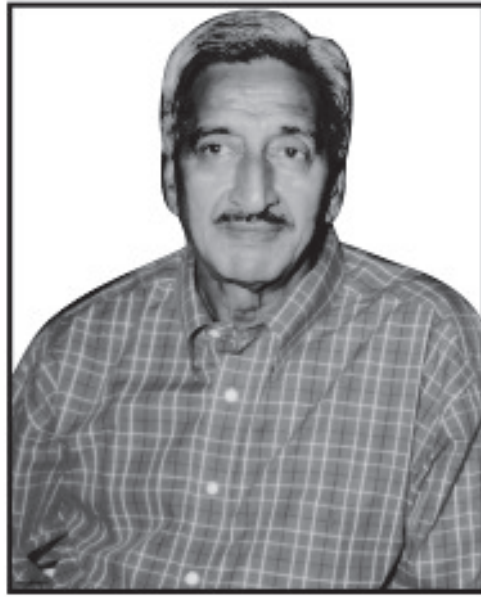




NAMASTE EXPORTS LIMITED

***TWENTY EIGHTH ANNUAL REPORT
2015 - 2016***

HOMAGE



06-04-1935 - 10-07-2016

SRI K. NARAYANA BHAT
Founder, Promoter & Ex-Chairman of
NAMASTE EXPORTS LTD

*You will always live in our
heart and memories*



BOARD OF DIRECTORS	Mr. K. Vinod Bhat	Managing Director
	Mr. K. Vishal Bhat	Director
	Mr. M. Sripad Rao	Whole-time Director
	Mr. E.N. Veeranna	Whole-time Director
	Mrs. Geetha Santhanagopalan	Independent Director
	Mr. G.P. Roy	Independent Director

BANKERS & FINANCIAL INSTITUTIONS The Federal Bank Ltd.,
St. Marks Road,
Bangalore

AUDITORS M/S Ishwar & Gopal
Chartered Accountants
Sri Vinayaka Motor Service Building
No. 21/2, T.S.P. Road, Kalasipalyam
Bangalore 560 002

REGISTERED OFFICE Namaste Complex
21/2, Vittalnagar
Chamarajpet
Bangalore-560 018
CIN : L85110KA1988PLC008988
Tel : 91-80-26742252
Email : accounts@namasteexports.net
Website : www.namasteexports.net

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of Namaste Exports Limited will be held at **G.T.R. Prince Palace**, Lakshman Garden, 80 Feet Road, B.S.K. 2nd Stage, Bangalore-560 070 on **Thursday** the **29th September, 2016** at **10.30 A.M** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Profit & Loss Account for the year ended on that date along with the Reports of the Auditor's and Board of Directors thereon.
2. To appoint a Director in place of Mr. K. Vishal Bhat (DIN: 02446614) who retires by rotation, being eligible offer himself for re-appointment.
3. To appoint auditors and authorise the Board to fix their remuneration :

To appoint Statutory Auditors and in this connection, to pass with or without modification the following resolutions as an Ordinary Resolution :

"Resolved that M/s. Ishwar & Gopal, Chartered Accountants (Registration No. 021748) be and are hereby appointed as Auditors of the company to hold office from the conclusion of the 28th Annual General Meeting until the conclusion of the 29th Annual General Meeting on a remuneration of such sum as may be fixed by the Board of Directors".

"Resolved further that the Board of Directors of the company be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to the resolution".

SPECIAL BUSINESS

4. To re-appoint Shri E.N.Veeranna (DIN: 00920219) as a Whole-time Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions 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) and subject to the approval of the Central Government if required, and Remuneration Committee and the approval of the shareholders, the consent of the Board be and is hereby accorded to the reappointment of Mr. E. N. Veeranna (DIN: 00920219) as a Whole-Time-Director (Finance) of the Company for a period of 3 years w.e.f. 01.05.2016 to 30.04.2019 on the terms and conditions including remuneration as set out in the explanatory statement.

For NAMASTE EXPORTS LTD.

Sd /-

Bangalore-560 018.
1st September 2016

(K. VINOD BHAT)
MANAGING DIRECTOR
(DIN : 02359812)

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF/ HERSELF TO ATTEND THE ANNUAL GENERAL MEETING AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY BY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING
2. The Register of Members and Share Transfer Books of the Company will remain closed on 29th September, 2016.
3. Members are requested to bring their copy of the Annual Report to the Meeting, since extra copies of Annual Report will not be supplied at the meeting.
4. Members are requested to notify immediately any change in address and signature updation for their physical holdings to the Company at its Registered Office and to the respective DPs in case of shares in demat mode.

By order of the Board of Directors

For NAMASTE EXPORTS LTD.

Sd /-

Bengaluru-560 018
1st September 2016

(K. VINOD BHAT)
MANAGING DIRECTOR
(DIN : 02359812)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.****ITEM : 4**

The Board of directors at its meeting held on 30/04/2016 approved the re-appointment of Mr. E.N. Veeranna, Director of the Company as Whole-Time-Director of the company for a period of 3 years from 01/05/2016 to 30/04/2019 and that the remuneration committee approved the re-appointment of Mr. E.N. Veeranna at its meeting held on 14/06/2016. Considering his vast expertise in the field of financial management and long association with the Company, the directors resolved to appoint Mr. E.N. Veeranna as Whole-Time-Director for a period of 3 years subject to the approval of the Central Government, if required, on the following terms and conditions.

1. He shall be responsible for overall management and supervision of the Company in addition to other duties and responsibilities as are entrusted to him from time to time by the Board of Directors and Chairman/MD.
2. He shall be accountable to the Chairman/MD in discharging his duties and the Chairman/MD shall be his disciplinary authority.
3. He shall throughout of the said term of his appointment, devote the whole of his time, attention and ability to the business of the Company.
4. He shall be entitled to the following remuneration and benefits.
 - (i) Salary : Rs. 1,00,000/- (Rupees One lakh only) per month.
 - (ii) Increase in remuneration upto 20% every year.
 - (iii) Perquisites and Allowances : The Whole-Time-Director shall be entitled to medical reimbursement equal to one month's salary; leave travel concession for self and family; personal accident insurance; company's contribution to provident fund, super -annuation fund and gratuity; leave encashment at the end of the tenure including carry forward leaves under previous term and such other perquisites and allowances.
 - (iv) In case of loss or inadequacy of profits in any financial year of the Company, the Whole Time Director is entitled to all remuneration including benefits and amenities as aforesaid.
5. He shall be entitled for the re-imbusement of all, actual expenses or charges incurred by him for and on behalf of the Company in furtherance of its business and object as may be approved by the Chairman or the Board from time to time.
6. He is entitled to 30 days leave with pay and casual leave as applicable to other officers of the Company, for each year of service.
7. He shall not engage himself either directly or indirectly in any other business.
8. He shall not divulge or disclose any person, firm, company, body corporate or concern whatsoever or make any use for his own or for whatever purpose of any information confidential in nature obtained by him during his employment as to the business affairs of the Company or as to the trade secrets or any information relating to the Company except particulars which are to be disclosed by the Company in the ordinary course of business.
9. The Company shall be entitled to terminate this agreement in the event of him being guilty of misconduct or such inattention

to or negligence in the discharge of his duties.

10. Notwithstanding anything herein contained either party hereto shall have the option to terminate the appointment by giving 3 months notice in writing to the other party to that effect.
11. The Whole-time Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Chairman/ Managing Director.
12. The Whole-Time- Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
13. The Whole-time Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
14. The office of the Whole-time Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Shri E.N. Veeranna satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for the re-appointment. He is are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

By order of the Board of Directors
Sd /-
(K. VINOD BHAT)
MANAGING DIRECTOR
(DIN : 02359812)

Bengalore-560 018
1st September 2016

DIRECTORS REPORT

To The Members,
Directors present the Twenty Eighth Annual Report of the Company along with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2016.

**1. FINANCIAL RESULTS
(Rs. in Thousands)**

	2015-2016	2014-2015
Sales & Other Income	310760	324158
Profit (Loss) Before Interest Depreciation		
Non Operative (Loss) / Profit Less / (Add)	(46716)	(18772)
Interest	(8393)	(6532)
Depreciation	(7312)	(8690)
Non-Operative (Loss) / Profit	(62421)	(33994)
Profit (Loss) before Tax	(62421)	(33994)
Exceptional Items	-	25090
Profit (Loss) before extraordinary items and tax	(62421)	(8904)
Extraordinary items	(21369)	-
Add/(Less) tax related to earlier year	-	29
Deferred Tax written off	744	-
Profit/(loss) for the year	(84534)	(8933)
Profit/(loss) brought forward	40189	49989
Add(less) adjustment relating to fixed assets	-	(867)
Net Surplus / (Deficit) in statement of Profit & Loss A/c carried to balance sheet	(44345)	40189

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits under the provisions of Section-58A of the Companies Act, 2013 and the rules made thereunder.

PERFORMANCE

The company achieved turnover of Rs. 31.08 Crs. in an operating period of 8 months. Floods in Chennai during December 2015 washed out entire stocks at Chennai Tannery unit. The company's production and sales were affected for 4 months. The company also lost inventory value Rs. 4.50 Crs. This along with the operational losses resulted in the company posting a loss of Rs. 8.45 Crs.

FUTURE PROSPECTS

The company has made an insurance claim for the losses and it is likely to get the insurance settlement during this financial year. The company would maintain the existing garments business. In addition the company has launched a special product for bikers called 'Kavaci' The sale of these jackets would bring in turnover nearly Rs. 500 lakhs during next financial year. The company has also started exporting finished leather to European markets and it is likely to turnover of nearly 10.00 Crs. The company would have a substantial increase in business because of the aforesaid reasons and likely to post a healthy profit in the ensuing financial year.

2.EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There were no material changes and commitments which occurred affecting the financial position of the Company between March 31, 2016 and the date on which this report has been signed.

Independent Director A. Gopal Iyengar has completed two consecutive 5 years (10 years). His term of office ceased w.e.f. 29-4-2016.

3.MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There are no material changes and commitments between the end of the Financial Year and the Date of the Report, which affect the financial position of the Company.

4.CHANGE IN NATURE OF BUSINESS:

There were no changes in the nature of business during the year under review as prescribed in Rule 8(ii) of the Companies (Accounts) Rules, 2014

5. DIVIDEND

In view of the losses incurred, your Directors expressed inability to recommend any dividend.

6.RESERVES

In view of the losses, the question of transferring any amount to Reserves does not arise.

7. SHARE CAPITAL

There were no changes in the Share Capital of the Company during the year.

Disclosure regarding Issue of Equity Shares with Differential Rights

During the year under review the Company has not issued Shares with Differential Rights.

Disclosure regarding issue of Employee Stock Options:

During the year under review the Company has not issued Shares Employee Stock Options.

