LE MERITE EXPORTS LIMITED
(CIN: L17111MH2003PLC143645)
Registered Office: A-307, Boomerang, Chandivali Farm Road, Powai, Andheri (East), Mumbai 400 072, Maharashtra
Tel: +91 22 45963506, Website: www.lemeriteexports.com
E-mail: compliance@lemeriteexports.com

September 08, 2026

To,
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C-1, Block-G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051
Trading Symbol: LEMERITE

Dear Sir / Ma'am,

Subject: Annual Report – 2026 & Notice of 23rd Annual General Meeting.

With reference to the captioned subject, we inform that 23rd Annual General Meeting **("AGM")** of the Company shall be held on ***Wednesday, September 30, 2026*** at 01.00 p.m. through Video Conferencing **("VC")**/Other Audio-Visual Means **("OAVM")**, in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report for the FY 2025-26 and the Notice of 23rd AGM. The said reports are being sent to the shareholders through email and have been uploaded on the "investors" section of the website of the Company at: https://www.lemeriteexports.com/annual-reports.html

The ***"cut-off date"*** for determining eligibility of shareholders for remote e-voting/e-voting at AGM and for attending AGM is fixed as Wednesday, September 23, 2026. The remote e-voting period shall commence from Sunday, September 27, 2026 at 9.00 a.m. and end on Tuesday, September 29, 2026 at 5.00 p.m. The detailed instruction with regard to the remote e-voting/e-voting at AGM and procedure for attending AGM is provided in the notice of AGM which are being sent to shareholders and submitted to stock exchange. The procedure for attending the AGM is also provided in the Notice of AGM.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For Le Merite Exports Limited

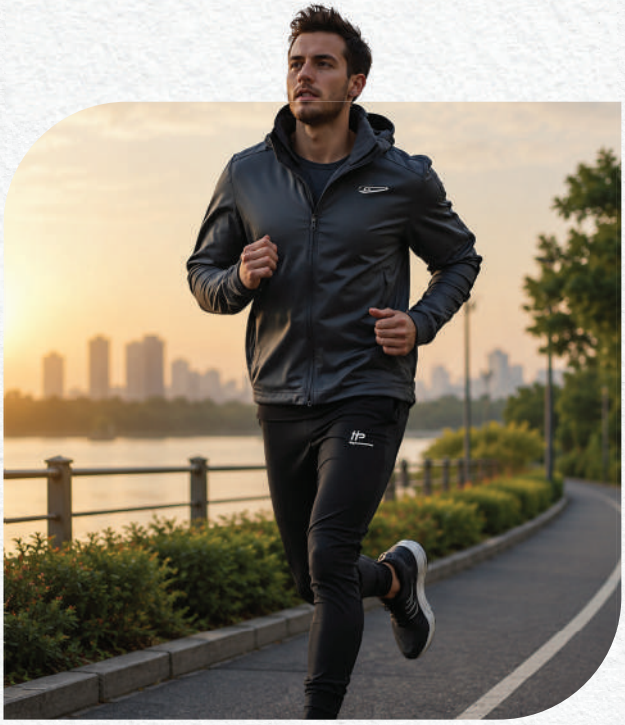
ARPIT SHARMA
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Date: 2026.09.08 19:47:12 +05'30'

Arpit Sharma
Company Secretary and Compliance Officer
M. No.: A71673

Le Merite®

Une Marque Riche en Qualité

ANNUAL REPORT 2025 - 26









Le Merite Exports Limited

Yarn - Fabric - Technical Textile

TABLE OF CONTENTS

1. Company Information
2. About the Annual Report
3. Chairman's Address to Shareholders
4. From the Desk of the Managing Director
5. Management Discussion and Analysis Report
6. Achievement at Glance
7. Notice of Annual General Meeting
8. Board's Report
9. Independent Auditor's Report on Standalone Financial Statements
10. Standalone Financials
11. Independent Auditor's Report on Consolidated Financial Statements
12. Consolidated Financials

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

Mrs. Kusum Naruka
Independent Director

COMPANY SECRETARY

Mr. Arpit Sharma
Company Secretary & Compliance Officer

AUDIT COMMITTEE

Mr. Narendra Kumar Srivastava
Chairman

Mr. Jaydeep Purujit Mehta
Member

Mr. Abhishek Lath
Member

Mrs. Kusum Naruka
Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Jaydeep Purujit Mehta
Chairman

Mr. Narendra Kumar Srivastava
Member

Mrs. Kusum Naruka
Member

STAKEHOLDERS RELATIONSHIP & GRIEVANCE COMMITTEE

Mr. Jaydeep Purujit Mehta
Chairman

Mr. Umashankar Lath
Member

Mr. Narendra Kumar Srivastava
Member

Mr. Abhishek Lath
Member

Mrs. Kusum Naruka
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs. Kusum Naruka
Chairman

Mr. Abhishek Lath
Member

Mrs. Sweta Lath
Member

SUBSIDIARIES

- Le Merite Filament Private Limited
- Le Merite Laxmi Spinning Private Limited
- Le Merite Tactical & Defence Solutions Private Limited (w.e.f. 05/06/2025)

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

M/s Prachi Bansal & Associates,
Practising Company Secretaries
House No. 837, Sector 28
Faridabad India 121008

BANKERS

- Shinhan Bank
- HDFC Bank
- ICICI Bank
- UCO Bank
- Bank of India

REGISTERED OFFICE

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

Telephone: +91 22 45963506

Email: compliance@lemeriteexports.com

Website: www.lemeriteexports.com

DETAILS OF REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited
Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East), Mumbai 400093.

Telephone: +91 22 6263 8200

Fax No: +91 22 6263 8280

Email: info@bigshareonline.com

Website: 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, 2025, to March 31, 2026, 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 23rd Annual Report of Le Merite Exports Limited ("LMEL"), offering a thorough overview of our financial and non-financial performance for the fiscal year 2025-26.

CHAIRMAN'S MESSAGE TO SHAREHOLDERS



Dear Shareholders,

Namaskar!

It is my privilege to address you once again as the Chairman and Managing Director of Le Merite Exports Limited and to present to you the Annual Report of the Company for the financial year 2025-26.

The year under review has been an important period in the journey of Le Merite Exports Limited. We continued to strengthen our core textile business while taking meaningful steps towards expanding our presence in specialised and high-value segments. Our focus remained firmly centred on operational efficiency, customer relationships, quality, innovation and sustainable long-term growth.

STRENGTHENING OUR PRESENCE IN DEFENCE TEXTILES

One of the key areas of strategic importance for the Company continues to be the Defence and specialised textile sector. During the year, we further strengthened our engagement with this sector and continued to pursue opportunities where our manufacturing capabilities and technical expertise can contribute to meeting specialised requirements.

The acceptance of our products for demanding applications is a reflection of our commitment to quality, reliability and performance. We believe that the growing emphasis on domestic manufacturing and self-reliance in strategic sectors presents meaningful opportunities for Indian textile manufacturers.

PERFORMANCE AND OPERATIONAL PROGRESS

The financial year 2025-26 was characterised by both opportunities and challenges. The global textile industry continued to operate in an environment influenced by changing consumer demand, input-cost movements, geopolitical developments, currency fluctuations and evolving international trade dynamics.

Against this backdrop, the Company remained focused on maintaining operational discipline and strengthening its fundamentals. We continued to work towards improving productivity, optimising costs, enhancing manufacturing efficiencies and developing stronger customer relationships.

EXPANDING OUR GROWTH HORIZONS

The Company is also exploring opportunities to expand its manufacturing and product capabilities and to participate in emerging segments of the textile value chain. Our ongoing focus on modernisation, capacity enhancement and technological advancement is intended to position the Company to meet evolving customer requirements.

The textile industry is undergoing a significant transformation, with increasing demand for technical textiles, specialised fabrics, performance-based materials and value-added products. We believe that these structural changes provide a strong platform for the Company to create new avenues of growth.

GOVERNANCE AND RESPONSIBLE GROWTH

At Le Merite Exports Limited, we firmly believe that sustainable growth can only be achieved through strong corporate governance, transparency and accountability.

The Board and management remain committed to maintaining robust governance practices, strengthening internal controls, ensuring regulatory compliance and managing business risks effectively. We continue to strive towards building an organisation that creates sustainable value for all stakeholders.

LOOKING AHEAD WITH CONFIDENCE

As we look towards the future, we remain optimistic about the opportunities available to the Indian textile industry. India's growing manufacturing capabilities, increasing focus on domestic value addition, expanding technical-textile ecosystem and opportunities in specialised sectors provide a favourable foundation for long-term growth.

At the same time, we remain conscious of the uncertainties arising from global economic conditions, geopolitical developments, commodity prices, exchange-rate movements and changes in international trade policies.

I am confident that with the dedication of our team, the support of our stakeholders and the strategic direction of the Board, Le Merite Exports Limited is well positioned to move forward with greater strength and ambition.

APPRECIATION AND GRATITUDE

On behalf of the Board of Directors, I would like to express my sincere gratitude to our shareholders for their continued trust and confidence in the Company.
I also place on record my appreciation for the dedication and contribution of our employees, the continued support of our suppliers and business partners, and the confidence reposed in us by our customers.

As we enter the next phase of our journey, we remain committed to building a stronger, more resilient, innovative and sustainable Le Merite Exports Limited, while creating enduring value for all our stakeholders.

Warm regards,

Umashankar Lath
Chairman and Managing Director
Le Merite Exports Limited

FROM THE DESK OF THE MANAGING DIRECTOR



Dear Shareholders,

It gives me immense pleasure to present the operational and strategic highlights of Le Merite Exports Limited (LMEL) for the financial year 2025-26.

The year under review marked an important phase in our growth journey. While continuing to strengthen our core textile business, we made meaningful progress in expanding our presence in specialised and strategic segments, particularly Defence and technical textiles. Our focus remained on enhancing manufacturing capabilities, improving operational efficiency, expanding our customer base and creating sustainable long-term value.

EXPANDING OUR DEFENCE FOOTPRINT

A key area of progress during the year has been the continued strengthening of our Defence textile business. Our engagement with the Defence ecosystem has expanded, providing us with opportunities to participate in specialised applications where quality, reliability and technical capabilities are critical.

We are particularly encouraged by the progress of our projects and engagements associated with DRDO, which provide an opportunity to leverage our textile capabilities for specialised Defence requirements. We remain focused on strengthening our technical expertise, product development and execution capabilities to establish a sustainable presence in this strategically important sector.

TACTICAL & DEFENCE BUSINESS

Our subsidiary, Le Merite Tactical & Defence Solutions Private Limited, is an important part of our strategy to build a dedicated platform for the Tactical and Defence business.

During the year, the subsidiary made progress towards developing its capabilities and pursuing opportunities in the Defence ecosystem. The subsidiary's approval under the Production Linked Incentive (PLI) Scheme is a significant milestone and reinforces our efforts towards building domestic manufacturing capabilities in the strategic textile segment.

We believe that the subsidiary, supported by Government initiatives and our existing textile expertise, can create additional avenues for growth and diversification for the Group.

LEVERAGING GOVERNMENT INITIATIVES

The Government's continued focus on Make in India, Atmanirbhar Bharat, technical textiles and self-reliance in strategic sectors presents significant opportunities for the Indian textile industry.

LMEL intends to actively participate in this evolving ecosystem by investing in capabilities, developing value-added products and leveraging relevant Government schemes and initiatives. We believe these initiatives can strengthen India's position as a competitive global manufacturing and export hub.

EXPANDING GLOBAL OPPORTUNITIES

Exports remain a key pillar of our business. During the year, developments in India's international trade relationships, including trade agreements and arrangements with European markets and other nations, have created opportunities for Indian exporters to access global markets more effectively.

We remain focused on expanding our international customer base, diversifying our geographical presence and building long-term relationships with customers across key markets. At the same time, we continue to remain mindful of global uncertainties, geopolitical developments, currency movements and changing trade policies.

PEOPLE, TECHNOLOGY & OPERATIONAL EXCELLENCE

Our people continue to be the foundation of our growth. We remain committed to strengthening employee capabilities, improving manufacturing processes and adopting technology to enhance productivity and efficiency.

As we expand into specialised and technically demanding segments, investment in people, technology, R&D and innovation will remain central to our strategy.

IN GRATITUDE

I sincerely thank our shareholders for their continued trust and confidence in Le Merite Exports Limited. I also express my appreciation to our employees, customers, suppliers, business partners and all other stakeholders for their continued support.

With a committed team, a clear strategic direction and a strong foundation, we remain confident in our ability to navigate challenges, capture emerging opportunities and create sustainable value for all our stakeholders.

Warm regards,

Abhishek Lath
Managing Director & CFO
Le Merite Exports Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



GLOBAL ECONOMIC OVERVIEW AND OUTLOOK

The global economy remained resilient during FY 2025-26, although growth continued to be influenced by geopolitical uncertainties, inflationary pressures, changing trade policies, currency fluctuations and uneven consumer demand. The textile and apparel industry continued to experience varying demand across markets, with manufacturers focusing on cost efficiency, supply-chain resilience, product diversification and sustainability.

At the same time, the global shift towards diversified sourcing and the increasing demand for technical and specialised textiles are creating new opportunities for manufacturers with strong quality, manufacturing and product-development capabilities. Sustainability, digitalisation and technological advancement continue to remain important drivers of the industry.

INDIAN ECONOMY – OVERVIEW AND OUTLOOK

The Indian economy continued to demonstrate resilience during FY 2025-26, supported by domestic consumption, infrastructure development, manufacturing activity and continued policy support. India's growing manufacturing ecosystem and increasing integration with global supply chains provide a favourable environment for export-oriented industries.

The Government's focus on Make in India, Atmanirbhar Bharat, technical textiles, infrastructure development and export promotion continues to create opportunities for the textile sector. Initiatives such as the Production Linked Incentive (PLI) Scheme, PM MITRA Parks and the National Technical Textiles Mission are expected to support investment, innovation and capacity development across the sector.

India's expanding trade relationships and trade agreements with key international markets, including European and other major economies, are also expected to provide opportunities for Indian exporters through improved market access and greater integration with global supply chains.



GLOBAL TEXTILE INDUSTRY

The global textile and apparel industry continues to be a significant manufacturing and employment sector, with Asia remaining the dominant production and sourcing region.

During FY 2025-26, the industry continued to navigate changing consumer preferences, cautious retail demand, inventory adjustments, raw-material price volatility and geopolitical uncertainties. At the same time, demand for technical textiles, performance fabrics, sustainable products and specialised applications continued to provide opportunities for industry participants.

Global buyers are increasingly seeking diversified and resilient supply chains, creating opportunities for Indian manufacturers to strengthen their position in international markets.

INDIAN TEXTILE INDUSTRY

India continues to be one of the world's leading textile and apparel manufacturing and exporting countries, supported by its large raw-material base, established manufacturing ecosystem, skilled workforce and growing domestic market.

The Indian textile industry is increasingly moving towards value-added products, technical textiles, sustainability and advanced manufacturing. Government initiatives, improving infrastructure and increasing global interest in supply-chain diversification provide a positive long-term outlook for the sector.

For LMEL, these developments provide opportunities to strengthen its core textile business while expanding into specialised and technical textile applications, including the Defence sector.



OPPORTUNITIES AND THREATS

OPPORTUNITIES

GROWTH IN TECHNICAL AND SPECIALISED TEXTILES

Increasing applications of technical textiles across Defence, healthcare, infrastructure, automotive and other specialised sectors provide significant opportunities for product diversification and value addition.

GOVERNMENT INITIATIVES AND PLI

Government initiatives such as Make in India, Atmanirbhar Bharat, PLI and the National Technical Textiles Mission are encouraging domestic manufacturing, investment and innovation. The PLI approval received by the Company's Tactical and Defence subsidiary further supports the Group's strategic focus in this area.

SUPPLY CHAIN DIVERSIFICATION

Global customers are increasingly diversifying sourcing beyond traditional manufacturing hubs. India's manufacturing capabilities and improving infrastructure position the country to benefit from this shift.

DEFENCE SECTOR

The growing focus on domestic Defence manufacturing and self-reliance is creating opportunities for Indian manufacturers of specialised and technical textiles. LMEL is strengthening its Defence footprint and pursuing opportunities associated with specialised Defence requirements, including projects linked with DRDO.

EXPORT AND GLOBAL MARKET OPPORTUNITIES

India's evolving trade relationships and agreements with Europe and other international markets provide opportunities for Indian textile exporters to expand their customer base and improve market access. LMEL remains focused on geographical diversification and strengthening its international customer relationships.

SUSTAINABILITY AND INNOVATION

Growing demand for sustainable, value-added and performance-based textiles provides opportunities for manufacturers investing in technology, R&D and environmentally responsible production.

OPPORTUNITIES AND THREATS

THREATS

RAW MATERIAL PRICE VOLATILITY

Fluctuations in cotton, synthetic fibres, dyes and other input costs may impact margins and operating performance.

GLOBAL DEMAND AND GEOPOLITICAL UNCERTAINTY

Economic slowdowns, changing consumer demand, geopolitical tensions and evolving trade policies may affect export orders and international business conditions.

CURRENCY AND LOGISTICS RISKS

Exchange-rate fluctuations, freight costs, shipping disruptions and changes in global logistics conditions may impact the competitiveness and profitability of export operations.

REGULATORY AND COMPLIANCE REQUIREMENTS

Increasing environmental, sustainability and product-compliance requirements in international markets may require continued investment in technology, processes and certifications.

COMPETITION AND TECHNOLOGICAL CHANGES

The textile industry remains highly competitive, and rapid technological developments require continuous investment in modernisation, innovation, product development and skilled manpower.







OUTLOOK

LMEL remains focused on strengthening its core textile business while building new growth opportunities in Defence, technical textiles and international markets. The Company intends to leverage its manufacturing capabilities, customer relationships and emerging opportunities from Government initiatives and global trade developments to pursue sustainable and profitable growth.

The Company will continue to focus on operational efficiency, product diversification, R&D, technology adoption, export-market expansion and disciplined financial management, while remaining responsive to changes in the global business environment.



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 stakeholders."

VISION

"Constant innovation to build sustainable & digital billion-dollar conglomerate"

CORE VALUES

At LMEL, we are committed to conducting our business with integrity, responsibility and sustainability. We value our people, promote an inclusive and collaborative work environment, and encourage open and transparent communication.

We believe that sustainable business practices create long-term value for all stakeholders. Accordingly, we remain focused on responsible operations, strong governance, environmental stewardship and continuous improvement.





HUMAN CAPITAL MANAGEMENT

Our people are central to our growth and success. We recognise the contribution of our employees and strive to foster a workplace that encourages commitment, innovation, learning and collaboration. We remain focused on attracting, developing and retaining talent with the skills and capabilities required to support our evolving business objectives.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

In accordance with Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3), details of significant changes of 25% or more in the key financial ratios, as compared with the immediately preceding financial year, along with explanations thereof, are provided in Notes to the Standalone Financial Statements.

CAUTIONARY STATEMENT

Statements in this Annual Report describing the Company's objectives, expectations and future prospects may contain forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks, uncertainties and other factors. The Company assumes no obligation to publicly update or revise such statements in light of subsequent developments.

ACHIEVEMENTS AT A GLANCE



A NEW MILESTONE FOR LMEL — SUCCESSFULLY MIGRATED FROM THE NSE SME PLATFORM TO THE NSE MAIN BOARD.



HONOURED WITH THE MAHARASHTRA STATE EXPORT AWARD 2023–24 UNDER THE EXPORT HOUSE CATEGORY.

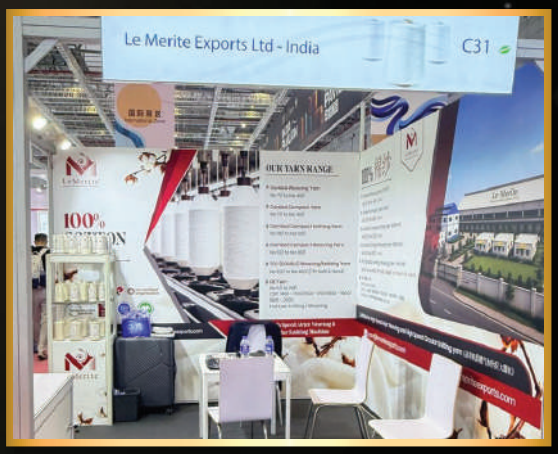
OUR TEAM



PARTICIPATION IN VARIOUS EXHIBITIONS IN INDIA & ABROAD



INTEX SOUTH ASIA 2026



YARN EXPO 2026



INTERTEX PORTUGAL 2026



BHARAT TEX 2026



EXHIBITION IN MUMBAI



ANNUAL INDUSTRY & CORPORATE REPORT: TECHNICAL TEXTILES

EXECUTIVE SUMMARY & MARKET LANDSCAPE

The global and Indian technical textile industries have transitioned from basic functional substrates into highly engineered, mission-critical materials. Propelled by industrialization, infrastructure modernization, stringent workplace safety mandates, and modernization of armed forces, the sector commands significant multi-year growth through 2030.

GLOBAL TECHNICAL TEXTILE MARKET: CURRENT VALUATION & 2030 OUTLOOK

Globally current value (2025) for Protech, Packtech, sportech/outdoor segment are USD B 23.7, 215 and 17.2 which is expected to reach at 39.8, 31.9 & 28.5 respectively by 2030.

The global technical textile market reached $215.4 billion and is projected to expand to $335.8 billion by 2030, reflecting a Compound Annual Growth Rate (CAGR) of 6.5% to 7.2%.

MOST PROMISING GLOBAL SECTORS

- **Protech & Tactical Defence:** Increasing geopolitical friction, rising cross-border defense budgets, and modernization drives (e.g., Extreme Cold Climate / ECC systems, modular body armor) have created rapid demand for high-tenacity, low-weight ballistic fabrics.

- **Medtech & High-Performance Athleisure (Sportech):** Demand for breathable membranes, moisture-wicking synthetic matrix fabrics, and biocidal medical barriers continues to outpace traditional industrial commodity growth.

INDIAN TECHNICAL TEXTILE MARKET: CURRENT VALUATION & 2030 OUTLOOK

India's technical textile sector represents one of its fastest-growing manufacturing domains, propelled by the National Technical Textiles Mission (NTTM), dedicated Production-Linked Incentive (PLI) schemes, and Atmanirbhar Bharat domestic indigenization drives.

The domestic market currently for Protech/defence, sportech/athleasure and packtech is USD B 1.8, 1.5 and 8.8 which is expected to be USD B 4.8, 3.8 & 15.2 by 2030

The domestic market stood at approximately $24.5 billion, tracking toward $45.0 billion to $50.0 billion by 2030 at an estimated CAGR of 10.5% – 12.0%.

MOST PROMISING DOMESTIC SECTOR

- **Protech & Defence Solutions:** The Ministry of Defence's phased indigenization lists have restricted imports on soldier combat fabrics, ECC (Extreme Cold Climate) apparel, and load-carriage gear. This structural pivot has shifted procurement directly to domestic technical textile mills capable of precision engineering and testing.

STRATEGIC PROJECT PROFILE:
LE MERITE TACTICAL & DEFENCE SOLUTIONS

To capitalize on the macro shift toward high-margin technical textiles, Le Merite Tactical & Defence Solutions Private Limited
(LMEL group) is executing a state-of-the-art greenfield manufacturing complex located at the Amravati Textile Park, Maharashtra.

Concurrently, Le Merite Tactical & Defence Solutions Private Limited (a strategic subsidiary of Le Merite Exports Limited) is executing a greenfield facility designed to manufacture specialized, high-performance tactical, protective, packtech and industrial textiles.

RAW MATERIAL MATRIX & BASE FORMULATIONS

The greenfield plant processes diverse polymer compositions tailored to rigorous mechanical specifications:

Nylon 6 & Nylon 6,6 (Polyamide): Engineered for ultra-high tensile strength, elongation recovery, cut-and-slash resistance, and ballistic integrity. Utilized predominantly for tactical plate carriers, rucksacks, and high-abrasion reinforcement panels.

Polyester (High-Tenacity & Micro-Denier): Deployed for dimensional stability, UV degradation resistance, hydrophobic properties, and lightweight strength in packtech, marine, and industrial outerwear.

Cotton Blends (NYCO & Poly-Cotton): Combining the comfort, breathability, and non-melting characteristics of natural cellulose with the high tear-and-tensile strength of synthetic continuous filaments; formulated specifically for military combat uniforms, field duty fatigues, and protective workwear.

PROCESSING, FINISHING & COATING CAPABILITIES

The facility houses integrated wet-processing, printing, and multi-layer functional laminating lines:

- Dyeing & Specialty Camouflage Printing
- Advanced Coating & Surface Engineering
- High-Precision Multi-Layer Lamination

TARGETED END-USE MARKET SEGMENTS

- **Defence & Tactical Solutions:** High-spec uniforms, kit bag, sleeping bag, rain poncho, ECC matresses and Extreme Cold Climate (ECC) outerwear.
- **Protech (Protective Textiles):** Industrial flame-resistant garments.
- **Athleisure & Sportech:** synthetic shells, moisture-management compression fabrics, and lightweight performance activewear.
- **Packtech:** High-denier coated pack fabrics, military-spec rucksacks, heavy-duty protective cases, etc
- **Industrial & Outdoor:** Heavy-duty outdoor shelters, tents, tapes, etc

QUALITY ASSURANCE & NEW PRODUCT DEVELOPMENT (NPD) FRAMEWORK

To satisfy the stringent audit requirements of institutional defense buyers, global brands, and tier-1 industrial clients, the Amravati plant incorporates a closed-loop quality and rapid-prototyping ecosystem.

PRECISION QUALITY CONTROL ARCHITECTURE

- In-Line & final check Process Methodology
- In-House Testing Laboratory
- New Product Development (NPD) Focus

STRATEGIC SYNTHESIS

The convergence of explosive domestic market growth—guided by Indian government procurement mandates—and expanding international demand positions technical textiles as a high-margin growth engine. By pivoting away from asset-light commodity yarn processing toward dedicated, precision-engineered technical manufacturing at Amravati, Le Merite Tactical & Defence Solutions establishes a vertically integrated production footprint.

With specialized processing of Nylon 6, Nylon 6,6, Polyester, and functional blends—coupled with chemical coating, lamination, and a dedicated NPD pipeline—the venture is situated to capture significant market share across global and domestic defense, industrial, and specialized functional textile sectors.

NOTICE

Notice is hereby given that the Twenty-Third Annual General Meeting of the Members of LE MERITE EXPORTS LIMITED (CIN - L17111MH2003PLC143645) will be held on Wednesday, September 30, 2026, at 1.00 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
   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2026, together with the reports of the Board and Auditors thereon.
   b. The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the Report of the Auditors thereon.

2. To consider a director in place of Mr. Umashankar Lath, Chairman and Managing Director (DIN: 05135035), who retires by rotation and being eligible, offers himself for re-appointment:

   Explanation: Based on the terms of appointment, Executive Directors and the Non-Executive Directors (other than Independent Directors) are subject to retirement by rotation. Mr. Umashankar Lath who has been on the Board of the Company and whose office is liable to retire at this AGM, being eligible, seeks re-appointment. Based on the performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends his re-appointment.

   Therefore, the shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Umashankar Lath, Chairman and Managing Director (DIN: 05135035), who retires by rotation, be and is hereby re-appointed as a Director, liable to retire by rotation."

SPECIAL BUSINESS:

3. To consider and if thought fit, to approve re-appointment of Mr. Abhishek Lath (DIN: 00331675) as Managing Director and CFO of the company and in this regard, to pass with or without modifications, the following resolution as **special resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such other consents, permissions, approvals as may be necessary and in accordance with the Articles of Association of the Company and based upon the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Abhishek Lath (DIN: 00331675) as Managing Director and CFO, for a further period of 5 (Five) years, with effect from October 31, 2026 on the terms and conditions of re-appointment as mentioned in this resolution and the explanatory statement annexed hereto and at remuneration not exceeding Rs. 66,00,000 (Rupees Sixty-Six Lakhs Only) per annum including salary, allowances, perquisites and other benefits etc. plus any increment in remuneration by way of bonus/ incentive/ performance linked incentive, if any, payable to Mr. Abhishek Lath with a liberty to the Board to revise the remuneration without approval of Shareholders within the prescribed ceiling limit of Schedule V and other applicable provisions of the Act.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification by the Central Government to Schedule V to the Companies Act, 2013, the Board be and is hereby severally authorized to vary and alter the terms of appointment including salary, commission, allowances, perquisites and other benefits etc. payable to Mr. Abhishek Lath within such prescribed limits or ceiling and as agreed by and between the Company and Mr. Abhishek Lath as per the applicable provisions of the Act.

RESOLVED FURTHER THAT Mr. Abhishek Lath shall be liable to retire by rotation during his tenure as the Managing Director and CFO of the Company, subject to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, and to take such actions/ decisions in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

4. To consider and if thought fit, to approve re-appointment of Mr. Umashankar Lath (DIN: 05135035) as Managing Director and Chairman of the Company and in this

regard, to pass with or without modifications, the following resolution as **special resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to Regulation 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and subject to such other approvals as may be required, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Umashankar Lath (DIN: 05135035) as the Managing Director and Chairman of the Company for a further period of 5 (Five) years commencing from October 31, 2026, as well as remuneration not exceeding Rs. 45,00,000/- (Rupees Forty-Five Lakh Only) per annum having such composition and perquisites as may be decided by the Board of Directors of the Company (hereinafter referred to as "the Board") and acceptable Mr. Umashankar Lath.

RESOLVED FURTHER THAT pursuant to Section 196(3)(a) of the Companies Act, 2013 and Regulation 17(1A) of the SEBI LODR Regulations, the consent of the Members be and is hereby accorded for the continuation and re-appointment of Mr. Umashankar Lath as Managing Director and Chairman of the Company, notwithstanding that he has attained the age of seventy years, for the aforesaid term, on the terms and conditions set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to alter or vary the terms and conditions of the said reappointment and/or remuneration in such manner as may be agreed to between the Board and Mr. Umashankar Lath subject to the same not exceeding the limits specified under the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To consider and if thought fit, to approve re-appointment of Mrs. Sweta Lath (DIN: 07213314) as Executive Director of the company and in this regard, to pass with or without modifications, the following resolution as **special resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and subject to such other approvals as may be required, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mrs. Sweta Lath (DIN: 07213314) as the Executive Director of the Company for a further period of 5 (Five) years commencing from October 31, 2026, as well as remuneration not exceeding Rs. 42,00,000/- (Rupees Forty-Two Lakh Only) per annum having such composition and perquisites as may be decided by the Board of Directors of the Company (hereinafter referred to as "the Board") and acceptable Mrs. Sweta Lath (DIN: 07213314).

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to alter or vary the terms and conditions of the said reappointment and/or remuneration in such manner as may be agreed to between the Board and Mrs. Sweta Lath subject to the same not exceeding the limits specified under the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider and if thought fit, to approve re-appointment of Mr. Jaydeep Purujit Mehta (DIN: 06952808) as non-executive Independent Director of the company and in this regard, to pass with or without modifications, the following resolution as **special resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150,152, and 160 read with Schedule IV and Companies (Appointment and Qualifications of Directors) Rules, 2014, the provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI LODR") and other applicable laws, including any statutory modification or re-enactment thereof from time to time, Mr. Jaydeep Purujit Mehta (DIN: 06952808) who was appointed as an Independent Director of the Company in the Extra Ordinary General Meeting held on January 25, 2022 and who hold office until December 16, 2026 and in respect of

whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying intention to propose Mr. Jaydeep Purujit Mehta for re-appointment for the office of Independent Director of the Company and as recommended by the Nomination and Remuneration committee of the Board, approval of the shareholders be and is hereby accorded to re-appoint Mr. Jaydeep Purujit Mehta as an Independent Director of the Company, not liable to retire by rotation, to hold office for second term of five consecutive years up to December 16, 2031.

RESOLVED FURTHER THAT Mr. Jaydeep Purujit Mehta shall not be considered as a director liable to retire by rotation in terms of Section 152 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company including any Committee thereof be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as may be deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as it may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things and take such steps and actions as may be considered necessary, and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Company Secretary of the Company, to give effect and to implement this Resolution."

7. To consider and if thought fit, to approve re-appointment of Mr. Narendra Kumar Srivastava (DIN: 09439120) as Non-executive Independent Director of the company and in this regard, to pass with or without modifications, the following resolution as **special resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150,152, and 160 read with Schedule IV and Companies (Appointment and Qualifications of Directors) Rules, 2014, the provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI LODR") and other applicable laws, including any statutory modification or re-enactment thereof from time to time, Mr. Narendra Kumar Srivastava (DIN: 09439120) who was appointed as an Independent Director of the Company in the Extra Ordinary General Meeting held on January 25, 2022 and who hold office until December 16, 2026 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying intention to propose Mr. Narendra Kumar Srivastava for re-appointment for the office of Independent Director of the Company and as recommended by the Nomination and

Remuneration committee of the Board, approval of the shareholders be and is hereby accorded to re-appoint Mr. Narendra Kumar Srivastava as an Independent Director of the Company, not liable to retire by rotation, to hold office for second term of five consecutive years up to December 16, 2031.

RESOLVED FURTHER THAT Mr. Narendra Kumar Srivastava shall not be considered as a director liable to retire by rotation in terms of Section 152 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company including any Committee thereof be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as may be deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as it may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things and take such steps and actions as may be considered necessary, and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Company Secretary of the Company, to give effect and to implement this Resolution."

8. To consider and if thought fit, to approve appointment of Ms. Kusum Naruka (DIN: 10679553) as Non-executive Independent Director of the company and in this regard, to pass with or without modifications, the following resolution as **special resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Kusum Naruka (DIN: 10679553), who was appointed as an Additional Director in the category of Non-Executive Independent Director of the Company with effect from August 14, 2026 and who holds office up to the date of this General Meeting, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of 5 (Five) consecutive years commencing from August 14, 2026 to August 13, 2031.

RESOLVED FURTHER THAT the Board of Directors of the Company including any Committee thereof be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as may be deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as it may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things and take such steps and actions as may be considered necessary, and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Company Secretary of the Company, to give effect and to implement this Resolution."

By the Order of the Board

Sd/-
Arpit Sharma
Company Secretary and Compliance Officer

Date: September 8, 2026
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') vide its General Circulars No. 20/2020 dated May 5, 2020, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023, 09/2024 dated September 19, 2024 and the latest being 03/2025 dated September 22, 2025 (collectively referred to as 'MCA Circulars'), permitted for conducting the Annual General Meeting ('AGM') of Companies till further order through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') viz. without the physical presence of the Members at a common venue and the Securities and Exchange Board of India ('SEBI') circulars has also granted certain relaxations to the listed companies regarding such AGMs in terms of Regulations 36 and 44(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In compliance with the provisions of the Companies Act, 2013, ('the Act'), MCA Circulars and Listing Regulations as aforesaid, the 23rd AGM of the Company is being held through VC/OAVM.

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 2025-26 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 Mr. Sunnykumar Narwani sunny@pcsvta.com with a copy marked to 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 Bigshare Services Private Limited 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 Bigshare Services Private Limited.

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 The Notice can also be accessed from the websites of the Stock Exchange National Stock Exchange of India Limited at 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

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. 2 to 8 of the accompanying notice, as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed herewith as Annexure – A

11. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2026, to September 30, 2026 (both days inclusive).

12. The Company has appointed CS Sunnykumar Narwani, Practising Company Secretary Designated Partner of M/s VTSN and Associates LLP (Membership No. ACS: 38196; CP No: 27211) as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

13. 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 on or before September 23, 2026 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.

14. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and shall be communicated to the stock exchange as well within two (02) days of passing of the resolutions at the AGM of the Company

THE INSTRUCTIONS FOR REMOTE E-VOTING ARE AS UNDER:

i. The voting period begins on September 27, 2026, at 09:00 a.m. (IST) and ends on September 29, 2026, at 05:00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2026 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**
Individual Shareholders holding securities in Demat mode with **CDSL**	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 https://web.cdslindia.com/myeasitoken/home/login or visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 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 **BIGSHARE** the e-Voting service provider and you will be re-directed to **i-Vote** 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. **BIGSHARE**, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & 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 **BIGSHARE** and you will be re-directed to **i-Vote** website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with **NSDL**	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: https://eservices.nsdl.com 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 **BIGSHARE** and you will be re-directed to **i-Vote** website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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 **BIGSHARE** and you will be redirected to **i-Vote** website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page with all e-Voting Service Providers. Click on **BIGSHARE** and you will be re-directed to **i-vote (E-voting website)** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 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 & voting during the meeting.

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 **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022-48867000.

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 https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 022-62638338

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 or call us at: 1800 22 54 22, 022-62638338

By the Order of the Board

Sd/-

Arpit Sharma
Company Secretary and Compliance Officer

Date: September 8, 2026
Place: Mumbai

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OFTHE COMPANIES ACT, 2013.

ITEM NO. 3

Mr. Abhishek Lath (DIN: 00331675) was appointed as the Managing Director and Chief Financial Officer of the Company for a period of 5 (Five) years commencing from November 01, 2021 and ending on October 30, 2026, as the present term of office is due to expire on October 30, 2026, the Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on September 08, 2026, after Considering his valuable contribution, experience, knowledge of the business and continued involvement in the management and affairs of the Company, approved his re-appointment as Managing Director and CFO for a further period of Five (5) years commencing from October 31, 2026 and ending on October 30, 2031, subject to the approval of the Members.

The Board is of the opinion that his continued association with the Company as Managing Director and Chief Financial Officer will be beneficial to the Company and will contribute towards its continued growth and development.

Accordingly, the Board has recommended the re-appointment of Mr. Abhishek Lath for a further period of five years on the terms and conditions set out below.

Terms and Conditions of Re-appointment

Particulars	**Details**
Name of the Appointee:	Mr. Abhishek Lath
DIN:	00331675
Designation:	Managing Director and Chief Financial Officer
Existing Term:	1st November, 2021 to 30th October, 2026
Proposed Term:	31st October, 2026 to 30th October, 2031
Period of Re-appointment:	5 (Five) years
Remuneration:	Not exceeding Rs. 66,00,000/- per annum (Salary, allowances, perquisites and other benefits, as may be determined by the Board from time to time)

The aggregate remuneration payable to Mr. Abhishek Lath shall not exceed Rs. 66,00,000/- (Rupees Sixty-Six Lakh Only) per annum, with the exact composition of salary, allowances, perquisites and other benefits to be determined by the Board from time to time, subject to the overall limit approved by the Members and the applicable provisions of the Companies Act, 2013 and Schedule V thereto.

Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Sweta Lath are Executive Directors belonging to the Promoter/Promoter Group of the Company. Pursuant to Regulation 17(6)(e)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, payment of aggregate annual remuneration to such Directors exceeding five per cent of the net profits of the Company, calculated in accordance with Section 198 of the Companies Act, 2013, requires approval of the Members by way of a Special Resolution.

The proposed annual remuneration ceilings for Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Sweta Lath are ₹66,00,000, ₹45,00,000 and ₹42,00,000, respectively, aggregating to ₹1,53,00,000 per annum. Considering their experience, responsibilities and contribution to the Company, the Board recommends approval of the proposed remuneration, notwithstanding that the aggregate annual remuneration payable to them may exceed the aforesaid five per cent limit in any financial year during their respective proposed terms.

Accordingly, approval of the Members is sought under Regulation 17(6)(e)(ii), in addition to the applicable provisions of the Companies Act, 2013, for payment of remuneration within the respective ceilings specified in the resolutions. Such approval shall remain valid until the expiry of their respective approved terms.

Brief Profile and Qualifications

Mr. Abhishek Lath has been associated with the Company in a leadership capacity and has been involved in the overall management and affairs of the Company, including its financial and strategic matters.

Mr. Abhishek Lath satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 (including any amendments thereto) and also the conditions as set out under sub-section (3) of section 196 of the Companies Act, 2013 for being eligible for reappointment.

The Company has received his consent to act as Managing Director and disclosure for non disqualification/ debarment by any Statutory Authority. The brief resume of Mr. Abhishek Lath, Managing Director and CFO, nature of his expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A. The Board of Directors accordingly recommends the Special Resolution as mentioned at item no. 3 of this Notice for approval of the Members of the Company

He possesses the requisite knowledge, experience, skills and expertise necessary for discharging the functions and responsibilities of the Managing Director and Chief Financial Officer of the Company.

The following additional detailed information as per Section II of Schedule V is as follows:

S. No	General Information	
1	Nature of Industry	The Company is engaged in the business of textile manufacturing, processing, export and allied activities and such other businesses as may be permitted under its Memorandum of Association.
2	Date or expected date of commencement of commercial production	Not Applicable, as the Company is an existing operating company.
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions	Not Applicable.
4	Financial performance of the Company based on given indicators	Company reported Revenue from Operations of INR 35,747.09 lakhs as against INR 51,840.41 lakhs in FY25, reflecting a decline of 31.04%. Total Income stood at INR 36,756.12 lakhs compared to INR 52,573.29 lakhs in FY25, registering a decrease of 30.09%. Despite the reduction in revenue, the Company maintained a strong focus on cost optimization and operational efficiency. Total Expenses decreased by 31.92% to INR 35,262.46 lakhs in FY26 from INR 51,792.59 lakhs in FY25. As a result, Profit Before Tax increased substantially by 91.32% to INR 1,493.66 lakhs from INR 780.70 lakhs in the previous year. Profit After Tax for FY26 stood at INR 1,156.25 lakhs as against INR 622.73 lakhs in FY25, representing a growth of 85.68%. Total Comprehensive Income also increased significantly to INR 1,158.13 lakhs from INR 619.81 lakhs in FY25, registering a growth of 86.85%.
5	Foreign investments or collaborations, if any	Nil
6	Background details	Mr. Abhishek Lath has been associated with the Company as Managing Director and Chief Financial Officer since 1st November, 2021 and has been involved in the management and administration of the Company and its financial and strategic functions.

