1.75	3.61
Umashankar Lath	122.83	47.14
Umashankar Lath HUF	-	16.00
Sweta Lath	10.46	-
<b>Salary Payable</b>		
Abhishek Lath - Salary Payable	-	0.50
Umashankar Lath - Salary Payable	-	20.64
Sweta Lath - Salary Payable	-	5.39
Ashadevi Lath - Salary Payable	-	4.89
Rohit Agarwal	-	0.40
Narendra Srivastava	-	0.48
Jayadeep Mehta	-	0.48
Sandeep Poddar	0.76	-
<b>Payable</b>		
Le Merite Fashion Private Limited	15.99	426.21



**Note 30: Earnings Per Share**

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. The following reflects the profit and number of shares used in the basic and diluted EPS computations:

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Profit attributable to equity holders	174.52	428.78
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	234.81	234.81
Weighted Average number of equity shares used for computing Earning Per Share (Diluted)	234.81	228.85
Earning Per Share (Basic)	0.74	2.71
Earning Per Share (Diluted)	0.74	2.78
Face value per share	10.00	10.00

**Note 31: Analytical Ratios**

The Ratios as on 31st March 2024 are as follows:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance
(a) Current ratio	17881.20	10065.36	1.78	1.32	35.08%
(b) Debt-equity ratio	557.34	9399.35	0.06	0.04	50.21%
(c) Debt service coverage ratio	284.76	33.59	8.48	134.11	-93.68%
(d) Return on equity ratio	174.74	9385.79	0.02	0.46	-95.98%
(e) Inventory turnover ratio	46815.34	1785.14	26.23	41.84	-37.33%
(f) Trade receivables turnover ratio	46815.34	9046.85	5.17	4.15	24.79%
(g) Trade payables turnover ratio	43372.49	1734.46	25.01	28.41	-11.99%
(h) Net capital turnover ratio	46815.34	7848.46	5.96	16.98	-64.86%
(i) Net profit ratio	174.74	46815.34	0.00	0.04	-90.68%
(j) Return on capital employed	174.74	9956.68	0.02	0.59	-97.04%
(k) Return on investment	174.74	9399.35	0.02	0.46	-95.98%



Note 31.1: The Variance in Debt Service Coverage Ratio, Return on Equity Ratio, Net Profit Ratio, Return on Capital Employed Ratio, Return on Investment Ratios is due to significant reduction in Operational Profitability during the year as compared to previous year.

Note 31.2: The Variance in Trade Receivable Turnover Ratios and Trade Payable Turnover Ratio is due to improved Credit vis a vis Turnover.

**Note 32: Corporate Social Responsibility**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Amount required to be spent by the company during the year	30.43	27.77
Amount of expenditure incurred towards current year	3.48	10.59
Shortfall at the end of the year	26.95	17.18
Total of previous years shortfall	4.84	0
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	0	0

Note 32.1: CSR obligation for the Financial Year 2023-24 was Rs. 30,43,402/- out of which Rs. 3,48,000/- was fulfilled during the year the balance of Rs. 26,95,402/- is to be fulfilled on ongoing projects in next three years as the remaining amount was transferred to Unspent CSR Account with ICICI Bank on 29-04-2024 in Compliance with Section 135(7) of the Companies Act, 2013.

Note 32.2: CSR obligation for the Financial Year 2022-23 was Rs. 27,76,910/- out of which Rs. 10,49,000/- was fulfilled during the year plus Rs.9,430/- Surplus of FY 2021-22 and the balance of Rs. 17,18,480/- is to be fulfilled on ongoing projects in next three years as the remaining amount was transferred to Unspent CSR Account with UCO Bank on 28-04-2023 in Compliance with Section 135(7) of the Companies Act, 2013. and out of this 17,18,480/- Rs. 12,34,800/- has been fulfilled during the year and the balance of Rs. 4,83,680/- shall be fulfilled in coming years (within 3 years).