Disclosure regarding issue of Sweat Equity Shares:

During the year under review the Company has not issued Sweat Equity Shares.

8. CAPITAL EXPENDITURE

As on 31st March, 2016, the gross tangible and intangible assets stood at Rs. 15,46,57,757 and the net tangible and intangible assets, at Rs. 8,85,03,088 Additions during the year amounted to Rs. 2,74,168 The Company has not purchased any assets under lease.

9. BOARD MEETINGS:

Board Meetings and Attendance of Each Director at the Board Meetings and the last Annual General Meeting :

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

During the financial year 2015-16, 5 meetings of the Board of Directors were as under:

One Board meetings during May 2015 viz. 30/05/2015, and remaining four meetings on 30/07/2015, 30/10/2015, 07/12/2015, and 15/02/2016 respectively. The gap between two board meetings did not exceed four months.



The details of attendance of directors of the board meeting are as under :

Name of the Directors	No. of Board meetings held	No. of Board meetings attended	Attendance at last AGM
Mr. K. Vinod Bhat <i>Managing Director</i>	5	4	Yes
Mr. K. Vishal Bhat <i>Director</i>	5	5	Yes
Mr. M. Sripad Rao <i>Whole Time Director</i>	5	5	Yes
Mr. E.N. Veeranna <i>Whole Time Director</i>	5	5	Yes
Mr. A. Gopala Iyengar <i>Independent Director</i>	5	3	No
Mrs. Geetha Santhanagopalan <i>Independent Director</i>	5	5	No
Mr. G.P. Roy <i>Independent Director</i>	5	4	No

10. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

11.COMPOSITION OF AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE & STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Following are the composition of various Committees:
As on 31st March 2016, the Audit Committee of the Company consists of three (3) Non-Executive Independent Directors and all of them have financial and accounting knowledge. The Board has accepted the recommendations of the Audit Committee during the year under review.

The Audit Committee comprises of :

- A. Gopal Iyengar (Chairman of the Committee) (DIN : 00920440)
- Mrs. Geetha Santhanagopalan (DIN : 06602023)
- K. Vishal Bhat (DIN : 02446614)

12. NOMINATION AND REMUNERATION COMMITTEE:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and for other employees and their remuneration

The Nomination and Remuneration Committee comprises of :

- Mrs.Geetha Santhanagopalan (Chairman of the Committee) (DIN : 06602023)
- A. Gopala Iyengar (DIN : 00920440)
- K. Vishal Bhat (DIN : 02446614)

The Grievance Committee comprises of :

- A. Gopal Iyengar (Chairman of the Committee) (DIN : 00920440)
- Mrs. Geetha Santhanagopalan (DIN : 06602023)
- K. Vishal Bhat (DIN : 02446614)

13.VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established an effective vigil mechanism (for directors and employees to report genuine concerns) pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement which is available on website of the Company and there were no cases reported during the last period.

14. CORPORATE GOVERNANCE

The company has complied with certain requirements as per the Security Exchange Board of India (SEBI) guidelines for Corporate Governance.

15. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a 'going concern' basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is attached as Annexure I.

17. INFORMATION ABOUT THE FINANCIAL PERFORMANCE/ FINANCIAL POSITION OF THE SUBSIDIARIES/ASSOCIATES/JV

Your Company is not subsidiary of any company. Your Company has no subsidiaries or joint ventures in India or abroad. Consequently, financial performance of the Subsidiary/Associates referred to in Section 129 of the Companies Act, 2013 in Form AOC-1 is not annexed to this Report

18. AUDITORS

The Statutory Auditors M/s. Ishwar & Gopal, Chartered Accountants, (ICAI Firm Registration No 001154S) retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate has been obtained from them to the effect that the appointment, if made will be in accordance with the regulations specified in the Companies Act, 2013.

Your Company has not appointed any internal auditors.

EXPLANATION BY BOARD ON COMMENTS BY AUDITORS:

The Statutory Auditor's of the Company M/s. Iswhar & Gopal, Chartered Accountants, Bangalore have given their Audit Report for the year ended 31st March, 2016 with certain emphasis of matter, on which the Directors of the Company clarify as follows.

Observations made in the Report :

Emphasis by the auditor	Explanation by the Board
Note No 2.1(g) regarding pending filing of documents with Registrar of Companies, Karnataka, Bangalore, for increase in authorized capital, paid up capital, reduction in the face value of paid up capital and filing of other documents relating to amalgamation / restructuring.	In respect of allotment of shares to Success Apparels Private Limited (SAPL) in Namaste Exports Limited (NEL) upon merger, the company is in the process of filing and completing all formalities relating to enhancement of authorised capital. The company is expecting clearance from MCA.

19. SECRETARIAL AUDIT REPORT

The trading in the shares of the company in the BSE/NSE remain suspended from 2002. The company's application/request for listing of shares and revocation of suspension is yet to be approved by the stock exchanges. Since the suspension continues and the company is deemed unlisted, appointment of a Company Secretary/ Secretarial Auditor is kept in abeyance. The company shall comply these requirements upon revocation of suspension and listing of shares.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has not appointed a Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year under review for obtaining Secretarial Auditor in the form of MR-3.

20. PARTICULARS OF CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Your Company gives high priority for conservation of energy through better supervision and training of employees to economize the usage of electricity.

(A). CONSERVATION OF ENERGY

Steps taken / impact on conservation of energy.	The Company's operations are not power intensive. Nevertheless, your Company has introduced various measures to conserve and minimize the use of energy wherever it is possible.
(i) Steps taken by the company for utilizing alternate sources of energy including waste generated.	Nil
(ii) Capital investment on energy conservation equipment.	Not Applicable
Total energy consumption and energy consumption per unit of production as per Form A.	The Company is not covered in the list of industries which should furnish information in Form 'A' relating to energy consumption and energy consumption per unit of production

(B) Technology Absorption

Efforts in brief, made towards technology absorption, adaptation and innovation	Not applicable
Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
Technology imported	Not applicable
Year of Import	Not applicable
Has technology been fully absorbed	Not applicable
If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	Not applicable

(C) Research and Development (R & D)

Specific areas in which R & D carried out by the company	The Company has not carried out any research and development work during the course of the year.
Benefits derived as a result of the above R & D	Not Applicable
Future plan of action	Not Applicable
Expenditure on R & D	
(a) Capital	Nil
(b) Recurring	Nil
(c) Total	Nil
(d) Total R & D expenditure as a percentage of total turnover	Nil

**(D) Foreign Exchange Earnings and Outgo**

Activities relating to exports	Not Applicable
Initiatives taken to increase exports	Not Applicable
Development of new export markets for products and services	Not Applicable
Export plans	Not Applicable
Total Exchange used (Cash basis)	As on 31 st March 2015: Rs. 65,072,465
Total Foreign Exchange Earned (Accrual Basis)	As on 31 st March 2016: Rs. 234,680,153

21. RATIO OF REMUNERATION TO EACH DIRECTOR

Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 (1) (2) (3) of the Companies (Appointment and Remuneration) Rules, 2014, details/disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is annexed to this report as **Annexure 2**

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than sixty lakhs rupees per financial year or five lakh rupees per month as the case may be. Therefore statement/disclosure pursuant to Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

22. DEPOSITS

Your Company has not invited/accepted/renewed any deposits from public as defined under the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 and accordingly, there were no deposits which were due for repayment on or before 31st March, 2016.

23. MATERIAL ORDER PASSED BY ANY COURT OR REGULATOR OR TRIBUNALS IMPACTING GOING CONCERN STATUS OF COMPANY:

No order was passed by any court or regulator or tribunal during the period under review which impacts going concern status of the Company.

24. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

The Company continued to maintain, high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization. The Audit Committee, which meets at-least four times a year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the auditors.

25. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:

The Company has not given any loan or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

26. RISK MANAGEMENT POLICY

The Company has not yet formulated a Risk Management Policy. Your Company has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and undertakes periodical review to ensure that executive management controls risk by means of a properly designed framework.

27. CORPORATE SOCIAL RESPONSIBILITY

Since the Company does not meet the criteria for the applicability of Section 135 of the Companies Act read with the Companies (Accounts) Rules, 2015, this clause is not applicable.

28. RELATED PARTY TRANSACTIONS (RPTs):

Related Party Transactions were entered into during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is attached.

29. ANNUAL BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

30. MANAGEMENT DISCUSSION AND ANALYSIS

As requisite and appropriate Management Discussion & Analysis is covered under this Report itself, a separate note on the same is not being furnished.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration

31. LISTING WITH STOCK EXCHANGE

The trading in the shares of the company in the BSE/NSE remain suspended from 2002. The company's application/request for listing of shares and revocation of suspension is yet to be approved by the stock exchanges.. Your Company confirms that it has paid listing fees for the year 2015-16 to BSE / NSE.

32. CORPORATE GOVERNANCE AND SHAREHOLDERS' INFORMATION

In compliance with the Listing Agreement with the Stock Exchange, the Company has complied with all the requirements as per the Security Exchange Board of India (SEBI) guidelines for Corporate Governance. All the requisite Committees are functioning in line with the guidelines.

Certificate from K. Narendra, Practising Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Regulation 27 of SEBI (LODR) the Listing Agreement is given to the company.

33. EVENT BASED DISCLSoure

There are no event based disclosures.

34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16:

No of complaints received: NIL
 No of complaints disposed off: NIL

35. FRAUD REPORTING (REQUIRED BY COMPANIES AMENDMENT BILL, 2014)

There are no frauds

36. HUMAN RESOURCES & INDUSTRIAL RELATIONS

Employee relations at all levels continued to remain cordial.

37. ACKNOWLEDGEMENT

Directors place on record their sincere appreciation for the assistance and co-operation received from the bankers, financial institutions. The Directors also place on record their appreciation for the support given and contribution made by the officers, staff and workers at all levels during the year. Board for Industrial and Finance Reconstruction, Government of India particularly Ministry of Commerce and Finance and Govt. of Karnataka, for their support during the year under review and the Company look forward to their continued co-operation and support.