7	Past remuneration	FY 2025-26: Nil FY 2024-25: Rs. 2,75,000/- per month.
8	Recognition or awards	-
9	Job profile and his suitability	Mr. Abhishek Lath, in his capacity as Managing Director and Chief Financial Officer, shall be responsible for overseeing the overall management and financial affairs of the Company and shall perform such duties and exercise such powers as may be entrusted to him by the Board of Directors from time to time. Considering his experience, knowledge of the Company's business, leadership capabilities and contribution to the Company's affairs, the Board considers him suitable for the proposed re-appointment.
10	Remuneration proposed	The proposed remuneration shall not exceed Rs. 66,00,000/- (Rupees Sixty-Six Lakh Only) per annum, comprising salary, allowances, perquisites and other benefits as may be determined by the Board from time to time, subject to the overall limit approved by the Members and applicable provisions of law.
11	Comparative remuneration profile	The proposed remuneration is considered reasonable and commensurate with the size of the Company, the nature and extent of its operations, the responsibilities entrusted to the appointee and the remuneration prevailing for managerial personnel having similar responsibilities.
12	Pecuniary relationship with the Company	Except for the remuneration proposed to be received by him in his capacity as Managing Director and Chief Financial Officer and his shareholding in the Company, Mr. Abhishek Lath has no other pecuniary relationship with the Company.
13	Other information: a. Reasons of loss or inadequate profits b. Steps taken or proposed to be taken for improvement c. Expected increase in productivity and profits in	Not Applicable

	measurable terms	

Except Mr. Umashankar Lath (Father), Mrs. Sweta Lath (Wife) and Mr. Abhishek Lath to whom the resolution relates and his relatives, none of the other Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends passing of the special resolution as set out in Item no. 3 of this Notice, for approval by the Members of the Company.

ITEM NO. 4

Mr. Umashankar Lath (DIN: 05135035) was appointed as the Managing Director and Chairman of the Company for a period of 5 (Five) years commencing from November 01, 2021 and ending on October 30, 2026, as the present term of office is due to expire on October 30, 2026, the Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on September 08, 2026, after Considering his valuable contribution, experience, knowledge of the business and continued involvement in the management and affairs of the Company, approved his re-appointment as Managing Director and Chairman for a further period of Five (5) years commencing from October 31, 2026 and ending on October 30, 2031, subject to the approval of the Members.

Mr. Umashankar Lath has been associated with the management of the Company and has played an important role in providing strategic direction and guidance to the Company. Considering his experience, knowledge of the business and continued contribution to the Company's growth and development, the Board considers his continued association to be in the best interests of the Company.

Mr. Umashankar Lath has attained the age of seventy years. Accordingly, the proposed continuation and re-appointment is subject to the approval of the Members by way of a Special Resolution, in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI LODR Regulations.

The principal terms and conditions of the proposed re-appointment are as follows:

Terms and Conditions of Re-appointment

Particulars	**Details**
Name of the Appointee:	Mr. Umashankar Lath
DIN:	05135035
Designation:	Managing Director and Chairman
Existing Term:	1st November, 2021 to 30th October, 2026
Proposed Term:	31st October, 2026 to 30th October, 2031

Period of Re-appointment: 5 (Five) years

Remuneration: Not exceeding Rs. 45,00,000/- per annum (Salary, allowances, perquisites and other benefits, as may be determined by the Board from time to time)

The proposed remuneration of Rs. 45,00,000/- (Rupees Forty-Five Lakh Only) per annum, all-inclusive, shall comprise such salary, allowances, perquisites and other benefits as may be determined by the Board from time to time, subject to the overall limit approved by the Members and applicable provisions of law.

Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Sweta Lath are Executive Directors belonging to the Promoter/Promoter Group of the Company. Pursuant to Regulation 17(6)(e)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, payment of aggregate annual remuneration to such Directors exceeding five per cent of the net profits of the Company, calculated in accordance with Section 198 of the Companies Act, 2013, requires approval of the Members by way of a Special Resolution.

The proposed annual remuneration ceilings for Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Sweta Lath are ₹66,00,000, ₹45,00,000 and ₹42,00,000, respectively, aggregating to ₹1,53,00,000 per annum. Considering their experience, responsibilities and contribution to the Company, the Board recommends approval of the proposed remuneration, notwithstanding that the aggregate annual remuneration payable to them may exceed the aforesaid five per cent limit in any financial year during their respective proposed terms.

Accordingly, approval of the Members is sought under Regulation 17(6)(e)(ii), in addition to the applicable provisions of the Companies Act, 2013, for payment of remuneration within the respective ceilings specified in the resolutions. Such approval shall remain valid until the expiry of their respective approved terms.

Brief Profile and Suitability

Mr. Umashankar Lath has substantial experience in the management and affairs of the Company and has been associated with the Company in a leadership capacity. During his tenure, he has been involved in providing strategic direction, business guidance and leadership to the Company. His experience and understanding of the Company's business and operations are considered valuable for the Company's continued growth and development.

Mr. Umashankar Lath satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 (including any amendments thereto) and also the conditions as set out under sub-section (3) of section 196 of the Companies Act, 2013 for being eligible for reappointment.

The Company has received his consent to act as Managing Director and disclosure for non disqualification/ debarment by any Statutory Authority. The brief resume of Mr.

Umashankar Lath, Managing Director and Chairman, nature of his expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A. The Board of Directors accordingly recommends the Special Resolution as mentioned at item no. 4 of this Notice for approval of the Members of the Company

He possesses the requisite knowledge, experience, skills and expertise necessary for discharging the functions and responsibilities of the Managing Director of the Company.

The following additional detailed information as per Section II of Schedule V is as follows:

S. No	General Information	
1	Nature of Industry	The Company is engaged in the business of textile manufacturing, processing, export and allied activities and such other businesses as may be permitted under its Memorandum of Association.
2	Date or expected date of commencement of commercial production	Not Applicable, as the Company is an existing operating company.
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions	Not Applicable.
4	Financial performance of the Company based on given indicators	Company reported Revenue from Operations of INR 35,747.09 lakhs as against INR 51,840.41 lakhs in FY25, reflecting a decline of 31.04%. Total Income stood at INR 36,756.12 lakhs compared to INR 52,573.29 lakhs in FY25, registering a decrease of 30.09%. Despite the reduction in revenue, the Company maintained a strong focus on cost optimization and operational efficiency. Total Expenses decreased by 31.92% to INR 35,262.46 lakhs in FY26 from INR 51,792.59 lakhs in FY25. As a result, Profit Before Tax increased substantially by 91.32% to INR 1,493.66 lakhs from INR 780.70 lakhs in the previous year. Profit After Tax for FY26 stood at INR 1,156.25 lakhs as against INR 622.73 lakhs in FY25,

		representing a growth of 85.68%. Total Comprehensive Income also increased significantly to INR 1,158.13 lakhs from INR 619.81 lakhs in FY25, registering a growth of 86.85%.
5	Foreign investments or collaborations, if any	Nil
6	Background details	Mr. Umashankar Lath has been associated with the Company as Managing Director and Chairman since 1st November, 2021 and has been actively involved in the management, strategic planning and overall affairs of the Company.
7	Past remuneration	FY 2025-26: Nil FY 2024-25: Rs. 1,87,500/- per month.
8	Recognition or awards	-
9	Job profile and his suitability	As Managing Director and Chairman, Mr. Umashankar Lath shall be responsible for providing strategic leadership and guidance and overseeing the overall management and affairs of the Company, subject to the superintendence, direction and control of the Board. Considering his experience, knowledge of the Company's business, leadership capabilities and contribution to the Company's growth and development, the Board considers him suitable for the proposed re-appointment.
10	Remuneration proposed	The proposed remuneration shall not exceed Rs. 45,00,000/- per annum, comprising salary, allowances, perquisites and other benefits as may be determined by the Board from time to time, subject to the overall limit approved by the Members and applicable provisions of law.
11	Comparative remuneration profile	The proposed remuneration is considered reasonable and commensurate with the size of the Company, the nature and extent of its operations, the responsibilities entrusted to the appointee and the remuneration prevailing for managerial personnel having similar responsibilities.
12	Pecuniary relationship with the Company	Except for the remuneration proposed to be received by him in his capacity as Managing Director and Chairman and his shareholding in

		the Company, Mr. Umashankar Lath has no other pecuniary relationship with the Company.
13	Other information: a. Reasons of loss or inadequate profits b. Steps taken or proposed to be taken for improvement c. Expected increase in productivity and profits in measurable terms	Not Applicable

Except Mr. Abhishek Lath (Son), Mrs. Sweta Lath (Daughter-in-law) and Mr. Umashankar Lath to whom the resolution relates and his relatives, none of the other Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends passing of the special resolution as set out in Item no. 4 of this Notice, for approval by the Members of the Company.

ITEM NO. 5

Mrs. Sweta Lath (DIN: 07213314) was appointed as the Executive Director of the Company for a period of 5 (Five) years commencing from November 01, 2021 and ending on October 30, 2026, as the present term of office is due to expire on October 30, 2026, the Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on September 08, 2026, after Considering her valuable contribution, experience, knowledge of the business and continued involvement in the management and affairs of the Company, approved her re-appointment as Executive Director for a further period of Five (5) years commencing from October 31, 2026 and ending on October 30, 2031, subject to the approval of the Members.

Mrs. Sweta Lath has been associated with the Company and has contributed to its management and operations. The Board is of the opinion that her continued association will be beneficial to the Company and will contribute towards its continued growth and development.

The principal terms and conditions of the proposed re-appointment are as follows:

Terms and Conditions of Re-appointment

Particulars	**Details**
Name of the Appointee:	Mrs. Sweta Lath
DIN:	07213314

Designation:	Executive Director
Existing Term:	1st November, 2021 to 30th October, 2026
Proposed Term:	31st October, 2026 to 30th October, 2031
Period of Re-appointment:	5 (Five) years
Remuneration:	Not exceeding Rs. 42,00,000/- per annum (Salary, allowances, perquisites and other benefits, as may be determined by the Board from time to time)

The proposed remuneration payable to Mrs. Sweta Lath shall not exceed Rs. 42,00,000/- (Rupees Forty-Two Lakh Only) per annum, comprising such salary, allowances, perquisites and other benefits as may be determined by the Board from time to time, subject to the overall limit approved by the Members and applicable provisions of law.

Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Sweta Lath are Executive Directors belonging to the Promoter/Promoter Group of the Company. Pursuant to Regulation 17(6)(e)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, payment of aggregate annual remuneration to such Directors exceeding five per cent of the net profits of the Company, calculated in accordance with Section 198 of the Companies Act, 2013, requires approval of the Members by way of a Special Resolution.

The proposed annual remuneration ceilings for Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Sweta Lath are ₹66,00,000, ₹45,00,000 and ₹42,00,000, respectively, aggregating to ₹1,53,00,000 per annum. Considering their experience, responsibilities and contribution to the Company, the Board recommends approval of the proposed remuneration, notwithstanding that the aggregate annual remuneration payable to them may exceed the aforesaid five per cent limit in any financial year during their respective proposed terms.

Accordingly, approval of the Members is sought under Regulation 17(6)(e)(ii), in addition to the applicable provisions of the Companies Act, 2013, for payment of remuneration within the respective ceilings specified in the resolutions. Such approval shall remain valid until the expiry of their respective approved terms.

Brief Profile and Suitability

Mrs. Sweta Lath has been associated with the Company and has experience in the management and affairs of the Company.

During her tenure as Executive Director, she has been involved in the Company's business and operations and has contributed to the overall functioning and development of the Company.

Considering her experience, knowledge of the Company's business and contribution to the Company's affairs, the Board considers her suitable for the proposed re-appointment as Executive Director.

The following additional detailed information as per Section II of Schedule V is as follows:

S. No	General Information	
1	Nature of Industry	The Company is engaged in the business of textile manufacturing, processing, export and allied activities and such other businesses as may be permitted under its Memorandum of Association.
2	Date or expected date of commencement of commercial production	Not Applicable, as the Company is an existing operating company.
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions	Not Applicable.
4	Financial performance of the Company based on given indicators	Company reported Revenue from Operations of INR 35,747.09 lakhs as against INR 51,840.41 lakhs in FY25, reflecting a decline of 31.04%. Total Income stood at INR 36,756.12 lakhs compared to INR 52,573.29 lakhs in FY25, registering a decrease of 30.09%. Despite the reduction in revenue, the Company maintained a strong focus on cost optimization and operational efficiency. Total Expenses decreased by 31.92% to INR 35,262.46 lakhs in FY26 from INR 51,792.59 lakhs in FY25. As a result, Profit Before Tax increased substantially by 91.32% to INR 1,493.66 lakhs from INR 780.70 lakhs in the previous year. Profit After Tax for FY26 stood at INR 1,156.25 lakhs as against INR 622.73 lakhs in FY25, representing a growth of 85.68%. Total Comprehensive Income also increased significantly to INR 1,158.13 lakhs from INR 619.81 lakhs in FY25, registering a growth of 86.85%.
5	Foreign investments or collaborations, if any	Nil

6	Background details	Mrs. Sweta Lath has been associated with the Company as Executive Director since 1st November, 2021 and has been involved in the management and affairs of the Company.
7	Past remuneration	FY 2025-26: Nil FY 2024-25: Rs. 1,75,000/- per month.
8	Recognition or awards	-
9	Job profile and his suitability	As Executive Director, Mrs. Sweta Lath shall be responsible for overseeing and managing such functions and activities of the Company as may be entrusted to her by the Board from time to time. Considering her experience, knowledge of the Company's business and contribution to its affairs, the Board considers her suitable for the proposed re-appointment.
10	Remuneration proposed	Rs. 42,00,000/- per annum, comprising salary, allowances, perquisites and other benefits as may be determined by the Board, subject to the overall limit approved by the Members and applicable provisions of law.
11	Comparative remuneration profile	The proposed remuneration is considered reasonable and commensurate with the size of the Company, the nature and extent of its operations, the responsibilities entrusted to the appointee and the remuneration prevailing for managerial personnel having similar responsibilities.
12	Pecuniary relationship with the Company	Except for the remuneration proposed to be received by her in her capacity as Executive Director and her shareholding in the Company, Mrs. Sweta Lath has no other pecuniary relationship with the Company.
13	Other information: a. Reasons of loss or inadequate profits b. Steps taken or proposed to be taken for improvement c. Expected increase in productivity and profits in measurable terms	Not Applicable

Except Mr. Abhishek Lath (Husband), Mr. Umashankar Lath (Father-in-law) and Mrs. Sweta Lath to whom the resolution relates and her relatives, none of the other Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends passing of the special resolution as set out in Item no. 5 of this Notice, for approval by the Members of the Company.

ITEM NO. 6

Mr. Jaydeep Purujit Mehta (DIN: 06952808) was appointed as a Non-Executive, Independent Director of the Company for a period of 5 (Five) consecutive years commencing from December 17, 2021 to December 16, 2026.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Jaydeep Purujit Mehta, being eligible, has offered himself for re-appointment. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and also on the basis of the outcome of his performance evaluation, has reappointed Mr. Jaydeep Purujit Mehta as a Non-Executive Independent Director for a second term of five years from December 17, 2026 to December 16, 2031, subject to the approval of shareholders.

Mr. Jaydeep Purujit Mehta has been associated with the Company as a Non-Executive Independent Director and has contributed constructively to the deliberations of the Board and its Committees. Considering his experience, knowledge, expertise and contribution during his existing tenure, the Board is of the opinion that his continued association would be beneficial to the Company.

Mr. Jaydeep Purujit Mehta is qualified lawyer from University of Mumbai. He is an Advocate on Record registered with Bombay High Court and Gujarat High Court and practices in Corporate and Commercial Law, Securities Law and Insolvency Law.

Mr. Jaydeep Purujit Mehta has given a declaration confirming that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR Regulations. He has also confirmed that he is not aware of any circumstance or situation which exists or may reasonably be anticipated to impair or impact his ability to discharge his duties with an objective and independent judgment. The Company has received all necessary declarations and confirmations from him as required under the applicable provisions of law.

The Board of Directors has accordingly recommended the resolution set out at Item No. 6 of the Notice for approval of the members by way of Special Resolution at the ensuing AGM.

Mr. Jaydeep Purujit Mehta is not related to any Director or Key Managerial Personnel of the Company or their relatives. Except Mr. Jaydeep Purujit Mehta, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or

interested, financially or otherwise, in the proposed appointment. This explanatory statement may also be regarded as a disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meeting is set out as Annexure A to this notice.

ITEM NO. 7

Mr. Narendra Kumar Srivastava (DIN: 09439120) was appointed as a Non-Executive Independent Director of the Company for a period of 5 (Five) consecutive years commencing from December 17, 2021 to December 16, 2026.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. Narendra Kumar Srivastava (DIN: 09439120), being eligible, has offered himself for re-appointment. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and also on the basis of the outcome of his performance evaluation, has reappointed Mr. Narendra Kumar Srivastava as a Non-Executive Independent Director for a second term of five years from December 17, 2026 to December 16, 2031, subject to the approval of shareholders.

Mr. Narendra Kumar Srivastava has been associated with the Company as a Non-Executive Independent Director and has contributed constructively to the deliberations of the Board and its Committees. Considering his experience, knowledge, expertise and contribution during his existing tenure, the Board is of the opinion that his continued association would be beneficial to the Company.

Mr. Narendra Kumar Srivastava holds a degree of Bachelor of Science and LLB. He was associated with State Bank of India on various positions and he gained an experience of about 20 years in Credit / Finance besides 15 years' experience in the field of administration /audit /vigilance at Branch /Zonal Office/ Head Office of the Bank. He is a retired Banker having vast experience in the field of Banking, Finance, Credit, Audit, Treasury, Administration and other related functions.

Mr. Narendra Kumar Srivastava has given a declaration confirming that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR Regulations. He has also confirmed that he is not aware of any circumstance or situation which exists or may reasonably be anticipated to impair or impact his ability to discharge his duties with an objective and independent judgment. The Company has received all necessary declarations and confirmations from him as required under the applicable provisions of law.

The Board of Directors has accordingly recommended the resolution set out at Item No. 7 of the Notice for approval of the members by way of Special Resolution at the ensuing AGM.

Mr. Narendra Kumar Srivastava is not related to any Director or Key Managerial Personnel of the Company or their relatives. Except Mr. Narendra Kumar Srivastava, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed appointment. This explanatory statement may also be regarded as a disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meeting is set out as Annexure A to this notice.

ITEM NO. 8

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 14, 2026, appointed Ms. Kusum Naruka (DIN: 10679553) as an Additional Director in the category of Non-Executive, Independent Director of the Company with effect from August 14, 2026, subject to the approval of the Members at the ensuing General Meeting.

Further, in terms of the amended Regulation 17(1C) of the SEBI Listing Regulations, effective from January 01, 2022, a listed entity shall ensure that the approval of shareholders for appointment of a person on the Board of Directors has to be taken either at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Therefore, a resolution for the appointment of Ms. Kusum Naruka has been proposed for the necessary approval of the Members of the Company.

Ms. Kusum Naruka is a Member of the Institute of Company Secretaries of India (ICSI) and has around 3 years of professional experience in corporate and secretarial services. She holds a Bachelor's degree in Commerce (B.Com.) and has experience in handling corporate secretarial matters, documentation, statutory compliances and related corporate affairs. Her professional background includes strong organizational, analytical and coordination skills, with a sound understanding of corporate and secretarial practices. The Board is of the opinion that her experience, knowledge and skills will be beneficial to the Company and contribute to the effective functioning of the Board.

Ms. Kusum Naruka has given her consent to act as a Director and has confirmed that she is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013. She has also furnished the requisite declaration confirming that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR Regulations and is eligible for appointment as an Independent Director. She shall not be liable to retire by rotation.

Ms. Kusum Naruka shall be entitled to receive sitting fees for attending meetings of the Board and Committees thereof, reimbursement of expenses, if any, as may be determined by the Board, subject to applicable laws. As on the date of this Notice, Ms. Kusum Naruka

does not hold any equity shares in the Company and is not related to any of the Directors or Key Managerial Personnel of the Company.

The Board, based on the recommendation of the Nomination and Remuneration Committee, is of the opinion that Ms. Kusum Naruka fulfils the applicable conditions for appointment as a Non-Executive Independent Director and is independent of the management of the Company. Accordingly, the Board recommends the Special Resolution set out at Item No. 8 of the accompanying Notice for approval of the Members.

Except Ms. Kusum Naruka, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the proposed resolution. Ms. Kusum Naruka is interested in the proposed resolution to the extent of her appointment as a Non-Executive Independent Director and her entitlement to receive sitting fees, commission, if any, and reimbursement of expenses.

Annexure - A to Notice for Annual General Meeting

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

Name of Director	**Mr. Abhishek Lath**	**Mr. Umashankar Lath**	**Mrs. Sweta Lath**
Brief resume/experience and nature of expertise in specific functional areas.	Mr. Abhishek Lath is the Promoter and Managing Director and CFO of the Company and his key responsibilities in the company includes in augmenting relationships with various stakeholders which has helped the Company expand and grow the business by increasing its product portfolio, global foot print and customer base on a continuous basis. He has over 15 years of experience in the textile industry.	Mr. Umashankar Lath is the Promoter and Chairman and Managing Director of the Company. He has a vast experience in the field of yarns and fabrics. He is involved in the business operations of Le Merite Exports Limited. He is an under-graduate by qualification. He looks after the business strategy for growth of the Company, sourcing of material and production operation related matters.	Mrs. Sweta Lath is an Executive Director of our Company. She has been looking after Human Resource and administration and new product development in the Company. She is having an experience of more than 10 years in the business as woman entrepreneur and is very keen and open for new ideas and products.
Date of Birth	March 03, 1981	October 10, 1954	January 04, 1985
Terms and conditions of appointment / reappointment.	Re-appointment as Managing Director and CFO for a further period of 5 years on the terms and conditions including remuneration as set	Re-appointment as Managing Director and Chairman for a further period of 5 years on the terms and conditions including	Re-appointment as Executive Director for a further period of 5 years on the terms and conditions including

	out in the Explanatory Statement.	remuneration as set out in the Explanatory Statement.	remuneration as set out in the Explanatory Statement.
Details of Remuneration sought to be paid.	Rs. 66,00,000/- per annum	Rs. 45,00,000/- per annum	Rs. 42,00,000/- per annum
Remuneration last drawn (FY 2025–26)	Nil	Nil	Nil
Qualification	Post Graduate	Under Graduate	Post Graduate
Number of shares held in the Company	2,63,52,000	54,77,000	42,62,000
Names of other companies in which the person also holds a directorship	1. Manmade and Technical Textiles Export Promotion Council 2. Burhanpur Integrated Textile Park Limited 3. Le Merite Filament Private Limited 4. Le Merite Laxmi Spinning Private Limited 5. Le Merite Fashions Private Limited 6. Le Merite Tactical & Defence Solutions Private Limited 7. Le Merite Torna Technical Textile Park Private Limited	1. Burhanpur Integrated Textile Park Limited 2. Le Merite Laxmi Spinning Private Limited	1. Le Merite Fashions Private Limited

Number of Meetings of the Board attended during the year (i.e., F.Y. 2025-2026).	8/10	9/10	9/10
Membership/ Chairmanship of the Committee on the Board of other Companies	Nil	Nil	Nil
Disclosure of Relationships between directors inter-se and with the KMPs.	Son of Mr. Umashankar Lath, Chairman and Managing Director & Husband of Mrs. Sweta Lath, Executive Director of the Company	Father of Mr. Abhishek Lath, Managing Director & CFO and Father-in-law of Mrs. Sweta Lath, Executive Director of the Company	Wife of Mr. Abhishek Lath, Managing Director & CFO, and Daugter-in-law of Mr. Umashankar Lath, Chairman and Managing Director of the Company
Date of first appointment on the Board	November 18, 2021	November 18, 2021	November 18, 2021
Names of listed entities, in which he/she also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years#	Nil	Nil	Nil

Name of Director	Jaydeep Purujit Mehta	Narendra Kumar Srivastava	Kusum Naruka
Brief resume/experience and nature of expertise in specific functional areas.	Mr. Jaydeep Purujit Mehta is qualified lawyer from University of Mumbai. He is an Advocate on Record registered with Bombay High Court and Gujarat High Court and practices in Corporate and Commercial Law, Securities Law and Insolvency Law.	Mr. Narendra Kumar Srivastava holds a degree of Bachelor of Science and LLB. He was associated with State Bank of India on various positions and he gained an experience of about 20 years in Credit / Finance besides 15 years' experience in the field of administration /audit /vigilance at Branch /Zonal Office/ Head Office of the Bank. He is a retired Banker having vast experience in the field of Banking, Finance, Credit, Audit, Treasury, Administration and other related functions.	Ms. Kusum Naruka is a Member of the Institute of Company Secretaries of India (ICSI) and has around 3 years of professional experience in corporate and secretarial services. She holds a Bachelor's degree in Commerce (B.Com.) and has experience in handling corporate secretarial matters, documentation, statutory compliances and related corporate affairs. Her professional background includes strong organizational, analytical and coordination skills, with a sound understanding of corporate and secretarial practices.
Date of Birth	May 21, 1965	December 07, 1958	June 02, 1995
Terms and conditions of appointment / reappointment.	Re-appointment as Non-Executive Independent Director for a further period of 5 years.	Re-appointment as Non-Executive Independent Director for a further period of 5 years.	Appointment as Non-Executive Independent Director for a first term of five consecutive years.

Details of Remuneration sought to be paid.	The company will pay only sitting fees for attending Board and Committee Meetings.	The company will pay only sitting fees for attending Board and Committee Meetings.	The company will pay only sitting fees for attending Board and Committee Meetings.
Remuneration last drawn (FY 2025–26)	Not Applicable	Not Applicable	Not Applicable
Qualification	LLM (Master of Laws)	Bachelor of Science, Bachelor of Laws	Associate Member of the Institute of Company Secretaries of India (ICSI), Bachelor of Commerce
Number of shares held in the Company	Nil	Nil	Nil
Names of other companies in which the person also holds a directorship	Nil	Nil	1. Riseorbit Foundation 2. A&G Consumer Products Private Limited
Number of Meetings of the Board attended during the year (i.e., F.Y. 2025-2026).	9/10	8/10	Not Applicable
Membership/ Chairmanship of the Committee on the Board of other Companies	Nil	Nil	Nil
Disclosure of Relationships between directors inter-se and with the KMPs.	None	None	None
In case of independent directors, the skills and capabilities	The Nomination and Remuneration Committee and the Board of Directors	The Nomination and Remuneration Committee and the Board of Directors	The Nomination and Remuneration Committee and the Board of Directors

required for the role and the manner in which the proposed person meets such requirements	has evaluated the profile of Mr. Jaydeep Purujit Mehta. Considering his experience, expertise and contributions during meetings of the Company, has opined that he possess the relevant skill and capabilities to discharge the role of Independent Director.	has evaluated the profile of Mr. Narendra Kumar Srivastava. Considering his experience, expertise and contributions during meetings of the Company, has opined that he possess the relevant skill and capabilities to discharge the role of Independent Director.	has evaluated the profile of Ms. Kusum Naruka. Considering her experience and expertise has opined that she possess the relevant skill and capabilities to discharge the role of Independent Director.
Date of first appointment on the Board	December 17, 2021	December 17, 2021	December 17, 2021
Names of listed entities, in which he/she also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years#	Ampvolts Limited (resigned w.e.f. 20.10.2025)	Nil	1. Marble Finvest Limited (resigned w.e.f. 03.06.2026) 2. Nova Iron and Steel Limited (resigned w.e.f 03.06.2026)

 # Three years has been considered as on the date of appointment.

BOARD'S REPORT

To

The Members

Le Merite Exports Limited

Your directors have the pleasure to present the 23rd Annual Report on the business and operations of your Company along with the Audited Financial Statements for the year ended March 31, 2026.

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, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Income From Operations	35,591.60	48,378.29	35,747.09	51,840.41
Other Income	1,070.47	481.75	1009.03	732.88
Total Income	**36,662.07**	**48,860.04**	**36,756.12**	**52,573.29**
Expenses [Except Depreciation Expenses]	35,091.03	48,118.14	35,129.77	51,674.95
Profit / (Loss) Before Depreciation, Amortization and Taxation	1,571.04	741.90	1,626.35	898.34
Provision For Depreciation	132.03	117.64	132.69	117.64
Profit / (Loss) Before Extra-Ordinary Items [Net of Tax Expenses]	1,439.00	624.26	1,493.66	780.70
Less: Extra-Ordinary Items [Net of Tax Expenses]	-	-	-	-
Profit / (Loss) Before Tax	1,439.00	624.26	1,493.66	780.70
Less: Tax Expenses: -				
Current Tax	340.06	175.00	339.99	175.00
Deferred Tax	(1.85)	(17.03)	(2.58)	(17.03)
Excess / Short Tax Provision W/off	-	-	-	-
Profit / (Loss) before Minority Interest	-	-	1,156.25	622.73
Less: Minority Interest	-	-	(3.62)	76.66
Profit / (Loss) After Tax	**1,100.79**	**466.29**	**1,159.87**	**546.07**
Other Comprehensive Income/(loss)	1.88	(2.92)	1.88	(2.92)
Paid-up Share Capital	**2,503.36**	**2429.86**	**2,503.36**	**2429.86**

COMPANY PERFORMANCE OVERVIEW

During the year under review, your company reported the revenue from operation amounted to Rs. 35,591.60 lakh as against Rs. 48,378.29 lakh during the previous financial year 2024-25. The Net Profit of your Company, for the year amounted to Rs.1,100.79 lakh as against Rs. 466.29 lakh during the previous financial year 2024-25.

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, 2026.

INSURANCE

Your Company has taken appropriate insurance for all assets against foreseeable perils.

Dividend

The Board of Directors has decided not to recommend any dividend for the financial year 2025–26 in order to conserve resources and strengthen the company's financial position.

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, 2026.

Capital Structure

The Authorised Share Capital of the company as on March 31, 2026, was Rs. 3500.00 Lakh divided into 3,50,00,000 equity shares of Rs. 10/- each.

The paid-up equity shares capital of the company stood at Rs. 2,503.36 Lakh consisting of 2,50,33,600 equity shares of Rs.10/- each.

During the year under review, the remaining 6,73,600 warrants issued by the Company on November 27, 2024 were fully converted into equity shares. Further, pursuant to the approval of the shareholders accorded on August 04, 2025, the Company issued and allotted 61,400 equity shares and 5,26,000 warrants on September 17, 2025, upon receipt of the requisite consideration. Accordingly, as on March 31, 2026, 5,26,000 warrants remain outstanding and are eligible for conversion into equity shares in accordance with the terms of issue.

Subsidiary / Joint Ventures / Associates

As on March 31, 2026, the Company has 3 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.

As part of our continued focus on diversification and strategic growth, the Company incorporated a subsidiary on 05.06.2025 named as Le Merite Tactical & Defence Solutions Private Limited. This incorporation marks a significant step in broadening our business portfolio and building specialized capabilities in niche sectors of national importance.

The subsidiary has been established to engage primarily in the manufacturing and supply of advanced textile products, with a particular focus on the defence sector. By leveraging our expertise, infrastructure, and innovation-driven approach, the subsidiary aims to provide high-quality, durable, and technically advanced textile solutions to meet the stringent requirements of defence applications. This initiative aligns with the Company's long-term strategy of entering high-value, technology-intensive markets that offer both growth potential and opportunities to contribute to national priorities.

The incorporation of this subsidiary not only reflects our commitment to creating sustainable growth avenues but also underscores our proactive role in strengthening self-reliance within the defence supply chain. With this milestone, the Company is well-positioned to enhance stakeholder value while supporting critical sectors that drive security, innovation, and economic progress.

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**.

Extracts of Annual Return

Pursuant to Section 92 (3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2026 is available on the Company's website at **www.lemeriteexports.com**

Directors' Responsibility Statement

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your Directors hereby confirm the following:

a. In the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards have been followed;

b. The directors have selected such accounting policies and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. The directors have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The directors have prepared the annual accounts on a going concern basis;

e. The directors have laid down internal financial controls, which are adequate and operating effectively;

f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are 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.

Public 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, 2026. Hence, there were no unclaimed or unpaid deposits as on March 31, 2026.

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. Arpit Sharma	-	Company Secretary and Compliance Officer (Appointment w.e.f. 10.07.2025)

Executive Directors

1. Mrs. Sweta Lath

Non-Executive, Independent Directors

1. Mr. Narendra Kumar Srivastava
2. Mr. Rohit Agarwal (Resigned w.e.f 14.08.2026)
3. Mr. Jaydeep Purujit Mehta
4. Mrs. Kusum Naruka (Appointment w.e.f 14.08.2026)

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

During the year under review and subsequent to the close of the financial year, there were changes in the composition of the Board of Directors of the Company. Mr. Abhishek Lath (DIN: 00331675) was re-appointed as Managing Director and Chief Financial Officer of the Company for a further term of five consecutive years commencing from October 31, 2026 to October 30, 2031. Mr. Umashankar Lath (DIN: 05135035) was re-appointed as Chairman and Managing Director for a further term commencing from October 31, 2026 to October 30, 2031. Since Mr. Umashankar Lath has attained the age of seventy years, his re-appointment is subject to the requisite approval of the Members in accordance with the applicable provisions of the Companies Act, 2013. Mrs. Sweta Lath (DIN: 07213314) was re-appointed as Executive Director for a further term of five years commencing from October 31, 2026.

Further, Mr. Jaydeep Purujit Mehta (DIN: 06952808), Non-Executive Independent Director of the Company, whose existing term is from December 17, 2021 to December 16, 2026, was proposed for re-appointment as an Independent Director for a further term. Mr.

Narendra Kumar Srivastava (DIN: 09439120), Non-Executive Independent Director of the Company, whose existing term is from December 17, 2021 to December 16, 2026, was also considered for re-appointment as an Independent Director for a further term. Ms. Kusum Naruka (DIN: 10679553) was appointed as an Additional Director in the category of Non-Executive Independent Director with effect from August 14, 2026. The appointment of Ms. Kusum Naruka is being sought at the ensuing AGM. The Company has received the requisite declarations, consents and confirmations from the concerned Directors regarding their eligibility and compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above appointment and re-appointment are subject to the approval of the Members in ensuing Annual General Meeting. The Board recommends this appointment and re-appointment.

Meetings of the Board

The number of meetings of the Board and its various committees including their composition are set out in the Corporate Governance Report which forms integral part of this report. The intervening gaps between the meetings were within the period as stipulated under the respective provisions of the Act and Listing Regulations.

Independent Director's Meeting

During the year under review, the Independent Directors met on February 13, 2026, 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.

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 2025-26 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 2026, 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

Pursuant to the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors at its meeting held on July 10, 2025, appointed M/s. Prachi Bansal and Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company, subject to the approval of the Members. The Members subsequently approved the appointment at the Annual General Meeting held on September 30, 2025, for a term of five consecutive financial years commencing from FY 2025-26 to FY 2029-30.

M/s. Prachi Bansal and Associates has confirmed that they are eligible for appointment as Secretarial Auditor and are not disqualified from being appointed as such under the

applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The Secretarial Audit Report for the financial year 2025-26 forms part of this Annual Report and the Company has taken note of the observations made by the Secretarial Auditor regarding certain delays in statutory filings and regulatory compliances. The applicable fines imposed by the Stock Exchange have been duly paid, and the observations have been taken positively. The Company has strengthened its internal compliance mechanism to ensure timely compliances and prevent recurrence of such instances in future.

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. During the year under review, the Company achieved a significant milestone by successfully migrating from the SME Platform to the Main Board of NSE Limited, reflecting its continued growth, strong corporate governance practices and enhanced market standing. The milestone marks an important step forward in the Company's journey towards greater visibility and sustainable growth.
2. During the year under review, Le Merite Exports Limited was honoured with the Maharashtra State Export Award 2023–24 under the Export House Category, conferred by the Directorate of Industries, Government of Maharashtra. This prestigious recognition acknowledges the Company's strong export performance, global market presence and contribution to India's international trade. The award was received on behalf of the Company by Mr. Abhishek Lath and Mr. Umashankar Lath.

   Reaching this milestone energizes us to pursue even greater opportunities in the future, as we continue to align our efforts with national priorities while creating sustainable value for our stakeholders.

Committees of the Board

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

Mandatory Committees

All the Committees of the Board are duly constituted in terms of the applicable provisions of the 'Act' and Listing Regulations and focus on the specific areas/functions entrusted to them vide Schedule II of Listing Regulations and other Provisions as applicable to the Company. They make informed decisions in line with the delegated authority. The following Committees have been constituted by the Board, which function according to their respective roles and defined scopes, as determined by the Board in sync with the legal framework mandated thereto.

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Corporate Governance Report annexed separately to the Annual Report forming its integral part. Further, during the reporting year, recommendations (if any) made by the aforesaid committees have been accepted by the Board.

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.

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 2026. The Whistle Blower Policy of the Company can be accessed at the website of the Company at www.lemeriteexports.com.

Risk Management Policy

The Company has put in place an adequate and effective framework for identifying, assessing, monitoring and mitigating various risks associated with its business operations. The Management continuously reviews the risk environment and takes appropriate measures to minimise and manage potential risks. The Board of Directors periodically reviews the key business and operational risks and the measures undertaken for their mitigation. In the opinion of the Board, there are no material risks that, in its assessment, may threaten the existence 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.

SUB-DIVISION OF EQUITY SHARES

Subsequent to the closing of the financial year, the Company sub-divided/split each existing Equity Share of face value of ₹10/- each into five (5) Equity Shares of face value of ₹2/- each, with effect from the Record Date i.e. May 29, 2026, as approved by the Members of the Company. Accordingly, the authorised and paid-up share capital of the Company was appropriately reclassified into Equity Shares of face value of ₹2/- each. The sub-division was

undertaken with the objective of enhancing the affordability and liquidity of the Company's Equity Shares and facilitating wider participation by investors.

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

A case was filed by Count N Denier Exim Limited under Section 9 of the Insolvency and Bankruptcy Code (IBC), 2016 against the Company, seeking initiation of Corporate Insolvency Resolution Process. The matter was heard by the Hon'ble National Company Law Tribunal (NCLT), and after due consideration, the petition was dismissed by the NCLT on 26th June 2025.

Orders passed by the Regulators

The relevant details in this regard have been provided in the Corporate Governance Report forming part of this Annual Report. The same may be referred to for further details and information.

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

The Company has zero tolerance towards any form of sexual harassment and is committed to providing a safe and conducive work environment for all its employees. The Company has in place a policy on prevention, prohibition, and redressal of sexual harassment at workplace in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. An Internal Complaints Committee (ICC) has been constituted to redress complaints received regarding sexual harassment.

The Committee is responsible for conducting inquiries and making recommendations in accordance with the law.

During the financial year 2024-25, the following are the details of complaints received and disposed of under the Act:

Number of complaints of Sexual harassment received during the year: Nil

Number of complaints disposed of during the year: Nil

Number of complaints pending for more than 90 days: Nil

Maternity Benefit Provided by the Company under Maternity Benefit Act 1961

The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. The statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable has been extended to all the eligible women employees. The Company remains committed to fostering an

inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

Foreign Exchange Earnings Outgo

During the period under review, there was Rs. 19380.02 lakhs Foreign Exchange Earnings and Rs. 142.30 lakhs Foreign Exchange Outflow and for previous Financial Year Rs. 32,121.51 lakhs Foreign Exchange Earnings and Rs. 218.86 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 Indian Accounting Standards (IND AS).

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 Main Board 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, 2026.

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.

Corporate Governance Report and Management Discussion and Analysis Report of the Company for the year under review is annexed to the Annual Report separately forming its integral part.

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 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**.

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

The CEO/CFO Certificate as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this Annual Report as Annexure IV.

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 is annexed herewith and marked as Annexure – "VII" and form part of this report.

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

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

Sd/-	**Sd/-**
Abhishek Lath	**Umashankar Lath**
Managing Director and CFO	**Chairman and Managing Director**
DIN: 00331675	DIN: 05135035

Dated: September 8, 2026
Place: Mumbai

CORPORATE GOVERNANCE REPORT

(The Directors present detailed report on Corporate Governance for the financial year ended March 31, 2026, as per Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.)

1. PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that good corporate governance practices enable the Board to direct and control the affairs of the Company in an efficient manner. At the same time, it also provides transparency in all its day-to-day management and administration of the business and affairs of the company. Timely information to investors, creditors, institutions, bankers, general public in proper manner also provide them with an opportunity to take right decision on investment in the company whether by way of equity or by debt instrument or even by financing or by making business transactions.