**Note 33: Title of Immovable Properties**

Relevant line items in the Balance Sheet	Description of items of property	Gross carrying value (Rs. In Lakhs)	Title deeds held in the Name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Reasons for not being held in the name of company (also indicate if in dispute)
Property Plant and Equipment	Office Building	222.29	Le Merite Exports Pvt Ltd	No	NA
	Factory Building	9.94	Le Merite Exports Pvt Ltd	No	NA
Non-Current Investment	Office Premises - Crescent Park	107.62	Le Merite Exports Pvt Ltd	No	NA

**Note 34: Security of current assets against borrowings**

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

**Note 35: Employee Benefits**

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

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

Particulars	(Amount in Lakhs)	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.21%	7.47%
Rate of Salary Increase	10.00%	10.00%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

**Change in the Present Value of Defined Benefit Obligation:****(Amount in Lakhs)**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Present Value of Benefit Obligation at the Beginning of the Period	21.95	20.11
Interest Cost	1.64	1.44
Current Service Cost	2.09	2.77
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.66	(0.67)
Actuarial (Gains)/Losses on Obligations - Due to Experience Adjustment	0.88	(1.70)
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>27.22</b>	<b>21.95</b>

**Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss for Current Period****(Amount in Lakhs)**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Actuarial (Gains)/Losses on Obligation for the Period	1.54	(2.37)
Actuarial (Gains)/Losses on Plan Asset For the Period	-	-
Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss	1.54	(2.37)

**Details of amount recognized in the Balance Sheet:****(Amount in Lakhs)**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
(Present Value of Benefit Obligation at the end of the Period)	(27.22)	(21.95)
Fair Value of Plan Assets at the end of the Period	-	-
Unrecognized Past Service Cost at the end of the Period	-	-
Net (Liability)/Asset Recognized in the Balance Sheet	(27.22)	(21.95)

**Note 36: Un-hedged Foreign Currency Exposure**

Particulars of Un-hedged Foreign Currency Exposure as at Balance sheet date is Rs. 8.50 Crs as on 31st March, 2024 and Rs. 5.00 Crs as on 31st March, 2023 as per management.

**Note 37: 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 38: Expenditure in Foreign Currency**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Commission Expenses	223.75	263.37

**Note 39: Earnings in Foreign Currency**

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Exports of goods	33,003.61	20,206.06

**Note 40: Operating Leases**

Where company is the lessee:

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

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

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>Charged to Statement of Profit and Loss</b>		
Godown Rent	6.70	5.95
Factory Rent	-	69.93
Future minimum lease payments not later than one year*	-	-
Future minimum lease payments later than one year but not later than five years*	-	-

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



**Note 41: Segment Reporting**

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

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

**Note 42: Other Regulatory Disclosures**

- a. The Company has not traded in crypto currency or virtual currency during the year.
- b. The Company is not declared a willful defaulter by any bank or financial institution or other lenders.
- c. The Company has no transactions with the struck off Companies under Section 248 or 560 of the Act.
- d. No proceedings were initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.
- e. There are no ultimate beneficiaries to whom the Company has lent/invested nor received any fund during the year within the meaning of Foreign Exchange Management Act 1999 and Prevention of money Laundering Act 2002.
- f. The Company has complied related to number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- g. There we no transaction in the Company which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- h. The Company does not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- i. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- j. The details pursuant to provisions of schedule III to the Companies Act, 2013 have been given to the extent applicable to the company



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

**As per our report of even date**

**For Nagori Nuwal & Co**  
**Chartered Accountant**  
(FRN 08185C)

**CA Shankar Lal Laddha**  
**Partner**  
(Membership No 76554)  
UDIN: 24076554BKLBBV4771  
Place: Mumbai  
Date: 25<sup>th</sup> May, 2024

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

**Abhishek Lath**  
MD & CFO  
(DIN - 00331675)

**Sandeep Poddar**  
Company Secretary  
(M. No.: A69365)

**Umashankar Lath**  
Chairman & MD  
(DIN - 05135035)



## LE MERITE EXPORTS LIMITED

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