For and on behalf of the Board of Directors

Bangalore-560 018
 30th May 2016

Sd /-
(K. VINOD BHAT)
 MANAGING DIRECTOR
 (DIN : 02359812)

Extract of the Annual Return

Annexure-1

In terms of the provisions of Section 92(3) and read with Section 134(3) (a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2004, an extract of the Annual Return on the prescribed Form MGT-9 is given herein below :

Registration and Other Details :-

CIN	: L85110KA1988PLC008988
Registration Date	: 21/03/1988
Name of the Company	: NAMASTE EXPORTS LIMITED
Category of the Company	: Public Limited Company
Address of the Regd. Office & Contact Details	: 21/2, 'Namaste Complex', Vittal Nagar, Chamrajpet, Bangalore-560 018. Email : accounts@namasteexports.net Website : www.namasteexports.net
Whether Listed Company	: Yes
Name & Address and Contact Details of Registrar and Transfer Agent	: M/s. Integrated Enterprises (India) Ltd. No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003 (Yet to be approved by competent authority)

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10% or more of the total turnover of the company shall be stated : -

Sl No.	Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the company
1	Company manufactures and exports leather garments & leather goods	19129	100%

III. Shareholding pattern (with Equity Share Capital Breakup as percentage of total Equity)**1) Category-wise Shareholding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter	0.00	40818600	40818600	29.29	0.00	40818600	40818600	29.29	NIL
<i>1) Indian</i>									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp									
e) Banks / FI									
f) Any Other (Promoters group)	13450	72433740	72447190	52.00	13450	72433740	72447190	52.00	NIL
Sub-total(A)(1):-	13450	113252340	113265790	81.29	13450	113252340	113265790	81.29	NIL
<i>2) Foreign</i>									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other...									
Sub-total (A)(2):-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NIL
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	13450	113252340	113265790	81.29	13450	113252340	113265790	81.29	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0.00	33200	33200	0.02	0.00	33200	33200	0.02	NIL
b) Banks / FI	104500	5578050	5682550	4.08	104500	5581050	5682550	4.08	NIL
c) Central Govt	0.00	2052200	2052200	1.47	0.00	2052200	2052200	1.47	NIL
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NIL
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	104500	7663450	7767950	5.57	104500	7663450	7767950	5.57	NIL

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	862032	2124595	2986627	2.14	862032	2124595	2986627	2.14	NIL
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	0.00	330000	330000	0.24	0.00	330000	330000	0.24	NIL
c) Others(Specify)									
ii) NRI+OCB	3375	19760	23135	0.02	3375	19760	23135	0.02	NIL
i) Hindu undivided family	8303	0.00	8303	0.01	8303	0.00	8303	0.01	NIL
iii) Bodies Corporate	529700	4963150	5492850	3.94	529700	4963150	5492850	3.94	NIL
iv) Friends & relatives	1255	9466520	9467775	6.79	1255	9466520	9467775	6.79	NIL
Sub-total (B)(2)	1404665	16904025	18308690	13.14	1404665	16904025	18308690	13.14	NIL
Total Public Shareholding (B) = (B)(1)+ (B)(2)	1509165	24567475	26076640	18.71	1509165	24567475	26076640	18.71	NIL
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NIL
Grand Total(A+B+C)	1522615	137819815	139342430	100	1522615	137819815	139342430	100	NIL

Note: There is no changes in the shareholding pattern during the year 2015-16

2) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged/ encumbered to total shares	
1	K.NARAYAN BHAT	3092050	2.22	Nil	3092050	2.22	Nil	NA
2	MADURA N. BHAT	37726550	27.07	Nil	37726550	27.07	Nil	NA
	TOTAL	40818600	29.29	NIL	40818600	29.29	NIL	NA

**3) Change in the shareholding of the promoters (Please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	40818600	29.29%	40818600	29.29%
Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g., allotment/ transfer/ bonus/sweat equity, etc):	NIL	NIL	NIL	NIL
At the end of the year	40818600	29.29%	40818600	29.29%

There is no change in shareholding

4) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs & ADRs) :

	Shareholder's name	Shareholding at the beginning of the year (01.04.2015)		Shareholding at the end of the year (31.03.2016)	
		No. of shares	% of shares	No. of shares	% of shares
	For each of the Top Ten shareholders				
1	D2B Enterprises	3,30,000	0.24	3,30,000	0.24
2	Deep Chand Moondra	55,700	0.04	55,700	0.04
3	Jagadish Hemraj K.	33,000	0.02	33,000	0.02
4	M. S. Shivasubramanian	21,900	0.02	21,900	0.02
5	Neeraj Batra	19,200	0.01	19,200	0.01
6	Omprakash Sethi	13,300	0.01	13,300	0.01
7	Sadashiv K.	13,100	0.01	13,100	0.01
8	Champalal	12,600	0.01	12,600	0.01
9	Prahalada B.	11,100	0.01	11,100	0.01
10	Rajendra Kumar Gupta	10,000	0.01	10,000	0.01

5) Shareholding pattern of Directors and Key Managerial Personnel :

	Shareholder's name	Shareholding at the beginning of the year (01.04.2015)		Shareholding at the end of the year (31.03.2016)	
		No. of shares	% of shares	No. of shares	% of shares
	For each of the Directors and KMP				
1	K. Vinod Bhat, Managing Director	1484700	1.07	1484700	1.07
2	M. Sripad Rao, Whole-time-Director	20096365	14.42	20096365	14.42
3	K. Vishal Bhat, Director	2149650	1.54	2149650	1.54
4	E.N. Veeranna, Whole-time-Director	----	----	----	----
5	A. Gopgla Iyengar, Independent Director	----	----	----	----
6	Smt. Geetha Santhanagopalan, Independent Director	----	----	----	----

Note: There is no change in the Shareholding of the directors during the year.

5) INDEBTEDNESS:

	Secured Loans excluding deposits		Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	Federal Bank Loan Rs.	Vehicle loan Loan Rs.			
i) Principal Amount	65129787	156239	---	---	65286026
ii) Interest due but not paid	---	---	---	---	---
iii) Interest accrued but not due	---	---	---	---	---
Total (i+ii+iii)	65129787	156239	---	---	65286026
Change in Indebtedness during the financial year					
* Addition	354024127	---	---	---	---
* Reduction	333738516	---	---	---	---
Net Change	20285611	---	---	---	20285611
Indebtedness at the end of the financial year					
i) Principal Amount	85415398	156239			85571637
ii) Interest due but not paid	---	---	---	---	---
iii) Interest accrued but not due	---	---	---	---	---
Total (i+ii+iii)	85415398	156239			85571637

6) Remuneration of Directors and Key Managerial Personnel:

Note: Remuneration as provided under this section, does not include perquisites not includible while calculating Remuneration as mentioned in Schedule V (company contribution to P. F. superannuation to the extent not taxable within the provisions of Income Tax etc.)

A) Remuneration to Managing Director, Whole-time-Directors and /or Manager for the year 2015-16 : (Rs.)

	Particulars of Remuneration	Shri K. Vinod Bhat MD	Shri M. Sripad Rao WTD	Shri E.N. Veeranna WTD	Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act,1961	18,00,000	9,00,000	13,84,615	40,84,615
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---	---	---	---
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---	---
2	Stock option				
3	Swet Equity	---	---	---	---
4	Commission - as % of profit	---	---	---	---
5	Others, please specify	---	---	---	---
	Total (A)	18,00,000	9,00,000	13,84,615	40,84,615
	Ceiling as per the Act 5%/ 10% of Net Profit calculated under the provisions of section 198 of the companies Act, 2013	---	---	---	---

B) Remuneration to other directors for the year 2015-16 : (Rs.)

	Particulars of Remuneration Independent Director	Shri A. Gopala lyengar	Smt. Geetha Santhanagopalan	Shri G.P. Roy	Total Amount
	Fee for attending board committee meeting	30,000	40,000	40,000	1,10,000
	Commission	---	---	---	---
	Others, please specify	---	---	---	---
	Total	30,000	40,000	40,000	1,10,000

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NIL**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Nil	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

3. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

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

Company's Policy on Directors Appointments and Remuneration :

In compliance with the provisions of Section 178 of the Companies Act, 2013, read with Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee of the Board of Directors have formulated the criteria for determining qualifications, positive attributes and independence of a director and also recommended to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees, which have been approved and adopted by the Board. The same is reproduced herein below :

A. Criteria for appointing a Director

- He should be a person of integrity with high ethical standards.
- He should be able to commit to his responsibilities and devote sufficient time and attention to his professional obligation as a Director.
- He should be having positive thinking, courtesy, humility.
- He should be knowledgeable and diligent in updating his knowledge.
- He should have qualifications, skills, experience and expertise by which the company can benefit.
- In respect of independent director, in addition to the above (a) to (g) he should fulfil the criteria for being appointed as an independent director prescribed under section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of regulation 17 of SEBI (LODR).
- In respect of Executive/Whole time Director / Managing Director, in addition to above (a) to (f) he should have strong quality of leadership and team monitoring, recognition, management skills, vision, ability to steer the organisation even in adverse conditions, innovative thinking, result oriented approach, ability to enhance reputation of the organisation.

B. Criteria for appointing a Senior Management Employee / Key Managerial Personnel.

- He should have the required educational qualification, skills and functional knowledge for the post and eye for detailing and compliance.
- He should have integrity, humility, positive thinking, leadership qualities, sincerity, alert, hardworking, team building ability, good soft skills, transparency in dealings with the company and other stakeholders.
- Screening of the potential conflicts of interest and independence.
- Detailed background information in relation to a potential candidate should be provided to all directors.
- The identification of potential candidates may be assisted by the use of external search organisations as may be considered appropriate.

C. Policy on remuneration :

The remuneration policy of the company is performance driven and is structured to motivate Directors, Key Managerial Personnel, Senior Management and other employees, recognizing their talent, merits, achievements and promote excellence in their performance.

RATIO OF REMUNERATION

Particulars	K. Vinod Bhat, Managing Director	Sripad Rao, Whole-time-Director	E.N. Veeranna, Whole-time- Director
i. the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	21.20	10.60	14.13
ii. the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	200%	NIL	NIL
iii. the percentage increase in the median remuneration of employees in the financial year;	30.65%		
iv. the number of permanent employees on the rolls of company;	640		
v. the explanation on the relationship between average increase in remuneration and company performance;	The increase in the remuneration was 6.83%. The factors considered at the time of salary revision are comparison with related Garment Industry		
vi. comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration Rs. 40.84 Lakhs. The Turnover of the Company is Rs. 3108.00 Lakhs and loss is 845.34 Lakhs		
vii. variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Trading of shares suspended since 2003. Hence comparison not available		
viii. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentile increase in salaries of employees other than the managerial personnel in the FY 2015-16 is 1.32%. The average percentile increase in the remuneration of employees in management cadre in FY 2015-16 is 3.70%		
ix. comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Remuneration Rs. 40.84 Lakhs. The Turnover of the Company is Rs. 3108.00 Lakhs and loss is Rs. 845.34 Lakhs		
x. the key parameters for any variable component of remuneration availed by the directors;	There is no variable component in the remuneration paid to the directors. The remuneration paid to the whole-time-directors are within the ceiling approved by the Central Government.		
xi. the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	None of the employees of the Company, who are not directors, received remuneration in excess of the highest paid director during the year		
xii. affirmation that the remuneration is as per the remuneration policy of the company.	Yes, it is confirmed		

Information required as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ;

i. Details of the of employees employed for full year or part of the year having remuneration of ' 60 lacs p.a. where employed for the full year	NIL
ii. Details of the employees employed for the part of the year and having salary of not less than ' 5 lacs per month. The details are provided in the following prescribed format. Name, Designation, remuneration received, nature of employment (contractual or otherwise), qualification, experience (in years), date of commencement of employment, age of employees (in years), last employment held before joining this company, % of equity shares held by the employee, whether such employee is a relative of any of the Director (answer in yes or no and if yes, names of Directors) :	NIL
iii. Details of the employees employed for the full year or part of the year was receipt of remuneration in that year which in the aggregate or as the case may be at a rate which in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company :	NIL



**ANNEXURE TO THE BOARD'S REPORT
REPORT ON CORPORATE GOVERNANCE
MANDATORY REQUIREMENTS**

A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is aimed at assisting the management of the company in the efficient conduct of its business and in meeting the obligations of the shareholders and is guided by strong emphasis on transparency, accountability and integrity.