The Company implements and practices the principles of Corporate Governance based on fairness, transparency, integrity, honesty and accountability consistently being followed in all its business practices and dealings. The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavors to maximize shareholder's benefit.

Keeping the above in mind, your Company is fully committed to conduct its affairs in a fair and transparent manner and to enhance shareholders value while complying with the applicable Rules and Regulations. We are in compliance with all the applicable requirements of the Corporate Governance enshrined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations").

Adherence to the various policies and codes adopted by the Company from time to time in conformity with regulatory requirements helps the Company fulfill this responsibility.

2. BOARD OF DIRECTORS

Compositions

The Board of your Company consists of 6 (Six) Directors as on March 31, 2026, out of which 2 (Two) are Promoter cum-Managing Directors, 1(One) is Promoter cum Executive Director and 3 (Three) are Non-Promoter, Non-executive Independent Directors. The Chairman of the Board is Promoter and Executive Director. The Composition of the Board is in compliance with the requirements of SEBI Listing Regulations. No other directors are related to each other except Mr. Umashankar Lath, Mr. Abhishek Lath and Mrs. Sweta Lath. All the Directors have certified that they are not members in more than 10 (Ten) Committees and do not act as Chairman of more than 5 (Five) Committees across all the Companies in which they are Directors.

The Composition of Board of Directors as on March 31, 2026 is as follows:

Name of Director	Category	Total No. of Other Directorship**	Details of Committees#		Directorship in other Listed Companies
			Chairman	Member	
Mr. Umashankar Lath (DIN: 05135035)	Chairman and Managing Director	-	-	-	-
Mr. Abhishek Lath (DIN: 00331675)	Managing Director and CFO	1	-	-	-
Mrs. Sweta Lath (DIN: 07213314)	Executive Director	-	-	-	-
Mr. Jaydeep Purujit Mehta (DIN: 06952808)	Independent Director	-	-	-	-
Mr. Narendra Kumar Srivastava (DIN: 09439120)	Independent Director	-	-	-	-
Mr. Rohit Agarwal (DIN: 01924587)	Independent Director	-	-	-	-

*Mr. Umashankar Lath is father of Mr. Abhishek Lath and father-in-law of Mrs. Sweta Lath, Mr. Abhishek Lath is husband of Mrs. Sweta Lath except this, no other Director is related to any other Director on the Board.

**Excludes Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

None of the directors of the Company are having directorship in any other listed entities.

#Includes only Audit Committee and Stakeholders' Relationship Committee of other Companies.

Board Meetings and Procedure:

The internal guidelines for Board/Committee meetings facilitate the decision-making process at the meetings of the Board/Committees in an informed and efficient manner.

Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.

Agenda papers and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is being circulated along with Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. In order to transact some urgent business, which may come up after circulation agenda papers, the same is placed before the Board by way of table agenda or chairman's agenda. Frequent and detailed deliberation on the agenda provides the strategic road-map for the future growth of the Company.

Minimum 4 (Four) Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. The meetings are usually held at the Company's Registered Office at A-307, Boomerang, Chandivali Farm Road, Powai, Andheri (East), Mumbai, Mumbai, Mumbai, Maharashtra, India, 400072.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at every Board Meetings. The Board periodically reviews compliance reports of all laws applicable to the Company as required under Regulation 17(3) of the SEBI Listing Regulations..

The important decisions taken at the Board/Committee meetings are communicated to departments concerned promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

During the Financial Year 2025-26, the Board of Directors of your Company met 10 (Ten) times which were held on 21/04/2025, 28/05/2025, 19/06/2025, 10/07/2025, 08/09/2025, 17/09/2025, 16/10/2025, 12/11/2025, 09/12/2025 and 13/02/2026.

The details of attendance of each Director at Board Meetings held in the Financial Year and the last Annual General Meeting are as under:

Dates of Board Meeting	Name of the Director					
	Mr. Umashankar Lath	**Mr. Abhishek Lath**	**Mrs. Sweta Lath**	**Mr. Jaydeep Purujit Mehta**	**Mr. Narendra Kumar Srivastava**	**Mr. Rohit Agarwal**
21/04/2025	Yes	Yes	Yes	Yes	Yes	Yes
28/05/2025	Yes	Yes	Yes	Yes	Yes	Yes
19/06/2025	Yes	Yes	Yes	No	No	No
10/07/2025	Yes	Yes	Yes	Yes	Yes	Yes
08/09/2025	Yes	No	No	Yes	Yes	No
17/09/2025	Yes	No	Yes	Yes	No	Yes
16/10/2025	No	Yes	Yes	Yes	Yes	Yes
12/11/2025	Yes	Yes	Yes	Yes	Yes	Yes
09/12/2025	Yes	Yes	Yes	Yes	Yes	No
13/02/2026	Yes	Yes	Yes	Yes	Yes	No
Total No. of Board Meetings Attended	**09**	**08**	**09**	**09**	**08**	**06**
Attendance at the last AGM held on 30/09/2025	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**

During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors.

Hence, the Company is in compliance of condition of clause 10(j) of Schedule V of the SEBI Listing Regulations.

Confirmation as regards independence of Independent Directors.

It is confirmed that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

Code of Conduct for Board & Senior Management Personnel

Your Company has adopted a Code of Conduct for Board Members & Senior Management Personnel and the declaration from the Managing Director, stating that all the Directors and

the Senior Management Personnel of your Company have affirmed compliance with the Code of Conduct has been included in this Report. The Code has been posted on your Company's website at www.lemeriteexports.com/investor-relations

Profile of Directors seeking appointment / re-appointment:

The brief profile and other information of the director seeking re-appointment is provided in the notice convening the Annual General Meeting.

Detailed reasons for the resignation of an independent director

During the year under review no independent director has resigned.

Meeting of Independent Directors

During the year, a meeting of Independent Directors was held on February 13, 2026 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the management and the Board. Mr. Narendra Kumar Srivastava Chairman of the Meeting presented the views of the Independent Directors on matter relating to Board processes and overall affairs of the Company to the full Board. All the Independent Directors were present in the meeting.

Familiarization programs for Independent Directors

The Board familiarization program comprises of the following:

• Induction program for new Independent Directors;

• Presentation on business and functional issues;

• Updation of business, branding, corporate governance, regulatory developments and investor relations matters.

All new Independent Directors are taken through a detailed induction and familiarization program when they join the Board of your Company. The induction program is an exhaustive one that covers the history and culture of your company, background of the Company and its growth over the decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company by providing various presentations at Board/Committee meetings from time to time. These presentations provide a good understanding of the business to the Independent Directors which covers various functions of the Company and also an opportunity for the Board to interact with the next level of management. There are opportunities for Independent Directors to interact amongst themselves.

Apart from the above, the Directors are also given an update on the environmental and social impact of the business, branding, corporate governance, regulatory developments and investor relations matters.

The details of the Familiarization programmes can be accessed on the website of the Company https://www.lemeriteexports.com/pdf/Familarisation-Programme-for-Independent-Directors.pdf.

Disclosure of relationships between directors inter-se

Following relationships exist between directors –

Mr. Umashankar Lath is farther of Mr. Abhishek Lath and father-in-law of Mrs. Sweta Lath, Mr. Abhishek Lath is husband of Mrs. Sweta Lath except this, no other Director is related to any other Director on the Board.

None of the Independent Directors are related to each other or with any other executive directors.

3. BOARD COMMITTEES

During the Financial Year under review, the Board had following Statutory Committee(s):

a) Audit Committee

b) Stakeholders Relationship Committee

c) Nomination and Remuneration Committee

d) Corporate Social Responsibility Committee

The Board decides the term of reference of these committees and assignment of its members thereof.

A) Audit Committee

Composition, meetings and attendance

The Audit Committee of your Company has been constituted as per the requirements of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations. The Chairman of the Audit Committee is an Independent Director and two-thirds of the members of the Audit Committee are Independent Directors. During the Financial Year 2025-26, the Committee met 6 (Six) times on 28/05/2025, 10/07/2025, 08/09/2025, 12/11/2025, 09/12/2025 and 13/02/2026.

The composition of the Audit Committee as on 31st March, 2026 and the attendance of the members in the meeting held during the Financial Year 2025-26 are as follows:

Name of Member	Designation	No. of meetings attended
Mr. Narendra Kumar Srivastava	Chairman	6
Mr. Jaydeep Purujit Mehta	Member	6
Mr. Abhishek Lath	Member	3
Mr. Rohit Agarwal*	Member	-

* was appointed as a Member of the Committee w.e.f February 13, 2026.

The Company Secretary of the Company acted as the Secretary to the Committee.

Terms of Reference:

The broad terms of reference of the Audit Committee include the following as has been mandated in Section 177 of Companies Act, 2013 and SEBI Listing Regulations:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
    i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    ii. Changes, if any, in accounting policies and practices and reasons for the same;
    iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    iv. Significant adjustments made in the financial statements arising out of audit findings;
    v. Compliance with listing and other legal requirements relating to financial statements;
    vi. Disclosure of any related party transactions;
    vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly and half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor’s independence, performance and effectiveness of audit process.

8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. Management discussion and analysis of financial condition and results of operations;
22. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.

23. Management letters/letters of internal control weaknesses issued by the statutory auditors.

24. Internal audit reports relating to internal control weaknesses. 25. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

26. Reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision

27. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

28. To investigate any other matters referred to by the Board of Directors.

29. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial information and results of operations;
b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
d. Internal audit reports relating to internal control weaknesses; and
e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

TCWG (Those Charged with Governance)

The Audit Committee, being a key component of the Company's governance framework, assists the Board of Directors in fulfilling its oversight responsibilities relating to financial reporting, internal controls, risk management, audit processes and compliance matters. The Audit Committee maintains appropriate communication with the Statutory Auditors and other key stakeholders and provides oversight over matters falling within its terms of reference, thereby supporting transparency, accountability and effective corporate governance.

The Chief Financial Officer and the representatives of the Statutory Auditors and Internal Auditors are invited to attend the meetings of the Audit Committee.

B) Stakeholders Relationship Committee

Composition, meetings and attendance

The Stakeholders' Relationship Committee of your Company has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The Chairperson of the Committee is an Independent Director. During the Financial Year 2025-26, the Committee met 1 (One) time on 13/02/2026.

The composition of the Stakeholder's Relationship Committee as on 31st March, 2026 and the attendance of the members in the meeting held during the Financial Year 2025-26 are as follows:

Name of Member	Designation	No. of meetings attended
Mr. Jaydeep Purujit Mehta	Chairperson	1
Mr. Narendra Kumar Srivastava	Member	1
Mr. Abhishek Lath	Member	1
Mr. Umashankar Lath	Member	1

The Company Secretary of the Company acted as the Secretary to the Committee.

Terms of Reference

The terms of reference of the Stakeholders Relationship Committee includes the matters specified under Regulation 20 of SEBI Listing Regulations, 2015 as well as Section 178 of the Companies Act, 2013.

1. Efficient transfer of shares, including review of cases for refusal of transfer/transmission of Shares and Debentures, demat/remat of shares;
2. Redressal of Shareholder and Investor complaints like transfer of shares, non-receipt of Balance Sheet, no receipt of declared dividends etc.;
3. Issue of new/duplicate/split/consolidated Share Certificates;
4. Allotment of Shares;
5. Review of cases for refusal of transfer/transmission of Shares and Debentures
6. Reference to Statutory and Regulatory authorities regarding Investor Grievances; and
7. To otherwise ensure proper and timely attendance and redressal of Investor's queries and grievances;
8. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, nonreceipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
9. Review of measures taken for effective exercise of voting rights by shareholder Review of measures taken for effective exercise of voting rights by shareholders;
10. Review of adherence to the service standards adopted by the Company in respect Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; of various services being rendered by the Registrar & Share Transfer Agent;
11. Review of the various measures and initiatives taken by the Company for Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.

Other function roles duties powers etc. have been clearly defined in line with the Regulation 20 of the Listing Regulations and kept flexible for medication by the Board from time to time.

Status of Investors' complaints

The status of investor's complaints as on March 31, 2026 is as follows:

Number of complaints as on April 1, 2025.	00
Number of complaints received during the year ended on March 31, 2026.	01
Number of complaints resolved up to March 31, 2026.	01
Number of complaints pending as on March 31, 2026.	00

Name and Designation of Compliance Officer

Mr. Arpit Sharma, Company Secretary is the Compliance Officer of the Company.

Redressal of Investor Grievances

The Company and its Registrar and Share Transfer Agent addresses all complaints, suggestions and grievances expeditiously and replies are sent usually within 7-10 days except in case of dispute over facts or other legal impediments and procedural issues.

The Company endeavours to implement suggestions as and when received from the investors.

C) Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee of your Company has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The Chairman of the Committee is an Independent Director.

During the Financial Year 2025-26, the Committee met 2 (Two) time on 10/07/2025, and 13/02/2026. The composition of the Nomination and Remuneration Committee as on 31st March, 2026 and the attendance of the members in the meeting held during the Financial Year 2025-26 are as follows:

Name of Member	Designation	No. of meetings attended
Mr. Jaydeep Purujit Mehta	Chairman	1
Mr. Narendra Kumar Srivastava	Member	2
Mr. Rohit Agarwal	Member	2

The Company Secretary of the Company acted as the Secretary to the Committee.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee includes the matters specified under Regulation 19 of SEBI Listing Regulations, 2015 as well as Section 178 of the Companies Act, 2013.

Role of committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.
7. Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
8. Perform such other functions as may be necessary or appropriate for the performance of its duties.

Remuneration Policy:

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavors to attract, retain, develop and motivate the high-caliber executives and to incentivize them to develop and implement the Companies Strategy, thereby enhancing the business value and maintain a high-performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum.

The Remuneration policy is also placed on the website of the Company can be accessed at www.lemeriteexports.com/investor-relations.

Remuneration to Directors:

There were no pecuniary relationship or transactions of the nonexecutive director's vis a vis the Company except the payment of sitting fees for attending board and committee meetings.

Role of Non-Executive/Independent Directors of the Company is not just restricted to corporate governance or outlook of the Company, but they also bring with them significant professional expertise and rich experience across the wide spectrum of functional areas. The Company seeks their expert advice on various matters from time to time.

Details of remuneration and sitting fees paid or provided to all the directors during the year ended March 31, 2026 are as under:

(In Lakhs)

Name of Director	Salary & Perquisites	Sitting Fees	Commission	Total
Mr. Umashankar Lath	-	-	-	-
Mr. Abhishek Lath	-	-	-	-
Mrs. Sweta Lath	-	-	-	-
Mr. Jaydeep Purujit Mehta	-	2.70	-	2.70
Mr. Narendra Kumar Srivastava	-	2.70	-	2.70
Mr. Rohit Agarwal	-	1.65	-	1.65

Notes:

(i) There were no pecuniary relationships or transactions of the Independent Directors vis-à-vis Company.

(ii) None of the Directors of the Company has been granted any Stock Options during the year.

The Shareholding of Directors as on March 31, 2026 is as under:

Sr. No.	Name of Director	Shareholding	Percentage
1.	Umashankar Lath*	10,95,400	4.38
2.	Abhishek Lath	52,70,400	21.05
3.	Sweta Lath	8,52,400	3.41
4.	Jaydeep Purujit Mehta	-	-
5.	Narendra Kumar Srivastava	-	-
6.	Rohit Agarwal	-	-

* excludes 13,80,000 equity shares held by his HUF.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 ('Act') and Regulation 17 of SEBI Listing Regulations, the Board has carried out the Annual Performance Evaluation of its own performance and that of its Statutory Committee's viz., Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and also of the Individual Directors.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Directors on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc. The entire
Board carried out the performance evaluation of the Independent Directors and also reviewed the performance of the Secretarial Department.

As required under the provisions of the Act and SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held to evaluate the performance of the Chairman, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board.

The Directors expressed their satisfaction with the evaluation process.

D) Corporate Social Responsibility Committee:

The Corporate Social Responsibility (CSR) Committee of your Company has been constituted as per the requirements of Section 135 of the Companies Act, 2013 and SEBI Listing Regulations.

Terms of Reference of the Committee, inter alia, includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder and review thereof.
2. To formulate and recommend to the Board, an annual action plan in pursuance to CSR Policy.
3. To recommend the amount of expenditure to be incurred on CSR activities.
4. To monitor the implementation of framework of CSR Policy.
5. To review the performance of the Company in the areas of CSR.
6. To institute a transparent monitoring mechanism for implementation of CSR projects/activities undertaken by the Company.

7. To recommend extension of duration of existing project and classify it as on-going project or other than on-going project.
8. To submit annual report of CSR activities to the Board.
9. To consider and recommend appointment of agency/ consultant for carrying out impact assessment for CSR projects, as applicable, to the Board.
10. To review and monitor all CSR projects and impact assessment report.
11. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

During the year 2025-26, 2 (Two) meetings of the CSR Committee was held on 08/09/2025 and 13/02/2026.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name of Member	Designation	No. of meetings attended
Mr. Rohit Agarwal	Chairman	1
Mr. Abhishek Lath	Member	2
Mrs. Sweta Lath	Member	2

4. GENERAL BODY MEETINGS

Details of Annual General Meetings held during the last three financial years –

For the Financial Year	Date of AGM	Time	Venue
2024-25	30/09/2025	04:00 PM	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")
2023-24	30/09/2024	04:00 PM	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")
2022-23	30/09/2023	04:00 PM	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")

Postal Ballot: *During the financial year 2025-26, the Company conducted a Postal Ballot through remote e-voting in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder. The business item placed before the Members for*

approval through Postal Ballot was "Migration of the Company from SME Platform to Main Board of National Stock Exchange of India Limited (NSE) and making an application for listing of the Equity Shares of the Company on BSE Limited (Main Board)".

The Postal Ballot Notice was dispatched electronically to the Members whose names appeared in the Register of Members/Beneficial Owners as on the Cut-off Date. The remote e-voting commenced on April 28, 2025 at 9:00 a.m. (IST) and concluded on May 27, 2025 at 5:00 p.m. (IST).

Details of special resolutions passed in Previous Three AGMs.

Financial Year	Particulars of Special Resolution Passed
2024-25	Nil
2023-24	Nil
2022-23	Nil

Extra-Ordinary General Meeting held during the FY 2025-26:

Date of EGM	Time	Venue	Particulars of Special Resolution Passed
04/08/2025	12.15 PM	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	1. To consider and approve the issuance of Equity Shares to the proposed allottees on a Preferential Basis 2. To consider and approve the issuance of Equity Warrants of the Company to certain identified persons / entities on Preferential Basis

5. OTHER DISCLOSURES

(a) Disclosure on materially significant related party transactions.

The details of related party transactions as per Indian Accounting Standard – 24 are included in the notes to the accounts.

(b) Details of non-compliance with regard to capital market.

During FY 2025–26, National Stock Exchange of India Limited ("NSE"), vide its communication dated December 16, 2025, imposed a fine of ₹1,15,000, excluding

applicable GST, for delayed submission of financial results for the quarter and half-year ended September 30, 2025 under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company submitted an application seeking waiver of the fine on December 30, 2025. NSE communicated rejection of the waiver application on March 11, 2026.

(c) Disclosure of accounting treatment

Following the migration of the Company from the SME Platform to the Main Board of NSE, the financial statements for the year ended March 31, 2026 have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS). The Company previously prepared its financial statements in accordance with the Companies (Accounting Standards) Rules, 2021. The transition to Ind AS has been accounted for in accordance with Ind AS 101, "First-time Adoption of Indian Accounting Standards", and the related adjustments and reconciliations have been disclosed in the notes to the financial statements. There has been no deviation from the accounting treatments prescribed under the applicable Ind AS.

(d) Board disclosures – Risk Management

The Board members of the Company are regularly appraised about the risk assessment and minimization procedures adopted by the Company. The Audit Committee of the Board is also regularly informed about the business risks and the steps taken to mitigate the same. The implementation of the risk assessment and minimization procedures is an ongoing process and the Board members are periodically informed of the status.

(f) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of SEBI Listing Regulations.

The Company has complied with the mandatory requirements as mandated under SEBI Listing Regulation, except for the instances of non- compliances disclosed under 'Statutory Compliances, Penalties and Strictures.

(g) Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may also report to the Chairman of the Audit Committee.

During the year under review, no employee was denied access to the Audit Committee. Whistle blower policy of the Company has been uploaded on the website of the Company and can be accessed at www.lemeriteexports.com/investor-relations.

(h) Statutory Compliances, Penalties and Strictures

During FY 2025–26, the following instances of non-compliance and fines were reported:

1. **Regulation 6:** The Company delayed the appointment of the Company Secretary and Compliance Officer by 11 days. NSE issued a notice of non-compliance, received on August 21, 2025, and the Company reported a fine of ₹12,980 in this regard.
2. **Regulation 33:** NSE, vide its communication dated December 16, 2025, imposed a fine of ₹1,15,000, excluding applicable GST, for delayed submission of financial results for the quarter and half-year ended September 30, 2025. The Company submitted a waiver application on December 30, 2025, which was rejected by NSE vide its communication dated March 11, 2026.

(i) Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all mandatory requirements and has not adopted non-mandatory requirements.

(j) Reconciliation of Share Capital Audit Report

As stipulated by Securities and Exchange Board of India, Company is required to carry out Reconciliation of Share Capital Audit (RSCA) from a practicing Company Secretary. This audit is carried out every quarter and the report thereon of Practicing Company Secretary is submitted to the stock exchanges. The audit, inter alia, confirms that the total listed and paid-up capital of the company agrees with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

(k) Policy on "Material" Subsidiary

The Company has Board approved policy on determining Material Subsidiary which can be accessed at www.lemeriteexports.com/investor-relations.

(l) Disclosure of commodity price risks and commodity hedging activities.

Company takes appropriate measures to mitigate all types of risk.

(m) Certification from Company Secretary in practice:

M/s Prachi Bansal & Associates, Practicing Company Secretaries, has issued a certificate required under the Listing Regulations, confirming that none of the directors on Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report.

(n) Policy on Related Party Transactions:

The Company has Board approved policy on determining Related Party Transactions which can be accessed www.lemeriteexports.com/investor-relations.

The Board had accepted all recommendations of various Committees of the Board, which were mandatorily required to be taken during the period under review.

(o) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part:

The details of total fees for all services paid by the Company, on a consolidated basis to the Statutory Auditors and all the entities in the network firm/network entity of which the statutory auditor is a part, for the financial year 2025-26 are as follows:

Sr. No	Name of Statutory Auditors	Nature of Services	Fees Paid (In lacs)
1	Nagori Nuwal & Co.	Professional fees& Audit Fees	9.40

(p) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to provide a safe and conducive work environment to its employees.

Your directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has in place an Internal Complaints Committee (ICC) in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2025-26:

Number of complaints received: NIL

Number of complaints disposed of: NIL

Number of cases pending for more than 90 days: NIL

The Company is committed to providing a safe and respectful work environment for all its employees, and necessary awareness programs are conducted from time to time.

(q) Compliance under the Maternity Benefit Act, 1961:

The Company has complied with the applicable provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the benefits as prescribed under the Act. The Company remains committed to supporting working mothers and promoting a gender-inclusive workplace.

(r) List of core skills / expertise /competencies identified in the context of the business

The Board continues to identify an appropriate mix of diversity and skills for introducing different perspectives into Board for better anticipating the risks and opportunities in building a long-term sustainable business.

The below table summarizes the key qualifications, skills and attributes which are taken into consideration while nominating to serve on the Board.

Business Strategies	Experience of crafting Successful Business Strategies an understanding the changing regulatory requirements
Financial & Accounting Expertise	Proficiency in financial accounting and reporting, corporate finance and internal controls, corporate funding and associated risks
Governance, Risk and Compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and legal compliance frameworks, identifying and monitoring key risks.
Innovative	A strong understanding of innovation and technology, and the development and implementation of initiatives to enhance production
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective

The below table specifies area of focus or expertise of individual Board Member:

Directors	**Area of Skill/Expertise**				
	Business Strategies	**Finance & Accounting Expertise**	**Governance, Risk & Compliance**	**Innovative**	**Diversity**
Umashankar Lath	√	√	-	√	√
Abhishek Lath	√	√	√	√	√
Sweta Lath	-	√	√	√	√
Jaydeep Purujit Mehta	-	√	√	-	-

Narendra Kumar Srivastava	-	√	√	√	√
Rohit Agarwal	-	√	√	√	√

(s). Particulars of Senior Management including the changes therein since the close of FY 2025-26:

As of 31st March, 2026 the following individuals served as senior management personnel of the Company:

Sr. No.	Name of Head of Department
1.	Mr. Abhishek Lath
2.	Mr. Arpit Sharma

(t) Independent Directors confirmation by the Board.

All the Independent Directors have confirmed that they meet the criteria of independence as laid down under Regulation 16(1)(b) of the SEBI (LODR) Regulations and Section 149(6) of the Companies Act,2013.

In the opinion of the Board, the independent directors fulfill the conditions of independence specified 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (LODR) Regulations and they are also Independent of the Management.

6. MEANS OF COMMUNICATION

a. All Quarterly/ Half-Yearly / Annual financial results are immediately sent to stock exchanges after being taken on record by the Board.

b. The Company's website www.lemeriteexports.com/investor-relations contains a separate dedicated section named "Investors" where information for shareholders is available.

7. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting (Proposed): 23rd Annual General Meeting

Day and date: Wednesday, September 30, 2026
Time: 1.00 P.M.
Venue: Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") the venue of the meeting shall be deemed to be the Registered Office of the

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

b. Financial Year (2025-26)

For accounting and financial reporting purpose, Company follows Financial Year which starts from 1st April each year and ends on 31st March of every succeeding year.

c. Board Meetings approval of Results

The Quarterly Financial Results for the financial year 2026-27 will be taken on record by the Board of Directors as per the following tentative schedule (subject to change, if any:

Quarter ending 30th June 2026	:	July / August 2026
Quarter ending 30th September 2026	:	October / November 2026
Quarter ending 31st December 2026	:	January / February 2027
Quarter ending 31st March 2027	:	April / May 2027

d. Listing on Stock exchange

The company's Equity shares are listed on NSE Main Board since December 12, 2025.

The Company has paid the Annual Listing Fees to the Stock Exchange.

e. Stock Code

ISIN for Equity Shares held in Demat form with NSDL and CDSL: INE0G1L01025

f. Market Price Data

Month	Low	High
April 2025	280.00	316.00
May 2025	305.15	325.80
June 2025	288.20	322.80
July 2025	305.00	345.00
Aug 2025	315.00	363.90
Sep 2025	350.10	444.50
Oct 2025	432.15	496.00
Nov 2025	462.25	520.00
Dec 2025	428.00	537.85
Jan 2026	431.00	484.10
Feb 2026	439.95	497.50
March 2026	435.05	495.00

g. Registrar and Share Transfer Agent

Name : Bigshare Services Private Limited
Address : Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai 400093
E-mail id : info@bigshareonline.com
Tel. No : +91 22 6263 8200

h. Share Transfer System

The Shares of Company are compulsorily traded in dematerialized form. The request for dematerialization of Shares are also processed by the R&T agent within stipulated period and uploaded with the concerned Depositories. In terms of SEBI Listing Regulation, Company Secretary in Practice examines the records and processes of Share transfers and issues yearly Certificate which is sent to the Stock Exchanges.

i. Distribution of Shareholding as on 31st March, 2026:

Sr. No.	Category of Shareholders.	No. of Shares held	% of total Shares
1.	Promoters, Directors, Relatives and Associates.	1,49,33,600	59.65
2	Indian Public	85,36,787	34.10
3	Banks, Financial Institutions & Insurance Companies/ Mutual Funds	-	-
4	NRI's / Overseas Body Corporate	1,15,929	0.46
5	FPI	54,425	0.22
6	Bodies Corporate	6,78,612	2.71
7	Alternative Investment Funds	40,400	0.16
8	NBFC Registered with RBI	-	-
9	Trusts	-	-
10	Clearing Members (NSDL+CDSL)	2,00,453	0.8
11	Any Other (HUF)	4,73,394	1.89
	Total	**2,50,33,600**	**100**

j. Category wise Summary of Holders / Holdings as on 31st March, 2026.

Range of Holding	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
Up to 5000	520	29.66	1,11,555	0.44
5001 - 10000	223	12.72	1,78,031	0.71
10001 - 20000	390	22.24	6,00,895	2.40

20001 - 30000	69	3.93	1,69,125	0.67
30001 - 40000	137	7.81	4,73,403	1.89
40001 - 50000	59	3.36	2,81,173	1.12
50001 - 100000	132	7.52	9,98,473	3.98
100001 & above	223	12.72	2,22,20,945	88.76
Total	**1753**	**100**	**2,50,33,600**	**100**

k. Dematerialization of Shares & Liquidity

On March 31st, 2026, no shares of Company were held in physical form. The Promoters & Promoters-group shareholding was also fully dematerialized. The aggregate dematerialized shareholding of the Company stood at 100%. Brief position of Company's dematerialized shares is given below:

S. No.	Description	Shares	% holding
1	NSDL	26,61,450	10.63
2	CDSL	2,23,72,150	89.37
	Total	**2,50,33,600**	**100**

l. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

Pursuant to the approval of the shareholders accorded on August 04, 2025, the Company issued and allotted 61,400 equity shares and 5,26,000 warrants on September 17, 2025, upon receipt of the requisite consideration. Accordingly, as on March 31, 2026, 5,26,000 warrants remain outstanding and are eligible for conversion into equity shares in accordance with the terms of issue.

m. Credit Rating

CRISIL downgraded the company's long-term bank-facility rating from **CRISIL BBB-/Negative to CRISIL BB+/Stable**.

n. Policy on "Material" Subsidiary

The Company has Board approved policy on determining Material Subsidiary which can be accessed on the website of the Company www.lemeriteexports.com/investor-relations.

o. Dividend:

In view of the planned business growth, your directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31, 2026.

p. Plant Locations:

The Company currently does not have any Company-operated manufacturing or production plant. The Company is primarily engaged in the trading business and accordingly, does not operate any manufacturing facility of its own.

q. Address for Correspondence

In case any problem or query shareholders can contact at:

Arpit Sharma
Company Secretary & Compliance Officer
A-307, Boomerang, Chandivali Farm Road, Powai,
Andheri (East), Mumbai 400 072, Maharashtra
Phone: +91 22 45963506
Email: compliance@lemeriteexports.com

In case of finance and accounts related queries contact at:

Abhishek Lath
Chief financial Officer
A-307, Boomerang, Chandivali Farm Road, Powai,
Andheri (East), Mumbai 400 072, Maharashtra
Phone: +91 22 45963506
Email: compliance@lemeriteexports.com

Shareholders may also contact Company's Registrar & Share Transfer Agent at:

Bigshare Services Private Limited
Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai 400093
info@bigshareonline.com
+91 22 6263 8200

8. FOREIGN EXCHANGE RISK AND HEDGING

In the ordinary course of business, the Company is exposed to risks resulting from exchange rate fluctuation and interest rate movements. Its management's exposure to these risks through derivative financial instruments. The Company's risk management activities are subject to the management, direction and control of Treasury Team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's Treasury Team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's

policy that no trading in derivatives for speculative purposes maybe undertaken. The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored.

9. MD/ CEO/ CFO CERTIFICATION

The MD and CFO have certified to the board with regard to the financial statements and other matters as required by the SEBI Listing Regulations. The certificate is appended as an Annexure to this annual report.

They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of the SEBI Listing Regulations.

10. Compliance with Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

The Company migrated from the SME Platform to the Main Board of the National Stock Exchange of India Limited ("NSE") during the financial year 2025-26. Consequent to such migration, the provisions relating to Corporate Governance as specified under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and the applicable provisions of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), became applicable to the Company.

The Company has complied with the applicable requirements of the SEBI Listing Regulations relating to Corporate Governance and is committed to maintaining the highest standards of transparency, accountability, integrity and ethical conduct in all its business operations.

For and on Behalf of the Board of Directors

Sd/-	**Sd/-**
Abhishek Lath	**Umashankar Lath**
Managing Director and CFO	**Chairman and Managing Director**
DIN: 00331675	DIN: 05135035

Dated: September 8, 2026
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, 2O14)

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**	**Le Merite Tactical & Defence Solutions Private Limited**
1	Date since when the subsidiary was acquired	December 15, 2021 (Date of Incorporation)	October 08, 2021 (Date of Incorporation)	June 05, 2025 (Date of Incorporation)
2	The reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2026	March 31, 2026	March 31, 2026
3	Reporting currency and Exchange rate as on the date of the relevant financial year in the case of foreign subsidiaries	INR	INR	INR
4	Share Capital	5.00	1.00	10.00
5	Reserves & Surplus	(124.35)	(4.90)	(36.84)
6	Total Assets	311.93	1.26	1108.33
7	Total Liabilities	431.28	5.15	1135.18
8	Investments	-	-	-
9	Turnover	158.78	-	0.08
10	Profit / (Loss) before Taxation	120.54	(0.84)	(36.94)
11	Provision for Taxation	(0.08)	-	0.10
12	Profit / (Loss) after Taxation	120.62	(0.84)	(36.84)
13	Proposed Dividend	-	-	-
14	% Of shareholding	100%	51%	51%

DIRECTOR'S REPORT

ANNEXURE – II

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[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
CIN: L17111MH2003PLC143645
A-307, Boomerang, Chandivali Farm Road, Powai, Andheri (East), Mumbai - 400072, Maharashtra, India

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') for the financial year ended March 31, 2026 ('Audit Period'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that, in my opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanisms 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 Audit Period according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 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 and external commercial borrowings; overseas direct investment and external commercial borrowings were not applicable to the Company during the Audit Period;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - not applicable to the Company during the Audit Period;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - not applicable to the Company during the Audit Period;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, to the extent applicable to the Company;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - not applicable to the Company during the Audit Period; and

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - not applicable to the Company during the Audit Period.

(vi) Other laws specifically applicable to the Company, as identified by the management, on the basis of representations and records produced for verification.

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

(i) Secretarial Standards, namely SS-1 and SS-2, issued by the Institute of Company Secretaries of India; and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and amendments made thereunder.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above, except for the following:

(a) Certain e-forms were filed with the Registrar of Companies after the prescribed due dates on payment of additional fees, as per the records and information produced for verification.

(b) The office of Company Secretary and Compliance Officer remained vacant from March 21, 2025 to July 9, 2025 following the resignation of Mr. Sandeep Poddar with effect from the close of business hours on March 20, 2025. Mr. Arpit Sharma (ACS: 71673) was appointed as Company Secretary and Compliance Officer with effect from July 10, 2025. NSE, vide communication reference NSE/LIST-SOP/COMB/FINES/0915 dated August 21, 2025, imposed a fine of ₹11,000 plus applicable GST for delay of 11 days in

appointment of the Company Secretary and Compliance Officer under Regulation 6 of the SEBI Listing Regulations.

(c) NSE, vide communication dated December 16, 2025, imposed a fine of ₹1,15,000 plus applicable GST for delayed submission of financial results for the quarter and half-year ended September 30, 2025, in the format applicable to a Main Board listed entity, under Regulation 33 of the SEBI Listing Regulations. The Company submitted a waiver application on December 30, 2025, which was rejected by NSE vide communication dated March 11, 2026.

I further report that during the Audit Period:

The Board of Directors of the Company was duly constituted with an appropriate balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors during the Audit Period were carried out in compliance with the provisions of the Act and the SEBI Listing Regulations.

Adequate notice was given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, except where meetings were convened at shorter notice in compliance with the applicable provisions. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at Board Meetings and Committee Meetings were taken unanimously, wherever recorded. Based on review of the compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Company and taken on record by the Board of Directors at its meeting(s), I am of the opinion that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, subject to the observations made above.

I further report that the following events/actions had a major bearing on the Company's affairs during the Audit Period:

(i) Incorporation of Le Merite Tactical & Defence Solutions Private Limited on June 5, 2025, in which the Company subscribed to 51,000 equity shares constituting 51% of its paid-up share capital.

(ii) Allotment on September 17, 2025, on a preferential basis, of 61,400 equity shares of face value ₹10 each at an issue price of ₹320 per equity share and 5,26,000 fully convertible equity warrants at an issue price of ₹320 per warrant.

(iii) Allotment on October 16, 2025, of 6,73,600 equity shares of face value ₹10 each at an issue price of ₹146.50 per share upon conversion of warrants allotted on November 27, 2024.

(iv) Migration of the Company's equity shares from NSE Emerge to the Main Board of NSE with effect from December 12, 2025.

(v) The application filed by Count N Denier Exim Limited under Section 9 of the Insolvency and Bankruptcy Code, 2016 against the Company before the Hon'ble NCLT, Mumbai Bench, was dismissed as withdrawn vide order dated June 26, 2025. The Company received a copy of the order on July 3, 2025.

For, Prachi Bansal & Associates

Prachi Bansal
Proprietor
M. No. A43355**; CP No.** 23670
Peer Review No.: 3702/2023
UDIN: A043355H001380306
Date: September 04, 2026
Place: Faridabad

This report is to be read with my letter of even date annexed as Annexure A, which forms an integral part of this report.

ANNEXURE A

To,
The Members,
Le Merite Exports Limited
CIN: L17111MH2003PLC143645
A-307, Boomerang, Chandivali Farm Road, Powai, Andheri (East), Mumbai - 400072, Maharashtra, India

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. The verification was done on a test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of account of the Company.
5. Wherever required, I have obtained management representation regarding compliance with laws, rules and regulations and occurrence of events.
6. Compliance with the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to verification of procedures and compliances on a test basis.
7. The Secretarial Audit Report 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.
8. I have relied on the Management Representation Letter provided by the Company before issuing this Report.

For, Prachi Bansal & Associates

Prachi Bansal
Proprietor
M. No. A43355**; CP No.** 23670
Peer Review No.: 3702/2023
UDIN: A043355H001380306
Date: September 04, 2026
Place: Faridabad

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 2025-26 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*
Executive Director		
Mr. Umashankar Lath (Chairman and Managing Director)	-	(100)
Mr. Abhishek Lath (Managing Director and CFO)	-	(100)
Mrs. Sweta Lath (Executive Director)	-	(100)
Mr. Jaydeep Purujit Mehta (Non Executive – Independent Director)	NA	NA
Mr. Narendra Kumar Srivastava (Non Executive – Independent Director)	NA	NA
Mr. Rohit Agarwal (Non Executive – Independent Director)	NA	NA
Key Managerial Personnel		
Mr. Arpit Sharma[1] (Company Secretary and Compliance Officer)	0.96	N.A

1 Since appointed on and no remuneration was paid in FY 2024-25 hence % change comparison is not mentioned

Since the Independent Director are not paid any remuneration except Sitting Fee, hence % change comparison is not mentioned.

B. Percentage increase in median remuneration in the FY 2025-26: 0.70%

C. Number of Permanent employees on the roll of the Company as on 31/03/2026: 23

D.

Particulars	% Change in Remuneration*
Average percentile increase~~/decrease~~ in Salary of employees other than managerial personnel	10.32
Average percentile ~~increases~~/decrease in remuneration of managerial personnel	(83.05)

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, 2026, 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, 2026, 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

Sd/-
Abhishek Lath
Managing Director and CFO
DIN: 00331675

Place: Mumbai
Date: September 8, 2026

Certificate Of Compliance with Code Of Conduct Policy
[Regulation 34(3) read with Schedule V (Part D) of the SEBI (LODR) Regulations, 2015]

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby confirm that, all the Directors and the Senior Management personnel of the Company have confirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2026.

For LE MERITE EXPORTS LIMITED

Sd/-
Abhishek Lath
Managing Director and CFO
DIN: 00331675

Place: Mumbai
Date: September 8, 2026

DIRECTOR'S REPORT

ANNEXURE – V

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

CSR Report for the financial year ended March 31, 2026

[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.

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	Mrs. Kusum Naruka#	Chairman	NA	NA
2	Mr. Rohit Agrawal*	Chairman	2	1
3	Mr. Abhishek Lath	Member	2	2
4	Mrs. Sweta Lath	Member	2	2

* resigned w.e.f. August 14, 2026

appointed w.e.f. August 14, 2026

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. 5,96,35,076 /-

7. (a) Two per cent of the average net profit of the company: Rs. 11,92,702/-
(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: 11,92,702/-

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
Nil	11,92,702	April 28, 2026	-		

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

(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): NIL

(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	Amount spent in the	The amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Amount remaining

		to Unspent CSR Account under section 135 (6) (Rs.)	reporting Financial Year (Rs.)	Name of Fund	Amount (Rs.)	Date of Transfer	to be spent in succeeding financial years.
1	2022-23	Nil	Nil	Not Applicable			Nil
2	2023-24	26,95,402	7,93,500	Not Applicable			42,112
3	2024-25	Nil	Nil	Not Applicable			Nil

(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-23/24-16	Round Table India Trust	2023-24	Ongoing/ Multi-Year	1,00,000	1,00,000	1,00,000	Ongoing/ Multi-Year
2	CSR-23/24-17	The Earth Savior	2023-24	Ongoing/ Multi-Year	33,000	33,000	33,000	Ongoing/ Multi-Year
3	CSR-23/24-18	Konkankala Shikshan	2023-24	Ongoing/ Multi-Year	25,000	25,000	25,000	Ongoing/ Multi-Year
4	CSR-23/24-19	Hanumanprasad Poddar	2023-24	Ongoing/ Multi-Year	1,00,000	1,00,000	1,00,000	Ongoing/ Multi-Year
5	CSR-23/24-20	Swarna Charity	2023-24	Ongoing/ Multi-Year	7,000	7,000	7,000	Ongoing/ Multi-Year
6	CSR-23/24-21	Gayatri Pariwar	2023-24	Ongoing/ Multi-Year	1,50,000	1,50,000	1,50,000	Ongoing/ Multi-Year
7	CSR-23/24-22	Hanumanprasad Poddar	2023-24	Ongoing/ Multi-Year	3,12,500	3,12,500	3,12,500	Ongoing/ Multi-Year
8	CSR-23/24-23	The Earth Savior	2023-24	Ongoing/ Multi-Year	66,000	66,000	66,000	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

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,
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 (CIN: L17111MH2003PLC143645), having its registered office at A-307, Boomerang, Chandivali Farm Road, Powai, Andheri (East), Mumbai - 400072 (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, Part C, Clause 10(i) of the SEBI (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 MCA portal) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company, as stated below, for the financial year ended March 31, 2026 has been debarred or disqualified from being appointed or continuing as a Director of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any other statutory authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Umashankar Lath	05135035	18/11/2021
2.	Mr. Abhishek Lath	00331675	18/11/2021
3.	Mrs. Sweta Lath	07213314	18/11/2021
4.	Mr. Jaydeep Purujit Mehta	06952808	25/01/2022
5.	Mr. Narendra Kumar Srivastava	09439120	25/01/2022
6.	Mr. Rohit Agarwal	01924587	25/01/2022

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the same based on my 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 Prachi Bansal & Associates
Practising Company Secretaries

Prachi Bansal
Proprietor
Membership No.: 43355
CP No.: 23670
Peer Review No.: 3702/2023
UDIN: A043355H001380339

Date: September 04, 2026
Place: Faridabad

DIRECTOR'S REPORT

ANNEXURE – VII

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is set out hereunder.

a. CONSERVATION OF ENERGY

(i). Steps taken for conservation of energy:

- Installation of energy-efficient motors and variable frequency drives (VFDs) to reduce power usage in spinning, weaving, and dyeing units.
- Replacement of conventional lighting systems with LED lights across manufacturing facilities and administrative offices.
- Implementation of waste heat recovery systems in boilers to optimize steam usage and reduce fuel consumption.
- Optimization of production processes through automation and real-time monitoring, resulting in lower energy wastage.
- Use of renewable energy sources, including partial reliance on solar power for certain operations.
- Regular energy audits conducted to identify and rectify areas of energy losses.
- Awareness programs conducted for employees to encourage energy conservation practices at the workplace.
- Reduction of water consumption by recycling and reusing water in dyeing and finishing processes.
- Upgradation of machinery with modern, energy-efficient equipment to enhance productivity and minimize operational costs.
- Monitoring of specific energy consumption (SEC) to ensure continuous improvement in energy efficiency across all production lines.

ii. Steps taken by the Company for utilizing alternate sources of energy:

- Exploring and adopting renewable energy options, such as solar and wind power, to partially meet operational energy requirements.
- Utilizing eco-friendly fuels like biomass and other alternatives to reduce reliance on non-renewable energy sources.
- Implementing natural lighting and ventilation systems in facilities to reduce electricity consumption during daytime operations.

iii. Capital Investments on energy conservation equipment:

Your Company has invested NIL towards energy conservation equipment.

b. TECHNOLOGY ABSORPTION

i. Efforts made towards technology absorption:

With the objective of making education simple and hassle-free, the Company continues its technology driven business initiatives to deliver value through continuous technology innovation and adoption.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

Your Company's efforts in quality, maintenance and product enhancement have resulted in better quality products at a low cost of production.

iii. Information regarding imported technology: Nil

iv. The expenditure incurred on research and development: Nil

NAGORI NUWAL & CO.
CHARTERED ACCOUNTANTS
229, Starlit Tower, 29 Y.N. Road, Indore, 452001
Email: nagorinuwal@yahoo.com

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 31st March 2026, the statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement, the Statement of Changes in Equity and notes to the standalone 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit (including other comprehensive income), its cash flows and changes in equity 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, 2026. 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 10 and 29 to the standalone financial statements	
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'). We have 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.	• Evaluating the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect. • Obtained an understanding of and performed the test for design, implementation and operating effectiveness of the Company's key internal controls over the process for valuation of inventories. • 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. • 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.
Advances in nature of loans - Refer to Note 15 to the standalone financial statements	
As described in Note 15 to the financial statements, the Company has granted certain interest-bearing advances in nature of loans which are repayable on demand. In view of the nature of these arrangements, no fixed repayment schedule has been prescribed. The assessment of the recoverability of these balances and their appropriate presentation and classification	• Obtained an understanding of the terms governing the loans and advances granted. • Assessed the Company's right to demand repayment and the basis for classification of the loans as current assets. • Evaluated management's assessment of recoverability by reviewing supporting information, including subsequent recoveries where available. • Obtained management representations regarding the recoverability of the outstanding balances. • Examined the adequacy and appropriateness of the disclosures made in the financial statements in respect of these advances.

in the financial statements required the exercise of management judgement. Owing to the significance of the balances and the related judgements involved, we considered this matter to be a Key Audit Matter.	

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 do 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably

knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement, the Statement of Changes in Equity and Notes to the standalone financial statements dealt with by this Report are in agreement with the relevant books of accounts.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) There is no qualification, reservation or adverse remark relating to maintenance of accounts and other matters connected therewith. Hence, there is no need to include this.

(g) 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(h) 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:
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 read with Schedule V to the Act.

(i) 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 38 of standalone financial statements.

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. The Company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of Companies Act, 2013.

vi. Based on our examination of the books of account and other relevant records of the Company, and according to the information and explanations given to us, we report that the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility.

Further, in accordance with the requirements of the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, applicable with effect from April 1, 2023, the audit trail feature has been operated throughout the financial year ended March 31, 2026, for all transactions recorded in the software, and the audit trail has not been tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

CA Shankar Lal Laddha
Partner
Membership No.: 076554

Place: Mumbai
Date: 28 May 2026
UDIN: 26076554OMKGLT4551

"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 and relevant details of right-of-use assets.

B) The Company does not have intangible assets and hence, reporting under clause 3(i)(a)(B) of the Order is not applicable.

b) As explained to us, all the property, plant and equipment and right-of-use assets have been physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no discrepancies were noticed on such verification.

c) The title deeds of immovable properties (other than properties mentioned in note 4, where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in note 3 & 5 to the standalone financial statements are held in the name of the Company.

d) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 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.

b) The Company has been sanctioned working capital limits in excess of five crore rupees from bank on the basis of security of current assets. According to the information and explanations given to us and on the basis of our examination of the records of the Company, quarterly returns or statements filed by the Company with such banks are in agreement with the books of accounts 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 the year (In INR Lakhs)	Balance outstanding as at balance sheet date (In INR Lakhs)
- Subsidiaries	860.82	545.16
- Other than subsidiaries	2583.60	1650.33

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) The Company has granted loans that are repayable on demand. In such cases, no schedule of repayment of principal and payment of interest has been stipulated, and accordingly, we are unable to comment on the regularity of repayment of principal and interest. Further, we have not received the ledger confirmations for loans granted to persons other than subsidiaries.

d) The Company has granted advances in the nature of loans during the year amounting to INR 2251.70 lakhs, which are repayable on demand or without specifying any terms or period of repayment. These loans represent approximately 87% of the total loans granted during the year. However, none of these loans or advances (that are repayable on demand) have been granted to promoters or related parties as defined under Section 2(76) of the Companies Act, 2013.

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

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

vi. We are informed that the Central Government has not prescribed maintenance of cost records under sub-section (l) of Section 148 of the Companies Act, 2013 in respect of the activities carried on by the Company. Hence, clause (vi) of paragraph 3 of the Order is not applicable.

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, duty of excise, Goods & Services Tax and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of income tax, duty of customs, duty of excise, Goods & Services Tax and other material statutory dues in arrears as at 31st March, 2026 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 have 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) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanation given to us, during the year, the Company has made preferential allotment of equity shares in accordance with the provisions and requirements of the Act and the Rules framed thereunder and the fund raised has been used for the purpose for which the funds were raised. The Company has not made private placement of fully or partly convertible debentures during the year.

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 during the year.

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 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 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. There are no unspent amounts as at 31 March, 2026 towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a special account in compliance with proviso of sub-section (6) of Section 135 of the said Act.

a) During the current year, the Company spent Rs. 7.94 lakhs against the obligation of FY 2023-24, leaving an unspent balance of Rs. 0.42 lakhs.
b) The Company recognized a CSR liability of Rs. 11.93 lakhs for FY 2025-26. As this amount remained unspent as at 31 March 2026, it was transferred to the Unspent CSR Account on 28 April 2026 in compliance with Section 135(6) of the Companies Act, 2013. Accordingly, the closing CSR liability of Rs. 12.35 lakhs comprise Rs. 0.42 lakhs relating to FY 2023-24 and Rs. 11.93 lakhs relating to FY 2025-26.

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

CA Shankar Lal Laddha
Partner
Membership No.: 076554

Place: Mumbai
Date: 28 May 2026
UDIN: 26076554OMKGLT4551

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **LE MERITE EXPORTS LIMITED** ('the Company') as of 31st March, 2026 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 31st March, 2026, 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

CA Shankar Lal Laddha
Partner
Membership No.: 076554

Place: Mumbai
Date: 28 May 2026
UDIN: 26076554OMKGLT4551

LE MERITE EXPORTS LIMITED

23rd
Annual Report
FY 2025-2026

LE MERITE EXPORTS LIMITED

STATEMENT OF AUDITED STANDALONE BALANCE SHEET AS AT 31 MARCH, 2026

(Amount in Lakhs)

Particulars	Note	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
ASSETS				
(1) Non-current assets				
Property plant and equipments	3(a)	900.00	1,136.78	209.89
Capital work-in-progress	3(b)	-	-	831.79
Right-of-use assets	4	79.51	-	-
Investment properties	5	213.69	107.62	107.62
Financial assets				
(i) Investments	6	61.25	53.70	3.06
(ii) Other financial assets	7	256.13	253.31	233.10
(iii) Loans	8	514.66	420.88	353.39
Deferred tax asset (net)	9(a)	77.83	75.98	57.96
Income tax assets	9(b)	186.02	17.61	66.73
		2,289.08	**2,065.88**	**1,863.55**
(2) Current assets				
Inventories	10	748.13	1,112.85	1,566.78
Financial assets				
(i) Investments	11	2,871.72	197.52	160.76
(ii) Trade receivables	12	8,318.66	11,295.65	8,677.77
(iii) Cash and cash equivalents	13	1,004.40	307.50	137.15
(iv) Bank balance other than cash and cash equivalents above	14	4,619.89	5,016.10	4,369.10
(v) Other financial assets - current		-	-	-
(vi) Loans - current	15	1,680.83	899.89	446.95
Other current assets	16	3,500.43	2,808.60	2,429.20
		22,744.05	**21,638.11**	**17,787.70**
Total		**25,033.13**	**23,703.99**	**19,651.25**
Equity and liabilities				
(1) Equity				
Equity share capital	17	2,503.36	2,429.86	2,348.10
Other equity	18	11,178.55	8,869.55	7,113.57
		13,681.91	**11,299.41**	**9,461.67**
(2) Non-current liabilities				
Financial liabilities				
(i) Borrowings	19	19.76	1,271.94	183.65
Employee benefit obligations	20	33.64	30.86	24.24
Other non-current liabilities	21	-	5.00	5.00
		53.40	**1,307.80**	**212.89**
(3) Current liabilities				
Financial liabilities				
(i) Borrowings	22	8,258.29	8,968.07	8,697.70
(ii) Lease liabilities		-	-	-
(iii) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro and small enterprises	23	1,226.10	1,951.95	1,185.67
Employee benefit obligations	24	4.32	3.78	2.99
Other current liabilities	25	1,809.10	172.98	90.33
		11,297.82	**11,096.79**	**9,976.69**
Total		**25,033.13**	**23,703.99**	**19,651.25**

Significant accounting policies 1-2
Notes to the Ind AS financial statements 3-46

The accompanying notes form an integral part of the standalone Ind AS financial statements
As per our report of even date

For Nagori Nuwal & Co
Chartered Accountant
Firm Registration Number: 08185C

For and on behalf of Board of Directors
of Le Merite Exports Limited
CIN: L17111MH2003PLC143645

Shankar Lal Laddha
Partner
Membership No: 76554
Date: 28 May 2026
Place: Mumbai
UDIN: 26076554OMKGLT4551

Abhishek Lath
Managing director and
Chief financial officer
DIN : 00331675
Date: 28 May 2026
Place: Mumbai

Umashankar Lath
Chairman and
Managing director
DIN : 05135035
Date: 28 May 2026
Place: Mumbai

Arpit Sharma
Company Secretary
M. No.: A71673
Date: 28 May 2026
Place: Mumbai

LE MERITE EXPORTS LIMITED

STATEMENT OF STANDALONE AUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2026

(Amount in Lakhs)

Particulars	Note	31 March, 2026 (Audited)	31 March, 2025 (Audited)
(A) Income			
Revenue from operations	26	35,591.60	48,378.29
Other income	27	1,070.47	481.75
Total income		**36,662.07**	**48,860.04**
(B) Expenses			
Purchase of stock in trade	28	31,527.91	43,889.15
Changes in inventories of finished goods	29	364.72	453.92
Employee benefits expenses	30	195.59	227.01
Depreciation and amortisation expense	31	132.03	117.64
Other expenses	32	2,303.04	2,645.87
Finance costs	33	699.76	902.18
Total expenses		**35,223.06**	**48,235.78**
Profit before tax		**1,439.00**	**624.26**
Tax expense:			
(1) Current tax	9(a)	340.06	175.00
(2) Deferred tax	9(a)	(1.85)	(17.03)
Profit after tax		**1,100.79**	**466.29**
Other comprehensive income			
Items that will not be reclassified to Statement of Profit and Loss in subsequent years			
- Re-measurement gain/(losses) on defined benefit plans	35	2.51	(3.90)
- Income tax effect on above	9(a)	(0.63)	0.98
Other comprehensive income/(loss) for the year (net of tax)		**1.88**	**(2.92)**
Total comprehensive income for the year (net of tax)		**1,102.67**	**463.37**
Earning per equity share of the face value of Rs.10/- each			
(1) Basic	34	4.47	1.98
(2) Diluted	34	4.37	1.94

Significant accounting policies 1-2
Notes to the Ind AS financial statements 3-46

The accompanying notes form an integral part of the standalone Ind AS financial statements
As per our report of even date

For Nagori Nuwal & Co
Chartered Accountant
Firm Registration Number: 08185C

For and on behalf of Board of Directors
of Le Merite Exports Limited
CIN: L17111MH2003PLC143645

Shankar Lal Laddha
Partner
Membership No: 76554
Date: 28 May 2026
Place: Mumbai
UDIN: 26076554OMKGLT4551

Abhishek Lath
Managing director and Chief financial officer
DIN : 00331675
Date: 28 May 2026
Place: Mumbai

Umashankar Lath
Chairman and Managing director
DIN : 05135035
Date: 28 May 2026
Place: Mumbai

Arpit Sharma
Company Secretary
M. No.: A71673
Date: 28 May 2026
Place: Mumbai

LE MERITE EXPORTS LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2026

(Amount in Lakhs)

Particulars	31 March, 2026 (Audited)	31 March, 2025 (Audited)
A. Cash flows from operating activities		
Profit before tax	**1,439.00**	**624.26**
Adjustment For :		
Depreciation and amortisation	132.03	117.64
Interest expenses	699.76	902.18
Interest income	(298.10)	(345.45)
Fair value (gain)/loss on current investments	(605.90)	13.87
Provision for credit loss	364.65	56.20
Mark-to-market loss on forward covers	147.70	6.11
Operating profit before working capital changes	**1,879.16**	**1,374.81**
Adjustment for increase/decrease in:		
(Decrease)/increase in trade payables	(725.84)	769.26
(Decrease)/increase in other liabilities	1,631.12	87.41
(Decrease)/increase in employee benefit obligations	5.83	3.51
(Increase)/decrease in loans and advances	(874.72)	(520.42)
(Increase)/decrease in inventories	364.72	453.93
(Increase)/decrease in trade receivables	2,464.64	(2,680.19)
(Increase)/decrease in other financial assets	(2.83)	(20.21)
(Increase)/decrease in other assets	(691.83)	(387.14)
Operating profit/(loss) after working capital changes	**4,050.26**	**(919.04)**
Operating profit/(loss) before Tax	**4,050.26**	**(919.04)**
Less : Income taxes paid	**(508.47)**	**(125.88)**
Net Cash generated/(used in) operating activities	**3,541.79**	**(1,044.92)**
B. Cash flows from investment activities		
Payment towards capital expenditure	(80.82)	(212.74)
Investment/(proceeds from) fixed deposits	694.31	(301.55)
Net investments from sale/purchase of shares and mutual fund	(2,075.86)	(101.26)
Net Cash (used)/generated in investment activities	**(1,462.37)**	**(615.56)**
C. Cash flows from financing activities		
(Repayment of)/proceeds from borrowings	(1,961.96)	1,358.65
Proceeds from fresh issue of equity shares (preferential allotment)	73.50	81.76
Proceeds from fresh issue of equity shares (securities premium)	1,109.80	1,116.02
Money received against share warrants	174.09	246.71
Expenses incurred for issue of shares	(78.19)	(13.66)
Expenses incurred for increasing authorised capital	-	(9.50)
Dividend paid	-	(46.96)
Interest paid	(699.76)	(902.18)
Net Cash (used in)/generated financing activities	**(1,382.52)**	**1,830.84**
Net Increase in Cash and cash equivalents	696.90	170.35
Cash and cash equivalents at the beginning of the year	307.50	137.15
Cash and cash equivalents as at the end of the year	**1,004.40**	**307.50**
Components of cash and cash equivalents		
Cash in hand	34.37	32.99
Balances with banks	970.03	274.51
Total	**1,004.40**	**307.50**

Significant accounting policies 1-2
Notes to the Ind AS financial statements 3-46

The accompanying notes form an integral part of the standalone Ind AS financial statements
As per our report of even date

For Nagori Nuwal & Co
Chartered Accountant
Firm Registration Number: 08185C

For and on behalf of Board of Directors
of Le Merite Exports Limited
CIN: L17111MH2003PLC143645

Shankar Lal Laddha
Partner
Membership No: 76554
Date: 28 May 2026
Place: Mumbai
UDIN: 26076554OMKGLT4551

Abhishek Lath
Managing director and Chief financial officer
DIN : 00331675
Date: 28 May 2026
Place: Mumbai

Umashankar Lath
Chairman and Managing director
DIN : 05135035
Date: 28 May 2026
Place: Mumbai

Arpit Sharma
Company Secretary
M. No.: A71673
Date: 28 May 2026
Place: Mumbai

LE MERITE EXPORTS LIMITED

STATEMENT OF CHANGES IN EQUITY

CIN: L17111MH2003PLC143645

Note: All amounts are stated in INR lakhs, unless otherwise specified

A. Equity share capital

Equity shares of Rs. 10 each issued, subscribed and paid up

Particulars	Amount
As at 1 April, 2024	2,348.10
Add: Preferential issue of equity shares	81.76
Balance as at 31 March, 2025	**2,429.86**
As at 1 April, 2025	2,429.86
Add: Preferential issue of equity shares	73.50
Balance as at 31 March, 2026	**2,503.36**

B. Other equity

Particulars	Money received against share warrants	Securities premium	Retained earnings	Other comprehensive income	Total
Balances as at 1 April, 2024	**-**	**3,989.67**	**3,125.05**	**(1.15)**	**7,113.57**
Add / (Less):					
Profit for the year	-	-	466.29	-	**466.29**
Other comprehensive income / (loss):					
Remeasurement of defined benefit obligation net of taxes	-	-	-	(2.92)	**(2.92)**
Addition for the year	246.71	1,116.02	-	-	**1,362.73**
Preferential issue expenses	-	-	(13.66)	-	**(13.66)**
Fees of increase in authorised capital	-	-	(9.50)	-	**(9.50)**
Dividend paid	-	-	(46.96)	-	**(46.96)**
Total comprehensive income for the year	**246.71**	**1,116.02**	**396.17**	**(2.92)**	**1,755.98**
Balances as at 31 March, 2025	**246.71**	**5,105.70**	**3,521.22**	**(4.07)**	**8,869.55**

B. Other equity

Particulars	Money received against share warrants	Securities premium	Retained earnings	Other comprehensive income	Total
Balances as at 31 March, 2025	**246.71**	**5,105.70**	**3,521.22**	**(4.07)**	**8,869.55**
Add / (Less):	**-**	**-**	**-**	**-**	**-**
Profit for the year	-	-	1,100.79	-	**1,100.79**
Other comprehensive income / (loss):					
Remeasurement of defined benefit obligation net of taxes	-	-	-	2.51	**2.51**
Shares issued during the year	(246.71)	-	-	-	**(246.71)**
Addition for the year	420.80	1,109.80	-	-	**1,530.60**
Preferential issue expenses	-	-	(78.19)	-	**(78.19)**
Fees of increase in authorised capital	-	-	-	-	**-**
Dividend paid	-	-	-	-	**-**
Total comprehensive income for the year	**174.09**	**1,109.80**	**1,022.60**	**2.51**	**2,309.00**
Balances as at 31 March, 2026	**420.80**	**6,215.50**	**4,543.82**	**(1.57)**	**11,178.55**

Significant accounting policies 1-2

Notes to the Ind AS financial statements 3-46

The accompanying notes form an integral part of the standalone Ind AS financial statements

As per our report of even date

For Nagori Nuwal & Co
Chartered Accountant
Firm Registration Number: 08185C

For and on behalf of Board of Directors
of Le Merite Exports Limited
CIN: L17111MH2003PLC143645

Shankar Lal Laddha
Partner
Membership No: 76554
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Date: 28 May 2026
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Arpit Sharma
Company Secretary

M. No.: A71673
Date: 28 May 2026
Place: Mumbai

Le Merite Exports Limited
Notes to the Standalone Financial Statement as at and for the year ended 31 March 2026

Note No. 1 - Company Information and Basis of Preparation

A. Corporate Overview

Le Merite Exports Limited (the "Company"), incorporated on 24th December, 2003, is a public limited company domiciled in India and limited by shares (CIN: L17111MH2003PLC143645). The Registered Office of the Company is situated at A-307, Boomerang, Chandivali Farm Road, Powai, Andheri (East), Mumbai – 400072, Maharashtra. The Company is a vertically integrated trader and exporter of cotton yarn and greige fabrics and caters to domestic as well as international markets. The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE).

B. Basis of Preparation

These Separate Financial Statements are prepared on Going Concern basis following Accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent applicable), applicable provisions of the Companies Act, 2013.

1. Basis of Measurement/Use of Estimates

(i) The Financial Statements are prepared on Accrual basis under the Historical Cost convention except certain Financial Assets and Liabilities that are measured at fair value.

Historical Cost is generally based on the Fair Value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a Liability in an orderly transaction between market participants at the measurement date.

(ii) The preparation of Financial Statements requires judgments, estimates and assumptions that affect the reported amount of Assets and Liabilities, disclosure of Contingent Liabilities on the date of the Financial Statements and the reported amount of Revenues and Expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2. Functional and Presentation Currency

These Financial Statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lacs (up to two decimals), except as stated otherwise.

3. Current and Non-Current classification

The Company presents Assets and Liabilities in the Balance Sheet based on Current/Non-Current classification.

An Asset is Current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-Current.

A Liability is Current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other Liabilities are classified as Non-Current.

Deferred Tax Assets/Liabilities are classified as Non-Current.

Note No. 2 - Material Accounting Policies

A. Material Accounting Policies

A summary of the material Accounting Policies applied in the preparation of the Financial Statements are as given below. These Accounting Policies have been applied consistently to all periods presented in the Financial Statements.

1. Property, Plant & Equipment

1.1. Initial Recognition and Measurement

An item of Property, Plant and Equipment is recognized as an Asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at Cost less Accumulated Depreciation/Amortization and Accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the

location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalized.

1.2. Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in Statement of Profit or Loss as and when incurred.

1.3. Derecognition

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and Losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment, and are recognized in the Statement of Profit and Loss.

1.4. Depreciation

Assets are depreciated using straight line method over the estimated useful life of the asset as specified in Part “C” of Schedule II of Companies Act, 2013 except for Plant & Machinery (other than Laboratory Equipments, Fire Fighting Equipments and Tools & Equipments) whose estimated useful life is taken as 13 years (Triple Shift) after retaining residual life of 5% of original cost. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets.

Depreciation on additions to/deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

2. Capital Work-in-Progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

3. Intangible Assets and Intangible Assets under Development

3.1. Initial recognition and measurement

An Intangible Asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

3.2. Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.3. Derecognition

An Intangible Asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and Losses on disposal of an item of Intangible Assets are determined by comparing the proceeds from disposal with the carrying amount of Intangible Assets and are recognized in the Statement of Profit and Loss.

3.4. Amortization

Intangible Assets having definite life is amortized on straight line method in their useful lives.

4. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction, exploration, development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of:

(a) interest expense calculated using the effective interest method as described in Ind AS 109 'Financial Instruments',

(b) finance charges in respect of finance leases recognized in accordance with Ind AS 116 – 'Leases',

(c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs, and

(d) other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to revenue as and when incurred.

5. Statement of Cash Flows

Cash Flow Statement has been prepared in accordance with the Indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

6. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts other than those capitalized as Property, Plant and Equipment are carried as inventory.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

7. Cash and Cash Equivalent

Cash and cash equivalent in the Balance Sheet comprises Cash at Banks, Cash on Hand and Short-Term Deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

8. Government Grants

Government grants are recognized where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. When the government grant relates to an asset, the asset is disclosed by deducting that grant in arriving at the carrying amount of that asset. Government grants that compensate the Company for expenses incurred are recognized in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognized.

9. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent Liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a Contingent Liability, unless the probability of outflow of economic benefits is remote. Contingent Liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent Assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

10. Foreign Currency Transactions and Translation

Transactions in foreign currencies are initially recorded at the functional currency rates at the date the transaction first qualifies for recognition.

Monetary Assets and Liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

11. Revenue Recognition

The Company derives revenues primarily from business of textiles. Effective April 1, 2024, the Company adopted Ind AS 115 “Revenue from Contracts with Customers”. The following is a summary of new and/or revised material accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Ind AS 115 moves away from the “transfer of risk and rewards” approach and introduces a new “transfer of control” approach delivered through the new five- step model described as follows:

1. Identify the contract with a customer.

2. Identify the separate performance obligations in the contract.

3. Determine the transaction price.

4. Allocate the transaction price to the separate performance obligations.

5. Recognize revenue when (or as) each performance obligation is satisfied.

At contract inception, an entity assesses the goods or services promised in a contract with a customer and identify each performance obligation promised to be transferred to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The company classifies the right to consideration in exchange for deliverables as either a receivable or as a contract asset. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as contract asset and is classified as a financial asset for these cases a right to consideration is unconditional upon passage of time. This would result in the timing of revenue recognition being different from the time of billing the customers.

Company classifies amount received as advance from customers against sales as contract liability.

Trade receivables are presented net of provision for expected credit loss in the Balance Sheet.

11.1 Sale of Goods

Revenue from the sale of goods is recognized upon transfer of control of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Revenue from the sale of goods is measured at an amount that reflects the consideration we expect to receive in exchange for those products (i.e. the transaction price). The Company presents revenues net of indirect taxes, returns and allowances, trade discounts and volume rebates in its Statement of Profit and Loss.

11.2 Rendering of services

Revenue from Job work services is recognized based on the services rendered in accordance with the terms of contracts.

11.3 Other Export Benefit

Export benefits are accounted for in the year of export at net market realizable value.

11.4 Other Income

Revenue from transactions or events that do not arise from a contract with a customer not in the scope of Ind AS 115 are continue to be recognized in accordance with the other standards. Such Income includes Interest and Dividend income which are dealt with in Ind AS 109 and Rental income to be accounted as per Ind AS 116.

11.5 Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future

cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

11.6 Dividend

Dividend Income is recognized when the company's right to receive is established which generally occurs when the shareholders approve the dividend.

11.7 Income other than Interest and Dividend

Other income is recognized in the Statement of Profit and Loss when increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

12. Employee Benefits

12.1. Short Term Benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are booked as an expense as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

12.2. Post-Employment Benefits

Employee Benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two types:

12.2.1. Defined Contribution Plans

Defined contribution Plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Family Pension Funds are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation.

12.2.2. Defined Benefit Plans

A defined benefit plan is a post- employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses in respect of gratuity are recognized in OCI in the period in which they arise.

13. Income Taxes

Income Tax Expense comprises Current and Deferred Tax. Current Tax Expense is recognized in Statement of Profit and Loss A/c except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which it is recognized in OCI or Equity.

Current Tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current Income Taxes are recognized under 'Income Tax Liabilities' net of payments on account, or under 'Income Tax Assets' where there is a debit balance.

Deferred Tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred Tax Assets and Liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle Current Tax Liabilities and Assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred Tax is recognized in Statement of Profit and Loss except to the extent that it relates to items recognized directly in OCI or Equity, in which case it is recognized in OCI or Equity.

A Deferred Tax Asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

14. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus or minus transaction costs that are attributable to the acquisition or issue of the financial asset, in the case of financial assets not recorded at fair value through profit or loss.

Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, the credit quality of the instrument improves then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

In respect of Trade receivables or any financial asset that result from transactions that are within the scope of Ind AS 115, company follows 'simplified approach' for recognition of impairment loss allowance within the scope of Ind AS 115, if they do not contain a significant financing component. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

B. Financial Liabilities

Initial recognition and measurement

All Financial Liabilities are recognized at fair value and in case of loans, net of directly attributable transaction cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

Subsequent Measurement

Financial Liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value of the instrument.

Derecognition

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

C. Derivative Financial Instruments

The Company enters into forward contracts to manage its exposure to fluctuations in foreign exchange rates arising from its export receivables denominated in foreign currencies.

Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Derivatives are presented as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company does not apply hedge accounting to its derivative financial instruments. Accordingly, changes in the fair value of forward contracts are recognized immediately in the Statement of Profit and Loss in the period in which they arise.

15. CSR Expenditure

The Company undertakes Corporate Social Responsibility (CSR) activities as per Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014. CSR expenditure includes amounts incurred on activities that are approved by the Board in line with the CSR policy and applicable law.

CSR expenditure is recognized in the Statement of Profit and Loss in the period in which it is incurred. For ongoing projects, any unspent amount at the end of the financial year is transferred to a separate “Unspent CSR Account” with a scheduled bank within 30 days from the end of the financial year, in accordance with Section 135(6) of the Act. Such amounts are spent within the timelines prescribed under Rule 4(6) of the CSR Rules.

The Company does not capitalize any CSR expenditure unless it results in the creation of an asset controlled by a qualifying entity as specified under Rule 7(4) of the CSR Rules.

B. Other Accounting Policies

1. Leases:

1.1 Recognition:

The Company as a Lessee:

The Company's Lease Asset classes primarily consist of Leases for Land and Buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.2 Accounting for Leases

1.2.1 Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term.

1.2.2 Finance Lease

Leases of Property, Plant and Equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as Property, Plant and Equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

2. Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount (higher of its fair value less costs to disposal or its value in use) is estimated.

An impairment loss is recognized if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount which is only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Dividends

Dividends and Interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

4. Material Prior Period Errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

5. Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

C. Major Estimates made in preparing Financial Statements:

1. Useful life of Property, Plant and Equipment and Intangible Assets

The estimated useful life of Property, Plant and Equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery (except Laboratory Equipments, Fire Fighting Equipments and Tools & Equipments) are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

Intangible assets are being amortized on straight line basis over the period of five years.

2. Post-Employment Benefit Plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

3. Provisions and Contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgment by management regarding the probability of exposure to potential loss. In case of change in the circumstances following unforeseeable developments, the likelihood could alter.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 3(a): Property, plant and equipments

Sr. No.	Description	Rate of depreciation	Gross block					Accumulated depreciation and amortisation				Net block	
			Balance as at 01, April 2025	Additions	Disposals	Transfer to Investment Property	Balance as at 31, March 2026	Balance as at 01, April 2025	Current depreciation	Depreciation on deduction	Balance as at 31, March 2026	Balance as at 31, March 2026	Balance as at 31, March 2025
1	Office Premises	4.87%	808.21	-	-	106.06	702.15	34.25	32.53	-	66.78	635.37	773.97
2	Factory Shed	9.50%	7.87	-	-	-	7.87	0.75	0.68	-	1.42	6.45	7.13
3	Furniture & Fixtures	25.89%	242.94	-	-	-	242.94	31.71	53.96	-	85.67	157.27	211.23
4	Electrical Installations & Equipments	25.89%	12.83	-	-	-	12.83	3.32	2.46	-	5.79	7.05	9.51
5	Machinery	31.23%	71.76	-	-	-	71.76	18.74	16.56	-	35.30	36.46	53.02
6	Vehicle	31.23%	102.65	-	-	-	102.65	25.20	23.84	-	49.04	53.61	77.44
7	Office Equipments	45.07%	6.83	1.31	-	-	8.15	3.05	1.72	-	4.77	3.38	3.79
8	IT Equipments	39.30%	0.21	-	-	-	0.21	0.08	-	-	0.08	0.13	0.13
9	Computers	63.16%	1.11	-	-	-	1.11	0.54	0.29	-	0.83	0.28	0.57
	Total		**1,254.42**	**1.31**	**-**	**106.06**	**1,149.67**	**117.64**	**132.03**	**-**	**249.67**	**900.00**	**1,136.79**

Sr. No.	Description	Rate of depreciation	Gross block					Accumulated depreciation and amortisation				Net block	
			Balance as at 01, April 2024	Additions	Disposals	Transfer to Investment Property	Balance as at 31, March 2025	Balance as at 01, April 2024	Current depreciation	Depreciation on deduction	Balance as at 31, March 2025	Balance as at 31, March 2025	Balance as at 01, April 2024
1	Office Premises	4.87%	111.49	696.72	-	-	808.21	-	34.25	-	34.25	773.97	111.49
2	Factory Shed	9.50%	7.87	-	-	-	7.87	-	0.75	-	0.75	7.13	7.87
3	Furniture & Fixtures	25.89%	5.12	237.81	-	-	242.94	-	31.71	-	31.71	211.23	5.12
4	Electrical Installations & Equipments	25.89%	12.83	-	-	-	12.83	-	3.32	-	3.32	9.51	12.83
5	Machinery	31.23%	4.56	67.21	-	-	71.76	-	18.74	-	18.74	53.02	4.56
6	Vehicle	31.23%	60.92	41.72	-	-	102.65	-	25.20	-	25.20	77.44	60.92
7	Office Equipments	45.07%	6.38	0.46	-	-	6.83	-	3.05	-	3.05	3.79	6.38
8	IT Equipments	39.30%	0.21	-	-	-	0.21	-	0.08	-	0.08	0.13	0.21
9	Computers	63.16%	0.50	0.61	-	-	1.11	-	0.54	-	0.54	0.57	0.50
	Total		**209.89**	**1,044.53**	**-**	**-**	**1,254.42**	**-**	**117.64**	**-**	**117.64**	**1,136.78**	**209.89**

3.1: Office premises mentioned above are held as security towards Borrowings as specified in Note 22.

3.2 Information regarding historical cost of Property, plant and equipment based on the previous GAAP prior to date of transition to Ind AS is as follows:

Sr. No.	Particulars	Office Premises	Factory Shed	Furniture & Fixtures	Electrical Installations & Equipments	Machinery	Vehicle	Office Equipments	IT Equipments	Computers	Total
1	**Gross Block as on 01-04-2024**	**222.29**	**9.94**	**65.57**	**27.83**	**12.50**	**205.23**	**21.17**	**14.29**	**3.97**	**582.80**
2	Addition during FY 2024-25	696.72	-	237.81	-	67.21	41.72	0.46	-	0.61	1,044.53
3	Deduction during FY 2024-25	-	-	-	-	-	-	-	-	-	-
4	**Gross Block as on 31-03-2025 (1+2-3)**	**919.01**	**9.94**	**303.38**	**27.83**	**79.71**	**246.95**	**21.63**	**14.29**	**4.58**	**1,627.33**
5	Addition during FY 2025-26	-	-	-	-	-	-	1.31	-	-	1.31
6	Deduction during FY 2025-26 (transferred to investment property)	222.29	-	-	-	-	-	-	-	-	222.29
7	**Total Historical Cost as on 31-03-2026 (4+5-6)**	**696.72**	**9.94**	**303.38**	**27.83**	**79.71**	**246.95**	**22.94**	**14.29**	**4.58**	**1,406.35**

Note 3(b): Capital work-in-progress

CWIP aging schedule

Sr. No.	Particulars	Amount in CWIP for a period of				As at 1 April, 2024
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Construction of office building	135.07	696.72	-	-	831.79
	Total	**135.07**	**696.72**	**-**	**-**	**831.79**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 4: Right of use assets

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Right of use assets			
Leasehold land	79.75	-	-
Statement of charge of profit and loss			
Amortization on leasehold land	(0.24)	-	-
Total	**79.51**	-	-

4.1: Disclosures persuant to Ind AS 116 - Leases:
(a) Right-of-use assets
Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Leasehold land	Total
As at 1 April, 2024	-	-
Additions	-	-
Depreciation	-	-
As at 31 March, 2025	**-**	**-**
As at 1 April, 2025	-	-
Additions	79.99	79.99
Depreciation	(0.24)	(0.24)
Deletions	-	-
As at 31 March, 2026	**79.75**	**79.75**

4.2: The Company has taken warehouse premises on lease for a period of three years. Based on management's assessment, the impact of Ind AS 116 is immaterial to the financial statements and, accordingly, no separate recognition or disclosure has been made.

Note 5: Investment properties

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Gross carrying amount	107.62	107.62	-
Additions	106.07	-	107.62
Closing carrying amount	**213.69**	**107.62**	**107.62**
Accumulated depreciation			
Opening depreciation	**-**	-	-
Depreciation charge	**-**	-	-
Closing depreciation	**-**	-	-
Net carrying amount	**213.69**	**107.62**	**107.62**

5.1: Investment properties mentioned above are held as security towards Borrowings as specified in Note 22.

Note 6: Non Current - Investments

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Unquoted:			
Investment in Moksha Multiverse Private Limited (177 Compulsory Convertible Preference Shares (CCPS) of INR 28,608 each)	50.64	50.64	-
Investment in subsidiaries			
Le Merite Filament Private Limited (5,100 Equity Shares of INR 10 each, fully paid up, holding 51%)	0.51	0.51	0.51
Le Merite Laxmi Spinning Private Limited (50,000 Equity Shares of INR 10 each, fully paid up, holding 100%. Previous years: 25,500 Equity Shares of INR 10 each, fully paid up, holding 51%)	5.00	2.55	2.55
Le Merite Tactical & Defence Solutions Private Limited (51,000 Equity Shares of INR 10 each, fully paid up, holding 51%)	5.10	-	-
Total	**61.25**	**53.70**	**3.06**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Aggregate amount of unquoted investments	61.25	53.70	3.06
Aggregate amount of impairment in the value of investments	-	-	-

Note 7: Non Current - Other Financial Assets

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Security deposit	256.13	253.31	233.10
Total	**256.13**	**253.31**	**233.10**

Note 8: Non Current - Loans

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Unsecured and Considered Good			
Advance to related parties (refer note 36)	514.66	420.88	353.39
Total	**514.66**	**420.88**	**353.39**

All the above loans have been given for business purposes.