1. BOARD OF DIRECTORS

a. The Company currently has 7 (Seven) Directors, including 1 (one) non-executive and 3 (Three) Independent Directors.

After due circulation of agenda and notes thereon, the Board of Directors have met at reasonable periods of intervals to transact business on various Board's functions, responsibilities and accountabilities. Compliances of various Laws and Regulations along with the Corporate Philosophy, goal, plans and strategies have been dwelt at length by the Board at its various proceedings.

The details of the Directors' attendance at the Meetings of the Board of your Company during the financial year end 31st March 2016 are given below:

Sl. No.	Name	DIN	Category	Designation	No. of Board Meetings Held	No. of Board Meetings Attended	Attended Last AGM
1.	Mr. K. Vinod Bhat	02359812	Executive	Managing Director	5	4	Yes
2.	Mr. K. Vishal Bhat	02446614	Non-Executive	Executive	5	5	Yes
3.	Mr. M. Sripad Rao	00920044	Executive	Whole Time Director	5	5	Yes
4.	Mr. E.N. Veeranna	00920219	Executive	Whole Time Director	5	5	Yes
5.	Mr. A. Gopala Iyengar	00920440	Independent	Independent Director	5	3	No
6.	Mrs. Geetha Santhanagopalan	06602023	Independent	Independent Director	5	5	No
7.	Mr. G.P. Roy	06487847	Independent	Independent Director	5	4	No

b. DETAILS OF BOARD MEETINGS HELD DURING THE YEAR

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings.

During the financial year 2015-16, 5 meetings of the Board of Directors were as under:

One Board meetings during May 2015 viz. 30/05/2015, and remaining four meetings on 30/07/2015, 30/10/2015, 07/12/2015 and 15/02/2016 respectively.

None of the Non-executive Directors has any material pecuniary relationship or transactions with the Company.

2. AUDIT COMMITTEE

The Audit Committee is responsible for over view of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment and removal of the statutory and internal auditors, fixation of audit fees, the approval for payment for any other services and reviewing with the management the annual financial statements before submission to the Board.

The Committee also meets the management team and reviews the operations, new initiatives and performance of the business units. The minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

The Audit Committee is comprised of the following Directors:

- (i). A. Gopal Iyengar (Chairman of the Committee) (DIN : 00920440)
- (ii). Mrs. Geetha Santhanagopalan (DIN : 06602023)
- (iii). K. Vishal Bhat (DIN : 02446614)

The Audit Committee met 4 times from times during the year on 1st April 2015 to 31st March 2016 on the following dates: 30/05/2015, 30/07/2015, 30/10/2015 and 15/02/2016.

The details of attendance of the Meetings of the Audit Committee are as follows:

Sl. No.	Name	No. of Meetings attended during the year
1.	A. Gopal Iyengar Chairman of the Committee	3
2.	Mrs. Geetha Santhanagopalan	4
3.	K. Vishal Bhat	4

The Audit Committee reviewed the financial results, accounting and financial controls as well as policies and practices as also internal control and internal audit systems.

3. NOMINATION AND REMUNERATION COMMITTEE

The functions of Remuneration Committee are as follows:

- * Formulation of criteria for persons to become Director and to senior management positions including KMPs and recommending to the Board for their appointments and removal.
- * Continuous review and evaluation of the performance of the Board members.
- * Broadly oversee the Administrative and Executive compensation programme.
- * Any other functions as may be mandated by the Board or any Statutes or enactment.

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives.

The Nomination and Remuneration Committee consists of the following Directors:

- (i). Mrs. Geetha Santhanagopalan (Chairman of the Committee) (DIN : 06602023)
- (ii). A. Gopala Iyengar (DIN : 00920440)
- (iii). K. Vishal Bhat (DIN : 02446614)

The Committee did not met during the year 2015-16.

Sl. No.	Name	No. of Meetings attended during the year
1.	Mrs. Geetha Santhanagopalan Chairman of the Committee
2.	A. Gopala Iyengar
3.	K. Vishal Bhat

Details of Remuneration of all Directors:

Sl. No.	Name	Designation	Salary (in Rs.)	Sitting Fee (Rs.)
1.	Mr. K. Vinod Bhat	Managing Director	18,00,000	NIL
2.	Mr. M. Sripad Rao	Whole Time Director	9,00,000	NIL
3.	Mr. E.N. Veeranna	Whole Time Director	13,84,615	NIL
4.	Mr. K. Vishal Bhat	Director	NA	NIL
5.	Mr. A. Gopala Iyengar	Independent Director	NA	30,000
6.	Mrs. Geetha Santhanagopalan	Independent Director	NA	40,000
7.	Mr. G.P. Roy	Independent Director	NA	40,000



4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The functions of Stakeholders' Relationship Committee are as follows:

- * To look into the shareholders complaints, if any and to redress the same expeditiously.
- * To approve the request for issue of duplicate share certificates and issue of certificates after split/consolidation.

The Stakeholders' Relationship/Gravience Committee consists of the following:

- (i). A. Gopal Iyenger (Chairman of the Committee) (DIN : 00920440)
- (ii). Mrs. Geetha Santhanagopalan (DIN : 06602023)
- (iii). K. Vishal Bhat (DIN : 02446614)

The Sub-Committee duly appointed by the aforesaid Committee met continuously to address the various issues relating to the investors, including non-receipt of Annual Reports, Dividend related issues, Change of addresses, transfers of shares, dematerialization and other related aspects. The Company has also continuously requisitioned the services of an independent Practicing Company Secretary to review the procedures followed by the RTA. No major grievance of any investor was pending as on 31st March 2016.

5. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 30/10/2015, inter alia, to discuss:

- * Evaluation of the performance of the Non-Independent Directors and the Board 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 timelines of 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 viz., were present at the Meeting.

The Company had also further during the year, conducted Familiarisation programme for Independent Directors of the Company.

6. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

The Company has laid down the criteria for making payments to the Non-Executive Directors.

7. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance and the Directors individually. A structured questionnaire was prepared 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 etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Corporate Secretarial Department.

8. COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE :

Mr. Ravi Shankar H.S.
 Namaste Exports Ltd
 No. 21/2, Vittalnagar,
 Chamarajpet, Bangalore -560 018

9. DETAILS OF ANNUAL GENERAL MEETING (AGM)

Year	Date	Time	Location
2012-2013	30th September 2013	10.30 a.m.	G.T.R. Prince Palace, Lakshman Garden, 80 Feet Road, BSK 2nd Stage, Bangalore-560 070
2013-2014	30th September 2014	10.30 a.m.	G.T.R. Prince Palace, Lakshman Garden, 80 Feet Road, BSK 2nd Stage, Bangalore-560 070
2014-2015	30th September 2015	10.30 a.m.	G.T.R. Prince Palace, Lakshman Garden, 80 Feet Road, BSK 2nd Stage, Bangalore-560 070

Particulars of Special Resolution passed in the last three AGMs are given below:

	Nil
	Nil
	Nil

10. MEANS OF COMMUNICATION

The Company's financial results and shareholding pattern are displayed in the Company's website. The Company does not make any representations to the Institutional investors or to the Analysts.

**11. DISCLOSURES
SUBSIDIARY COMPANIES**

The Company does not have any subsidiary.

RELATED PARTY TRANSACTION

There are no transactions with the related parties are disclosed in Note No.28 of Notes to Accounts in the Annual Report.

The Company has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions.

CODE OF CONDUCT

The Company has adopted a Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team.

CEO AND CFO CERTIFICATION

The Director of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under clause 49(IX) of the Listing Agreement, for the period ended 31st March 2016.

COMPLIANCES

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/ strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

12. GENERAL SHAREHOLDERS' INFORMATION

The following information would be useful to the Shareholders:

- 1) Annual General Meeting Date and Time: 29th September, 2016 at 10.30 AM
- 2) Financial Year: 1st April 2015 to 31st March 2016
- 3) Book Closure Date: 29th September, 2016
- 4) Listing on Stock Exchange at: Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Ltd (NSE)

5) **Depositories**

National Securities Depository Limited (NSDL)
Central Depository Services Limited (CDSL)
Scrip Code: BSE-526059ISIN: INE583A01017

6) **Registrars & Share Transfer Agents**

Integrated Enterprises (India) Limited
30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 500081
Phone 080-23460815/818 Fax 080-23460819 Email irg@integratedindia.in

7) **Listing on Stock Exchanges :**

The equity shares of the company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing fees have been paid to the Stock Exchanges for the period upto 31st March 2016. Revocation of suspension of trading is in progress.

8) **Dematerialisation of Shares as on 31.03.2016**

As on 31st March 2016, 1.09 % of the total equity capital of the company has been dematerialised. Investors holding physical share certificates are advised to convert their holding to Demat Form in view of the various advantages associated with Demat Holding.

**9) Stock Market Data**

Bombay Stock Exchange Limited (BSE)

For the Period: April 2015 to March 2016

Trading of company securities suspended since 2002, Stock market data is not applicable

Month	Open	High	Low	Close
April 2015				
May 2015				
June 2015				
July 2015				
August 2015				
September 2015				
October 2015				
November 2015				
December 2015				
January 2016				
February 2016				
March 2016				

10) Share Transfer System: The Company in consultation with the RTA ensures that the transfers of shares in physical form and dematerialization take place well within the time limits.