Note 9(a): Deferred tax assets (net)

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Net deferred tax assets	77.83	75.98	57.96
Total (A - B)	**77.83**	**75.98**	**57.96**

The major components of income tax expense for the years ended 31 March, 2026, 31 March, 2025 and 1 April, 2024 are :

Particulars	As at 31 March, 2026	As at 31 March, 2025
(A) Statement of profit and loss:		
Current income tax :		
Current tax	**340.06**	**175.00**
Earlier year taxes	**-**	-
Deferred tax :		
Deferred tax	(1.85)	(17.03)
Income tax expense reported in the statement of profit and loss	**338.21**	**157.97**
(B) Deferred tax related to items recognised in other comprehensive income:		
- Re-measurement gain/(losses) on defined benefit plans	(0.63)	0.98
Income tax expense	**337.58**	**158.95**

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate	As at 31 March, 2026	As at 31 March, 2025
Profit before tax	1,439.00	624.26
Enacted income tax rate	25.168%	25.168%
Applicable income tax rate of 25.168%	**362.17**	**157.11**
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	2.18	5.77
- Others	(26.14)	(4.91)
Total	**338.21**	**157.97**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Major components of deferred tax as at 31 March, 2026 and 31 March, 2025 and 1 April, 2024 are :
Deferred tax asset (net)

Particulars		As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Deferred tax assets				
Property, plant and equipments		20.05	4.70	8.58
Provision for expenses allowable on payment basis		8.82	0.74	0.94
Provision for expected credit loss - trade receivables		161.42	69.64	55.50
Others		43.57	9.27	4.80
	A	**233.86**	**84.34**	**69.82**
Deferred tax liability				
Investment in mutual funds and shares		156.03	8.37	11.86
	B	**156.03**	**8.37**	**11.86**
Net deferred tax asset		**77.83**	**75.98**	**57.96**

Major components of deferred tax for the year ended 31 March 2026, 31 March 2025 and 1 April 2024 are:

Reflected in the balance sheet as follows	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Deferred tax assets	233.86	84.34	69.82
Deferred tax liabilities	156.03	8.37	11.86
Deferred tax asset (net)	**77.83**	**75.98**	**57.96**

Deferred tax expense/(income)
Deferred tax relates to the following:

Particulars	As at 31 March, 2026	As at 31 March, 2025
Property, plant and equipments	15.35	(3.88)
Provision for expenses allowable on payment basis	8.08	(0.20)
Allowance for doubtful debts - trade receivables	91.78	14.14
Others	33.68	4.46
Investment in mutual funds and shares	(147.67)	3.49
Deferred tax expense	**1.22**	**18.02**

Note 9(b): Income tax assets (net)

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Income tax assets	186.02	17.61	66.73
Total	**186.02**	**17.61**	**66.73**

Note 10: Current - Inventories

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
WIP and Finisheed Goods	1,112.85	1,566.78	1,615.73
Less: Consumed	364.72	453.92	48.95
Total	**748.13**	**1,112.85**	**1,566.78**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 11: Current - Investments

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Investments measured at Fair Value Through Profit or Loss (FVTPL)			
Investment in equity shares - quoted	2,823.42	174.63	142.45
Investment in mutual funds - quoted	26.10	22.89	18.31
Investment in mutual funds - unquoted	22.20	-	-
Total	**2,871.72**	**197.52**	**160.76**

Note 12: Current - Trade Receivables

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Trade receivables from contracts with customers			
Trade receivables	8,960.02	11,572.36	8,898.29
Less: Provision for expected credit loss	(641.36)	(276.71)	(220.51)
Total trade receivables	**8,318.66**	**11,295.65**	**8,677.77**

Breakup of security details *(Amount in Lakhs)*

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Trade receivables considered good - secured	-	-	-
Trade receivables considered good - unsecured	8,960.02	11,572.36	8,898.29
Total	8,960.02	11,572.36	8,898.29
Less: Loss allowance	641.36	276.71	220.51
Total trade receivables	**8,318.66**	**11,295.65**	**8,677.77**
Current portion	8,318.66	11,295.65	8,677.77
Non current portion	-	-	-
Add: Unbilled revenue	-	-	-
Total	**8,318.66**	**11,295.65**	**8,677.77**

Notes:
a) There are no amounts recoverable from directors or promoters of the Company.
b) Refer Note for ageing details 41.
c) For amounts recoverable from related party (refer note 36).

Note 13: Current - Cash and Cash equivalents

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Cash on hand	34.37	32.99	28.14
Balances with banks	970.03	274.51	109.01
Total	**1,004.40**	**307.50**	**137.15**

Note 14: Current - Bank balance other than cash and cash equivalents

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Balance with fixed deposits	4,619.89	5,016.10	4,369.10
Total	**4,619.89**	**5,016.10**	**4,369.10**

Fixed deposits are partially given as collatral against Working capital loans by banks. Refer note 22 for details.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 15: Current - Loans

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Advances in nature of loans	1,680.83	899.89	446.95
Total	**1,680.83**	**899.89**	**446.95**

The above loans are interest-bearing and repayable on demand. Balance confirmations from certain borrowers are pending as at the reporting date, and the balances are based on the Company's books of account and management's assessment.

Note 16: Other Current Assets

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Advance to suppliers	1,649.25	1,011.79	922.83
IEIS claim receivable	144.17	144.17	-
GST electronic credit ledger	561.78	1,074.35	542.66
GST export refund	550.95	-	392.81
Export incentives receivable	349.03	226.90	358.64
Advance to staff	183.19	167.67	141.46
Other current assets	61.06	145.48	69.14
Advance to investment brokers	1.00	38.24	1.66
Total	**3,500.43**	**2,808.60**	**2,429.20**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 17: Share capital

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Authorised share capital 3,50,00,000 equity shares of Rs 10 each (3,50,00,000 equity shares of Rs 10 each as at 31 March, 2025 and 2,50,00,000 equity shares of Rs 10 each as at 1 April, 2024)	3,500.00	3,500.00	2,500.00
Issued, subscribed and paid up 2,50,33,600 equity shares of Rs 10 each (2,42,98,600 equity shares of Rs 10 each as at 31 March, 2025 and 2,34,81,000 equity shares of Rs 10 each as at 1 April, 2024)	2,503.36	2,429.86	2,348.10
Total	**2,503.36**	**2,429.86**	**2,348.10**

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:

Pursuant to the approval granted by the shareholders at the Extraordinary General Meeting held on August 19, 2024, the Board of Directors, in its meeting held on November 27, 2024, allotted 14,91,200 convertible equity warrants on a preferential basis at a price of Rs.146.50/- per warrant, following receipt of in-principle approval from the National Stock Exchange (NSE). As per the terms of the issue, 25% of the warrant price (Rs.36.625/- per warrant) was received at the time of allotment, with the remaining 75% payable upon conversion into equity shares. Each warrant entitles the holder to convert it into one equity share of the Company within 18 months from the date of allotment, at the holder's option.

As of March 31, 2026, entire lot of 14,91,200 warrants are converted into equity shares and are listed with the NSE.

Further, pursuant to the approval granted by the shareholders at the Extraordinary General Meeting held on August 04, 2025, the Board of Directors, in its meeting held on September 17, 2025, allotted 61,400 equity shares and 5,26,000 convertible equity warrants on a preferential basis at a price of Rs.320/- per security, following receipt of in-principle approval from the NSE. As per the terms of the issue, 25% of the warrant price (Rs.80/- per warrant) was received at the time of allotment, with the remaining 75% payable upon conversion into equity shares. Each warrant entitles the holder to convert it into one equity share of the Company within 18 months from the date of allotment, at the holder's option.

As of March 31, 2026, 61,400 equity shares are allotted and listed with the NSE and all 5,26,000 warrants remain outstanding and are eligible

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

Name of the Shareholder	As at 31 March, 2026		As at 31 March, 2025	
	No. of shares	% of total shares	No. of shares	% of total shares
Abhishek Lath	52,70,400	21.05%	53,24,400	21.91%
Ashadevi Lath	63,34,400	25.30%	64,64,400	26.60%
Umashankar Lath	10,95,400	4.38%	10,95,400	4.51%
Shweta Lath	8,52,400	3.41%	8,52,400	3.51%
Umashankar Naharmal Lath HUF (Karta)	13,80,000	5.51%	13,80,000	5.68%
Total	**1,49,32,600**	**59.65%**	**1,51,16,600**	**62.21%**

17.2 Disclosure of Promoters Holding:

Name	As at 31 March, 2026		As at 31 March, 2025	
	No. of Shares	% change during the year	No. of Shares	% change during the year
Abhishek Lath	52,70,400	-1.01%	53,24,400	0.44%
Abhishek Umashankar Lath HUF (Karta)	1,000	0.00%	1,000	0.00%
Ashadevi Lath	63,34,400	-2.01%	64,64,400	-5.41%
Umashankar Lath	10,95,400	0.00%	10,95,400	-45.91%
Shweta Lath	8,52,400	0.00%	8,52,400	-46.39%
Umashankar Naharmal Lath HUF (Karta)	13,80,000	0.00%	13,80,000	0.00%
Total	**1,49,33,600**		**1,51,17,600**	

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

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Equity shares at the beginning of the year	2,42,98,600.00	2,34,81,000.00	2,34,81,000.00
Add : IPO issued	-	-	-
Add : Equity shares issued during the year (preferential allotment)	7,35,000.00	8,17,600.00	-
Equity Shares at the end of the year	**2,50,33,600.00**	**2,42,98,600.00**	**2,34,81,000.00**

17.4 During the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

- No class of shares were allotted as fully paid up pursuant to contract without payment being received in cash.
- The Company has issued bonus shares in the FY 2021-22. Pursuant to the approval of the shareholders, the company has issued 1,53,72,900 bonus shares in the ratio of 9:1 ie. 9 bonus shares for every 1 share held on record date 25th January, 2022.
- No class of shares were bought back by the Company.

17.5 There are no calls unpaid.

17.6 There are no forfeited shares.

Note 18: Other equity:

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Securities premium			
Balance at the beginning of the year	**5,105.70**	**3,989.67**	**3,989.67**
Add: Issued during the year	1,109.80	1,116.02	-
Balance at the end of the year	**6,215.50**	**5,105.70**	**3,989.67**
Money received against share warrants			
Balance at the beginning of the year	**246.71**	-	-
Add: Issued during the year	(246.71)	-	-
Addition for the year	420.80	246.71	-
Balance at the end of the year	**420.80**	**246.71**	**-**
Retained earnings			
Balance at the beginning of the year	**3,521.23**	3,125.05	3,241.45
Add: Profit for the year	1,100.79	466.29	1.01
Less: Preferential issue expenses shares issue	(78.19)	(13.66)	-
Less: Fees for increse in authorised capital	-	(9.50)	-
Less: Dividend paid	-	(46.96)	(117.41)
Balance at the end of the year	**4,543.83**	**3,521.23**	**3,125.05**
Other comprehensive income			
Balance at the beginning of the year	**(4.07)**	**(1.15)**	**-**
Other comprehensive income / (loss):			
Remeasurement of defined benefit obligation net of taxes	2.51	(2.92)	(1.15)
Balance at the end of the year	**(1.57)**	**(4.07)**	**(1.15)**
Total	**11,178.57**	**8,869.56**	**7,113.57**

(a) Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(b) Retained earnings
Retained earnings are the profits/(losses) that the Company has earned / incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

(c) Money received against share warrants
Money received against share warrants represents the upfront subscription amount received from warrant holders in respect of share warrants issued by the Company. The warrants are convertible into an equivalent number of equity shares upon payment of the balance consideration within the prescribed exercise period. Upon exercise, the amount shall be transferred to Equity Share Capital and Securities Premium Account, as applicable. In case the warrants are not exercised within the stipulated period, the amount received shall be forfeited in accordance with the terms of issue and applicable regulations.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 19: Non Current - Borrowings

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Secured Loans			
Vehicle loans	15.46	36.09	48.61
Unsecured Loans			
From directors	4.30	1,235.85	135.05
Total	**19.76**	**1,271.94**	**183.65**

19.1 Unsecured Loans consist of Loan from Related Party as disclosed in Related Party Disclosure.

19.2 Vehicle loans represent five loans secured against the respective motor vehicles and are repayable in equated monthly instalments aggregating INR 4.31 lakhs, including interest. Of these, four loans are repayable over a tenure of 60 equated monthly instalments (EMIs) each, and one loan is repayable over 84 equated monthly instalments (EMIs). The loans carry interest at rates ranging from 7.20% to 8.88% per annum.

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

Note 20: Non Current - Employee benefit obligations

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
For employee benefits			
- Gratuity payable	33.64	30.86	24.24
Total	**33.64**	**30.86**	**24.24**

Further information has been disclosed in Note 35

Note 21: Other non current liabilities

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
Rent deposit	-	5.00	5.00
Total	**-**	**5.00**	**5.00**

Note 22: Current - Borrowings

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
Secured			
Working capital loans from bank (refer note (a))			
Export packing credit	5,346.47	5,952.17	4,753.89
Packing credit in foreign currency	860.87	1,487.41	-
LC bill discounting	590.89	1,338.16	1,530.71
Bank overdraft	1,439.43	155.05	2,384.35
Current maturities of long term debts			
Vehicle loans	20.63	35.28	28.76
Total	**8,258.29**	**8,968.07**	**8,697.70**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

(a) Pre-shipment, Post shipment and Packing Credit facilities

22.1 Working Capital facility from Shinhan Bank is primarily secured against pari passu charge on entire stock of inventory, receivables, bills and other chargeable current assets of the company (both present and future) to the extent of sanctioned limits, on a pro rata basis with other lenders and the collateral security as Equitable Mortgage by deposit of title deeds on premises of the Company situated in B1-104D, 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 in the name of Company and the personal guarantee of Mr. Abhishek Lath, Mrs. Sweta Lath, Mr. Umashankar Lath and Mrs. Asha Devi Lath.
The Rate of Interest chargable by the Bank (before claiming benefit of Interest Equilisation scheme) is as follows:
For INR: Repo Rate + 2.50% p.a.
For USD: Term SOFR + 1.25% p.a.

22.2 Working Capital facility from ICICI Bank is primarily secured against pari passu 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 sanctioned limits, on a pro rata basis with other lenders 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, Mrs. Asha Devi Lath and Mrs. Sweta Lath
The Rate of Interest chargable by the Bank is Repo Rate + 3.25% p.a (less Interest Equilisation scheme benefit).

22.3 Working Capital facility from UCO Bank is primarily secured against pari passu 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 sanctioned limits, on a pro rata basis with other lenders and the collateral security as 50% liquid collateral security in form of FDR of Rs 7.78 Cr. duly charged in favor of Bank and the unconditional personal guarantee of Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Asha Devi Lath.
The Rate of Interest chargable by the Bank is as follows:
For Export Packing Credit in INR:
Pre-Shipment Credit: Bank's float rate + Spread (0.10% to 0.30% p.a.)
Post Shipment Credit: Bank's float rate + Spread (0.10% to 0.30% p.a.)
depending on the tenure.
For Packing Credit in Foreign Currency (other than INR):
Interest as per RBI Circular No. CHO/IW/01/2022-23 dated 12-04-2022.

22.4 Working Capital facility from HDFC is primarily secured against pari passu 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 sanctioned limits, on a pro rata basis with other lenders and the collateral security as FDR of Rs.4.50 Cr. duly charged in favor 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 chargable by the Bank is 3-month Repo + Spread 2.75%.

22.5 Working Capital facility from Bank of India is primarily secured against pari passu charge by way of hypothecation of stock and book debts to the extent of sanctioned limits, on a pro rata basis with other lenders and the collateral security as EQM of commercial unit situated at A-307, 3rd floor admeasuring 3590 sq ft and including 6 parking units at Boomerang Co-operative Premises Society Ltd, Chandivali farm road, Powai, Andheri (East), Mumbai 400072, in the name of company duly charged in favor of Bank and the unconditional personal guarantee of Mr. Abhishek Lath, Mr. Umashankar Lath, Mrs. Asha Devi Lath and Mrs. Sweta Lath.
The Rate of Interest chargable by the Bank is
For INR:
Pre-shipment credit (up to 180 days): RBLR minus 175 bps
Post-shipment credit – Demand bills (transit period as per FEDAI): RBLR minus 100 bps
For USD:
Pre-shipment credit (up to 180 days): 50 basis points over Applicable Benchmark ARR (as per tenure)
Post-shipment credit – On demand bills for transit period (as per FEDAI): 50 basis points over Applicable Benchmark ARR (as per tenure)

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 23: Current - Trade payables

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
b) Total outstanding dues of trade payables other than micro enterprises and small enterprises	1,226.10	1,951.95	1,185.67
Total	**1,226.10**	**1,951.95**	**1,185.67**

Trade payables ageing schedule
As at 31 March, 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed						
- MSME	-	-	-	-	-	-
- Others	451.61	411.16	90.38	11.59	261.36	1,226.10
	451.61	**411.16**	**90.38**	**11.59**	**261.36**	**1,226.10**
(ii) Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
Total	**451.61**	**411.16**	**90.38**	**11.59**	**261.36**	**1,226.10**

As at 31 March, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed						
- MSME	-	-	-	-	-	
- Others	920.76	612.70	130.73	196.33	91.43	1,951.95
	920.76	612.70	130.73	196.33	91.43	1,951.95
(ii) Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
	-	-	-	-	-	-
Total	**920.76**	**612.70**	**130.73**	**196.33**	**91.43**	**1,951.95**

As at 1 April, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed						
- MSME	-	-	-	-	-	-
- Others	509.25	285.70	293.93	96.11	0.69	1,185.67
	509.25	285.70	293.93	96.11	0.69	1,185.67
(ii) Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
	-	-	-	-	-	-
Total	**509.25**	**285.70**	**293.93**	**96.11**	**0.69**	**1,185.67**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 24: Current - Employee benefit obligations

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
For employee benefits			
- Gratuity payable	4.32	3.78	2.99
Total	**4.32**	**3.78**	**2.99**

Further information has been disclosed in Note 35

Note 25: Other Current Liabilities

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
Forward cover	172.89	-	-
Advance from customers	1,614.95	145.25	29.79
Unclaimed dividend	0.95	0.95	0.89
Statutory dues	9.98	13.29	51.91
Staff payable	6.13	3.10	7.74
Other payables	1.49	8.15	-
Provision for audit fees	2.70	2.25	-
Total	**1,809.10**	**172.98**	**90.33**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 26: Revenue from operations

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Sale of products (Refer to note no.26.1)	33,642.91	45,900.82
Other operating revenue (Refer to note	1,948.69	2,477.48
Total	**35,591.60**	**48,378.29**

26.1: Particulars of revenue from operations

Particulars	Year ended 31 March, 2026		Year ended 31 March, 2025	
Sale of products				
Trading operations:				
Yarn				
Export - yarn	17,224.25	-	28,128.58	-
Local - yarn	8,962.02	26,186.27	9,360.51	37,489.09
Fabric				
Export - fabric	2,048.42	-	3,992.93	-
Local - fabric	51.74	2,100.16	21.42	4,014.35
Cotton				
Export - cotton	107.35			
Local - cotton	254.22	361.57	4,094.33	4,094.33
Defence sales	4,994.90	4,994.90	303.05	303.05
Total		**33,642.91**		**45,900.82**
Other operating revenue				
Duty drawback	377.44		597.33	
IEIS license sale	-		144.17	
Gain on changes in foreign exchange	346.56		371.23	
Rebates, discounts and quality claims	-		(9.11)	
RoDTEP license income	670.63		1,006.98	
Commission income	554.06	1,948.69	366.89	2,477.48
Total		**1,948.69**		**2,477.48**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
(a) Disaggregation of revenue on the basis of geographical markets		
Revenue from outside India	19,380.02	32,121.51
Revenue from within India	16,211.59	16,256.78
Total revenue from operations	35,591.60	48,378.29
(b) Revenue recognised from contract liabilities outstanding at the beginning of the year :	145.25	29.79
(c) Reconciliation of the revenue as per contracted price with revenue recognised in the statement of profit and loss :	-	-
Revenue from operations	35,591.60	48,378.29
Less : Export incentives from government	(1,048.07)	(1,604.30)
Revenue from contract with customers	**34,543.53**	**46,773.99**
Add : Discounts allowed to customers	-	-
Add : Sales rejections/returns	-	(9.11)
Revenue as per contracted price	**34,543.53**	**46,764.88**
(d) Contract balances		
Contract Assets (Gross)	8,960.02	11,572.36
Contract Liabilites	1,614.95	145.25

26.2: Profit / (Loss) on changes in foreign exchange is presented under other operating revenue within revenue from operations. Since all exports sales are executed through forward contracts, where the sales price factors in the spot rate plus forward premium, this income is considered directly related to core operating activities, following the principle of substance over form.

Note 27: Other income

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Dividend income	1.59	2.29
Miscellaneous other income	0.93	2.63
Interest on fixed deposits	298.10	345.45
Interest income on advances	217.45	95.38
Interest on income tax refund	-	1.59
Fair Value gain/(loss) through profit or loss	605.90	(13.87)
Loss on forward cover	(147.70)	(6.11)
Interest income from debtors	20.63	0.92
Profit on sale of shares	51.19	28.74
Rent income	22.39	24.74
Total	**1,070.47**	**481.75**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 28: Purchases

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Yarn	25,268.38	35,554.77
Defence purchase	3,801.58	188.45
Fabric	2,098.91	3,930.01
Raw cotton	359.05	4,215.93
Total	**31,527.91**	**43,889.15**

Note 29: Changes in inventories of finished goods

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Inventories (At close)		
Finished goods	748.13	1,112.85
Inventories (At commencement)		
Finished goods	1,112.85	1,566.78
Total	**364.72**	**453.92**

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Note 30: Employee benefit expenses

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Salaries, wages and bonus	171.73	168.56
Directors remuneration	7.05	43.80
Other employee benefits	0.58	0.19
Gratuity	5.83	4.48
Staff welfare expenses	4.99	6.07
Contributions to other funds	5.41	3.91
Total	**195.59**	**227.01**

Note 31: Depreciation

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Depreciation on property, plant and equipments	132.03	117.64
Total	**132.03**	**117.64**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 32: Other expenses

Particulars	Year ended 31 March, 2026		Year ended 31 March, 2025	
Direct Expenses				
Job work	233.85		589.66	
Sample expenses	1.40		2.04	
Labour charges	0.77		0.92	
Packaging expenses	0.52		0.77	
Other direct expenses	0.33	236.87	0.11	593.50
Administrative and Other Expenses				
Legal and professional charges	199.18		98.55	
Rent rates & taxes	35.72		31.30	
Quality claims	41.71		-	
Donation / CSR	8.67		22.92	
Amortization on leasehold land	0.24		-	
Defence order expenses	10.74		12.33	
Unrealised (gain)/loss on mark-to-market of equity investments	(9.24)		9.80	
Electricity charges	4.32		8.23	
Travelling and conveyance cost	9.48		8.02	
Printing and stationery cost	6.68		7.43	
Insurance charges	10.82		6.68	
Other establishment expenses	50.48		68.12	
Communication cost	1.57		1.18	
Provision for credit loss (expense)	364.65		56.20	
Repairs and maintenance cost	1.32	736.34	1.06	331.81
Selling & Distribution Expenses				
Freight and forwarding expenses	902.34		1,360.03	
Commission expenses	282.37		269.89	
Business promotion expenses	50.87		30.80	
Travelling and conveyance expenses	77.60		30.70	
Exhibition expenses	3.16		18.42	
Discount	13.48	1,329.83	10.71	1,720.55
Total		**2,303.04**		**2,645.87**

32.1: Particulars of payment to auditor

Particulars	Year ended 31 March, 2026		Year ended 31 March, 2025	
(a) Auditor				
Statutory audit fees	7.60	-	4.50	-
Tax audit fees	1.00		1.00	
Other certifications	0.95	9.55	-	5.50
Total		**9.55**		**5.50**

Note 33: Finance costs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Bank charges	84.90	99.04
Interest expense	614.87	803.14
Total	**699.76**	**902.18**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 34: Earnings per share

The following table reflects the profit and weighted average number of equity shares used in the computation of basic and diluted EPS.

Particulars	As at 31 March, 2026	As at 31 March, 2025
Profit attributable to equity holders	1,102.67	463.37
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	2,46,43,457	2,35,12,360
Weighted Average number of equity shares used for computing Earning Per Share (Diluted)	2,51,57,927	2,39,91,685
Nominal value of each share (in Rupees)	10.00	10.00
Earning Per Share - Basic (in Rupees)	4.47	1.98
Earning Per Share - Diluted (in Rupees)	4.37	1.94

Note 35: Details of employee benefits as required by the IND AS 19 Employee benefits :

(A) Defined contribution plan

The Company makes contributions to provident fund, Maharashtra Labour Welfare Fund and ESIC as defined contributions plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 5.41 lakhs (31 March, 2025: Rs. 3.91 lakhs) for the above-mentioned contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

(B) Defined benefit plan

The Company has an obligation towards gratuity, an unfunded defined benefit retirement plan covering all employees, which provides for lump sum payment to vested employees at retirement or at death while in employment or on termination of the employment, of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The breakup is as follows:

Particulars	31 March, 2026	31 March, 2025	1 April, 2024
Current	4.32	3.78	2.99
Non-current	33.64	30.86	24.23
Gratuity	**37.96**	**34.64**	**27.23**

(C) The Company provides gratuity for employees in India under the Code on Social Security, 2020, replacing the Payment of Gratuity Act, 1972. The gratuity amount, payable upon retirement or termination, whichever is earlier is based on the employee's last drawn monthly wages and calculated at 15 days' wages for each completed year of service for all eligible employees as per the Code. The scheme is a non-contributory defined benefit arrangement providing gratuity benefits expressed in terms of final monthly salary and the year of past service.

On November 21, 2025, the Government of India implemented four Labour Codes: the Code on Wages, 2019; Industrial Relations Code, 2020; Code on Social Security, 2020; and Occupational Safety, Health, and Working Conditions Code, 2020. These codes consolidate 29 existing labour laws. The new Labour Codes introduced by the Government of India, inter alia, require gratuity to be calculated based on wages constituting at least 50% of total remuneration. This has resulted in an increase in gratuity benefits in respect of services rendered in prior periods, and accordingly, the Company has recognised past service cost amounting to Rs. 0.54 lakhs during the year. In accordance with Ind AS 19, the past service cost has been recognised in the statement of profit and loss in the current year in which the plan amendment became effective.
The gratuity obligation has been actuarially valued by an independent actuary using the projected unit credit method, considering the revised definition of wages for gratuity computation.

(D) The defined benefit plan comprise of gratuity plan under which an employee, who has rendered at least five years of continuous, service, to receive fifteen by twenty-six days salary for each year of completed service at the time of retirement/exit. The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, the funded status and amounts recognised in Balance Sheet for the plan :

a) Statement showing changes in present value of obligation as at the end of the year	31 March, 2026	31 March, 2025	1 April, 2024
Present value of defined benefit obligation as at the beginning of the year	34.64	27.23	21.95
Current service cost	2.96	2.51	2.10
Past Service Cost	0.54	-	-
Interest cost	2.33	1.96	1.64
Benefits paid	-	(0.97)	
Actuarial (gains)/losses	(2.51)	3.90	1.54
Present value of defined benefit obligation as on balance sheet date	**37.96**	**34.64**	**27.23**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

b) Analysis of defined benefit obligation :	**31 March, 2026**	**31 March, 2025**	**1 April, 2024**
Present value of defined benefit obligation	37.96	34.64	27.23
Fair value of plan assets	-	-	-
Net liability recognized in the balance sheet	**37.96**	**34.64**	**27.23**

d) Expenses recognized in the Statement of profit and loss	**31 March, 2026**	**31 March, 2025**	**1 April, 2024**
Past service cost	0.54	-	-
Current service cost	2.96	2.51	2.10
Interest cost (net of interest income from plan assets)	2.33	1.96	1.64
Gratuity expense recognized in the Statement of profit and loss	**5.83**	**4.48**	**3.74**

e) Amount recognized in other comprehensive Income (OCI)	**31 March, 2026**	**31 March, 2025**	**1 April, 2024**
Actuarial (gain)/ loss for the year on defined benefit obligation	(2.51)	3.90	1.54
Actuarial (gain)/loss for the year on asset	-	-	-
Short term provisions	**(2.51)**	**3.90**	**1.54**

f) Actuarial assumptions	**31 March, 2026**	**31 March, 2025**	**1 April, 2024**
i) Discount Rate (%)	7.24% p.a.	6.73% p.a.	7.21%
ii) Salary Escalation (%)	10.00% p.a.	10.00% p.a.	10.00% p.a.
iii) Attrition Rate (%)	5.00% p.a.	5.00% p.a.	5.00% p.a.
iv) Retirement age (In years)	58 Years	58 Years	58 Years
v) Mortality rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

g) Sensitivity analysis of present value of defined benefit obligation to 1% change in key assumptions

Particulars	**31 March, 2026**		**31 March, 2025**		**1 April, 2024**	
	Increase by 1%	**Decrease by 1%**	**Increase by 1%**	**Decrease by 1%**	**Increase by 1%**	**Decrease by 1%**
Discount rate	(3.08)	3.58	(2.96)	3.46	(2.39)	2.81
Salary escalation rate	2.16	(1.92)	1.98	(1.76)	1.66	(1.68)
Withdrawal rate	0.17	(0.18)	0.11	(0.11)	0.22	(0.25)

h) Expected cash flows

Particulars	**31 March, 2026**	**31 March, 2025**	**1 April, 2024**
Year 1	4.32	3.78	2.99
Year 2	2.09	1.83	1.50
Year 3	2.09	1.89	1.59
Year 4	2.10	1.89	1.61
Year 5	6.89	1.89	1.60
Year 6 - 10	9.36	12.58	10.09
Year 11 and above	57.07	50.63	45.18

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 36: Related party disclosures

In accordance with the requirement of Indian accounting standard, Ind AS 24 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
Shweta Lath	Additional Director
Rohit Agarwal	Independent Director
Jayadeep Mehta	Independent Director
Narendra Srivastava	Independent Director
Ashadevi Lath	Relative of Director
Umashankar Lath HUF	HUF of Director
Arpit Sharma	Company Secretary
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 till 15 February, 2026 wholly owned subsidiary w.e.f. 16 February, 2026
Le Merite Tactical & Defence Solutions Pvt. Ltd.	Subsidiary w.e.f. 5 June,2026
Le Merite Filament Private Limited	Subsidiary

The following transactions were carried out with the related parties and the balances of these related parties year ended are presented herein below:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Remuneration		
Abhishek Lath	-	16.50
Umashankar Lath	-	11.25
Shweta Lath	-	10.50
Sandeep Poddar (Resigned w.e.f. March 20, 2025)	-	10.95
Arpit Sharma (Appointed w.e.f. July 10, 2025)	8.34	-
Sitting Fees		
Rohit Agarwal	1.65	1.20
Narendra Srivastava	2.70	2.10
Jayadeep Mehta	2.70	2.25
Loan Taken		
Abhishek Lath	95.69	59.52
Umashankar Lath	806.47	1,330.63
Shweta Lath	48.00	26.02
Ashadevi Lath	2.70	60.00
Loan Repaid		
Abhishek Lath	93.24	61.27
Umashankar Lath	2,042.32	217.61
Shweta Lath	46.15	36.49
Ashadevi Lath	2.70	60.00
Loan Given		
Le Merite Laxmi Spinning Private Limited	31.20	32.93
Le Merite Tactical & Defence Solutions Private Limited	829.62	-
Le Merite Fashions Private Limited	333.19	-

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 36: Related party disclosures :

Particulars	As at 31st March, 2026	As at 31st March, 2025
Repayment received towards Loans Given		
Le Merite Laxmi Spinning Private Limited	448.18	-
Le Merite Tactical & Defence Solutions Private Limited	345.60	-
Le Merite Fashions Private Limited	331.24	-
Sale Transactions		
Le Merite Fashions Private Limited	26.50	6.92
Purchase Transactions		
Le Merite Fashions Private Limited	-	165.79
Le Merite Laxmi Spinning Private Limited	-	1,020.26
Interest on intra-group loans (Income)		
Le Merite Laxmi Spinning Private Limited	36.06	-
Le Merite Tactical & Defence Solutions Private Limited	28.10	-
Le Merite Fashions Private Limited	1.44	-

Outstanding balances - (Payable)/Receivable

Particulars	As at 31st March, 2026	As at 31st March, 2025
Loan Payable		
Abhishek Lath	2.45	-
Umashankar Lath	-	1,235.85
Shweta Lath	1.85	-
Salary/Sitting Fees Payable		
Rohit Agarwal	-	1.08
Narendra Srivastava	-	1.89
Jayadeep Mehta	-	2.03
Sandeep Poddar	-	0.48
Arpit Sharma	0.90	-
Receivable		
Le Merite Filament Private Limited	3.39	3.39
Le Merite Laxmi Spinning Private Limited	32.46	416.98
Le Merite Tactical & Defence Solutions Private Limited	509.31	-
Le Merite Fashions Private Limited	1.96	-
Payable		
Le Merite Fashions Private Limited	-	34.78

Note 37: Disclosure pursuant to the Micro, Small and Medium Enterprises Development Act,2006 (MSME)

Based on the information available with the Company regarding the status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), there are no amounts payable to Micro and Small Enterprises as at 31 March 2026. Accordingly, no disclosures relating to principal amount, interest, or interest payable under Section 22 of the MSMED Act are required to be made in these financial statements. No supplier has intimated the Company about its status as a Micro or Small Enterprise or furnished a valid Udyam Registration Number under the MSMED Act. (31 March 2025: Nil; 1 April 2024: Nil).

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 38: Contingent liabilities

Particulars	As at 31st March, 2026	As at 31st March, 2025
Claim against company not acknowledged as debts		
- in respect of statutory dues	-	-
- in respect of trade	-	-
a. Towards case filed by vendor	93.94	96.73
b. Towards case filed by lessor for lease of rokadeshwar sahakari soot girni	493.62	312.39
Total	**587.56**	**409.12**

Note 39: Corporate social responsibility

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Opening balance of CSR liability	**8.36**	**31.79**
Add: Current year liability	11.93	-
Total CSR liability	**20.28**	**31.79**
Less: Brought forward from earlier year (excess spent in earlier year)	-	-
Less: Amount spent during the year towards current year's liability	-	-
Less: Amount spent during the year towards earlier year's liability	7.94	23.43
Closing balance of CSR liability	**12.35**	**8.36**

39.1 Year ended 31 March, 2026

The opening CSR liability of Rs. 8.36 lakhs represented the balance of the unspent CSR obligation pertaining to FY 2023-24. During the current year, the Company spent Rs. 7.94 lakhs against this obligation, leaving an unspent balance of Rs. 0.42 lakhs.

The Company recognised a CSR liability of Rs. 11.93 lakhs for FY 2025-26. As this amount remained unspent as at 31 March 2026, it was transferred to the Unspent CSR Account on 28 April 2026 in compliance with Section 135(6) of the Companies Act, 2013. Accordingly, the closing CSR liability of Rs. 12.35 lakhs comprises Rs. 0.42 lakhs relating to FY 2023-24 and Rs. 11.93 lakhs relating to FY 2025-26.

39.2 Year ended 31 March, 2025

The opening CSR liability of Rs. 31.79 lakhs represented the balance of the unspent CSR obligation pertaining to FY 2023-24 & FY 2022-23 of Rs. 30.43 lakhs and Rs. 1.36 lakhs respectively. During the year, the Company spent Rs. 23.43 lakhs against this obligation, leaving an unspent balance of Rs. 8.36 lakhs.

The Company did not incur any CSR obligation for FY 2024-25, as no CSR liability arose during the year under the provisions of Section 135 of the Companies Act, 2013. Accordingly, the closing balance as at 31 March 2025 did not include any liability pertaining to FY 2024-25.

Note 40: 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.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 41: Financial risk management framework

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Senior Management of the company. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's senior management oversees the management of these risks. The Company's senior management is supported by finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The Finance department provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the company's policy that no trading in derivatives for speculative purposes maybe undertaken. The Board of Directors reviews and formulates the policies for managing each of these risks, which are summarised below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits and setting credit limits
Liquidity risk	Trade payables and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis, Cash flow forecasting	Management follows established risk management policies.
Interest rate risk	Deposits placed with banks	Interest rate sensitivity analysis	Management follows established risk management policies.

A) Credit risk

i) Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on historical data and subsequent expectation of receipts. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 41: Financial risk management framework

The age analysis of the trade receivables from the due date of the invoice, net of allowances is given below:

Period	31 March, 2026				31 March, 2025			
	Gross	Provisions	Exepected loss rate	Net	Gross	Provisions	Exepected loss rate	Net
Not due	4,644.42	214.93	4.63%	4,429.49	5,044.38	86.92	1.72%	4,957.46
Less than 180 days	2,131.33	98.64	4.63%	2,032.69	4,984.38	85.89	1.72%	4,898.49
From 181-365 days	1,631.16	159.47	9.78%	1,471.69	697.19	23.85	3.42%	673.34
More than 365 days	553.11	168.32	30.43%	384.79	846.42	80.05	9.46%	766.36
Total	**8,960.02**	**641.36**	**7.16%**	**8,318.66**	**11,572.36**	**276.71**	**2.39%**	**11,295.65**

Period	1 April, 2024			
	Gross	Provisions	Exepected loss rate	Net
Not due	5,347.15	107.29	2.01%	5,239.86
Less than 180 days	2,690.55	53.99	2.01%	2,636.57
From 181-365 days	510.47	25.20	4.94%	485.27
More than 365 days	350.11	34.04	9.72%	316.07
	8,898.29	**220.51**	**2.48%**	**8,677.77**

Reconciliation of loss allowance provision of trade receivables:

Particulars	31 March, 2026	31 March, 2025	1 April, 2024
Loss allowance at the beginning of the year	276.71	220.51	220.51
Increase in loss allowance recognised in profit or loss during the year	364.65	56.20	-
Utilisation during the year	-	-	-
Exchange difference	-	-	-
Provision released during the year	-	-	-
Loss allowance at the end of the year	**641.36**	**276.71**	**220.51**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 41: Financial risk management framework

Trade receivables ageing schedule - 31 March, 2026

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
1) Undisputed trade receivables - considered good	4,429.49	2,032.69	1,471.69	106.11	116.47	162.21	8,318.66
Less: Provision for expected credit loss	214.93	98.64	159.47	33.75	56.24	78.33	641.36
2) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
3) Disputed trade receivables - considered good	-	-	-	-	-	-	-
4) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Total	**4,644.42**	**2,131.33**	**1,631.16**	**139.86**	**172.71**	**240.54**	**8,960.02**

Trade receivables ageing schedule - 31 March 2025

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
1) Undisputed trade receivables - considered good	4,957.46	4,898.49	673.34	327.37	404.73	34.26	11,295.65
Less: Provision for expected credit loss	86.92	85.89	23.85	25.39	50.39	4.27	276.71
2) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
3) Disputed trade receivables - considered good	-	-	-	-	-	-	-
4) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Total	**5,044.38**	**4,984.38**	**697.19**	**352.76**	**455.13**	**38.53**	**11,572.36**

Trade receivables ageing schedule - 1 April, 2024

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
1) Undisputed trade receivables - considered good	5,239.86	2,636.57	485.27	295.50	2.10	18.47	8,677.77
Less: Provision for expected credit loss	107.29	53.99	25.20	30.25	0.39	3.40	220.51
2) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
3) Disputed trade receivables - considered good	-	-	-	-	-	-	-
4) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Total	**5,347.15**	**2,690.55**	**510.47**	**325.75**	**2.48**	**21.88**	**8,898.29**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 41: Financial risk management framework

List of parties having aggregate of receivables exceeding 5% of total trade receivables as at the end of each year:

Name of customer	31 March, 2026	Name of customer	31 March, 2025	Name of customer	1 April, 2024
Sureka International	1,573.96	Knit Concern Limited	2,480.36	Jawahar Sahakari Soot Girni Limited	1,423.00
Knit Concern Limited	1,118.65	KC Lingerie Limited	693.86		
KC Print Limited	879.05	Jawahar Sahakari Soot Girni Limited	582.07		
Jawahar Sahakari Soot Girni Limited	728.41				
Xiamen Port Commerce Information	455.28				
Total	**4,755.35**		**3,756.29**		**1,423.00**

ii) Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

iii) For some trade receivables, the Company may obtain security in the form of guarantees, deeds of undertaking or letters of credit, which can be called upon if the counterparty is in default under the terms of agreement.

iv) For other financial assets, the Company has assigned impairment and immaterial impact is noted.

B) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March, 2026. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in liquid mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following are the contractual maturities of the financial liabilities as at the Balance Sheet date:

Particulars	31 March,	31 March, 2025	1 April, 2024
Borrowings			
Less than 1 year	8,258.29	8,968.07	8,697.70
More than 1 year	19.76	1,271.94	183.65
Total	**8,278.05**	**10,240.01**	**8,881.36**
Trade payables			
Less than 1 year	862.78	1,533.46	794.95
More than 1 year	363.33	418.49	390.72
Total	**1,226.10**	**1,951.95**	**1,185.67**

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

C) Market risk

Considering the Company's existing foothold/experience in the Textile sector, established & diversified client base, association with various international/domestic agents, it's competent sales team and an established marketing setup in India and International Market, it does not foresee any problem in marketing its production.

Market Risk is the risk of loss of future earnings, fair values of future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchanges rates, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, and other market changes.

The Company manages market risk through a finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies, which are approved by Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

(i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (INR) of the Company. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Company's exposure to foreign currency risk at the end of reporting year in Rupees Lakhs, are as follows :

Particulars	Currency	31 March, 2026		31 March, 2025		1 April, 2024	
		Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Financial assets							
Foreign currency trade receivables	USD	42,70,377	40,28,67,320	85,59,687	73,57,05,087	61,15,647	51,06,56,494
Financial liabilities							
Foreign currency payables	USD	-	-	-	-	-	-
Net exposure to foreign currency risks	USD	**42,70,377**	**40,28,67,320**	**85,59,687**	**73,57,05,087**	**61,15,647**	**51,06,56,494**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

(USD - US Dollar)

Foreign currency sensitivity

The sensitivity of profit or loss to changes in foreign exchange rates are as follows :

Particulars	Currency	31 March, 2026		31 March, 2025		1 April, 2024	
		Impact on (profit)/loss *		Impact on (profit)/loss *		Impact on (profit)/loss *	
		Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Net Financial assets	USD	2,01,43,366	(2,01,43,366)	3,67,85,254	(3,67,85,254)	2,55,32,825	(2,55,32,825)

**Holding all other variable constants*

Hedging Disclosures

The Company is exposed to foreign currency risk arising from transactions denominated in foreign currencies, primarily relating to trade receivables, trade payables and other monetary assets and liabilities.

To mitigate the exposure to fluctuations in foreign exchange rates, the Company enters into forward exchange contracts based on its approved risk management policy. These forward contracts are entered into for the purpose of managing foreign currency risk associated with underlying exposures and are not held for trading or speculative purposes.

The Company has not designated these forward exchange contracts in a qualifying hedge accounting relationship under Ind AS 109. Accordingly, all derivative financial instruments are measured at fair value through profit or loss (FVTPL), and changes in their fair value, including mark-to-market gains or losses, are recognised in the Statement of Profit and Loss in the period in which they arise.

The Company monitors its foreign currency exposures on an ongoing basis and enters into forward contracts considering the nature, amount and timing of the underlying exposures.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its financial assets that includes liquid investments such as fixed deposits which are part of cash and cash equivalents and other bank balances. Since all these financial assets are generally for short durations, the Company believes it has manageable risk for achieving satisfactory returns. The exposure to interest rate risk is as follows:

Particulars	31 March, 2026		31 March, 2025		1 April, 2024	
	Weighted average interest rate	Balance (INR lacs)	Weighted average interest rate	Balance (INR lacs)	Weighted average interest rate	Balance (INR lacs)
Loans from banks	**6.47%**	**8,273.75**	**8.18%**	**9,004.16**	**9.03%**	**8,746.31**

Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of change interest rates

Impact on profit after tax	31 March, 2026	31 March, 2025	1 April, 2024
Interest rates - increase by 50 basis points*	41.37	45.02	43.73
Interest rates - decrease by 50 basis points*	(41.37)	(45.02)	(43.73)

**Holding all other variables constant*

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 42: Fair value measurement

Financial instruments by category
The financial instruments are measured at Amortised cost and Fair Value through Profit and Loss ("FVTPL")

S.no	Particulars	31 March, 2026		31 March 2025		1 April 2024	
		FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
	Financial assets						
a	Trade receivables	-	8,318.66	-	11,295.65	-	8,677.77
b	Investments	2,871.72	61.25	197.52	53.70	160.76	3.06
c	Cash and cash equivalents	-	1,004.40	-	307.50	-	137.15
d	Other bank balances	-	4,619.89	-	5,016.10	-	4,369.10
e	Security deposits	-	256.13	-	253.31	-	233.10
f	Loans to related parties	-	514.66	-	420.88	-	353.39
g	Advance in nature of loans	-	1,680.83	-	899.89	-	446.95
	Total financial assets	**2,871.72**	**16,455.80**	197.52	18,247.03	160.76	14,220.51
	Financial liabilities						
a	Borrowings	-	8,278.05	-	10,240.01	-	8,881.36
b	Trade payables	-	1,226.10	-	1,951.95	-	1,185.67
	Total financial liabilities	**-**	**9,504.15**	-	12,191.96	-	10,067.03

Fair value hierarchy
This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Total financial assets				
31 March, 2026	2,849.52	22.20	-	2,871.72
31 March, 2025	197.52	-	-	197.52
1 April, 2024	160.76	-	-	160.76
Total financial liabilities				
31 March, 2026	-	-	-	-
31 March, 2025	-	-	-	-
1 April, 2024	-	-	-	-

Level 1: This level hierarchy includes financial instruments measured using quoted prices.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value of financial assets and liabilities measured at amortised cost
The carrying amounts of trade receivables, cash and cash equivalents, lease liabilities, trade payables, long term borrowings, short term borrowings and all other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

Valuation technique used to determine fair value of forward contracts
Fair value of forward contracts outstanding as at the balance sheet date is determined using marked to market valuation received from bank.

Valuation technique used to determine fair value of unquoted mutual funds

Fair value of market linked investments is determined using Net Asset Value ('NAV') report issued by mutual fund house.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 43: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure, in light of changes in economic conditions and the requirement of financial covenants.

The Company monitors capital using a gearing ratio, which is calculated by dividing Net Debt from the Equity. The Company includes within Net Debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance) and under Equity, the Equity Share Capital plus Other Equity is considered.

Particulars	31 March 2026	31 March 2025	01 April 2024
Equity share capital	2,503.36	2,429.86	2,348.10
Other equity	11,178.55	8,869.55	7,113.57
Total equity	**13,681.91**	**11,299.41**	**9,461.67**
Debt (short term + long term)	8,278.05	10,240.01	8,881.36
Less: Cash and cash equivalents	5,624.28	5,323.60	4,506.24
Total debt	**2,653.77**	**4,916.41**	**4,375.11**
Net debt to equity ratio	**0.19**	**0.44**	**0.46**

Note 44: First time adoption of Indian Accounting Standards

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2024 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

A. Exceptions applied
Ind AS 101 allows first time adopters certain exemptions and certain optional exceptions from the retrospective application of certain requirements under Ind AS as follows:
1) Estimates
The estimates at 1 April, 2024 and at 31 March, 2025 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

FVTOCI – unquoted and quoted equity shares
FVTPL – debt securities
Impairment of financial assets based on expected credit loss model
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April, 2024, the date of transition to Ind AS and 31 March, 2025.

2) Classification and measurement of financial assets
The Company has classified financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

3) Derecognition of financial assets and financial liabilities
The Company has elected to apply derecognition requirements for financial assets and financial liabilities as per Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

4) Hedge accounting

The Company has not designated these forward exchange contracts in a qualifying hedge accounting relationship under Ind AS 109. Accordingly, all derivative financial instruments are measured at fair value through profit or loss (FVTPL), and changes in their fair value, including mark-to-market gains or losses, are recognised in the Statement of Profit and Loss in the period in which they arise.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

The Company has elected to continue with the carrying value for all of its property, plant and equipments and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition.

B. Reconciliations between previous GAAP and Ind AS

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:

1. Balance sheet as at 31 March, 2025 and 1 April 2024
2. Total comprehensive income for the year ended 31 March, 2025
3. Reconciliation of total comprehensive income for the year ended 31 March 2025
4. Reconciliation of total equity as at 31 March 2025 and 1 April 2024
5. Cash flow statement for the year ended 31 March, 2025

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 44: First time adoption of indian accouting standards

(i) Reconciliation of assets, liabilities and equity as previously reported under IGAAP to Ind AS

Particulars	31 March 2025		
	IGAAP *	Effects of transition to Ind AS	Ind AS
ASSETS			
I. Non-current assets			
Property, plant and equipments	1,136.78	-	1,136.78
Capital work-in-progress	-	-	-
Right-of-use assets	-	-	-
Investment property	-	107.62	107.62
Financial assets			
(i) Investments	161.32	(107.62)	53.70
(ii) Other financial assets	253.31	-	253.31
(iii) Loans	420.88	-	420.88
Deferred tax asset (net)	6.81	69.17	75.98
Income tax assets	17.61	-	17.61
Total non-current assets	**1,996.71**	**69.17**	**2,065.88**
Current assets			
Inventories	1,112.85	-	1,112.85
Financial assets			
(i) Investments	175.90	21.62	197.52
(ii) Trade receivables	11,572.36	(276.71)	11,295.65
(iii) Cash and cash equivalents	307.50	-	307.50
(iv) Other bank balances	5,016.10	-	5,016.10
(v) Loans	899.89	-	899.89
Other current assets	2,808.60	-	2,808.60
Total current assets	**21,893.21**	**(255.09)**	**21,638.11**
Total assets	**23,889.92**	**(185.92)**	**23,703.99**
Equity and liabilities			
Equity			
Equity share capital	2,429.86	-	2,429.86
Other equity	9,080.67	(211.12)	8,869.55
	11,510.53	**(211.12)**	**11,299.41**
Liabilties			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1,271.94	-	1,271.94
Long term provisions	30.86	-	30.86
Other liabilities	5.00	-	5.00
Total non-current liabilities	**1,307.80**	**-**	**1,307.80**
Current liabilities			
Financial liabilities			
(i) Borrowings	8,968.07	-	8,968.07
(ii) Trade payables	-	-	-
- Dues to micro enterprises and small enterprises	-	-	-
- Dues to other than micro enterprises and small enterprises	1,951.95	-	1,951.95
Short term provisions	3.78	-	3.78
Other current liabilities	147.79	25.19	172.98
Total current liabilities	**11,071.60**	**25.19**	**11,096.79**
Total liabilities	**12,379.40**	**25.19**	**12,404.59**
Total equity and liabilities	**23,889.92**	**(185.93)**	**23,703.99**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 44: First time adoption of indian accouting standards

(ii) Reconciliation of assets, liabilities and equity as previously reported under IGAAP to Ind AS

Particulars	01 April 2024		
	IGAAP *	Effects of transition to Ind AS	Ind AS
ASSETS			
I. Non-current assets			
Property, plant and equipments	209.89		209.89
Capital work-in-progress	831.79	-	831.79
Right-of-use assets	-	-	-
Investment property	-	107.62	107.62
Financial assets			
(i) Investments	110.68	(107.62)	3.06
(ii) Other financial assets	233.10	-	233.10
(iii) Loans	353.39	-	353.39
Other non-current assets	-	-	-
Deferred tax assets	9.91	48.05	57.96
Income tax assets	66.73	-	66.73
Total non-current assets	**1,815.50**	**48.05**	**1,863.55**
Current assets			
Inventories	1,566.78	-	1,566.78
Financial assets	-		
(i) Investments	113.65	47.11	160.76
(ii) Trade receivables	8,898.29	(220.52)	8,677.77
(iii) Cash and cash equivalents	137.15	-	137.15
(iv) Other bank balances	4,369.10	-	4,369.10
(v) Loans	446.95	-	446.95
Other current assets	2,429.20	-	2,429.20
Total current assets	**17,961.11**	**(173.41)**	**17,787.70**
Total assets	**19,776.61**	**(125.36)**	**19,651.25**
Equity and liabilities			
Equity			
Equity share capital	2,348.10	-	2,348.10
Other equity	7,258.03	(144.46)	7,113.57
	9,606.13	**(144.46)**	**9,461.67**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	183.65	-	183.65
Long term provisions	24.24	-	24.24
Other liabilities	5.00	-	5.00
Total non-current liabilities	**212.89**	**-**	**212.89**
Current liabilities			
Financial liabilities			
(i) Borrowings	8,697.70	-	8,697.70
(ii) Lease liabilities	-	-	-
(iii) Trade payables			
- Dues to micro enterprises and small enterprises	-	-	-
- Dues to other than micro enterprises and small enterprises	1,185.67	-	1,185.67
Short term provisions	2.99	-	2.99
Other current liabilities	71.22	19.11	90.33
Total current liabilities	**9,957.58**	**19.11**	**9,976.70**
Total liabilities	**10,170.47**	**19.11**	**10,189.58**
Total equity and liabilities	**19,776.60**	**(125.35)**	**19,651.25**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 44: First time adoption of indian accouting standards

(iii) Reconciliation of Statement of Profit and Loss for the year ended 31 March 2025

Particulars	31 March 2025		
	IGAAP *	Effects of transition to Ind AS	Ind AS
Income			
Revenue from operations	48,378.29	-	48,378.29
Other income	513.35	(31.60)	481.75
	48,891.64	**(31.60)**	**48,860.04**
Expenses			
Purchase of stock in trade	43,889.15	-	43,889.15
Changes in inventories of stock-in-trade	453.92	-	453.92
Employee benefits expense	230.91	(3.90)	227.01
Depreciation and amortisation expenses	117.64	-	117.64
Finance costs	902.18		902.18
Other expenses	2,589.68	56.20	2,645.87
	48,183.48	**52.30**	**48,235.78**
Profit/(loss) before tax [i - ii]	**708.15**	**(83.90)**	**624.26**
		-	
Income tax expense/ (income)			
Current tax	175.00	-	175.00
Income tax relating to previous years	-	-	-
Deferred tax	3.08	(20.12)	(17.03)
Tax expense	**178.08**	**(20.12)**	**157.97**
Profit for the year	**530.07**	**(63.78)**	**466.29**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
- Re-measurement gains/(loss) on defined benefit plans	-	(3.90)	(3.90)
- Income tax effect	-	0.98	0.98
Other comprehensive (loss) for the year (net of tax)	**-**	**(2.92)**	**(2.92)**
Total comprehensive (loss)/income for the year (net of tax)	**530.07**	**(66.70)**	**463.37**

* The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(iv) Reconciliations of total equity between Ind AS and previous GAAP

Particulars	31 March, 2025	1 April, 2024
Total equity as per previous GAAP	11,510.53	9,606.13
Ind AS Adjustments [increase in equity/(decrease in equity)]:		
Deferred tax effect on above	67.79	47.67
Impact of fair value gain on investments	(3.58)	27.99
Impact of gratuity	5.44	1.54
Impact of expected credit loss	(276.71)	(220.51)
Total	**(207.06)**	**(143.31)**
Actuarial loss of employee benefits schemes transferred to other comprehensive income (net of tax)	(4.07)	(1.15)
Equity as per Ind AS	**11,299.41**	**9,461.67**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 44: First time adoption of indian accouting standards

(v) Reconciliations of total profit between Ind AS and previous GAAP

Particulars	31 March, 2025
Profit after tax as per previous GAAP	530.07
Ind AS Adjustments [increase in profit/(decrease in profit)]:	
Deferred tax effect on above	20.12
Impact of fair value gain on investments	(31.60)
Impact of expected credit loss	(56.20)
Impact of gratuity	3.90
Total	**(63.78)**
Actuarial loss of employee benefits schemes transferred to other comprehensive income (net of tax)	(2.92)
Profit after tax as per Ind AS	**463.37**

Reconciliation of cash flow for year ended 31 March 2025

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(1,502.09)	457.16	(1,044.92)
Net cash flows from investing activities	(346.62)	(268.94)	(615.56)
Net cash flows from financing activities	2,734.70	(903.86)	1,830.84
Net increase in cash and cash equivalents	885.99	(715.64)	170.35
Opening Cash and cash equivalents	4,490.75	(4,353.60)	137.15
Closing cash and cash equivalents	**5,376.74**	**(5,069.24)**	**307.50**

1. Defined benefit liabilities
Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Statement of Profit and Loss. There is no impact on total equity.

2. Financial instruments

(a) Trade receivables
Under Indian GAAP, the Company has created provision for impairment of receivables which consists only in respect of specific amount for probable losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Due to ECL model, the Company impaired its trade receivables by INR 220.52 lakhs on 1 April 2024 which has been eliminated against other equity.

(b) Investments in mutual funds and listed shares
Under Indian GAAP, investments in mutual funds were recognised at the lower of cost and fair value. Upon transition to Ind AS, such investments are measured at fair value through profit or loss (FVTPL), with changes in fair value recognised in the Statement of Profit and Loss.

c) Forward contracts
Under Indian GAAP, forward contracts are accounted for in accordance with AS 11, wherein premium or discount on forward contracts entered into for hedging purposes is amortised over the life of the contract and exchange differences are recognised in the Statement of Profit and Loss. Under Ind AS, forward contracts are recognised as derivative financial instruments and measured at fair value at each reporting date, with changes in fair value recognised in profit or loss.

3. Leases
Under Previous GAAP, lease rentals were recognised as an expense after giving straight lining impact. Under Ind AS 116, the lessee shall recognise right of use assets and lease liabilities at the inception of lease. Right of use asset shall be depreciated over the lease period and lease liability shall be classified as financial liability and finance cost shall be charged on it for each reporting period. The above calculated amount is cumulative of depreciation on right-of-use assets, finance cost element and reversal of lease rent expenses. The Company recognised present value of lease payments as lease liability with corresponding recognition of right of use of assets (except for low value and short term leases).

Note 44: First time adoption of indian accouting standards

4. Deferred Tax

Under previous GAAP, deferred taxes were recognised for the tax effect of timing diffrences between accounting income and taxable income for the year i.e., income statement approach. However, under Ind AS-12 "deferred taxes" are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and their respective tax base i.e. balance sheet approach.

5. Remeasurement of gratuity recognised in other comprehensive income

Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined liability/ asset and are recognised in other comprehensive income. Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss.

6. Expected credit loss

Under the previous GAAP, the Company use to measure provision on doubtful debts based on estimate. Ind AS requires that the company to recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

7. Investment properties

Under the previous GAAP, the Company used to account for investment properties under the cost model. Ind AS requires the Company to classify properties held to earn rentals or for capital appreciation as investment properties and account for them separately. The Company has assessed its property portfolio and classified eligible properties as investment properties in accordance with the requirements of Ind AS 40.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 45: Additional regulatory information required by Schedule III of the Companies Act, 2013

a. Details of benami property held
No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. Reconciliation of returns or statements submitted with banks or financial institution
The Company has borrowing limits from bank on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with bank are in agreement with the books of accounts.

c. Willful defaulter
The Company is not declared a willful defaulter by any bank or financial institution or other lenders.

d. Relationship struck off Companies
The Company has no transactions with the struck off Companies under Section 248 or 560 of the Act.

e. Compliance with number of layers of companies
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.

f. Compliance with approved scheme(s) of arrangements
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.

g. Undisclosed income
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

h. Details of crypto currency or virtual currency
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

i. Valuation of property, plant and equipments, intangible asset and investment property
The Company has not revalued its property, plant and equipments or intangible assets or both during the current or previous year.

j. Utilisation of Borrowed funds and share premium
(A) Other than investment and loan specified below, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
(B) 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
(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

k. Registration of charges or satisfaction with Registrar of Companies
The Company has registered all creation and satisfaction of charges with the Registrar of Companies during the current and previous financial year.

l. Title deeds of immovable property not held in name of the Company
The title deeds of all immovable properties (other than those properties where the Company is the lessee and the lease agreements are executed in favour of the lessee) are held in the name of the Company.

m. Loans or advances granted to promoters, directors, Key Managerial Personnel (KMPs) and the related parties
The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties either severally or jointly with any other person.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

n. Ratios

The Ratios as on 31st March 2026 are as follows:

Ratio	31 March 2026	31 March 2025	% Change in ratio	Reasons
(a) Current ratio	2.01	1.95	3.24%	NA
(b) Debt-equity ratio	0.61	0.91	33.24%	Refer note (i)
(c) Debt service coverage ratio	2.42	1.65	46.31%	Refer note (ii)
(d) Interest service coverage ratio	3.06	1.69	80.65%	Refer note (iii)
(e) Return on equity ratio	0.09	0.04	97.77%	Refer note (iv)
(f) Inventory turnover ratio	34.53	33.54	2.95%	NA
(g) Trade receivables turnover ratio	3.63	4.84	-25.08%	Refer note (v)
(h) Trade payables turnover ratio	19.84	27.98	-29.08%	Refer note (vi)
(i) Net capital turnover ratio	3.24	5.27	-38.59%	Refer note (vii)
(j) Net profit ratio	0.03	0.01	223.46%	Refer note (viii)
(k) Return on capital employed	0.16	0.12	28.56%	Refer note (ix)
(l) Return on investment	0.13	0.11	21.10%	NA

*NA - variance in ratio is not more than 25%, accordingly no explanation for variance is detailed out

(a) Current Ratio = Current Assets / Current liabilities
(b) Debt-Equity Ratio = Total Debt / Total equity
(c) Debt Service Coverage Ratio = Earnings available for debt service / Debt service
(d) Interest service coverage ratio = EBIT / Total interest cost
(e) Return on Equity Ratio = Total comprehensive income for the year / Average equity
(f) Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory
(g) Trade receivables turnover ratio = Revenue from operations / Average Trade receivables
(h) Trade payables turnover ratio = Purchases / Average Trade payables
(i) Net capital turnover ratio = Revenue from operations / Average Working Capital (Current assets - Current liabilities)
(j) Net profit ratio = Total comprehensive income for the year / Revenue from operations
(k) Return on Capital employed = EBIT / (Tangible networth + Total long-term debt)
(l) Return on investment = (Total comprehensive income for the year + Finance Cost) / (Total equity + Long-term Debt)

Reasons:

(i) Decrease in ratio is due to loans repaid during the year.
(ii) Increase in profits has resulted in favourable variance.
(iii) Increase in profits has resulted in favourable variance.
(iv) Increase in profits has resulted in favourable variance.
(v) Decrease in sales has resulted in negative variance.
(vi) Decrease in purchases has resulted in negative variance.
(vii) Decrease in sales has resulted in negative variance.
(viii) Increase in profits has resulted in favourable variance.
(ix) Increase in profits and repayment of debt has resulted in favourable variance.

Note 46: Previous year comparatives
The previous year's figure have been regrouped/reclassified to confirm to this year's classification.

For Nagori Nuwal & Co
Chartered Accountant
Firm Registration Number: 08185C

Shankar Lal Laddha
Partner
Membership No : 76554
Date : 28 May 2026
Place: Mumbai

For and on behalf of Board of Directors
of Le Merite Exports Limited
CIN: L17111MH2003PLC143645

Abhishek Lath
Managing director and
Chief financial officer
DIN : 00331675
Date : 28 May 2026
Place: Mumbai

Umashakar Lath
Chairman and
Managing director
DIN : 05135035
Date : 28 May 2026
Place: Mumbai

Arpit Sharma
Company Secretary

Date: 28 May 2026
Place: Mumbai

NAGORI NUWAL & CO.
CHARTERED ACCOUNTANTS
229, Starlit Tower, 29 Y.N. Road, Indore, 452001
Email: nagorinuwal@yahoo.com

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 accompanying Consolidated financial statements of **LE MERITE EXPORTS LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2026, the statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement, the Statement of Changes in Equity 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit (including other comprehensive income), its cash flows and changes in equity 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, 2026. 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 Auditors' 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 our assessment of the risks of material misstatement of the Consolidated 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 Consolidated Financial Statements.

The key audit matters	**How our audit addressed the key audit matter**
Valuation of Inventory - Refer to Notes 10 and 31 to the Consolidated financial statements	
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'). We have 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.	• Evaluating the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect. • Obtained an understanding of and performed the test for design, implementation and operating effectiveness of the Company's key internal controls over the process for valuation of inventories. • 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. • 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.
Advances in nature of loans - Refer to Note 15 to the Consolidated financial statements	
As described in Note 15 to the financial statements, the Company has granted certain interest-bearing advances in nature of loans which are repayable on demand. In view of the nature of these arrangements, no fixed repayment schedule has been prescribed. The assessment of the recoverability of these balances and their appropriate presentation and classification	• Obtained an understanding of the terms governing the loans and advances granted. • Assessed the Company's right to demand repayment and the basis for classification of the loans as current assets. • Evaluated management's assessment of recoverability by reviewing supporting information, including subsequent recoveries where available. • Obtained management representations regarding the recoverability of the outstanding balances. • Examined the adequacy and appropriateness of the disclosures made in the financial statements in respect of these advances.

in the financial statements required the exercise of management judgement. Owing to the significance of the balances and the related judgements involved, we considered this matter to be a Key Audit Matter.	

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 Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements do 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 Indian Accounting Standards (Ind AS) 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 is 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an

opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated 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, Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement, the Statement of Changes in Equity and Notes to the Consolidated financial statements dealt with by this Report are in agreement with the relevant books of accounts.

(d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) There is no qualification, reservation or adverse remark relating to maintenance of accounts and other matters connected therewith. Hence, there is no need to include this.

(g) 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(h) 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:
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 read with Schedule V to the Act.

(i) 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 40 of Consolidated financial statements.

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. The Company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of Companies Act, 2013.

vi. Based on our examination of the books of account and other relevant records of the Company, and according to the information and explanations given to us, we report that the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility.

Further, in accordance with the requirements of the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, applicable with effect from April 1, 2023, the audit trail feature has been operated throughout the financial year ended March 31, 2026, for all transactions recorded in the software, and the audit trail has not been tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

CA Shankar Lal Laddha
Partner
Membership No.: 076554

Place: Mumbai
Date: 28 May 2026
UDIN: 26076554DNBPXO4491

"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:

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

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

CA Shankar Lal Laddha
Partner
Membership No.: 076554

Place: Mumbai
Date: 28 May 2026
UDIN: 26076554DNBPXO4491

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **LE MERITE EXPORTS LIMITED** ('the Company') as of 31st March, 2026 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 Group and its subsidiaries, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March 2026, based on the internal control over financial reporting criteria established by the Group 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

CA Shankar Lal Laddha
Partner
Membership No.: 076554

Place: Mumbai
Date: 28 May 2026
UDIN: 26076554DNBPXO4491

LE MERITE EXPORTS LIMITED

STATEMENT OF AUDITED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2026

(Amount in Lakhs)

Particulars	Note	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
ASSETS				
(1) Non-current assets				
Property plant and equipments	3(a)	900.76	1,136.90	210.22
Capital work-in-progress	3(b)	922.13	-	831.79
Right-of-use assets	4	223.12	-	-
Investment properties	5	213.69	107.62	107.62
Financial assets				
(i) Investments	6	50.64	50.64	-
(ii) Other financial assets	7	257.39	253.81	333.60
(iii) Loans	8	1.96	0.51	-
Deferred tax asset (net)	9(a)	77.93	75.97	57.96
Income tax assets	9(b)	186.02	21.66	66.73
		2,833.62	**1,647.12**	**1,607.93**
(2) Current assets				
Inventories	10	748.13	1,112.85	1,766.31
Financial assets				
(i) Investments	11	2,871.72	197.52	160.76
(ii) Trade receivables	12	8,352.78	11,299.04	8,676.59
(iii) Cash and cash equivalents	13	1,006.30	308.76	142.30
(iv) Bank balance other than cash and cash equivalents above	14	4,629.89	5,016.10	4,369.10
(v) Other financial assets - current	15	64.39	-	-
(vi) Loans - current	16	1,648.37	899.89	446.95
Other current assets	17	3,715.59	3,034.58	2,522.84
		23,037.17	**21,868.74**	**18,084.85**
Total		**25,870.79**	**23,515.85**	**19,692.78**
EQUITY AND LIABILITIES				
(1) Equity				
Equity share capital	18	2,503.36	2,429.86	2,348.10
Other equity	19	10,989.76	8,623.47	6,711.05
		13,493.12	**11,053.33**	**9,059.15**
(2) Non-current liabilities				
Financial liabilities				
(i) Borrowings	20	648.07	1,271.94	562.63
Employee benefit obligations	21	33.64	30.86	24.23
Other non-current liabilities	22	-	5.00	5.00
		681.71	**1,307.79**	**591.86**
(3) Current liabilities				
Financial liabilities				
(i) Borrowings	23	8,398.36	9,015.07	8,697.70
(ii) Lease liabilities		-	-	-
(iii) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro and small enterprises	24	1,241.54	1,955.99	1,241.30
(vi) Other financial liabilities	25	230.13	-	-
Employee benefit obligations	26	4.32	3.78	2.99
Other current liabilities	27	1,821.60	179.88	99.77
		11,695.96	**11,154.72**	**10,041.77**
Total		**25,870.79**	**23,515.85**	**19,692.78**

Significant accounting policies 1-2
Notes to the Ind AS financial statements 3-51

The accompanying notes form an integral part of the consolidated Ind AS financial statements
As per our report of even date

For Nagori Nuwal & Co
Chartered Accountant
Firm Registration Number: 08185C

Shankar Lal Laddha
Partner
Membership No: 76554
Date: 28 May 2026
Place: Mumbai
UDIN: 26076554DNBPXO4491

For and on behalf of Board of Directors
of Le Merite Exports Limited
CIN: L17111MH2003PLC143645

Abhishek Lath
Managing director and
Chief financial officer
DIN : 00331675
Date: 28 May 2026
Place: Mumbai

Umashankar Lath
Chairman and
Managing director
DIN : 05135035
Date: 28 May 2026
Place: Mumbai

Arpit Sharma
Company Secretary
M. No.: A71673
Date: 28 May 2026
Place: Mumbai

LE MERITE EXPORTS LIMITED

STATEMENT OF CONSOLIDATED AUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2026

Particulars	Note	31 March, 2026 (Audited)	31 March, 2025 (Audited)
(A) Income			
Revenue from operations	28	35,747.09	51,840.41
Other income	29	1,009.03	732.88
Total income		**36,756.12**	**52,573.29**
(B) Expenses			
Purchase of stock in trade	30	31,527.91	47,189.28
Changes in inventories of finished goods	31	364.72	653.46
Employee benefits expenses	32	212.96	242.52
Depreciation and amortisation expense	33	132.69	117.64
Other expenses	34	2,324.09	2,687.50
Finance costs	35	700.07	902.18
Total expenses		**35,262.46**	**51,792.59**
Profit before tax		**1,493.66**	**780.70**
Prior period items		-	-
Tax expense:			
(1) Current tax	9(a)	339.99	175.00
(2) Deferred tax	9(a)	(2.58)	(17.03)
Profit after tax		**1,156.25**	**622.73**
Other comprehensive income			
Items that will not be reclassified to Statement of Profit and Loss in subsequent years			
- Re-measurement gain/(losses) on defined benefit plans	37	2.51	(3.90)
- Income tax effect on above	9(a)	(0.63)	0.98
Other comprehensive income/(loss) for the year (net of tax)		**1.88**	**(2.92)**
Total comprehensive income for the year (net of tax)		**1,158.13**	**619.81**
Net profit/ (loss) attributable to:			
-Owners		1,159.87	546.07
-Non-controlling interest		(3.62)	76.66
Other comprehensive income attributable to:			
-Owners		1.88	(2.92)
-Non-controlling interest		-	-
Total comprehensive income attributable to:			
-Owners		1,161.75	543.15
-Non-controlling interest		(3.62)	76.66
Earning per equity share of the face value of Rs.10/- each			
(1) Basic	36	4.69	2.65
(2) Diluted	36	4.60	2.60

Significant accounting policies 1-2

Notes to the Ind AS financial statements 3-51

The accompanying notes form an integral part of the consolidated Ind AS financial statements
As per our report of even date

For Nagori Nuwal & Co
Chartered Accountant
Firm Registration Number: 08185C

For and on behalf of Board of Directors
of Le Merite Exports Limited
CIN: L17111MH2003PLC143645

Shankar Lal Laddha
Partner
Membership No: 76554
Date: 28 May 2026
Place: Mumbai
UDIN: 26076554DNBPXO4491

Abhishek Lath
Managing director and Chief financial officer
DIN : 00331675
Date: 28 May 2026
Place: Mumbai

Umashankar Lath
Chairman and Managing director
DIN : 05135035
Date: 28 May 2026
Place: Mumbai

Arpit Sharma
Company Secretary
M. No.: A71673
Date: 28 May 2026
Place: Mumbai

LE MERITE EXPORTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2026

(Amount in Lakhs)

Particulars	31 March, 2026 (Audited)	31 March, 2025 (Audited)
A. Cash flows from operating activities		
Profit before tax	**1,493.66**	**780.70**
Adjustment For :		
Depreciation and amortization expense	132.69	117.64
Interest expense	699.76	902.18
Interest income	(298.10)	(345.45)
Fair value (gain)/loss on current investments	(605.90)	13.87
Provision for credit loss (expense)	364.65	56.20
Mark-to-market loss on forward cover	147.70	6.11
Operating profit before working capital changes	**1,934.47**	**1,531.26**
Adjustment for increase/decrease in:		
(Decrease)/increase in trade payables	(714.45)	714.69
(Decrease)/increase in other liabilities	1,636.72	80.10
(Decrease)/increase in employee benefit obligation	5.20	3.51
(Increase)/decrease in loans and advances	(749.93)	(448.92)
(Increase)/decrease in inventories	364.72	653.46
(Increase)/decrease in trade receivables	2,433.91	(2,684.76)
(Increase)/decrease in other financial assets and liabilities	162.13	79.79
(Increase)/decrease in other assets	(681.02)	(516.25)
Operating profit/(loss) after working capital changes	**4,391.76**	**(587.11)**
Operating profit/(loss) before Tax	**4,391.76**	**(587.11)**
Less : Income taxes paid	**(504.35)**	**(129.93)**
Net Cash generated from/(used in) operating activities	**3,887.41**	**(717.05)**
B. Cash flows from investment activities		
Payment towards capital expenditure	(1,147.20)	(212.74)
Investment/(proceeds from) fixed deposits	684.31	(301.35)
Payments to NCI for acquisition of interest	(2.45)	-
Net investments from sale/purchase of shares and mutual funds	(2,068.31)	(101.26)
Net Cash (used)/generated in investment activities	**(2,533.64)**	**(615.36)**
C. Cash flows from financing activities		
(Repayment of)/proceeds from borrowings	(1,240.58)	1,026.68
Proceeds from fresh issue of equity shares (preferential allotment)	73.50	81.76
Proceeds from fresh issue of equity shares (securities premium)	1,109.80	1,116.02
Money received against share warrants	174.09	246.71
Expenses incurred for issue of shares	(78.19)	(13.66)
Expenses incurred for increasing authorised capital	-	(9.50)
Dividend paid	-	(46.96)
Proceeds from issue of equity shares to non-controlling interests	4.90	-
Interest paid	(699.76)	(902.18)
Net Cash (used in)/generated from financing activities	**(656.23)**	**1,498.86**
Net Increase in Cash and cash equivalents	697.54	166.46
Cash and cash equivalents at the beginning of the year	308.76	142.30
Cash and cash equivalents as at the end of the year	**1,006.30**	**308.76**
Components of cash and cash equivalents		
Cash in hand	34.44	33.06
Balances with banks	971.86	275.70
Total	**1,006.30**	**308.76**

Significant accounting policies 1-2
Notes to the Ind AS financial statements 3-51

The accompanying notes form an integral part of the consolidated Ind AS financial statements
As per our report of even date

For Nagori Nuwal & Co
Chartered Accountant
Firm Registration Number: 08185C

Shankar Lal Laddha
Partner
Membership No: 76554
Date: 28 May 2026
Place: Mumbai
UDIN: 26076554DNBPXO4491

For and on behalf of Board of Directors
of Le Merite Exports Limited
CIN: L17111MH2003PLC143645

Abhishek Lath
Managing director and
Chief financial officer
DIN : 00331675
Date: 28 May 2026
Place: Mumbai

Umashankar Lath
Chairman and
Managing director
DIN : 05135035
Date: 28 May 2026
Place: Mumbai

Arpit Sharma
Company Secretary
M. No.: A71673
Date: 28 May 2026
Place: Mumbai

LE MERITE EXPORTS LIMITED
STATEMENT OF CONSOLIDATED CHANGES IN EQUITY
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

A. Equity share capital
Equity shares of Rs. 10 each issued, subscribed and paid up

Particulars	Amount
As at 1 April, 2024	2,348.10
Add: Preferential issue of equity shares	81.76
Balance as at 31 March, 2025	**2,429.86**
As at 1 April, 2025	2,429.86
Add: Preferential issue of equity shares	73.50
Balance as at 31 March, 2026	**2,503.36**

B. Other equity

Particulars	Money received against share warrants	Securities premium	Retained earnings	Other comprehensive income	Non-Controlling Interest	Total
Balances as at 1 April, 2024	**-**	**3,989.67**	**2,918.27**	**(1.15)**	**(195.74)**	**6,711.05**
Add / (Less):						
Profit for the year	-	-	546.07	-	76.66	**622.73**
Other comprehensive income / (loss):					-	
Remeasurement of defined benefit obligation net of taxes	-	-	-	(2.92)	-	**(2.92)**
Addition for the year	246.71	1,116.02	-	-	-	**1,362.73**
Preferential issue expenses	-	-	(13.66)	-	-	**(13.66)**
Fees of increase in authorised capital	-	-	(9.50)	-	-	**(9.50)**
Dividend paid	-	-	(46.96)	-	-	**(46.96)**
Total comprehensive income for the year	**246.71**	**1,116.02**	**475.95**	**(2.92)**	**76.66**	**1,912.41**
Balances as at 31 March, 2025	**246.71**	**5,105.70**	**3,394.22**	**(4.07)**	**(119.08)**	**8,623.47**

Particulars	Money received against share warrants	Securities premium	Retained earnings	Other comprehensive income	Non-Controlling Interest	Total
Balances as at 31 March, 2025	**246.71**	**5,105.70**	**3,394.22**	**(4.07)**	**(119.08)**	**8,623.47**
Add / (Less):	**-**	**-**	**-**	**-**		**-**
Profit for the year	-	-	1,159.87	-	(3.62)	**1,156.25**
Other comprehensive income / (loss):						
Remeasurement of defined benefit obligation net of taxes	-	-	-	1.88	-	**1.88**
Shares issued during the year	(246.71)	-	-	-	-	**(246.71)**
Addition for the year	420.80	1,109.80	-	-	-	**1,530.60**
Preferential issue expenses	-	-	(78.19)	-	-	**(78.19)**
Fees of increase in authorised capital	-	-	-	-	-	**-**
Dividend paid	-	-	-	-	-	**-**
Purchase of stake from NCI (in Le Merite Laxmi)	-	-	-	-	2.45	**2.45**
Total comprehensive income for the year	**174.09**	**1,109.80**	**1,081.68**	**1.88**	**(1.17)**	**2,366.29**
Balances as at 31 March, 2026	**420.80**	**6,215.50**	**4,475.90**	**(2.19)**	**(120.25)**	**10,989.76**

Significant accounting policies 1-2
Notes to the Ind AS financial statements 3-51

The accompanying notes form an integral part of the consolidated Ind AS financial statements
As per our report of even date

For Nagori Nuwal & Co
Chartered Accountant
Firm Registration Number: 08185C

For and on behalf of Board of Directors
of Le Merite Exports Limited
CIN: L17111MH2003PLC143645

Shankar Lal Laddha
Partner
Membership No: 76554
Date: 28 May 2026
Place: Mumbai
UDIN: 26076554DNBPXO4491

Abhishek Lath
Managing director and
Chief financial officer
DIN : 00331675
Date: 28 May 2026
Place: Mumbai

Umashankar Lath
Chairman and
Managing director
DIN : 05135035
Date: 28 May 2026
Place: Mumbai

Arpit Sharma
Company Secretary

M. No.: A71673
Date: 28 May 2026
Place: Mumbai

Le Merite Exports Limited
Notes to the Consolidated Financial Statement as at and for the year ended 31 March 2026

Note No. 1 - Company Information and Basis of Preparation

A. Corporate Overview

Le Merite Exports Limited (the "Company"), incorporated on 24th December, 2003, is a public limited company domiciled in India and limited by shares (CIN: L17111MH2003PLC143645). The Registered Office of the Company is situated at A-307, Boomerang, Chandivali Farm Road, Powai, Andheri (East), Mumbai – 400072, Maharashtra. The Company is a vertically integrated trader and exporter of cotton yarn and greige fabrics and caters to domestic as well as international markets. The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE).

B. Basis of Preparation

These Separate Financial Statements are prepared on Going Concern basis following Accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent applicable), applicable provisions of the Companies Act, 2013.

1. Basis of Measurement/Use of Estimates

(i) The Financial Statements are prepared on Accrual basis under the Historical Cost convention except certain Financial Assets and Liabilities that are measured at fair value.

Historical Cost is generally based on the Fair Value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a Liability in an orderly transaction between market participants at the measurement date.

(ii) The preparation of Financial Statements requires judgments, estimates and assumptions that affect the reported amount of Assets and Liabilities, disclosure of Contingent Liabilities on the date of the Financial Statements and the reported amount of Revenues and Expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2. Functional and Presentation Currency

These Financial Statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lacs (up to two decimals), except as stated otherwise.

3. Current and Non-Current classification

The Company presents Assets and Liabilities in the Balance Sheet based on Current/Non-Current classification.

An Asset is Current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-Current.

A Liability is Current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other Liabilities are classified as Non-Current.

Deferred Tax Assets/Liabilities are classified as Non-Current.

Note No. 2 - Material Accounting Policies

A. Material Accounting Policies

A summary of the material Accounting Policies applied in the preparation of the Financial Statements are as given below. These Accounting Policies have been applied consistently to all periods presented in the Financial Statements.

1. Property, Plant & Equipment

1.1. Initial Recognition and Measurement

An item of Property, Plant and Equipment is recognized as an Asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at Cost less Accumulated Depreciation/Amortization and Accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the

location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalized.

1.2. Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in Statement of Profit or Loss as and when incurred.

1.3. Derecognition

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and Losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment, and are recognized in the Statement of Profit and Loss.

1.4. Depreciation

Assets are depreciated using straight line method over the estimated useful life of the asset as specified in Part “C” of Schedule II of Companies Act, 2013 except for Plant & Machinery (other than Laboratory Equipments, Fire Fighting Equipments and Tools & Equipments) whose estimated useful life is taken as 13 years (Triple Shift) after retaining residual life of 5% of original cost. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets.

Depreciation on additions to/deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

2. Capital Work-in-Progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

3. Intangible Assets and Intangible Assets under Development

3.1. Initial recognition and measurement

An Intangible Asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

3.2. Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.3. Derecognition

An Intangible Asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and Losses on disposal of an item of Intangible Assets are determined by comparing the proceeds from disposal with the carrying amount of Intangible Assets and are recognized in the Statement of Profit and Loss.

3.4. Amortization

Intangible Assets having definite life is amortized on straight line method in their useful lives.

4. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction, exploration, development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of:

(a) interest expense calculated using the effective interest method as described in Ind AS 109 'Financial Instruments',

(b) finance charges in respect of finance leases recognized in accordance with Ind AS 116 – 'Leases',

(c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs, and

(d) other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to revenue as and when incurred.