11) Distribution of Shareholding as at 31st March 2016

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
0 - 5000	9755	80.467	1139620	1139620	0.817
5001 - 10000	1374	11.377	545130	545130	0.392
10001 - 20000	584	4.835	487580	487580	0.350
20001 - 30000	208	1.722	307890	307890	0.222
30001 - 40000	60	0.497	151110	151110	0.108
40001 - 50000	23	0.191	82360	82360	0.059
50001 - 100000	20	0.166	94800	94800	0.068
100001 & Above	27	0.223	192750	192750	0.138
TOTAL	12051	100.000	139342430	139342430	100.000

12) Categories of Shareholding as at 31st March 2016

Category	No. of Shares held	% of Holding
A. Promoters Holding		
i. Indian Promoters	40818600	29.29
ii. Foreign Promoters		
iii. Promoter Group	72,44,7190	52.00
Sub Total	113265790	81.29
B. Non-Promoters Holding		
i. Mutual Fund and UTI	33200	0.02
ii. Banks and Financial Institutions	5682550	4.08
iii. Central Government	2052200	1.47
iv. Individual Shareholders holding nominal share capital upto Rs. 2 lakhs	2986627	2.14
v. Individual Shareholders holding nominal share capital in excess of Rs. 2 lakhs	330000	0.24
vi. NRIs + OCBs	23135	0.02
vii. Hindu Undivided Family	8303	0.01
viii. Bodies Corporate	5492850	3.94
vii. Friends & Relatives	9467775	6.79
Sub Total	26076640	18.71
Grand Total (A+B)	139342430	100.00

13) Dematerialization of Shares and Liquidity as at 31st March 2016

Control Report as on 31st March 2016

Description	No. of Holders	Shares	% to Equity
PHYSICAL	9288	137819815	98.91
NSDL	2116	1312534	0.94
CDSL	647	210081	0.15
TOTAL	12051	139342430	100.00

Comparative Report as on 31st March 2016

Description	No. of Holders	Shares	% to Equity
PHYSICAL	9288	137819815	98.91
ELECTRONICFORM	2763	1522615	1.09
TOTAL	12051	139342430	100.00

14) Number of days taken for dematerialisation : 15 days from the date of Physical documents received.

15) Dematerialisation request from 1st April 2015 to 31st March 2016.

As application for change of RTA is pending with CDSL / NSDL, no dematerialisation request attended during the year.

Sl. No.	Depositories	No. of Cases	No. of Shares	% of Shares
1.				
2.				

16) Postal Ballot

No Resolution was passed during the year attracting Postal Ballot and no resolution attracting Postal Ballot is recommended at this Meeting.

17) Report on Corporate Governance

This report together with the information given in Directors Report constitutes a detailed compliance report on Corporate Governance during the current year.



- 18) Disclosures regarding suspense account pursuant to SEBI circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated 24th April 2009: As per the above mentioned Circular, Clause 5A stands for shares issued pursuant to the public issues or any other issue which remain unclaimed and are lying in the escrow account and any unclaimed benefits like Dividend, Bonus Shares etc., which are to be credited to the Demat Suspense Account. This being the first year after the circular coming into force from April 2009, your Company is taking steps to streamline all the requirements.
- 19) Plant Locations**
The Company works location is at the premises of the Registered Office at Bangalore and Chennai.
- 20) Company's address for correspondence :-**
Registered Office : No. 21/2, Vittalnagar,
Chamarajpet, Bangalore - 560 018.
Telephone No. : 080-26742252
- 21) Appointment of RTA :** Your company has initiated action for appointment of M/s. Integrated Enterprises (India) Ltd. No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003 as Registered Transfer Agent (RTA) and the proposal is in progress. When once BSE clears the company will give service for Dematerialisation of Shares as well as Physical Transfer of Shares of your company.
- 22) Shareholders email-id for communication :-** On a move to create transparency in dealing with Shareholders grievance and for communication, your company has created an email-id : shares.nel@gmail.com
Shareholders are requested to note the email-id.
- 23) Shareholders Email ID :**
Shareholders are requested to provide their email-id to our email-id shares.nel@gmail.com which will enable us to provide corporate information in line with the guidelines issued by SEBI on corporate governance.
- 24) Your company has made application to BSE for revocation of suspension of Trading and for Listing additional shares issued as per BIFR/AAIFR directives. Your company expects early clearance from BSE.
- 25) Shareholders may correspond with the Company at its Registered Office.
- 26) Status of Investors - Complaints received during the period 1st April 2015 to 31st March 2016 - There are no pending complaints as on 31st March 2016.

DISCLOSURES:

- a) There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, or relatives etc that may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Notes to Accounts in Schedule 16 to the financial statements in the Annual Report.
- b) The guidelines/accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) have been followed in preparation of the financial statements of the Company.
- c) Presently, the Company does not have a Whistle Blower Policy, No personnel of the Company have been denied access to the Audit Committee.

Declaration on Code of Conduct

As required under Regulation 27 of SEBI (LODR) the declaration for code of conduct is given below.

To the members of Namaste Exports Limited.

I, K. Vinod Bhat, Managing Director of the company declare that all the Board Members and Senior Management of the Company affirm compliance with the code of conduct.

For Namaste Exports Limited

Bangalore-560 018
30th May 2016

Sd/-
(K. VINOD BHAT)
MANAGING DIRECTOR
(DIN : 02359812)

FORM NO. A0C-2

NAMASTE EXPORTS LIMITED

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a.	Name(s) of the related party & nature of relationship	ELITE Leather International Private Limited
b.	Name(s) of contracts / arrangements / transaction	Trade advances carried forward
c.	Duration of contracts / arrangements / transaction	NA
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	(Outstanding on 31-03-2016 Rs. 27,33,416)
e.	Date of approval (Renewal) by the Board	30-05-2015
f.	Amount paid as advances, if any	NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a.	Name(s) of the related party & nature of relationship	MNS Exports Private Limited
b.	Name(s) of contracts / arrangements / transaction	Trade advances carried forward
c.	Duration of contracts / arrangements / transaction	NA
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	(Outstanding on 31-03-2016 Rs. 1,85,102)
e.	Date of approval (Renewal) by the Board	30-05-2015
f.	Amount paid as advances, if any	NIL

3. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a.	Name(s) of the related party & nature of relationship	N.P. Properties Private Limited
b.	Name(s) of contracts / arrangements / transaction	Trade advances carried forward
c.	Duration of contracts / arrangements / transaction	NA
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	(Outstanding on 31-03-2016 Rs. 18,00,000)
e.	Date of approval (Renewal) by the Board	15-05-2015
f.	Amount paid as advances, if any	NIL

For Namaste Exports Limited

Sd/-
(K. VINOD BHAT)
MANAGING DIRECTOR
(DIN : 02359812)

Place : Bangalore
Date : 30th May, 2016



CEO and CFO CERTIFICATION

**The Board of Directors
Namaste Exports Ltd
Bangalore**

Dear members of the Board,

I, K. Vinod Bhat, Managing Director of Namaste Exports Limited, to the best of our knowledge and belief, certify that:

1. I have reviewed the financial statements and Cash Flow Statement for the year ending 31st March, 2016
2. These Statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for the periods presented in this report and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's Audit Committee of the Board of Directors.
5. I accept responsibility for establishing and maintaining internal controls reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I aware and the steps I have taken or proposed to take to rectify these deficiencies.
6. I have indicated, to the Auditors and Audit Committee:
 - a. Significant changes in internal control over financial reporting during the year
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Namaste Exports Limited

Place : Bangalore
Date : 30th May, 2016

Sd/-
(K. VINOD BHAT)
MANAGING DIRECTOR
(DIN : 02359812)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Namaste Exports Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 shall give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding of the assets of the Company and preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Director's as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of matters

Without qualifying our report, we draw attention to:

Note No 2.1 regarding pending filing of documents with Registrar of Companies, Karnataka, Bangalore, for increase in authorized capital, paid up capital, reduction in the face value of paid up capital and filing of other documents relating to amalgamation / restructuring.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 (CARO 2016 or "the Order") issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on March 31st, 2016, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in Annexure B, and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 2 (18) of Notes to the financial statements;
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including pending derivative contracts wherever applicable;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Ishwar & Gopal,
Chartered Accountants,
Registration No: 001154S

K.V Gopalakrishnayya
Partner
Membership no: 21748

Place: Bangalore
Date: 30/05/2016.

**ANNEXURE 'A' TO THE AUDITOR'S REPORT**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. The fixed assets of the Company have been verified by the management during the year. No material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business;
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties are held in the name of the Company except for one free hold land with gross value amounting to Rs. 294,80,826/- which are held in the name of Success Apparels Private Limited, which was amalgamated with this Company with effect from 1st April 2012.
- ii. Inventories other than those lying with third parties have been physically verified during the year by the management. In our opinion, the frequency of verification was reasonable.
- The discrepancies between the physical stocks and the book records, where applicable, as noticed on physical verification were not material and have been properly dealt with in the books of account;
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in pursuance of the scheme of amalgamation approved by the Board of Industrial and Financial Reconstruction (BIFR) dated 20th December 2013, the balance of interest free unsecured capital advance to a party listed in the register maintained under section 189 of the Companies Act, 2013 has been included and grouped in the books of the Company. This advance is in the nature of unsecured loan to a party covered in the register maintained under section 189 of the Companies Act, 2013.
- a. We are not able to express an opinion as to whether the terms and conditions of the advance referred to above, are prima facie prejudicial to the interest of the Company.
- b. We have been informed that pending completion of legal formalities, the terms and conditions of repayment of principal has not been stipulated. We are not able to express an opinion as to whether repayments are regular.
- c. We are able to express an opinion as to whether any amount is overdue and whether reasonable steps have been taken by the Company for recovery of principal.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, investments, guarantees, and securities to parties covered under section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits and hence the requirement of clause 3 (v) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- vi. We have been informed that maintenance of books of accounts pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for maintenance of Cost records in respect of products of the Company are not applicable to the Company for the year under review and hence the requirement of clause 3 (vi) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- vi. a. The Company has been regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable.
- There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us, the following amounts of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the relevant authorities on account of any dispute are detailed under:

Name of the Statute	Nature of dues	Related Period	Amount (Rs.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2005-06	16,10,494/-	Honourable High Court of Karnataka

- viii. In our opinion and according to the information and explanations given to us, as per the amendment / modifications in the rehabilitation scheme sanctioned by the Board of Industrial and Financial Reconstruction on August 23, 2005, the Company has not defaulted in repayment of dues to banks, financial institutions, government or debenture holders.
- ix. In our opinion and according to the information and explanations given to us, during the year the Company did not raise any money by way of initial public offer, or further public offer (including debt instruments) or term loans. Accordingly, clause 3 (ix) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- x. According to the information and explanations given to us, no material frauds by the Company or on the Company by its officers and employees have been noticed or reported during the course of the audit.
- xi. According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, clause 3 (xii) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly paid debentures during the year.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- xvi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Ishwar&Gopal,
Chartered Accountants,
Registration No: 001154S

K.V Gopalakrishnayya
Partner
Membership no: 21748

Place: Bangalore
Date: 30.05.2016.

ANNEXURE 'B' TO THE AUDITOR'S REPORT**Report on the Internal Financial Controls 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 Namaste Exports Limited ("the Company") as of 31st March 2016 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 issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Companies Act, 2013.