5. Statement of Cash Flows

Cash Flow Statement has been prepared in accordance with the Indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

6. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts other than those capitalized as Property, Plant and Equipment are carried as inventory.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

7. Cash and Cash Equivalent

Cash and cash equivalent in the Balance Sheet comprises Cash at Banks, Cash on Hand and Short-Term Deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

8. Government Grants

Government grants are recognized where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. When the government grant relates to an asset, the asset is disclosed by deducting that grant in arriving at the carrying amount of that asset. Government grants that compensate the Company for expenses incurred are recognized in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognized.

9. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent Liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a Contingent Liability, unless the probability of outflow of economic benefits is remote. Contingent Liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent Assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

10. Foreign Currency Transactions and Translation

Transactions in foreign currencies are initially recorded at the functional currency rates at the date the transaction first qualifies for recognition.

Monetary Assets and Liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

11. Revenue Recognition

The Company derives revenues primarily from business of textiles. Effective April 1, 2024, the Company adopted Ind AS 115 “Revenue from Contracts with Customers”. The following is a summary of new and/or revised material accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Ind AS 115 moves away from the “transfer of risk and rewards” approach and introduces a new “transfer of control” approach delivered through the new five- step model described as follows:

1. Identify the contract with a customer.

2. Identify the separate performance obligations in the contract.

3. Determine the transaction price.

4. Allocate the transaction price to the separate performance obligations.

5. Recognize revenue when (or as) each performance obligation is satisfied.

At contract inception, an entity assesses the goods or services promised in a contract with a customer and identify each performance obligation promised to be transferred to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The company classifies the right to consideration in exchange for deliverables as either a receivable or as a contract asset. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as contract asset and is classified as a financial asset for these cases a right to consideration is unconditional upon passage of time. This would result in the timing of revenue recognition being different from the time of billing the customers.

Company classifies amount received as advance from customers against sales as contract liability.

Trade receivables are presented net of provision for expected credit loss in the Balance Sheet.

11.1 Sale of Goods

Revenue from the sale of goods is recognized upon transfer of control of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Revenue from the sale of goods is measured at an amount that reflects the consideration we expect to receive in exchange for those products (i.e. the transaction price). The Company presents revenues net of indirect taxes, returns and allowances, trade discounts and volume rebates in its Statement of Profit and Loss.

11.2 Rendering of services

Revenue from Job work services is recognized based on the services rendered in accordance with the terms of contracts.

11.3 Other Export Benefit

Export benefits are accounted for in the year of export at net market realizable value.

11.4 Other Income

Revenue from transactions or events that do not arise from a contract with a customer not in the scope of Ind AS 115 are continue to be recognized in accordance with the other standards. Such Income includes Interest and Dividend income which are dealt with in Ind AS 109 and Rental income to be accounted as per Ind AS 116.

11.5 Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future

cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

11.6 Dividend

Dividend Income is recognized when the company's right to receive is established which generally occurs when the shareholders approve the dividend.

11.7 Income other than Interest and Dividend

Other income is recognized in the Statement of Profit and Loss when increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

12. Employee Benefits

12.1. Short Term Benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are booked as an expense as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

12.2. Post-Employment Benefits

Employee Benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two types:

12.2.1. Defined Contribution Plans

Defined contribution Plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Family Pension Funds are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation.

12.2.2. Defined Benefit Plans

A defined benefit plan is a post- employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses in respect of gratuity are recognized in OCI in the period in which they arise.

13. Income Taxes

Income Tax Expense comprises Current and Deferred Tax. Current Tax Expense is recognized in Statement of Profit and Loss A/c except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which it is recognized in OCI or Equity.

Current Tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current Income Taxes are recognized under 'Income Tax Liabilities' net of payments on account, or under 'Income Tax Assets' where there is a debit balance.

Deferred Tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred Tax Assets and Liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle Current Tax Liabilities and Assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred Tax is recognized in Statement of Profit and Loss except to the extent that it relates to items recognized directly in OCI or Equity, in which case it is recognized in OCI or Equity.

A Deferred Tax Asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

14. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus or minus transaction costs that are attributable to the acquisition or issue of the financial asset, in the case of financial assets not recorded at fair value through profit or loss.

Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, the credit quality of the instrument improves then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

In respect of Trade receivables or any financial asset that result from transactions that are within the scope of Ind AS 115, company follows 'simplified approach' for recognition of impairment loss allowance within the scope of Ind AS 115, if they do not contain a significant financing component. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

B. Financial Liabilities

Initial recognition and measurement

All Financial Liabilities are recognized at fair value and in case of loans, net of directly attributable transaction cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

Subsequent Measurement

Financial Liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value of the instrument.

Derecognition

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

C. Derivative Financial Instruments

The Company enters into forward contracts to manage its exposure to fluctuations in foreign exchange rates arising from its export receivables denominated in foreign currencies.

Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Derivatives are presented as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company does not apply hedge accounting to its derivative financial instruments. Accordingly, changes in the fair value of forward contracts are recognized immediately in the Statement of Profit and Loss in the period in which they arise.

15. CSR Expenditure

The Company undertakes Corporate Social Responsibility (CSR) activities as per Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014. CSR expenditure includes amounts incurred on activities that are approved by the Board in line with the CSR policy and applicable law.

CSR expenditure is recognized in the Statement of Profit and Loss in the period in which it is incurred. For ongoing projects, any unspent amount at the end of the financial year is transferred to a separate “Unspent CSR Account” with a scheduled bank within 30 days from the end of the financial year, in accordance with Section 135(6) of the Act. Such amounts are spent within the timelines prescribed under Rule 4(6) of the CSR Rules.

The Company does not capitalize any CSR expenditure unless it results in the creation of an asset controlled by a qualifying entity as specified under Rule 7(4) of the CSR Rules.

B. Other Accounting Policies

1. Leases:

1.1 Recognition:

The Company as a Lessee:

The Company's Lease Asset classes primarily consist of Leases for Land and Buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.2 Accounting for Leases

1.2.1 Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term.

1.2.2 Finance Lease

Leases of Property, Plant and Equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as Property, Plant and Equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

2. Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount (higher of its fair value less costs to disposal or its value in use) is estimated.

An impairment loss is recognized if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount which is only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Dividends

Dividends and Interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

4. Material Prior Period Errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

5. Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

C. Major Estimates made in preparing Financial Statements:

1. Useful life of Property, Plant and Equipment and Intangible Assets

The estimated useful life of Property, Plant and Equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery (except Laboratory Equipments, Fire Fighting Equipments and Tools & Equipments) are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

Intangible assets are being amortized on straight line basis over the period of five years.

2. Post-Employment Benefit Plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

3. Provisions and Contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgment by management regarding the probability of exposure to potential loss. In case of change in the circumstances following unforeseeable developments, the likelihood could alter.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 3(a): Property, plant and equipments

Sr. No.	Description	Rate of depreciation	Gross block					Accumulated depreciation and amortisation				Net block	
			Balance as at 01 April 2025	Additions	Disposals	Transfer to Investment Property	Balance as at 31 March 2026	Balance as at 01 April 2025	Current depreciation	Depreciation on deduction	Balance as at 31 March 2026	Balance as at 31 March 2026	Balance as at 31 March 2025
1	Office Premises	4.87%	808.21	-	-	106.06	702.15	34.25	32.53	-	66.78	635.37	773.97
2	Factory Shed	9.50%	7.87	-	-	-	7.87	0.75	0.68	-	1.42	6.45	7.13
3	Furniture & Fixtures	25.89%	242.94	-	-	-	242.94	31.71	53.96	-	85.67	157.27	211.23
4	Electrical Installations & Equipments	25.89%	12.83	-	-	-	12.83	3.32	2.46	-	5.79	7.05	9.51
5	Machinery	31.23%	71.76	-	-	-	71.76	18.74	16.56	-	35.30	36.46	53.02
6	Vehicle	31.23%	102.65	-	-	-	102.65	25.20	23.84	-	49.04	53.61	77.44
7	Office Equipments	45.07%	6.83	1.31	-	-	8.15	3.05	1.72	-	4.77	3.38	3.79
8	IT Equipments	39.30%	0.21	-	-	-	0.21	0.08	-	-	0.08	0.13	0.13
9	Computers	63.16%	1.11	0.61	-	-	1.73	0.54	0.50	-	1.04	0.69	0.57
10	Plant & Machinery (general)	18.10%	-	0.29	-	-	0.29	-	0.01	-	0.01	0.28	-
11	Pre-incorporation expense		0.12	-	-	-	0.12	-	0.04	-	-	0.08	0.12
	Total		**1,254.54**	**2.22**	**-**	**106.06**	**1,150.70**	**117.64**	**132.25**	**-**	**249.90**	**900.76**	**1,136.90**

Sr. No.	Description	Rate of depreciation	Gross block					Accumulated depreciation and amortisation				Net block	
			Balance as at 01 April 2024	Additions	Disposals	Transfer to Investment Property	Balance as at 31 March 2025	Balance as at 01 April 2024	Current depreciation	Depreciation on deduction	Balance as at 31 March 2025	Balance as at 31 March 2025	Balance as at 01 April 2024
1	Office Premises	4.87%	111.49	696.72	-	-	808.21	-	34.25	-	34.25	773.97	111.49
2	Factory Shed	9.50%	7.87	-	-	-	7.87	-	0.75	-	0.75	7.13	7.87
3	Furniture & Fixtures	25.89%	5.12	237.81	-	-	242.94	-	31.71	-	31.71	211.23	5.12
4	Electrical Installations & Equipments	25.89%	12.83	-	-	-	12.83	-	3.32	-	3.32	9.51	12.83
5	Machinery	31.23%	4.56	67.21	-	-	71.76	-	18.74	-	18.74	53.02	4.56
6	Vehicle	31.23%	60.92	41.72	-	-	102.65	-	25.20	-	25.20	77.44	60.92
7	Office Equipments	45.07%	6.38	0.46	-	-	6.83	-	3.05	-	3.05	3.79	6.38
8	IT Equipments	39.30%	0.21	-	-	-	0.21	-	0.08	-	0.08	0.13	0.21
9	Computers	63.16%	0.50	0.61	-	-	1.11	-	0.54	-	0.54	0.57	0.50
10	Pre-incorporation expense		0.16	-	-	-	0.16	-	0.04		0.04	0.12	0.33
	Total		**210.05**	**1,044.53**	**-**	**-**	**1,254.58**	**-**	**117.64**	**-**	**117.64**	**1,136.90**	**210.22**

3.1: Office premises mentioned above are held as security towards Borrowings as specified in Note 22.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

3.2 Information regarding historical cost of Property, plant and equipment based on the previous GAAP prior to date of transition to Ind AS is as follows:

Sr. No.	Particulars	Office Premises	Factory Shed	Furniture & Fixtures	Electrical Installations & Equipments	Machinery	Vehicle	Office Equipments	IT Equipments	Computers	Plant & machinery (general)	Total
1	**Gross Block as on 01-04-2024**	**222.29**	**9.94**	**65.57**	**27.83**	**12.50**	**205.23**	**21.17**	**14.29**	**3.97**	**-**	**582.80**
2	Addition during FY 2024-25	696.72	-	237.81	-	67.21	41.72	0.46	-	0.61	-	1,044.53
3	Deduction during FY 2024-25	-	-	-	-	-	-	-	-	-	-	-
4	**Gross Block as on 31-03-2025 (1+2-3)**	**919.01**	**9.94**	**303.38**	**27.83**	**79.71**	**246.95**	**21.63**	**14.29**	**4.58**	**-**	**1,627.33**
5	Addition during FY 2025-26	-	-	-	-	-	-	1.31	-	0.61	0.29	2.22
6	Deduction during FY 2025-26 (transferred to investment property)	222.29	-	-	-	-	-	-	-	-	-	222.29
7	**Total Historical Cost as on 31-03-2026 (4+5-6)**	**696.72**	**9.94**	**303.38**	**27.83**	**79.71**	**246.95**	**22.94**	**14.29**	**5.20**	**0.29**	**1,407.26**

Note 3(b): Capital work-in-progress

CWIP aging schedule as at 31 March 2026

Particulars	Amount in CWIP for a period of				As at 31 March 2026
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Advances for Machinery	425.21	-	-	-	425.21
Advances for Construction	183.63	-	-	-	183.63
Advances to Consultants	141.70	-	-	-	141.70
Construction cost	135.00	-	-	-	135.00
Borrowing cost for a qualifying asset	1.46	-	-	-	1.46
Project consultations	21.45	-	-	-	21.45
Approval cost for project	8.26	-	-	-	8.26
Other project cost	5.41	-	-	-	5.41
	950.23	**0.00**	**0.00**	**0.00**	**922.13**

CWIP aging schedule as at 01 April 2024

Particulars	Amount in CWIP for a period of				As at 1 April 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Construction of office building	135.07	696.72	-	-	831.79
Total	**135.07**	**696.72**	**-**	**-**	**831.79**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 4: Right of use assets

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Right of use assets			
Leasehold land	223.80	-	-
Statement of charge of profit and loss			
Amortization on leasehold land	(0.68)	-	-
Total	**223.12**	**-**	**-**

4.1: Disclosures persuant to Ind AS 116 - Leases:
(a) Right-of-use assets
Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Leasehold land	Total
As at 1 April, 2024	-	-
Additions	-	-
Depreciation	-	-
As at 31 March, 2025	**-**	**-**
As at 1 April, 2025	-	-
Additions	79.99	79.99
Depreciation	(0.24)	(0.24)
Deletions	-	-
As at 31 March, 2026	**79.75**	**79.75**

4.2: The Company has taken warehouse premises on lease for a period of three years. Based on management's assessment, the impact of Ind AS 116 is immaterial to the financial statements and, accordingly, no separate recognition or disclosure has been made.

Note 5: Investment properties

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Gross carrying amount	107.62	107.62	-
Additions	106.07	-	107.62
Closing carrying amount	**213.69**	**107.62**	**107.62**
Accumulated depreciation			
Opening depreciation	**-**	-	**-**
Depreciation charge	**-**	-	**-**
Closing depreciation	**-**	-	**-**
Net carrying amount	**213.69**	**107.62**	**107.62**

5.1: Investment properties mentioned above are held as security towards Borrowings as specified in Note 22.

Note 6: Non Current - Investments

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Unquoted:			
Investment in Moksha Multiverse Private Limited (177 Compulsory Convertible Preference Shares (CCPS) of INR 28,608 each)	50.64	50.64	-
Total	**50.64**	**50.64**	**-**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Aggregate amount of unquoted investments	50.64	50.64	-
Aggregate amount of impairment in the value of investments	-	-	-

Note 7: Non Current - Other Financial Assets

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Security deposit	257.39	253.81	333.60
Total	**257.39**	**253.81**	**333.60**

Note 8: Non Current - Loans

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Unsecured and Considered Good			
Advance to related parties	1.96	0.51	-
Total	**1.96**	**0.51**	**-**

All the above loans have been given for business purposes.

Note 9(a): Deferred tax assets (net)

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Net deferred tax assets	77.93	75.97	57.96
Total (A - B)	**77.93**	**75.97**	**57.96**

The major components of income tax expense for the years ended 31 March, 2026, 31 March, 2025 and 1 April, 2024 are :

Particulars	As at 31 March, 2026	As at 31 March, 2025
(A) Statement of profit and loss:		
Current income tax :		
Current tax	**339.99**	**175.00**
Earlier year taxes	-	-
Deferred tax :		
Deferred tax	(2.58)	(17.03)
Income tax expense reported in the statement of profit and loss	**337.41**	**157.97**
(B) Deferred tax related to items recognised in other comprehensive income:		
- Re-measurement gain/(losses) on defined benefit plans	(0.63)	0.98
Income tax expense	**336.78**	**158.95**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate	**As at 31 March, 2026**	**As at 31 March, 2025**
Profit before tax	1,493.66	780.70
Enacted income tax rate	25.168%	25.168%
Applicable income tax rate of 25.168%	**375.92**	**196.49**
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	2.18	5.77
- Others	(40.70)	(44.28)
Total	**337.41**	**157.97**

Major components of deferred tax as at 31 March, 2026 and 31 March, 2025 and 1 April, 2024 are :
Deferred tax asset (net)

Particulars		**As at 31 March, 2026**	**As at 31 March, 2025**	**As at 1 April, 2024**
Deferred tax assets				
Property, plant and equipments		20.05	4.70	8.58
Provision for expenses allowable on payment basis		8.82	0.74	0.94
Provision for expected credit loss - trade receivables		161.42	69.64	55.50
Others		43.57	9.27	4.80
	A	**233.86**	**84.33**	**69.82**
Deferred tax liability				
Investment in mutual funds and shares		156.03	8.37	11.86
	B	**156.03**	**8.37**	**11.86**
Net deferred tax asset		**77.83**	**75.97**	**57.96**

Major components of deferred tax for the year ended 31 March 2026, 31 March 2025 and 1 April 2024 are:

Reflected in the balance sheet as follows	**As at 31 March, 2026**	**As at 31 March, 2025**	**As at 1 April, 2024**
Deferred tax assets	233.86	84.33	69.82
Deferred tax liabilities	156.03	8.37	11.86
Deferred tax asset (net)	**77.83**	**75.97**	**57.96**

Deferred tax expense/(income)
Deferred tax relates to the following:

Particulars	**As at 31 March, 2026**	**As at 31 March, 2025**
Property, plant and equipments	15.45	(3.88)
Provision for expenses allowable on payment basis	8.08	(0.20)
Allowance for doubtful debts - trade receivables	91.78	14.14
Others	34.31	4.46
Investment in mutual funds and shares	(147.67)	3.49
Deferred tax expense	**1.95**	**18.02**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 9(b): Income tax assets (net)

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Income tax assets	186.02	21.66	66.73
Total	**186.02**	**21.66**	**66.73**

Note 10: Current - Inventories

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
WIP and Finished Goods	1,112.85	1,566.78	1,815.27
Less: Consumed	(364.72)	453.92	48.95
Total	**748.13**	**1,112.85**	**1,766.31**

Note 11: Current - Investments

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Investments measured at Fair Value Through Profit or Loss (FVTPL)			
Investment in equity shares - quoted	2,823.42	174.63	142.45
Investment in mutual funds - quoted	26.10	22.89	18.31
Investment in mutual funds - unquoted	22.20	-	-
Total	**2,871.72**	**197.52**	**160.76**

Note 12: Current - Trade Receivables

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Trade receivables from contracts with customers			
Trade receivables	8,994.14	11,575.75	8,897.10
Less: Provision for expected credit loss	(641.36)	(276.71)	(220.51)
Total trade receivables	**8,352.78**	**11,299.04**	**8,676.59**

Breakup of security details

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Trade receivables considered good - secured	-	-	-
Trade receivables considered good - unsecured	8,994.14	11,579.14	8,895.92
Total	8,994.14	11,579.14	8,895.92
Less: Loss allowance	641.36	276.71	220.51
Total trade receivables	**8,352.78**	**276.71**	**220.51**
Current portion	8,352.78	11,302.43	8,675.41
Non current portion	-	-	-
Add: Unbilled revenue	-	-	-
Total	**8,352.78**	**11,302.43**	**8,675.41**

Notes:
a) There are no amounts recoverable from directors or promoters of the Company.
b) Refer Note for ageing details 41.
c) For amounts recoverable from related party (refer note 36).

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 13: Current - Cash and Cash equivalents

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Cash on hand	34.44	33.06	32.06
Balances with banks	971.86	275.70	110.24
Total	**1,006.30**	**308.76**	**142.30**

Note 14: Current - Bank balance other than cash and cash equivalents

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Balance with fixed deposits	4,629.89	5,016.10	4,369.10
Total	**4,629.89**	**5,016.10**	**4,369.10**

Fixed deposits are partially given as collatral against Working capital loans by banks. Refer note 22 for details.

Note 15: Other financial assets - current

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Inter-corporate deposits	64.39	-	-
Total	**64.39**	**-**	**-**

Note 16: Current - Loans

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Advances in nature of loans	1,648.37	899.89	446.95
Total	**1,648.37**	**899.89**	**446.95**

The above loans are interest-bearing and repayable on demand. Balance confirmations from certain borrowers are pending as at the reporting date, and the balances are based on the Company's books of account and management's assessment.

Note 17: Other Current Assets

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Advance to suppliers	1,650.32	1,011.79	919.39
IEIS claim receivable	144.17	144.17	-
GST electronic credit ledger	611.64	1,145.13	637.67
GST export refund	550.95	-	392.81
Export incentives receivable	349.03	226.90	358.64
Advance to staff	183.16	167.67	141.46
Other current assets	225.33	300.68	71.21
Advance to investment brokers	1.00	38.24	1.66
Total	**3,715.59**	**3,034.58**	**2,522.84**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 18: Share capital

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Authorised share capital			
3,50,00,000 equity shares of Rs 10 each (3,50,00,000 equity shares of Rs 10 each as at 31 March, 2025 and 2,50,00,000 equity shares of Rs 10 each as at 1 April, 2024)	3,500.00	3,500.00	2,500.00
Issued, subscribed and paid up			
2,50,33,600 equity shares of Rs 10 each (2,42,98,600 equity shares of Rs 10 each as at 31 March, 2025 and 2,34,81,000 equity shares of Rs 10 each as at 1 April, 2024)	2,503.36	2,429.86	2,348.10
Total	**2,503.36**	**2,429.86**	**2,348.10**

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:

Pursuant to the approval granted by the shareholders at the Extraordinary General Meeting held on August 19, 2024, the Board of Directors, in its meeting held on November 27, 2024, allotted 14,91,200 convertible equity warrants on a preferential basis at a price of Rs.146.50/- per warrant, following receipt of in-principle approval from the National Stock Exchange (NSE). As per the terms of the issue, 25% of the warrant price (Rs.36.625/- per warrant) was received at the time of allotment, with the remaining 75% payable upon conversion into equity shares. Each warrant entitles the holder to convert it into one equity share of the Company within 18 months from the date of allotment, at the holder's option.

As of March 31, 2026, entire lot of 14,91,200 warrants are converted into equity shares and are listed with the NSE.

Further, pursuant to the approval granted by the shareholders at the Extraordinary General Meeting held on August 04, 2025, the Board of Directors, in its meeting held on September 17, 2025, allotted 61,400 equity shares and 5,26,000 convertible equity warrants on a preferential basis at a price of Rs.320/- per security, following receipt of in-principle approval from the NSE. As per the terms of the issue, 25% of the warrant price (Rs.80/- per warrant) was received at the time of allotment, with the remaining 75% payable upon conversion into equity shares. Each warrant entitles the holder to convert it into one equity share of the Company within 18 months from the date of allotment, at the holder's option.

As of March 31, 2026, 61,400 equity shares are allotted and listed with the NSE and all 5,26,000 warrants remain outstanding and are eligible for conversion within the stipulated period.

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

Name of the Shareholder	As at 31 March, 2026		As at 31 March, 2025	
	No. of shares	% of total shares	No. of shares	% of total shares
Abhishek Lath	52,70,400.00	21.05%	53,24,400.00	21.91%
Ashadevi Lath	63,34,400.00	25.30%	64,64,400.00	26.60%
Umashankar Lath	10,95,400.00	4.38%	10,95,400.00	4.51%
Shweta Lath	8,52,400.00	3.41%	8,52,400.00	3.51%
Umashankar Naharmal Lath HUF (Karta)	13,80,000.00	5.51%	13,80,000.00	5.68%
Total	**1,49,32,600.00**	**59.65%**	**1,51,16,600.00**	**62.21%**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

18.2 Disclosure of Promoters Holding:

Name	As at 31 March, 2026		As at 31 March, 2025	
	No. of Shares	% change during the year	No. of Shares	% change during the year
Abhishek Lath	52,70,400.00	-1.01%	53,24,400.00	0.44%
Abhishek Umashankar Lath HUF (Karta)	1,000.00	0.00%	1,000.00	0.00%
Ashadevi Lath	63,34,400.00	-2.01%	64,64,400.00	-5.41%
Umashankar Lath	10,95,400.00	0.00%	10,95,400.00	-45.91%
Shweta Lath	8,52,400.00	0.00%	8,52,400.00	-46.39%
Umashankar Naharmal Lath HUF (Karta)	13,80,000.00	0.00%	13,80,000.00	0.00%
Total	**1,49,33,600.00**		**1,51,17,600.00**	

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

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Equity shares at the beginning of the year	2,42,98,600.00	2,34,81,000.00	2,34,81,000.00
Add : IPO issued	-	-	-
Add : Equity shares issued during the year (preferential allotment)	7,35,000.00	8,17,600.00	-
Equity Shares at the end of the year	**2,50,33,600.00**	**2,42,98,600.00**	**2,34,81,000.00**

18.4 During the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

- No class of shares were allotted as fully paid up pursuant to contract without payment being received in cash.
- The Company has issued bonus shares in the FY 2021-22. Pursuant to the approval of the shareholders, the company has issued 1,53,72,900 bonus shares in the ratio of 9:1 ie. 9 bonus shares for every 1 share held on record date 25th January, 2022.
- No class of shares were bought back by the Company.

18.5 There are no calls unpaid.

18.6 There are no forfeited shares.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 19: Other Equity

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Securities premium			
Balance at the beginning of the year	**5,105.70**	**3,989.67**	**3,989.67**
Add: Issued during the year	1,109.80	1,116.02	-
Balance at the end of the year	**6,215.50**	**5,105.70**	**3,989.67**
Money received against share warrants			
Balance at the beginning of the year	**246.71**	-	-
Add: Issued during the year	(246.71)	-	-
Addition for the year	420.80	246.71	-
Balance at the end of the year	**420.80**	**246.71**	**-**
Retained earnings			
Balance at the beginning of the year	**3,394.22**	**2,918.27**	**2,918.27**
Add: Profit for the year	1,159.87	546.07	-
Less: Preferential issue expenses shares issue	(78.19)	(13.66)	-
Less: Fees for increse in authorised capital	-	(9.50)	-
Less: Dividend paid	-	(46.96)	-
Balance at the end of the year	**4,475.90**	**3,394.22**	**2,918.27**
Other comprehensive income			
Balance at the beginning of the year	**(4.07)**	**(1.15)**	**(1.15)**
Other comprehensive income / (loss):			
Remeasurement of defined benefit obligation net of taxes	1.88	(2.92)	-
Balance at the end of the year	**(2.19)**	**(4.07)**	**(1.15)**
Non-Controlling Interest			
Balance at the beginning of the year	**(119.08)**	**(195.74)**	**(195.74)**
Less: Acquisition of shares from NCI	2.45	-	-
Add: Share of profit/(loss) in subsidiaries	(3.62)	76.66	-
Balance at the end of the year	**(120.25)**	**(119.08)**	**(195.74)**
Total	**10,989.76**	**8,623.47**	**6,711.05**

(a) Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(b) Retained earnings
Retained earnings are the profits/(losses) that the Company has earned / incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

(c) Money received against share warrants
Money received against share warrants represents the upfront subscription amount received from warrant holders in respect of share warrants issued by the Company. The warrants are convertible into an equivalent number of equity shares upon payment of the balance consideration within the prescribed exercise period. Upon exercise, the amount shall be transferred to Equity Share Capital and Securities Premium Account, as applicable. In case the warrants are not exercised within the stipulated period, the amount received shall be forfeited in accordance with the terms of issue and applicable regulations.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 20: Non Current - Borrowings

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 1 April, 2024
Secured Loans			
Vehicle loans	15.46	36.09	48.61
Unsecured Loans			
From directors	4.30	1,235.85	135.05
From related party	628.31	-	378.97
Total	**648.07**	**1,271.94**	**562.63**

19.1 Unsecured Loans consist of Loan from Related Party as disclosed in Related Party Disclosure.

19.2 Vehicle loans represent five loans secured against the respective motor vehicles and are repayable in equated monthly instalments aggregating INR 4.31 lakhs, including interest. Of these, four loans are repayable over a tenure of 60 equated monthly instalments (EMIs) each, and one loan is repayable over 84 equated monthly instalments (EMIs). The loans carry interest at rates ranging from 7.20% to 8.88% per

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

Note 21: Non Current - Provisions

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
For employee benefits			
- Gratuity payable	33.64	30.86	24.23
Total	**33.64**	**30.86**	**24.23**

Further information has been disclosed in Note 35

Note 22: Other non current liabilities

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
Rent deposit	-	5.00	5.00
Total	**-**	**5.00**	**5.00**

Note 23: Current - Borrowings

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
Secured			
Working capital loans from bank (refer note (a))			
Export packing credit	5,346.47	5,952.17	4,753.89
Packing credit in foreign currency	860.87	1,487.41	-
LC bill discounting	590.89	1,338.16	1,530.71
Bank overdraft	1,439.43	202.05	2,384.35
Current maturities of long term debts			
Vehicle loans	20.63	35.28	28.76
Unsecured Loans			
From others	100.00	-	-
From related party	40.07	-	-
Total	**8,398.36**	**9,015.07**	**8,697.70**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

(a) Pre-shipment, Post shipment and Packing Credit facilities

23.1 Working Capital facility from Shinhan Bank is primarily secured against pari passu charge on entire stock of inventory, receivables, bills and other chargeable current assets of the company (both present and future) to the extent of sanctioned limits, on a pro rata basis with other lenders and the collateral security as Equitable Mortgage by deposit of title deeds on premises of the Company situated in B1-104D, 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 in the name of Company and the personal guarantee of Mr. Abhishek Lath, Mrs. Sweta Lath, Mr. Umashankar Lath and Mrs. Asha Devi Lath.
The Rate of Interest chargable by the Bank (before claiming benefit of Interest Equilisation scheme) is as follows:
For INR: Repo Rate + 2.50% p.a.
For USD: Term SOFR + 1.25% p.a.

23.2 Working Capital facility from ICICI Bank is primarily secured against pari passu 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 sanctioned limits, on a pro rata basis with other lenders 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, Mrs. Asha Devi Lath and Mrs. Sweta Lath
The Rate of Interest chargable by the Bank is Repo Rate + 3.25% p.a (less Interest Equilisation scheme benefit).

23.3 Working Capital facility from UCO Bank is primarily secured against pari passu 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 sanctioned limits, on a pro rata basis with other lenders and the collateral security as 50% liquid collateral security in form of FDR of Rs 7.78 Cr. duly charged in favor of Bank and the unconditional personal guarantee of Mr. Abhishek Lath, Mr. Umashankar Lath and Mrs. Asha Devi Lath.
The Rate of Interest chargable by the Bank is as follows:
For Export Packing Credit in INR:
Pre-Shipment Credit: Bank's float rate + Spread (0.10% to 0.30% p.a.)
Post Shipment Credit: Bank's float rate + Spread (0.10% to 0.30% p.a.)
depending on the tenure.
For Packing Credit in Foreign Currency (other than INR):
Interest as per RBI Circular No. CHO/IW/01/2022-23 dated 12-04-2022.

23.4 Working Capital facility from HDFC is primarily secured against pari passu 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 sanctioned limits, on a pro rata basis with other lenders and the collateral security as FDR of Rs.4.50 Cr. duly charged in favor 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 chargable by the Bank is 3-month Repo + Spread 2.75%.

23.5 Working Capital facility from Bank of India is primarily secured against pari passu charge by way of hypothecation of stock and book debts to the extent of sanctioned limits, on a pro rata basis with other lenders and the collateral security as EQM of commercial unit situated at A-307, 3rd floor admeasuring 3590 sq ft and including 6 parking units at Boomerang Co-operative Premises Society Ltd, Chandivali farm road, Powai, Andheri (East), Mumbai 400072, in the name of company duly charged in favor of Bank and the unconditional personal guarantee of Mr. Abhishek Lath, Mr. Umashankar Lath, Mrs. Asha Devi Lath and Mrs. Sweta Lath.
The Rate of Interest chargable by the Bank is
For INR:
Pre-shipment credit (up to 180 days): RBLR minus 175 bps
Post-shipment credit – Demand bills (transit period as per FEDAI): RBLR minus 100 bps
For USD:
Pre-shipment credit (up to 180 days): 50 basis points over Applicable Benchmark ARR (as per tenure)
Post-shipment credit – On demand bills for transit period (as per FEDAI): 50 basis points over Applicable Benchmark ARR (as per tenure)

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 24: Current - Trade payables

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
b) Total outstanding dues of trade payables other than micro enterprises and small enterprises	1,241.54	1,955.99	1,241.30
Total	**1,241.54**	**1,955.99**	**1,241.30**

Trade payables ageing schedule
As at 31 March, 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed						
- MSME	-	-	-	-	-	-
- Others	451.61	425.04	90.99	12.53	261.36	1,241.54
	451.61	**425.04**	**90.99**	**12.53**	**261.36**	**1,241.54**
(ii) Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
Total	**451.61**	**425.04**	**90.99**	**12.53**	**261.36**	**1,241.54**

As at 31 March, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed						
- MSME	-	-	-	-	-	
- Others	920.76	615.80	131.67	196.33	91.43	1,955.99
	920.76	615.80	131.67	196.33	91.43	1,955.99
(ii) Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
	-	-	-	-	-	-
Total	**920.76**	**615.80**	**131.67**	**196.33**	**91.43**	**1,955.99**

As at 1 April, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed						
- MSME	-	-	-	-	-	-
- Others	509.25	341.33	293.93	96.11	0.69	1,241.30
	509.25	341.33	293.93	96.11	0.69	1,241.30
(ii) Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
	-	-	-	-	-	-
Total	**509.25**	**341.33**	**293.93**	**96.11**	**0.69**	**1,241.30**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 25: Current - Other financial liabilites

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
Inter corporate deposits	140.00	-	-
Interest on loans payable	26.60	-	-
Bank overdraft	36.53	-	-
Advances from others	27.00	-	-
Total	**230.13**	**-**	**-**

Note 26: Current - Provisions

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
Employee benefits payable			
- Gratuity payable	4.32	3.78	2.99
Total	**4.32**	**3.78**	**2.99**

Further information has been disclosed in Note 35

Note 27: Other Current Liabilities

Particulars	As at 31 March, 2026	As at 31st Mar, 2025	As at 1 April, 2024
Forward cover	172.89	-	-
Advance from customers	1,614.95	148.02	37.88
Unclaimed dividend	0.95	0.95	0.89
Statutory dues	22.47	13.29	53.16
Staff payable	6.13	3.10	7.85
Other payables	1.49	12.27	-
Provision for audit fees	2.70	2.25	-
Total	**1,821.60**	**179.88**	**99.77**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 28: Revenue from operations

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Sale of products (Refer to note no.26.1)	33,642.91	49,362.93
Other operating revenue (Refer to note no.26.1)	2,104.18	2,477.48
Total	**35,747.09**	**51,840.41**

28.1: Particulars of revenue from operations

Particulars	Year ended 31 March, 2026		Year ended 31 March, 2025	
Sale of products				
Trading operations:				
Yarn				
Export - yarn	17,224.25	-	28,128.58	-
Local - yarn	8,962.02	26,186.27	12,822.63	40,951.21
Fabric				
Export - fabric	2,048.42	-	3,992.93	-
Local - fabric	51.74	2,100.16	21.42	4,014.35
Cotton				
Export - cotton	107.35		-	
Local - cotton	254.22	361.57	4,094.33	4,094.33
Defence sales	4,994.90	4,994.90	303.05	303.05
Total		**33,642.91**		**49,362.93**
Other operating revenue				
Duty drawback	377.44		597.33	
IEIS license sale	-		144.17	
Gain on changes in foreign exchange	346.56		371.23	
Rebates, discounts and quality claims	-		(9.11)	
RoDTEP license income	670.63		1,006.98	
Commission income	709.55		366.89	
		2,104.18		2,477.48
Total		**2,104.18**		**2,477.48**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
(a) Disaggregation of revenue on the basis of geographical markets		
Revenue from outside India	19,380.02	32,121.51
Revenue from within India	16,367.07	19,718.90
Total revenue from operations	**35,747.09**	**51,840.41**
(b) Revenue recognised from contract liabilities outstanding at the beginning of the year :	148.02	37.88
(c) Reconciliation of the revenue as per contracted price with revenue recognised in the statement of profit and loss :	-	-
Revenue from operations	35,747.09	51,840.41
Less : Export incentives from government	(1,048.07)	(1,604.30)
Revenue from contract with customers	**34,699.02**	**50,236.11**
Add : Discounts allowed to customers	-	-
Add : Sales rejections/returns	-	(9.11)
Revenue as per contracted price	**34,699.02**	**50,227.00**
(d) Contract balances		
Contract Assets (Gross)	8,994.14	11,575.75
Contract Liabilites	1,614.95	148.02

28.2: Profit / (Loss) on changes in foreign exchange is presented under other operating revenue within revenue from operations. Since all exports sales are executed through forward contracts, where the sales price factors in the spot rate plus forward premium, this income is considered directly related to core operating activities, following the principle of substance over form.

Note 29: Other income

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Dividend income	1.59	2.29
Miscellaneous other income	0.93	4.62
Interest on fixed deposits	298.18	345.45
Interest income on advances	155.93	95.38
Interest on income tax refund	-	1.62
Fair Value gain/(loss) through profit or loss	605.90	-
Loss on forward cover	(147.70)	-
Interest income from debtors	20.63	0.92
Profit on sale of shares	51.19	28.74
Rent income	22.39	24.74
Income from net settlement of balances	-	229.12
Total	**1,009.03**	**732.88**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 30: Purchases

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Yarn	25,268.38	38,854.90
Defence purchase	3,801.58	188.45
Fabric	2,098.91	3,930.01
Raw cotton	359.05	4,215.93
		-
Total	**31,527.91**	**47,189.28**

Note 31: Changes in inventories of finished goods

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Inventories (At close)		
Finished goods	748.13	1,112.85
Inventories (At commencement)		
Finished goods	1,112.85	1,766.31
Total	**364.72**	**653.46**

Note 32: Employee benefit expenses

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Salaries, wages and bonus	187.56	184.07
Directors remuneration	7.05	43.80
Other employee benefits	0.89	0.19
Gratuity	5.83	4.48
Staff welfare expenses	6.23	6.07
Contributions to other funds	5.41	3.91
		-
Total	**212.96**	**242.52**

Note 33: Depreciation

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Depreciation on property, plant and equipments	132.69	117.64
Total	**132.69**	**117.64**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 34: Other expenses

Particulars	Year ended 31 March, 2026		Year ended 31 March, 2025	
Direct Expenses				
Job work	233.85		589.66	
Sample expenses	1.40		2.04	
Labour charges	0.77		0.92	
Packaging expenses	0.52		0.77	
Other direct expenses	2.44	238.98	7.75	601.14
Administrative and Other Expenses				
Legal and professional charges	208.91		109.37	
Rent rates & taxes	35.85		31.67	
Quality claims	41.71		-	
Donation / CSR	8.67		22.92	
Amortization on leasehold land	0.24		-	
Defence order expenses	10.74		12.33	
Unrealised (gain)/loss on mark-to-market of equity investments	(9.24)		9.80	
Electricity charges	4.32		8.23	
Travelling and conveyance cost	9.48		8.02	
Printing and stationery cost	6.68		7.43	
Insurance charges	10.82		8.03	
Other establishment expenses	51.71		68.12	
Communication cost	1.57		1.18	
Provision for credit loss (expense)	364.65		56.20	
Fair Value gain/(loss) through profit or loss	-		13.87	
Loss on forward cover	-		6.11	
Repairs and maintenance cost	1.32	747.43	1.06	364.34
Selling & Distribution Expenses				
Freight and forwarding expenses	902.34		1,360.03	
Commission expenses	282.37		271.36	
Business promotion expenses	50.87		30.80	
Travelling and conveyance expenses	79.90		30.70	
Exhibition expenses	8.71		18.42	
Discount	13.48	1,337.68	10.71	1,722.02
Total		**2,324.09**		**2,687.50**

34.1: Particulars of payment to auditor

Particulars	Year ended 31 March, 2026		Year ended 31 March, 2025	
(a) Auditor				
Statutory audit fees	7.60	-	4.50	-
Tax audit fees	1.00		1.00	
Other certifications	0.95	9.55	-	5.50
Total		**9.55**		**5.50**

Note 35: Finance costs

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Bank charges	85.77	99.04
Interest expense	614.30	803.14
Total	**700.07**	**902.18**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 36: Earnings per share

The following table reflects the profit and weighted average number of equity shares used in the computation of basic and diluted EPS.