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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 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 auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in

reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Adverse Opinion

According to the information and explanation given to us and based on our audit, the following material weakness have been identified as at 31st March 2016.

The Company did not have an appropriate internal control system for receipt of material and reconciliation of material consumption, which could potentially result in the Company losing revenue.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the effect of the material weakness/es described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

We have considered the material weakness/es identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31st, 2016, standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued an adverse opinion on the standalone financial statements.

For Ishwar & Gopal,
Chartered Accountants,
Registration No: 001154S

K.V Gopalakrishnayya
Partner
Membership no: 21748

Place: Bangalore
Date: 30.05.2016.

**BALANCE SHEET AS AT 31ST MARCH 2016**

Amounts in INR

Sl. No.	Particulars	Note No.	Year ended Mar 31, 2016	Year ended Mar 31, 2015
I. EQUITY AND LIABILITIES				
1.	Shareholders Funds			
a.	Share Capital	3	139,342,430	139,342,430
b.	Reserves & Surplus	4	(44,344,774)	40,189,076
			94,997,656	179,531,506
2.	Non-Current Liabilities			
a.	Long Term Borrowings	5	-	151,080
			-	151,080
3.	Current Liabilities			
a.	Short term borrowings	6	85,415,398	65,129,787
b.	Trade Payables			
	(A) total outstanding dues of micro enterprises and small enterprises			
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	7	65,570,127	36,528,734
c.	Other Current Liabilities	8	33,827,366	33,172,669
d.	Short Term Provisions	9	9,384,267	10,474,865
			194,197,158	145,306,054
	TOTAL		289,194,815	324,988,640
II. ASSETS				
1.	Non-current Assets			
a.	Fixed Assets	10		
i.	Tangible Assets	a	88,503,093	98,440,203
ii.	Intangible Assets	b	109,775	264,535
iii.	Assets held for sale	c	3,047,930	-
			91,660,798	98,704,738
b.	Non-current investments	11	719,729	719,729
c.	Deferred Tax Assets (net)	12	-	744,005
d.	Long Term Loans & Advances	13	22,730,645	22,856,096
			23,450,374	24,319,830
2.	Current Assets			
a.	Inventories	14	73,499,624	93,175,480
b.	Trade Receivables	15	30,725,290	31,432,883
c.	Cash and Cash Equivalentents	16	52,757,540	46,304,275
d.	Short-term loans & advances	17	6,332,312	8,696,695
e.	Other Current Assets	18	10,768,877	22,354,740
			174,083,643	201,964,072
	TOTAL		289,194,815	324,988,640
	Corporate Information and Summary of Significant Accounting Policies	1		
	Other Explanatory Information	2		
As per our report of even date				
For Ishwar & Gopal,				
Chartered Accountants,				
Firm's Registration Number : 001154S				
			For and on behalf of the Board of Directors	
K V Gopalakrishnayya				
Partner				
Membership Number: 021748				
Place : Bangalore				
Date: 30.05.2016.				
		K. VINOD BHAT	M. SRIPAD RAO	E.N. VEERANNA
		Managing Director	Whole-Time Director	Director -Finance
		(DIN : 02359812)	(DIN : 00920044)	(DIN : 00920219)

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016					Amounts in INR	
Sl. No.	Particulars	Note No.	Year ended		Year ended	
			Mar 31, 2016	Mar 31, 2016	Mar 31, 2015	Mar 31, 2015
I.	Revenue from Operations	19		303,825,637		319,193,736
II.	Other Income	20		6,934,234		4,964,642
III.	TOTAL REVENUE (I+II)			310,759,871		324,158,378
IV.	Expenses					
	Cost of materials consumed	21		192,579,786		187,838,107
	Changes (increase) / Decrease in inventories of finished goods					
	Work-in-Progress	22		(647,374)		(12,871,488)
	Employee benefits expenses	23		111,634,684		111,655,827
	Financial costs	24		8,393,165		6,532,117
	Depreciation and amortization expense	25		7,311,767		8,690,406
	Other expenses	26		53,908,853		56,307,149
	TOTAL EXPENSES			373,180,881		358,152,118
V.	PROFIT BEFORE TAX (III-IV)			(62,421,010)		(33,993,740)
VI.	EXCEPTIONAL ITEMS:	27		-		(25,090,145)
VII.	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)			(62,421,010)		(8,903,595)
VIII.	EXTRA ORDINARY ITEMS	28		21,368,833		-
IX.	PROFIT BEFORE TAX (VII-VIII)			(83,789,843)		(8,903,595)
VI.	TAX EXPENSE :					
	(1) - Current Tax					-
	- Related to earlier years					29,390
	(2) Deferred Tax Written Off			744,005		29,390
VII.	PROFIT / (LOSS) FOR THE YEAR (V-VI)			(84,533,848)		(8,932,985)
VIII.	Earnings per equity Share :					
	i) Basic & Diluted			(0.61)		(0.06)
	Corporate Information and Summary of Significant Accounting Policies	1				
	Other Explanatory Information	2				
	As per our report of even date For Ishwar & Gopal, Chartered Accountants, Firm's Registration Number : 001154S					
	K V Gopalakrishnayya Partner Membership Number: 021748					
	Place : Bangalore Date: 30.05.2016					
				K. VINOD BHAT Managing Director (DIN : 02359812)	M. SRIPAD RAO Whole-Time Director (DIN : 00920044)	E.N. VEERANNA Director Finance (DIN : 00920219)

For and on behalf of the Board of Directors



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016		Amounts in INR
Particulars	31-3-2016	31-3-2015
A. CASH FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	(62,421,010)	(8,903,595)
Adjustments for:		
Depreciation	7,311,766	(16,399,739)
Dividend Income	(2,640)	(30,154)
Interest Income	(3,400,583)	(2,757,900)
Interest & Financial Charges	8,393,165	6,532,117
Loss / (Profit) on Sale of Assets / Investments	(80,998)	(289,673)
	<u>12,220,710</u>	<u>(12,945,349)</u>
Operating Profit /(Loss) before working capital changes	(50,200,299)	(21,848,944)
Adjustment for :		
Decrease/(increase) in inventories	19,675,856	(9,099,310)
Decrease/(increase) in trade receivables	707,593	(21,937,507)
Decrease/(increase) in other current & non current assets	13,157,523	11,483,448
Decrease/(increase) in trade payables	29,041,393	3,905,460
Decrease/(increase) in other current & non current liabilities	993,965	1,163,984
Decrease/(increase) in provisions	(1,064,562)	6,764,242
	<u>62,511,769</u>	<u>(7,719,682)</u>
Cash generated from operations	12,311,469	(29,568,626)
Income tax paid (net)	892,140	622,389
Net Cash Flow before extraordinary items	<u>13,203,609</u>	<u>(28,946,237)</u>
Extraordinary items	<u>21,368,833</u>	<u>-</u>
Net Cash Flow from/ (used in) Operating Activities	(8,165,223)	(28,946,237)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(274,168)	(1,059,156)
Proceeds from Sale of Fixed Assets	87,336	472,808
Dividend Income	2,640	30,154
Interest Received	<u>3,400,583</u>	<u>3,435,031</u>
	3,216,391	2,878,838
Net Cash Flow from/(used in) Investing Activities	3,216,391	2,878,838
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Increase in Short Term Borrowings	20,285,611	23,395,643
Increase in Long Term Borrowings	(490,347)	(681,209)
Interest and Financial Charges	(8,393,165)	(6,532,117)
Net Cash Flow from/(used in) Financing Activities	11,402,098	16,182,317

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

Amounts in INR

Particulars	31-3-2016	31-3-2015
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	6,453,265	(9,885,082)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	46,304,275	56,189,357
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	52,757,540	46,304,275
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	6,453,265	(9,885,082)

As per our report of even date

For Ishwar & Gopal,
Chartered Accountants,
Firm's Registration Number : 001154S

For and on behalf of the Board of Directors

K V Gopalakrishnayya
Partner
Membership Number: 021748

Place : Bangalore
Date: 30.05.2016.

K. VINOD BHAT
Managing Director
(DIN : 02359812)

M. SRIPAD RAO
Whole-Time Director
(DIN : 00920044)

E.N. VEERANNA
Director Finance
(DIN : 00920219)

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****1 CORPORATE INFORMATION**

Namaste Exports Limited (hereinafter called as "Company") is a public limited Company incorporated under provisions of Companies Act, 1956, with its registered office at Bangalore. The Company is engaged in the manufacturing of leather garments.

1.1 SIGNIFICANT ACCOUNTING POLICIES:**a. Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under historical cost convention on accrual basis. Indian GAAP comprises of mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI). The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

b. Use of estimates

The preparation of Financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made 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. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Fixed Assets**Tangible assets :-**

Tangible assets are stated in the accounts at historical cost together with all costs directly attributable to their acquisition less accumulated depreciation and impairment if any.

Intangible assets:-

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment if any.

d. Depreciation

The Company depreciates its fixed assets over the useful life prescribed in Schedule II to the Companies Act 2013 . Assets purchased / installed during the year costing below Rs. 5000/- are fully depreciated during the year.

Depreciation for fixed assets purchased / sold during the period is proportionately charged.

Intangible assets are amortised over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the Company for its use.

e. Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price or value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

f. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost.

g. Inventories

Inventories are valued at lower of cost and net realizable value and cost is determined on FIFO. Cost of accessories determined on weighted Average method. Cost of inventories comprises of cost of purchase, cost of conversion and other cost including appropriate production overhead incurred in bringing such inventories to their present location and condition.

h. Employee Benefits**(i) Post-Employment Benefit Plans:**

Contribution to defined contributory retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to contributions. For defined benefit schemes, the cost of providing benefits is determined using the Project Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet Date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise it is amortized on straight-line basis over the average period until the benefits become eligible for being vested.

(ii) Short Term Employee Benefits:

The amount payable on account of short term employee benefits comprising largely of salaries and wages, annual bonus is valued on an undiscounted basis and charged to the Statement of Profit and Loss for the year.

i. Revenue Recognition

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

(i) Sale of Goods

Revenue from sale of goods is recognised when significant risk and rewards of the ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to the customers.

(ii) Rendering of Services:

Revenue consists of jobwork receipts which are recognized keeping in view the arrangements with customers or trade practices.

(iii) Dividend Income:

Dividend income is accounted for when the right to receive is established.

(iv) Interest Income:

Interest Income is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

j. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalized as part of the cost of asset up to the date such asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

k. Taxation

"Provision for current tax includes current tax and deferred tax. "Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future. "In view of the losses, as a conservative policy, the Company has not recognized deferred tax assets resulting on account of unabsorbed business losses and other benefits available under Income Tax. ""

l. Foreign Currency Transactions:

Foreign currency transactions are dealt with in accordance with the Accounting Standard on Accounting for Effects of Changes in Foreign Exchange Rates.

m. Earnings per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n. Accounting for Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined as best estimates required to settle the obligation at the Balance Sheet date.

Contingent Liabilities are not recognised but disclosed by way of notes to accounts in case of:

- (i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle that obligation;
- (ii) A present obligation when no reliable estimate is possible; and
- (iii) A possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent Assets are neither recognised nor disclosed in the financial statements.

o. Leases:

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the profit and loss account on a straight-line basis.

p Intangibles

Software rights purchased is treated as an intangible asset and amortized over the estimated period of life. An intangible asset is derecognised (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use and subsequent disposal.

**2. NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016**

2.01 Board of Industrial and Financial Reconstruction (BIFR) in their order waived payment of fees to Registrar of Companies, Karnataka, Bangalore for increasing the authorised capital. However The Registrar of Companies, Karnataka have not accepted the documents filed by the Company earlier without payment of requisite fees. hence company could not file documents for changes in the authorised and paid up capital. The Company is taking necessary steps to complete filing of other documents with the statutory authorities relating to amalgamation and restructuring.

Considering the amalgamation, the figures of previous year are not readily comparable with those of the current year.

2.02 DETAILS OF SECURITIES TO LOANS:

The Company has earlier created charge on the fixed and current assets of the Company in favour of Industrial Development Bank of India, State Bank of India Mutual Fund, Karnataka State Industrial Investment Development Corporation, Karnataka State Financial Corporation, State Bank of India and Canara Bank. The Company has repaid / allotted shares towards these dues as approved by the BIFR. Company is in the process of filing satisfaction of charges with Registrar of Companies in respect of these charges.

Short term borrowings are secured by hypothecation of inventories and receivables, personal guarantee of Directors and guarantee of two directors of erstwhile transferor Company (Success Apparels Private Limited) and Equitable mortgage of an immovable property.

2.03 CURRENTS ASSETS AND LIABILITIES:

Confirmation of the balances under Sundry Debtors, Loans & Advances, Deposits and Sundry Creditors are not obtained. In the opinion of the management current assets and Loans & Advances would in the ordinary course of business realise the values stated. Certain bank accounts are subject to confirmation.

2.04 During the year, due to floods in chennai, the tannery operations of the Company was affected for more than a week. The Company has made an insurance claim of Rs. 28896958/- against which Rs. 75,00,000/- has been received. The net amount has been shown under extraordinary items. The balance claim will be accounted after acceptance of the claim.

2.05 DUES TO MICRO, SMALL AND MEDIUM INDUSTRIAL UNDERTAKINGS:

Sundry Creditors do not include any dues to Micro, Small and Medium Industrial Undertakings, to the extent such parties have confirmed

PARTICULARS	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Principal	Interest	Principal	Interest
Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil	Nil
The amount of further interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year;	Nil	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil	Nil	Nil

2.06 SEGMENT REPORTING POLICIES:

The Company is primarily engaged in the business of production of leather garments and is managed as one entity, for its various service offerings and is governed by a similar set of risks and returns. In the opinion of the management, disclosure regarding Segment Reporting as required in Accounting Standard on Segment Reporting (AS 17) is not applicable to the Company during the year under review as there are no reportable segments.

2.07 RELATED PARTY TRANSACTIONS

a. Relationship during the year:

(i) Key Managerial Personnel :	1. Mr. Vinod Bhat 2. M. Sripad Rao 3. Mr. E.N. Veeranna 4. Mr. Vishal Bhat	Managing Director Whole - Time Director Director - Finance Director
(iii) Associates :	1. Elite Leather International Private Limited 2. MNS Exports Private Limited 3. N.P. Properties Private Limited 4. Thrive Leathers	

**b. Transactions Carried out with related parties referred in 1 above.**

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
a) Transactions with related parties		
Remuneration Paid :		
1. Mr. K. Vinod Bhat	1,800,000	650,000
2. Mr. Sripad Rao M.	900,000	900,000
3. Mr. E.N. Veeranna	1,200,000	1,200,000

c. Balances Payable / Receivable :

a) Dues to Associates :		
1. Elite Leather International Private Limited	2,733,416	3,267,212
2. MNS Exports Private Limited	185,102	185,102
3. N. P. Properties Private Limited	1,800,000	1,800,000
4. Thrive Leathers	18,376,956	18,376,956

b) Dues to Directors :		
1. Mrs. Madhura N. Bhat	706,031	806,031
2. Mr. Sripad Rao M.	45,940	45,940
3. Mr. E.N. Veeranna	55,560	41,380
4. Mr. K. Vinod Bhat		-

c) Dues from Directors :		
1. Mr. E.N. Veeranna	167,803	178,446

2.08 RETIREMENT BENEFIT PLANS:**a. Defined contribution plans:**

The Company makes Provident Fund contribution to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 84,22,624 (Rs. 80,11,942/-) for provident fund 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 respective scheme.

b. Defined benefit plans:

The Company makes the provision to the Employees' Gratuity Scheme for eligible employees. The scheme provides for lump sum payment to eligible employees at retirement, death while in employment or on termination of employment, an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Eligibility occurs upon completion of five years of service. The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2016:

Particulars	As at 31-03-2016	As at 31-03-2015
(a) Change in benefit obligation :		
Projected benefit Obligation, beginning of the year	16,295,714	11,515,541
Service Cost	2,002,569	2,002,569
Interest Cost	1,303,657	921,243
Benefits Paid	(2,835,545)	(1,744,526)
Actuarial (Gain) / Loss	(1,523,356)	3,600,887
Projected Obligation at the end of the year	15,243,039	16,295,714
(b) Change in Plan Assets :		
Fair value of plan assets, beginning of the year	9,962,232	10,760,114
Expected return on plan assets	857,842	-
Employer's contributions	1,693,889	946,644
Benefits paid	(2,835,545)	(1,744,526)
Actuarial (gain) / loss		-
Fair value of plan assets at the end of the year	9,678,418	9,962,232
Excess of (obligation over plan assets) / plan assets over obligation	(5,564,621)	(6,333,482)
(c) Net gratuity and other cost for the year		
Service cost	2,002,569	2,002,569
Interest on defined benefit obligation	1,303,657	921,243
Other Adjustments		1,530,337
Expected return on plan assets	(857,841)	-
Net actuarial gain recognized in the year	(1,523,356)	3,600,887
Net gratuity and other cost	925,029	8,055,036
(d) Category of Assets		
Insurer Managed Funds	9,678,418	9,962,232
(e) Assumptions used in accounting for the gratuity plan :		
Discount rate	8%	8%
Salary escalation rate	7%	7%
Expected return on plan assets	7%	7%

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held assessed risks of asset management historical results of the return on plan assets and the Company's policy for plan asset management.

2.09 DETAILS OF PAYMENT TO THE AUDITOR :

Particulars	Year ended	
	31-03-2016	31-03-2015
For Statutory Audit	200,000	200,000
For Taxation matters	30,000	55,000
For VAT Audit	-	
For Management services- Certification	20,000	20,000
Service Tax	36,250	33,990
For Reimbursement of expenses	28,209	91,110
TOTAL	314,459	400,100

**2.10 LEASES:**

Obligations on long-term, non-cancelable operating leases :

Particulars	Year ended	
	31-03-2016	31-03-2015
Lease rentals recognized during the year	5,672,648.00	7,089,863
Lease obligations payable:		
Within one year of the Balance Sheet date	5,695,698.00	6,153,220
Due in a period between one year and five years	12,148,338.00	11,591,658.00
Due after five years		

The operating lease arrangements are renewable on a periodic basis. Some of these lease agreements have price escalation clauses.

2.11 EARNING PER SHARE :

Earnings per share is calculated in accordance with Accounting Standard 20 - "Earnings per share", notified by the Companies (Accounting Standards) Rules, 2006:

Particulars	31st Mar. 2016	31st Mar. 2015
Profit Before Tax and Extra Ordinary Items	(62,421,010)	(8,903,595)
Less: Current year tax	-	-
Tax related to previous years	-	29,390
Deferred Tax	744,005	-
Profit After Tax but before Extra Ordinary Items	(61,677,005)	(8,932,985)
Extra Ordinary Items	21,368,833)	-
Profit After Tax and Extra Ordinary Items	(83,045,838)	(8,932,985)
Weighted average no. of Equity shares:		
Basic	139,342,430	139,342,430
Diluted	139,342,430	139,342,430
Earnings per Share - Basic:		
Before extra ordinary items	(0.44)	(0.06)
After extra ordinary items	(0.60)	(0.06)
Earnings per Share - Diluted:		
Before extra ordinary items	(0.60)	(0.06)
After extra ordinary items	(0.60)	(0.06)

2.12 PROVISIONS AND CONTINGENCIES:

The Company has made provision for leave salary on estimated basis. These being retirement benefits an obligation to pay these amounts might arise at the time of resignation / superannuation of the employees. There is no reimbursement receivable against these obligations. The following table sets out the funded status of the leave salary and the amounts recognized in the Company's financial statements as at March 31, 2016:

Particulars	As at 31-03-2016	As at 31-03-2015
Carrying amount in the beginning of the year	4,115,349	2,945,166
Additional provision made during the year	1,460,524	3,864,791
Additions on amalgamation		-
Amounts used during the year	1,756,227	112,126
Unused amounts reversed during the year		2,582,482
Carrying amount in the end of the year	3,819,646	4,115,349

2.13. Value of Imported and Indigenous Consumption during the year (as certified by the management)				
Particulars	31-March-16		31-March-15	
	% of Consumption	Amounts in INR	% of Consumption	Amounts in INR
Imported	31	59,618,310	38	70,750,949
Indigenous	69	132,961,476	62	117,087,158
Total		192,579,786		187,838,107
2.14. Value of Imports calculated on CIF Basis				
Raw Materials		63,449,927		61,785,745
2.15. Expenditure in Foreign Currency				
Travelling		770,844		316,692
Commission		540,513		-
Garment Inspection Charges		151,201		-
Bank Charges		159,935		308,586
2.16. Earnings in Foreign Currency calculated on FOB Basis				
Exports on FOB Basis		232,404,438		239,046,592
Sample Sales		2,275,715		1,985,058
2.17 Prior year expenses / (income) debited / (credited) to the Profit & Loss Account (Amounts in INR)				
Particulars	31-March-16		31-March-15	
Power Charges				49,913
Communication Charges				2,073
Staff Welfare				11,494
Miscellaneous		(1,650)		1,925
Repairs to Machinery		(17,899)		1,139,295
Bad Receivable recovered				(1,540,968)
Rent		(15,240)		
Business Promotion		(34,335)		
Purchase of Leather		364,915		
Travelling Expenses		(15,930)		
Directors Sitings Fees		(18,954)		
		260,907		(336,268)
2.18	Contingent Liabilities to the extent not provided for	Nil		Nil
	Commitments	Nil		Nil
2.19	Success Apparels Pvt. Ltd., the erstwhile transferor company which was amalgamated with Namaste Exports Ltd., has advanced Rs. 1,83,76,956/- to Thrive Leathers, a partnership firm in which one of the directors are interested towards purchase of immovable properties. Pending completion of legal formalities, the same is shown as capital advances.			
2.20	The previous figures have been regrouped / reclassified, wherever necessary to confirm to the current presentation. Figures in brackets are in respect of previous year.			