Particulars	As at 31 March, 2026	As at 31 March, 2025
Profit attributable to equity holders	1,158.13	619.81
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	2,46,43,457	2,35,12,360
Weighted Average number of equity shares used for computing Earning Per Share (Diluted)	2,51,57,927	2,39,91,685
Nominal value of each share (in Rupees)	10.00	10.00
Earning Per Share - Basic (in Rupees)	4.69	2.65
Earning Per Share - Diluted (in Rupees)	4.60	2.60

Note 37: Details of employee benefits as required by the IND AS 19 Employee benefits :

(A) Defined contribution plan

The Company makes contributions to provident fund, Maharashtra Labour Welfare Fund and ESIC as defined contributions plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 5.41 lakhs (31 March, 2025: Rs. 3.91 lakhs) for the above-mentioned contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

(B) Defined benefit plan

The Company has an obligation towards gratuity, an unfunded defined benefit retirement plan covering all employees, which provides for lump sum payment to vested employees at retirement or at death while in employment or on termination of the employment, of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The breakup is as follows:

Particulars	31 March, 2026	31 March, 2025	1 April, 2024
Current	4.32	3.78	2.99
Non-current	33.64	30.86	24.23
Gratuity	**37.96**	**34.64**	**27.23**

(C) The Company provides gratuity for employees in India under the Code on Social Security, 2020, replacing the Payment of Gratuity Act, 1972. The gratuity amount, payable upon retirement or termination, whichever is earlier is based on the employee's last drawn monthly wages and calculated at 15 days' wages for each completed year of service for all eligible employees as per the Code. The scheme is a non-contributory defined benefit arrangement providing gratuity benefits expressed in terms of final monthly salary and the year of past service.

On November 21, 2025, the Government of India implemented four Labour Codes: the Code on Wages, 2019; Industrial Relations Code, 2020; Code on Social Security, 2020; and Occupational Safety, Health, and Working Conditions Code, 2020. These codes consolidate 29 existing labour laws. The new Labour Codes introduced by the Government of India, inter alia, require gratuity to be calculated based on wages constituting at least 50% of total remuneration. This has resulted in an increase in gratuity benefits in respect of services rendered in prior periods, and accordingly, the Company has recognised past service cost amounting to Rs. 0.54 lakhs during the year. In accordance with Ind AS 19, the past service cost has been recognised in the statement of profit and loss in the current year in which the plan amendment became effective.
The gratuity obligation has been actuarially valued by an independent actuary using the projected unit credit method, considering the revised definition of wages for gratuity computation.

(D) The defined benefit plan comprise of gratuity plan under which an employee, who has rendered at least five years of continuous, service, to receive fifteen by twenty-six days salary for each year of completed service at the time of retirement/exit. The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, the funded status and amounts recognised in Balance Sheet for the plan :

a) Statement showing changes in present value of obligation as at the end of the year	31 March, 2026	31 March, 2025	1 April, 2024
Present value of defined benefit obligation as at the beginning of the year	34.64	27.23	21.95
Current service cost	2.96	2.51	2.10
Past Service Cost	0.54	-	-
Interest cost	2.33	1.96	1.64
Benefits paid	-	(0.97)	
Actuarial (gains)/losses	(2.51)	3.90	1.54
Present value of defined benefit obligation as on balance sheet date	**37.96**	**34.64**	**27.23**

b) Analysis of defined benefit obligation :	31 March, 2026	31 March, 2025	1 April, 2024
Present value of defined benefit obligation	37.96	34.64	27.23
Fair value of plan assets	-	-	-
Net liability recognized in the balance sheet	**37.96**	**34.64**	**27.23**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

d) Expenses recognized in the Statement of profit and loss	31 March, 2026	31 March, 2025	1 April, 2024
Past service cost	0.54	-	-
Current service cost	2.96	2.51	2.10
Interest cost (net of interest income from plan assets)	2.33	1.96	1.64
Gratuity expense recognized in the Statement of profit and loss	**5.83**	**4.48**	**3.74**

e) Amount recognized in other comprehensive Income (OCI)	31 March, 2026	31 March, 2025	1 April, 2024
Actuarial (gain)/ loss for the year on defined benefit obligation	(2.51)	3.90	1.54
Actuarial (gain)/loss for the year on asset	-	-	-
Short term provisions	**(2.51)**	**3.90**	**1.54**

f) Actuarial assumptions	31 March, 2026	31 March, 2025	1 April, 2024
i) Discount Rate (%)	7.24% p.a.	6.73% p.a.	7.21%
ii) Salary Escalation (%)	10.00% p.a.	10.00% p.a.	10.00% p.a.
iii) Attrition Rate (%)	5.00% p.a.	5.00% p.a.	5.00% p.a.
iv) Retirement age (In years)	58 Years	58 Years	58 Years
v) Mortality rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

g) Sensitivity analysis of present value of defined benefit obligation to 1% change in key assumptions

Particulars	31 March, 2026		31 March, 2025		1 April, 2024	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(3.08)	3.58	(2.96)	3.46	(2.39)	2.81
Salary escalation rate	2.16	(1.92)	1.98	(1.76)	1.66	(1.68)
Withdrawal rate	0.17	(0.18)	0.11	(0.11)	0.22	(0.25)

h) Expected cash flows

Particulars	31 March, 2026	31 March, 2025	1 April, 2024
Year 1	4.32	3.78	2.99
Year 2	2.09	1.83	1.50
Year 3	2.09	1.89	1.59
Year 4	2.10	1.89	1.61
Year 5	6.89	1.89	1.60
Year 6 - 10	9.36	12.58	10.09
Year 11 and above	57.07	50.63	45.18

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 38: Related party disclosures

In accordance with the requirement of Indian accounting standard, Ind AS 24 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
Shweta Lath	Additional Director
Rohit Agarwal	Independent Director
Jayadeep Mehta	Independent Director
Narendra Srivastava	Independent Director
Ashadevi Lath	Relative of Director
Umashankar Lath HUF	HUF of Director
Arpit Sharma	Company Secretary
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 year ended are presented herein below:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Remuneration		
Abhishek Lath	-	16.50
Umashankar Lath	-	11.25
Shweta Lath	-	10.50
Sandeep Poddar (Resigned w.e.f. March 20, 2025)	-	10.95
Arpit Sharma (Appointed w.e.f. July 10, 2025)	8.34	-
Sitting Fees		
Rohit Agarwal	1.65	1.20
Narendra Srivastava	2.70	2.10
Jayadeep Mehta	2.70	2.25
Loan Taken		
Abhishek Lath	95.69	59.52
Umashankar Lath	906.47	1,330.63
Shweta Lath	293.00	26.02
Ashadevi Lath	2.70	60.00
Le Merite Fashions Private Limited	113.60	-
Loan Repaid		
Abhishek Lath	93.24	61.27
Umashankar Lath	2,142.32	217.61
Shweta Lath	141.15	36.49
Ashadevi Lath	2.70	60.00
Loan Given		
Le Merite Fashions Private Limited	333.19	-

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Particulars	As at 31st March, 2026	As at 31st March, 2025
Repayment received towards Loans Given		
Le Merite Fashions Private Limited	331.24	-
Sale Transactions		
Le Merite Fashions Private Limited	26.50	6.92
Purchase Transactions		
Le Merite Fashions Private Limited	-	165.79
Interest on intra-group loans (Income)		
Le Merite Fashions Private Limited	2.34	-

Outstanding balances - (Payable)/Receivable

Particulars	As at 31st March, 2026	As at 31st March, 2025
Loan Payable		
Abhishek Lath	2.45	-
Umashankar Lath	-	1,235.85
Shweta Lath	151.85	-
Le Merite Fashion Pvt Ltd	114.40	-
Salary/Sitting Fees Payable		
Rohit Agarwal	-	1.08
Narendra Srivastava	-	1.89
Jayadeep Mehta	-	2.03
Sandeep Poddar	-	0.48
Arpit Sharma	0.90	-
Receivable		
Le Merite Fashions Private Limited	1.96	-
Payable		
Le Merite Fashions Private Limited	-	34.78

Note 39: Disclosure pursuant to the Micro, Small and Medium Enterprises Development Act,2006 (MSME')

Based on the information available with the Company regarding the status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), there are no amounts payable to Micro and Small Enterprises as at 31 March 2026. Accordingly, no disclosures relating to principal amount, interest, or interest payable under Section 22 of the MSMED Act are required to be made in these financial statements. No supplier has intimated the Company about its status as a Micro or Small Enterprise or furnished a valid Udyam Registration Number under the MSMED Act. (31 March 2025: Nil; 1 April 2024: Nil).

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 40: Contingent liabilities

Particulars	As at 31st March, 2026	As at 31st March, 2025
Claim against company not acknowledged as debts		
- in respect of statutory dues	-	-
- in respect of trade	-	-
a. Towards case filed by vendor	93.94	96.73
b. Towards case filed by lessor for lease of rokadeshwar sahakari soot girni	493.62	312.39
Total	**587.56**	**409.12**

Note 41: Corporate social responsibility

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Opening balance of CSR liability	**8.36**	**31.79**
Add: Current year liability	11.93	-
Total CSR liability	**20.28**	**31.79**
Less: Brought forward from earlier year (excess spent in earlier year)	-	-
Less: Amount spent during the year towards current year's liability	-	-
Less: Amount spent during the year towards earlier year's liability	7.94	23.43
Closing balance of CSR liability	**12.35**	**8.36**

41.1 Year ended 31 March, 2026

The opening CSR liability of Rs. 8.36 lakhs represented the balance of the unspent CSR obligation pertaining to FY 2023-24. During the current year, the Company spent Rs. 7.94 lakhs against this obligation, leaving an unspent balance of Rs. 0.42 lakhs.

The Company recognised a CSR liability of Rs. 11.93 lakhs for FY 2025-26. As this amount remained unspent as at 31 March 2026, it was transferred to the Unspent CSR Account on 28 April 2026 in compliance with Section 135(6) of the Companies Act, 2013. Accordingly, the closing CSR liability of Rs. 12.35 lakhs comprises Rs. 0.42 lakhs relating to FY 2023-24 and Rs. 11.93 lakhs relating to FY 2025-26.

41.2 Year ended 31 March, 2025

The opening CSR liability of Rs. 31.79 lakhs represented the balance of the unspent CSR obligation pertaining to FY 2023-24 & FY 2022-23 of Rs. 30.43 lakhs and Rs. 1.36 lakhs respectively. During the year, the Company spent Rs. 23.43 lakhs against this obligation, leaving an unspent balance of Rs. 8.36 lakhs.

The Company did not incur any CSR obligation for FY 2024-25, as no CSR liability arose during the year under the provisions of Section 135 of the Companies Act, 2013. Accordingly, the closing balance as at 31 March 2025 did not include any liability pertaining to FY 2024-25.

Note 42: Segment reporting
The Company is primarily in the business of manufacturing, purchase and sale of textiles. The Management of the Company evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.
Therefore, there is only one reportable segment for the Company ie. Textile Business.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 43: Financial risk management framework

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Senior Management of the company. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's senior management oversees the management of these risks. The Company's senior management is supported by finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The Finance department provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the company's policy that no trading in derivatives for speculative purposes maybe undertaken. The Board of Directors reviews and formulates the policies for managing each of these risks, which are summarised below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits and setting credit limits
Liquidity risk	Trade payables and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis, Cash flow forecasting	Management follows established risk management policies.
Interest rate risk	Deposits placed with banks	Interest rate sensitivity analysis	Management follows established risk management policies.

A) Credit risk

i) Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on historical data and subsequent expectation of receipts. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

The age analysis of the trade receivables from the due date of the invoice, net of allowances is given below:

Period	31 March, 2026				31 March, 2025			
	Gross	Provisions	Exepected loss rate	Net	Gross	Provisions	Exepected loss rate	Net
Not due	4,664.28	214.93	4.61%	4,449.35	5,044.38	86.92	1.72%	4,957.46
Less than 180 days	2,142.20	98.64	4.60%	2,043.56	4,984.38	85.89	1.72%	4,898.49
From 181-365 days	1,631.16	159.47	9.78%	1,471.69	697.19	23.85	3.42%	673.34
More than 365 days	556.50	168.32	30.25%	388.17	849.81	80.05	9.42%	769.75
Total	**8,994.14**	**641.36**	**7.13%**	**8,352.78**	**11,575.75**	**276.71**	**2.39%**	**11,299.04**

Period	1 April, 2024			
	Gross	Provisions	Exepected loss rate	Net
Not due	5,347.15	107.29	2.01%	5,239.86
Less than 180 days	2,690.55	53.99	2.01%	2,636.57
From 181-365 days	510.47	25.20	4.94%	485.27
More than 365 days	348.93	34.04	9.75%	314.89
	8,897.10	**220.51**	**2.48%**	**8,676.59**

Reconciliation of loss allowance provision of trade receivables:

Particulars	31 March, 2026	31 March, 2025	1 April, 2024
Loss allowance at the beginning of the year	276.71	220.51	220.51
Increase in loss allowance recognised in profit or loss during the year	364.65	56.20	-
Utilisation during the year	-	-	-
Exchange difference	-	-	-
Provision released during the year	-	-	-
Loss allowance at the end of the year	**641.36**	**276.71**	**220.51**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Trade receivables ageing schedule - 31 March, 2026

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
1) Undisputed trade receivables - considered good	4,449.35	2,043.56	1,471.69	106.11	116.47	165.60	8,352.78
Less: Provision for expected credit loss	214.93	98.64	159.47	33.75	56.24	78.33	641.36
2) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
3) Disputed trade receivables - considered good	-	-	-	-	-	-	-
4) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Total	**4,664.28**	**2,142.20**	**1,631.16**	**139.86**	**172.71**	**243.93**	**8,994.14**

Trade receivables ageing schedule - 31 March 2025

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
1) Undisputed trade receivables - considered good	4,957.46	4,898.49	673.34	327.37	408.12	34.26	11,299.04
Less: Provision for expected credit loss	86.92	85.89	23.85	25.39	50.39	4.27	276.71
2) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
3) Disputed trade receivables - considered good	-	-	-	-	-	-	-
4) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Total	**5,044.38**	**4,984.38**	**697.19**	**352.76**	**458.52**	**38.53**	**11,575.75**

Trade receivables ageing schedule - 1 April, 2024

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
1) Undisputed trade receivables - considered good	5,239.86	2,636.57	485.27	294.32	2.10	18.47	8,676.59
Less: Provision for expected credit loss	107.29	53.99	25.20	30.25	0.39	3.40	220.51
2) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
3) Disputed trade receivables - considered good	-	-	-	-	-	-	-
4) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Total	**5,347.15**	**2,690.55**	**510.47**	**324.57**	**2.48**	**21.88**	**8,897.10**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

List of parties having aggregate of receivables exceeding 5% of total trade receivables as at the end of each year -

Name of customer	31 March, 2026	Name of customer	31 March, 2025	Name of customer	1 April, 2024
Sureka International	1,573.96	Knit Concern Limited	2,480.36	Jawahar Sahakari Soot Girni Limited	1,423.00
Knit Concern Limited	1,118.65	KC Lingerie Limited	693.86		
KC Print Limited	879.05	Jawahar Sahakari Soot Girni Limited	582.07		
Jawahar Sahakari Soot Girni Limited	728.41				
Xiamen Port Commerce Information	455.28				
Total	**4,755.35**		**3,756.29**		**1,423.00**

ii) Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

iii) For some trade receivables, the Company may obtain security in the form of guarantees, deeds of undertaking or letters of credit, which can be called upon if the counterparty is in default under the terms of agreement.

iv) For other financial assets, the Company has assigned impairment and immaterial impact is noted.

B) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March, 2026. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in liquid mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

The following are the contractual maturities of the financial liabilities as at the Balance Sheet date:

Particulars	31 March, 2026	31 March, 2025	1 April, 2024
Borrowings			
Less than 1 year	8,398.36	9,015.07	8,697.70
More than 1 year	648.07	1,271.94	562.63
Total	**9,046.43**	**10,287.01**	**9,260.33**
Trade payables			
Less than 1 year	876.66	1,536.56	850.58
More than 1 year	364.89	419.43	390.72
Total	**1,241.54**	**1,955.99**	**1,241.30**

The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 43: Financials Risk management framework

C) Market risk

Considering the Company's existing foothold/experience in the Textile sector, established & diversified client base, association with various international/domestic agents, it's competent sales team and an established marketing setup in India and International Market, it does not foresee any problem in marketing its production.

Market Risk is the risk of loss of future earnings, fair values of future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchanges rates, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, and other market changes.

The Company manages market risk through a finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies, which are approved by Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

(i) Foreign currency risk
The Company operates internationally and its exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (INR) of the Company. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Company's exposure to foreign currency risk at the end of reporting year in Rupees Lakhs, are as follows :

Particulars	Currency	31 March, 2026		31 March, 2025		1 April, 2024	
		Amount in foreign currency	**Amount in INR**	Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Financial assets							
Foreign currency trade receivables	USD	42,70,377	40,28,67,320	85,59,687	73,57,05,087	61,15,647	51,06,56,494
Financial liabilities							
Foreign currency payables	USD	-	-	-	-	-	-
Net exposure to foreign currency risks	USD	**42,70,377**	**40,28,67,320**	**85,59,687**	**73,57,05,087**	**61,15,647**	**51,06,56,494**

(USD - US Dollar)

The sensitivity of profit or loss to changes in foreign exchange rates are as follows :

Particulars	Currency	31 March, 2026		31 March, 2025		1 April, 2024	
		Impact on (profit)/loss *		**Impact on (profit)/loss ***		**Impact on (profit)/loss ***	
		Increase by 5%	**Decrease by 5%**	**Increase by 5%**	**Decrease by 5%**	**Increase by 5%**	**Decrease by 5%**
Net Financial assets	USD	2,01,43,366	(2,01,43,366)	3,67,85,254	(3,67,85,254)	2,55,32,825	(2,55,32,825)

** Holding all other variable constants*

Hedging Disclosures

The Company is exposed to foreign currency risk arising from transactions denominated in foreign currencies, primarily relating to trade receivables, trade payables and other monetary assets and liabilities.

To mitigate the exposure to fluctuations in foreign exchange rates, the Company enters into forward exchange contracts based on its approved risk management policy. These forward contracts are entered into for the purpose of managing foreign currency risk associated with underlying exposures and are not held for trading or speculative purposes.

The Company has not designated these forward exchange contracts in a qualifying hedge accounting relationship under Ind AS 109. Accordingly, all derivative financial instruments are measured at fair value through profit or loss (FVTPL), and changes in their fair value, including mark-to-market gains or losses, are recognised in the Statement of Profit and Loss in the period in which they arise.

The Company monitors its foreign currency exposures on an ongoing basis and enters into forward contracts considering the nature, amount and timing of the underlying exposures.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its financial assets that includes liquid investments such as fixed deposits which are part of cash and cash equivalents and other bank balances. Since all these financial assets are generally for short durations, the Company believes it has manageable risk for achieving satisfactory returns. The exposure to interest rate risk is as follows:

Particulars	31 March, 2026		31 March, 2025		1 April, 2024	
	Weighted average interest rate	Balance (INR lacs)	Weighted average interest rate	Balance (INR lacs)	Weighted average interest rate	Balance (INR lacs)
Loans from banks	**6.47%**	**8,273.75**	**8.18%**	**9,051.16**	**9.03%**	**8,746.31**

Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of change interest rates

Impact on profit after tax	31 March, 2026	31 March, 2025	1 April, 2024
Interest rates - increase by 50 basis points *	41.37	45.26	43.73
Interest rates - decrease by 50 basis points *	(41.37)	(45.26)	(43.73)

** Holding all other variables constant*

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 44: Fair value measurement

A Financial instruments by category
The financial instruments are measured at Amortised cost and Fair Value through Profit and Loss ("FVTPL")

Sr.no	Particulars	31 March, 2026		31 March 2025		1 April 2024	
		FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
	Financial assets						
a	Trade receivables	-	8,352.78	-	11,299.04	-	8,676.59
b	Investments	2,871.72	50.64	197.52	50.64	160.76	-
c	Cash and cash equivalents	-	1,006.30	-	308.76	-	142.30
d	Other bank balances	-	4,629.89	-	5,016.10	-	4,369.10
e	Security deposits	-	257.39	-	253.81	-	333.60
f	Loans to related parties	-	1.96	-	0.51	-	-
g			1,648.37	-	899.89	-	446.95
	Advance in nature of loans	-					
h	Inter-corporate deposits	-	64.39	-	-	-	-
	Total financial assets	**2,871.72**	**16,011.71**	**197.52**	**17,828.74**	**160.76**	**13,968.53**
	Financial liabilities						
a	Borrowings	-	9,046.43	-	10,287.01	-	9,260.33
b	Trade payables	-	1,241.54	-	1,955.99	-	1,241.30
	Total financial liabilities	**-**	**10,287.97**	**-**	**12,243.00**	**-**	**10,501.63**

Fair value hierarchy
This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Total financial assets				
31 March, 2026	2,849.52	22.20	-	2,871.72
31 March, 2025	197.52	-	-	197.52
1 April, 2024	160.76	-	-	160.76
Total financial liabilities				
31 March, 2026	-	-	-	-
31 March, 2025	-	-	-	-
1 April, 2024	-	-	-	-

Level 1: This level hierarchy includes financial instruments measured using quoted prices.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value of financial assets and liabilities measured at amortised cost
The carrying amounts of trade receivables, cash and cash equivalents, lease liabilities, trade payables, long term borrowings, short term borrowings and all other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

Valuation technique used to determine fair value of forward contracts
Fair value of forward contracts outstanding as at the balance sheet date is determined using marked to market valuation received from bank.

Valuation technique used to determine fair value of unquoted mutual funds

Fair value of market linked investments is determined using Net Asset Value ('NAV') report issued by mutual fund house.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 45: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure, in light of changes in economic conditions and the requirement of financial covenants.

The Company monitors capital using a gearing ratio, which is calculated by dividing Net Debt from the Equity. The Company includes within Net Debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance) and under Equity, the Equity Share Capital plus Other Equity is considered.

Particulars	31 March 2026	31 March 2025	01 April 2024
Equity share capital	2,503.36	2,429.86	2,348.10
Other equity	10,989.76	8,623.47	6,711.05
Total equity	**13,493.12**	**11,053.33**	**9,059.15**
Debt (short term + long term)	9,046.43	10,287.01	9,260.33
Less: Cash and cash equivalents	5,636.18	5,324.86	4,511.39
Total debt	**3,410.24**	**4,962.15**	**4,748.94**
Net debt to equity ratio	**0.25**	**0.45**	**0.52**

Note 46: First time adoption of Indian Accouting Standards

The Company has prepared the opening balance sheet as per Ind AS as of 1 April, 2024 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

A. Exceptions applied
Ind AS 101 allows first time adopters certain exemptions and certain optional exceptions from the retrospective application of certain requirements under Ind AS as follows:
1) Estimates
The estimates at 1 April, 2024 and at 31 March, 2025 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:
FVTOCI – unquoted and quoted equity shares
FVTPL – debt securities
Impairment of financial assets based on expected credit loss model
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April, 2024, the date of transition to Ind AS and 31 March, 2025.

2) Classification and measurement of financial assets
The Company has classified financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

3) Derecognition of financial assets and financial liabilities
The Company has elected to apply derecognition requirements for financial assets and financial liabilities as per Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

4) Hedge accounting
The Company has not designated these forward exchange contracts in a qualifying hedge accounting relationship under Ind AS 109. Accordingly, all derivative financial instruments are measured at fair value through profit or loss (FVTPL), and changes in their fair value, including mark-to-market gains or losses, are recognised in the Statement of Profit and Loss in the period in which they arise.

Exemptions applied
Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.
The Company has applied the following exemptions:
The Company has elected to continue with the carrying value for all of its property, plant and equipments and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition.

B. Reconciliations between previous GAAP and Ind AS
The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:
1. Balance sheet as at 31 March, 2025 and 1 April 2024
2. Total comprehensive income for the year ended 31 March, 2025
3. Reconciliation of total comprehensive income for the year ended 31 March 2025
4. Reconciliation of total equity as at 31 March 2025 and 1 April 2024
5. Cash flow statement for the year ended 31 March, 2025

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 47: First time adoption of indian accouting standards

(i) Reconciliation of assets, liabilities and equity as previously reported under IGAAP to Ind AS

Particulars	31 March 2025		
	IGAAP *	Effects of transition to Ind AS	Ind AS
ASSETS			
I. Non-current assets			
Property, plant and equipments	1,136.90	-	1,136.90
Capital work-in-progress	-	-	-
Right-of-use assets	-	-	-
Investment property	-	107.62	107.62
Financial assets			
(i) Investments	158.26	(107.62)	50.64
(ii) Other financial assets	253.81	-	253.81
(iii) Loans	0.51	-	0.51
Deferred tax asset (net)	6.80	69.17	75.97
Income tax assets	21.66	-	21.66
Total non-current assets	**1,577.94**	**69.17**	**1,647.12**
Current assets			
Inventories	1,112.85	-	1,112.85
Financial assets			
(i) Investments	175.90	21.62	197.52
(ii) Trade receivables	11,575.75	(276.71)	11,299.04
(iii) Cash and cash equivalents	308.76	-	308.76
(iv) Other bank balances	5,016.10	-	5,016.10
(v) Loans	899.89	-	899.89
Other current assets	3,034.58	-	3,034.58
Total current assets	**22,123.85**	**(255.09)**	**21,868.74**
Total assets	**23,701.80**	**(185.92)**	**23,515.85**
Equity and liabilities			
Equity			
Equity share capital	2,429.86	-	2,429.86
Other equity	8,834.58	(211.10)	8,623.47
	11,264.44	**(211.10)**	**11,053.33**
Liabilties			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1,271.94	-	1,271.94
Long term provision	30.86	-	30.86
Other liabilities	5.00	-	5.00
Total non-current liabilities	**1,307.80**	**-**	**1,307.79**
Current liabilities			
Financial liabilities			
(i) Borrowings	9,015.07	-	9,015.07
(ii) Lease liabilities	-	-	-
(iii) Trade payables			
- Dues to micro enterprises and small enterprises	-	-	-
- Dues to other than micro enterprises and small enterprises	1,955.99	-	1,955.99
Short term provision	3.78	-	3.78
Other current liabilities	154.69	25.19	179.88
Total current liabilities	**11,129.53**	**25.19**	**11,154.72**
Total liabilities	**12,437.33**	**25.19**	**12,462.51**
Total equity and liabilities	**23,701.77**	**(185.91)**	**23,515.85**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified
(ii) Reconciliation of assets, liabilities and equity as previously reported under IGAAP to Ind AS

Particulars	01 April 2024		
	IGAAP *	Effects of transition to Ind AS	Ind AS
ASSETS			
I. Non-current assets			
Property, plant and equipments	210.22	-	210.22
Capital work-in-progress	831.79	-	831.79
Right-of-use assets	-	-	-
Investment property	-	107.62	107.62
Financial assets			
(i) Investments	107.62	(107.62)	-
(ii) Other financial assets	333.60	-	333.60
(iii) Loans	-	-	-
Other non-current assets	-	-	-
Deferred tax assets	9.91	48.05	57.96
Income tax assets	66.73	-	66.73
Total non-current assets	**1,559.88**	**48.05**	**1,607.93**
Current assets			
Inventories	1,766.31	-	1,766.31
Financial assets	-	-	-
(i) Investments	113.65	47.11	160.76
(ii) Trade receivables	8,897.11	(220.52)	8,676.59
(iii) Cash and cash equivalents	142.30	-	142.30
(iv) Other bank balances	4,369.10	-	4,369.10
(v) loans	446.95	-	446.95
Other current assets	2,522.84	-	2,522.84
Total current assets	**18,258.26**	**(173.41)**	**18,084.85**
Total assets	**19,818.14**	**(125.36)**	**19,692.78**
Equity and liabilities			
Equity			
Equity share capital	2,348.10	-	2,348.10
Other equity	6,855.51	(144.46)	6,711.05
	9,203.61	**(144.46)**	**9,059.15**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	562.63	-	562.63
Long term provision	24.23	-	24.23
Other liabilities	5.00	-	5.00
Total non-current liabilities	**591.86**	**-**	**591.86**
Current liabilities			
Financial liabilities			
(i) Borrowings	8,697.70	-	8,697.70
(ii) Lease liabilities	-	-	-
(iii) Trade payables	-	-	-
- Dues to micro enterprises and small enterprises	-	-	-
- Dues to other than micro enterprises and small enterprises	1,241.30	-	1,241.30
Short term provision	2.99	-	2.99
Other current liabilities	80.66	19.11	99.77
Total current liabilities	**10,022.65**	**19.11**	**10,041.77**
Total liabilities	**10,614.51**	**19.11**	**10,633.63**
Total equity and liabilities	**19,818.11**	**(125.35)**	**19,692.78**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

(iii) Reconciliation of Statement of Profit and Loss for the year ended 31 March 2025

Particulars	31 March 2025		
	IGAAP *	Effects of transition to Ind AS	Ind AS
Income			
Revenue from operations	51,840.41	-	51,840.41
Other income	764.48	(31.60)	732.88
	52,604.89	**(31.60)**	**52,573.29**
Expenses			
Purchase of stock in trade	47,189.28	-	47,189.28
Changes in inventories of stock-in-trade	653.46	-	653.46
Employee benefits expense	246.42	(3.90)	242.52
Depreciation and amortisation expenses	117.64	-	117.64
Finance costs	2,687.50	-	2,687.50
Other expenses	846.01	56.20	902.18
	51,740.31	**52.30**	**51,792.59**
Profit/(loss) before tax [i - ii]	**864.58**	**(83.90)**	**780.70**
		-	
Income tax expense/ (income)			
Current tax	175.00	-	175.00
Income tax relating to previous years	-	-	-
Deferred tax	3.10	(20.14)	(17.03)
Tax expense	**178.10**	**(20.14)**	**157.97**
Profit for the year	**686.48**	**(63.76)**	**622.73**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
- Re-measurement gains/(loss) on defined benefit plans	-	(3.90)	(3.90)
- Income tax effect	-	0.98	0.98
Other comprehensive (loss) for the year (net of tax)	**-**	**(2.92)**	**(2.92)**
Total comprehensive (loss)/income for the year (net of tax)	**686.48**	**(66.68)**	**619.81**

* The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(iv) Reconciliations of total equity between Ind AS and previous GAAP

Particulars	31 March, 2025	1 April, 2024
Total equity as per previous GAAP	11,264.44	9,203.61
Ind AS Adjustments [increase in equity/(decrease in equity)]:		
Deferred tax effect on above	67.81	47.67
Impact of fair value gain on investments	(3.58)	27.99
Impact of gratuity	5.44	1.54
Impact of expected credit loss	(276.71)	(220.51)
Total	**(207.04)**	**(143.31)**
g) Actuarial loss of employee benefits schemes transferred to other comprehensive income (net of tax)	(4.07)	(1.15)
Equity as per Ind AS	**11,053.33**	**9,059.15**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

(v) Reconciliations of total profit between Ind AS and previous GAAP

Particulars	31 March, 2025
Profit after tax as per previous GAAP	686.48
Ind AS Adjustments [increase in profit/(decrease in profit)]:	
Deferred tax effect on above	20.14
Impact of fair value gain on investments	(31.60)
Impact of expected credit loss	(56.20)
Impact of gratuity	3.90
Total	**(63.76)**
Actuarial loss of employee benefits schemes transferred to other comprehensive income (net of tax)	(2.92)
Profit after tax as per Ind AS	**619.81**

Reconciliation of cash flow for year ended 31 March 2025

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(1,228.23)	5,115.64	3,887.41
Net cash flows from investing activities	(346.62)	(2,187.02)	(2,533.64)
Net cash flows from financing activities	2,456.74	(3,112.97)	(656.23)
Net increase in cash and cash equivalents	881.89	(184.35)	697.54
Opening Cash and cash equivalents	4,495.91	(4,187.15)	308.76
Closing cash and cash equivalents	**5,377.80**	**(4,371.50)**	**1,006.30**

1. Defined benefit liabilities

a. Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Statement of Profit and Loss. There is no impact on total equity.

2. Financial instruments

(a) Trade receivables

Under Indian GAAP, the Company has created provision for impairment of receivables which consists only in respect of specific amount for probable losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Due to ECL model, the Company impaired its trade receivables by INR 220.52 lakhs on 1 April 2024 which has been eliminated against other equity.

(b) Investments in mutual funds and listed shares

Under Indian GAAP, investments in mutual funds were recognised at the lower of cost and fair value. Upon transition to Ind AS, such investments are measured at fair value through profit or loss (FVTPL), with changes in fair value recognised in the Statement of Profit and Loss.

c) Forward contracts

Under Indian GAAP, forward contracts are accounted for in accordance with AS 11, wherein premium or discount on forward contracts entered into for hedging purposes is amortised over the life of the contract and exchange differences are recognised in the Statement of Profit and Loss. Under Ind AS, forward contracts are recognised as derivative financial instruments and measured at fair value at each reporting date, with changes in fair value recognised in profit or loss.

3. Leases

Under Previous GAAP, lease rentals were recognised as an expense after giving straight lining impact. Under Ind AS 116, the lessee shall recognise right of use assets and lease liabilities at the inception of lease. Right of use asset shall be depreciated over the lease period and lease liability shall be classified as financial liability and finance cost shall be charged on it for each reporting period. The above calculated amount is cumulative of depreciation on right-of-use assets, finance cost element and reversal of lease rent expenses. The Company recognised present value of lease payments as lease liability with corresponding recognition of right of use of assets (except for low value and short term leases).

4. Deferred Tax

Under previous GAAP, deferred taxes were recognised for the tax effect of timing diffrences between accounting income and taxable income for the year i.e., income statement approach. However, under Ind AS-12 "deferred taxes" are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and their respective tax base i.e. balance sheet approach.

5. Remeasurement of gratuity recognised in other comprehensive income

Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined liability/ asset and are recognised in other comprehensive income. Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss.

6. Expected credit loss

Under the previous GAAP, the Company use to measure provision on doubtful debts based on estimate. Ind AS requires that the company to recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

7. Investment properties

Under the previous GAAP, the Company used to account for investment properties under the cost model. Ind AS requires the Company to classify properties held to earn rentals or for capital appreciation as investment properties and account for them separately. The Company has assessed its property portfolio and classified eligible properties as investment properties in accordance with the requirements of Ind AS 40.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 48: Interest in other entities

		31 March, 2026	31 March, 2025	31 March, 2026	31 March, 2025	
Le Merit Filament Private Limited	India	51.00%	51.00%	49.00%	49.00%	Trading of textile products including cotton, yarn, fabrics, etc.
Le Merite Tactical and Defence Solutions Private Limited	India	51.00%	-	49.00%	-	Manufacturing and distribution of textiles including cotton, yarn, fabrics, etc.
Le merite Laxmi Spinning Private Limited	India	100.00%	51.00%	0.00%	49.00%	Trading of textile products & provision of related services

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 49: Additional information required by Schedule III

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Le Merite Exports								
March 31, 2026	101.40%	13,681.91	95.20%	1,100.79	100.00%	1.88	95.21%	1,102.67
March 31, 2025	102.23%	11,299.41	74.88%	466.29	100.00%	(2.92)	74.76%	463.37
Subsidiaries								
Le Merit Filament Private Limited								
March 31, 2026	-0.03%	(3.90)	-0.07%	(0.84)	0.00%	-	-0.07%	(0.84)
March 31, 2025	-0.03%	(3.05)	-0.09%	(0.59)	0.00%	-	-0.10%	(0.59)
Le Merite Tactical and Defence Solutions Private Limited								
March 31, 2026	-0.20%	(26.84)	-3.19%	(36.84)	0.00%	-	-3.18%	(36.84)
March 31, 2025	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Le merite Laxmi Spinning Private Limited								
March 31, 2026	-0.88%	(119.35)	10.43%	120.62	0.00%	-	10.41%	120.62
March 31, 2025	-2.17%	(239.96)	25.22%	157.03	0.00%	-	25.34%	157.03
Subtotal								
March 31, 2026	100.29%	13,531.82	102.38%	1,183.72	100.00%	1.88	102.37%	1,185.60
March 31, 2025	100.03%	11,056.39	100.00%	622.74	100.00%	(2.92)	100.00%	619.82
Non-controlling interest in all subsidiaries								
March 31, 2026	-0.89%	(120.25)	-0.31%	(3.62)	0.00%	-	-0.31%	(3.62)
March 31, 2025	-1.08%	(119.08)	12.31%	76.66	0.00%	-	12.37%	76.66
Inter company elimination and consolidation adjustment								
March 31, 2026	0.60%	81.56	-2.06%	(23.85)	0.00%	-	-2.06%	(23.85)
March 31, 2025	1.05%	116.03	-12.31%	(76.66)	0.00%	-	-12.37%	(76.66)
Grand total								
March 31, 2026	**100.00%**	**13,493.12**	**100.00%**	**1,156.25**	**100.00%**	**1.88**	**100.00%**	**1,158.13**
March 31, 2025	**100.00%**	**11,053.33**	**100.00%**	**622.73**	**100.00%**	**(2.92)**	**100.00%**	**619.81**

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

Note 50: Additional regulatory information required by Schedule III of the Companies Act, 2013

a. Details of benami property held
No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. Reconciliation of returns or statements submitted with banks or financial institution
The Company has borrowing limits from bank on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with bank are in agreement with the books of accounts.

c. Willful defaulter
The Company is not declared a willful defaulter by any bank or financial institution or other lenders.

d. Relationship struck off Companies
The Company has no transactions with the struck off Companies under Section 248 or 560 of the Act.

e. Compliance with number of layers of companies
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.

f. Compliance with approved scheme(s) of arrangements
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.

g. Undisclosed income
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

h. Details of crypto currency or virtual currency
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

i. Valuation of property, plant and equipments, intangible asset and investment property
The Company has not revalued its property, plant and equipments or intangible assets or both during the current or previous year.

j. Utilisation of Borrowed funds and share premium
(A) Other than investment and loan specified below, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
(B) 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
(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

k. Registration of charges or satisfaction with Registrar of Companies
The Company has registered all creation and satisfaction of charges with the Registrar of Companies during the current and previous financial year.

l. Title deeds of immovable property not held in name of the Company
The title deeds of all immovable properties (other than those properties where the Company is the lessee and the lease agreements are executed in favour of the lessee) are held in the name of the Company.

LE MERITE EXPORTS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2026
CIN: L17111MH2003PLC143645
Note: All amounts are stated in INR lakhs, unless otherwise specified

m. Loans or advances granted to promoters, directors, Key Managerial Personnel (KMPs) and the related parties

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties either severally or jointly with any other person.

n. Ratios

The Ratios as on 31st March 2026 are as follows:

Ratio	31 March 2026	31 March 2025	% Change in ratio	Reasons
(a) Current ratio	1.97	1.96	0.47%	NA
(b) Debt-equity ratio	0.67	0.93	-27.96%	Refer note (i)
(c) Debt service coverage ratio	2.50	1.80	38.63%	Refer note (ii)
(d) Interest service coverage ratio	3.13	1.87	67.99%	Refer note (iii)
(e) Return on equity ratio	0.09	0.06	53.10%	Refer note (iv)
(f) Inventory turnover ratio	34.53	36.01	-4.10%	NA
(g) Trade receivables turnover ratio	3.64	5.19	-29.91%	Refer note (v)
(h) Trade payables turnover ratio	19.72	29.52	-33.19%	Refer note (vi)
(i) Net capital turnover ratio	3.24	5.53	-41.36%	Refer note (vii)
(j) Net profit ratio	0.03	0.01	170.97%	Refer note (viii)
(k) Return on capital employed	0.16	0.14	13.62%	NA
(l) Return on investment	0.13	0.12	6.41%	NA

NA* - variance in ratio is not more than 25%, accordingly no explanation for variance is detailed out.

(a) Current Ratio = Current Assets / Current liabilities
(b) Debt-Equity Ratio = Total Debt / Total equity
(c) Debt Service Coverage Ratio = Earnings available for debt service / Debt service
(d) Interest service coverage ratio = EBIT / Total interest cost
(e) Return on Equity Ratio = Total comprehensive income for the year / Average equity
(f) Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory
(g) Trade receivables turnover ratio = Revenue from operations / Average Trade receivables
(h) Trade payables turnover ratio = Purchases / Average Trade payables
(i) Net capital turnover ratio = Revenue from operations / Average Working Capital (Current assets - Current liabilities)
(j) Net profit ratio = Total comprehensive income for the year / Revenue from operations
(k) Return on Capital employed = EBIT / (Tangible networth + Total long-term debt)
(l) Return on investment = (Total comprehensive income for the year + Finance Cost) / (Total equity + Long-term Debt)

Reasons:

(i) Decrease in ratio is due to loans repaid during the year.
(ii) Increase in profits has resulted in favourable variance.
(iii) Increase in profits has resulted in favourable variance.
(iv) Increase in profits has resulted in favourable variance.
(v) Decrease in sales has resulted in negative variance.
(vi) Decrease in purchases has resulted in negative variance.
(vii) Decrease in sales has resulted in negative variance.
(viii) Increase in profits has resulted in favourable variance.

Note 51: Previous year comparatives

The previous year's figure have been regrouped/reclassified to confirm to this year's classification.

For Nagori Nuwal & Co
Chartered Accountant
Firm Registration Number: 08185C

For and on behalf of Board of Directors
of Le Merite Exports Limited
CIN: L17111MH2003PLC143645

Shankar Lal Laddha
Partner
Membership No: 76554
Date: 28 May 2026
Place: Mumbai
UDIN: 26076554DNBPXO4491

Abhishek Lath
Managing director and
Chief financial officer
DIN : 00331675
Date: 28 May 2026
Place: Mumbai

Umashankar Lath
Chairman and
Managing director
DIN : 05135035
Date: 28 May 2026
Place: Mumbai

Arpit Sharma
Company Secretary

M. No.: A71673
Date: 28 May 2026
Place: Mumbai

Le Merite®

Une Marque Riche en Qualité

Le Merite Exports Limited

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