**Notes to the Financial Statements for the year ended 31st March 2016****3. Share Capital**

Particulars	AS AT 31-03-2016		AS AT 31-03-2015	
	Number	Amt. in INR	Number	Amt. in INR
Authorised :				
a. Equity Shares	250,000,000	250,000,000	250,000,000	250,000,000
b. Issued :				
Equity Shares	139,342,430	139,342,430	139,342,430	139,342,430
Subscribed and paid fully				
Equity Shares	139,342,430	139,342,430	139,342,430	139,342,430
Subscribed but not paid fully				
Equity Shares	-	-	-	-
TOTAL	139,342,430	139,342,430	139,342,430	139,342,430

c. Par value Rs. 1 per equity share (previous year Rs. 1)

d. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	AS AT 31-03-2016 Number of Shares	AS AT 31-03-2015 Number of Shares
Equity Shares		
Outstanding at the beginning of the period	139,342,430	139,342,430
Outstanding at the end of the period	139,342,430	139,342,430

e. Terms / Rights attached to equity shares.

The company has only one class of equity shares having par value of Rs. 1/- (**Rs. 1/-**) per share. Each holder of an equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

During the year, the Company has not declared any dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the equity share holders.

f. Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of the Shareholder	AS AT 31-03-2016		AS AT 31-03-2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mrs. Madhura Bhat	37,726,550	27	37,726,550	27
M. Srinivasa Murthy	21,448,600	15	21,448,600	15
M Sripad Rao	20,096,365	14	20,096,365	14
Mrs. Vanajakshi	10,056,700	7	10,056,700	7
M Prabhakar	12,006,700	9	12,006,700	9

g. Aggregate number and class of shares allotted as fully paid up shares pursuant to contracts without payment being received in cash, bonus shares issued, and shares bought back, during the period of five years immediately preceding the current reporting date

Pursuant to scheme of amalgamation of Success Apparels Private Limited with the Company no of shares of Rs. 2 each allotted to the erstwhile shareholders of Success Apparels Private Limited without payment being received in cash during the year ended 31-3-2014.

	100,000,000	100,000,000
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4. RESERVES & SURPLUS

a. Surplus/(Deficit) in Statement of Profit & Loss Account [Ref. Note No. 2.1(e)]

Balance as per last financial statement	40,189,074	49,989,121
Profit/(Loss) for the year	(84,533,848)	(8,932,985)
Add/(Less) : Adjustments relating to Fixed Assets	-	(867,060)
Net surplus / (Deficit) in statement of Profit & Loss A/c.	(44,344,774)	40,189,076
Total Reserves & Surplus	(44,344,774)	40,189,076

5. LONG TERM BORROWINGS

a. Term loan from a Bank (secured by hypothecation of vehicles)	-	49,831
b. Term loan from Others (secured by hypothecation of vehicles)	156,239	596,755
Total Long Term Borrowings	156,239	646,586
Less : Instalments of term loan payable within a year	156,239	495,506
Total Long Term Borrowings	-	151,080

*Term Loan from bank is secured by hypothecation of vehicles.

The loan is repayable in 24/36 equated monthly instalments

Maturity Profile	2015-16	2016-17
	156,239	495,506

6. SHORT TERM BORROWINGS

a. Loans repayable on demand

From Banks - Working Capital Borrowings

(refer note 2.2) of other explanatory information

	85,415,398	65,129,787
	85,415,398	65,129,787

7. TRADE PAYABLES

(A) Total outstanding dues of Micro and Small Enterprises

(B) Total outstanding dues of creditors other than

Micro Enterprises and small enterprises

	65,570,127	36,528,734
Total	65,570,127	36,528,734



Particulars	AS AT 31-03-2016		AS AT 31-03-2015	
	Rs.	Rs.	Rs.	Rs.
8. OTHER CURRENT LIABILITIES				
a. Current Maturities of long term debts				
Current maturities of term loan debts		156,239		495,506
b. Other payables				
i. Dues to Associates		4,718,518		5,252,314
ii. Advances from Customers		2,923,317		3,091,135
iii. Advance against sale of property		2,500,001		-
iii. Dues to Director		751,971		893,351
iv. Liabilities for Expenses		21,713,195		22,394,206
v. Due to Statutory authorities		1,064,125		1,046,156
Total		33,827,366		33,172,669
9. SHORT TERM PROVISIONS				
Provision to employee benefits				
i. Gratuity		5,564,621		6,333,482
ii. Leave Benefits		3,819,646		4,115,349
Others				
i. Provision for wealth tax		-		26,034
Total		9,384,267		10,474,865

**10. DEPRECIATION SCHEDULE FOR THE YEAR 2015-16
FIXED ASSETS**

Particulars	Gross Block				Depreciation						Net Block as at 31.03.2016	Net Block as at 31.03.2015
	Balance as at 01.04.15	Additions	Deletions	Balance as at 31.03.2016	Adjustments	Balance as at 01.04.15	For the Year	Retained Earnings	Withdrawal	Balance as at 31.03.2016		
Land	48,813,504	-	(3,047,930)	45,765,574	-	-	-	-	-	-	45,765,574	48,813,504
Buildings	20,488,796	-	(41,168)	20,447,628	-	6,701,445	685,900	-	(41,168)	7,346,176	13,101,452	13,787,352
Plant & Machineries	71,296,155	200,513	(17,117)	71,479,551	-	43,105,360	4,280,497	-	(10,770)	47,375,086	24,104,465	28,190,795
Office Equipments	1,673,145	45,908	(303,959)	1,415,094	-	948,075	194,664	-	(303,959)	838,780	576,313	725,069
Furniture & Fixtures	641,784	-	(80,243)	561,541	-	399,943	58,071	-	(80,243)	377,771	183,770	241,841
Motor Vehicles	11,864,259	-	(380,299)	11,483,960	-	5,886,863	1,378,326	-	(380,299)	6,884,890	4,599,070	5,977,396
Electrical Installation & Equipments	1,544,156	-	(9,893)	1,534,263	-	1,002,245	419,677	-	(9,893)	1,412,029	122,234	541,911
Computer & Data Processing Units	2,182,504	27,747	(240,105)	1,970,146	-	2,020,167	139,873	-	(240,105)	1,919,935	50,211	162,337
Sub Total	158,504,302	274,168	(4,120,713)	154,657,757	-	60,064,098	7,157,008	-	(1,066,436)	66,154,669	88,503,088	98,440,204
Previous Year	163,744,709	903,574	(6,143,981)	158,504,302	-	81,726,483	8,521,547	867,059	(31,050,993)	60,064,098	98,440,204	
Intangible Assets												
Computer Software	927,282	-	-	927,282	-	662,748	154,759	-	-	817,507	109,775	264,534
Previous Year	771,700	155,582		927,282		493,888	168,860			662,748		
Assets held for Sale												
Land		3,047,930		3,047,930							3,047,930	-
Previous Year	-	-	-	-								



Particulars	AS AT 31-03-2016		AS AT 31-03-2015	
	Rs.	Rs.	Rs.	Rs.
11. NON CURRENT INVESTMENTS				
Investment in equity instruments				
Long term - Quoted				
32091 (32091) Equity Shares of Encore Software Limited	1,099,218		1,099,218	
2200 (2200) Equity shares of Industrial Development Bank of India	286,000		286,000	
	<u>1,385,218</u>		<u>1,385,218</u>	
Less : Diminution in Value of Investments	<u>1,099,218</u>	286,000	<u>1,099,218</u>	286,000
Long Term Unquoted				
100 Shares of Ranipet Leather Finishing Servicing Industrial Co-operative Society Ltd.	10,000		10,000	
2625 shares of Talco Vaitec Limited	<u>262,500</u>	272,500	<u>262,500</u>	272,500
Investment in Government or trust securities Unquoted				
Government Securities (pledged with sales tax authorities)		16,229		16,229
Investments in mutual funds				
10,000 (10,000) Units of SBI Magnum Comma Fund Dividend Mutual Fund (Net Asset Value Rs. 130820 (Rs. 130820)		100,000		100,000
9121 (9121) Units of PNB Gilts		45,000		45,000
Total		719,729		719,729
Basis of Valuation : Investments as stated at cost.				
Aggregate amount of quoted investments and market value thereof				
Aggregate amount of quoted investments		331,000		331,000
Market Value of quoted investments		380,746		409,478
Aggregate amount of unquoted investments		16,229		16,229
Aggregate provision for diminution in value of investments		1,099,218		1,099,218
12. DEFERRED TAX ASSET / (LIABILITIES)				
On account of Carry forward losses				
Temporary disallowances under Income Tax		-		191,322
Depreciation		-		552,683
		-		744,005
13. Long Term Loans & Advances				
a. Capital Advances		18,376,956		18,451,956
b. Security Deposits				
Considered Good		4,353,689		4,404,140
Total		22,730,645		22,856,096

Particulars	AS AT 31-03-2016		AS AT 31-03-2015	
	Rs.	Rs.	Rs.	Rs.
14. INVENTORIES				
Raw Materials		56,416,908		76,740,138
Work in Progress		5,914,872		2,692,629
Finished Goods		11,167,845		13,742,713
Total		73,499,624		93,175,480
15. TRADE RECEIVABLES				
(Unsecured, Considered Good)				
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		1,811,569		1,375,930
Others		28,913,721		30,056,953
		30,725,290		31,432,883
16. CASH AND CASH EQUIVALENTS				
a. Balance with Banks				
i. on Current Account		11,289,897		17,981,651
ii. on Deposit Account*		39,827,803		26,911,000
b. Cash on hand		1,639,840		1,411,624
		52,757,540		46,304,275
(*pledged against working capital facilities)				
* Bank deposits includes with more than 12 months maturity.		14,514,710		17,234,336
17. SHORT TERM LOANS AND ADVANCES				
Other Loans and Advances				
(Considered Good)				
i. Advance Income Tax (net of provision for taxation)		4,123,650		5,041,824
ii. Prepaid Expenses		655,606		689,348
iii. Advance to Suppliers		1,084,906		785,883
iv. Balance with Statutory / Government Authorities		82,443		1,885,135
v. Employee Advances		273,464		1,885,135
vi. Other Advance		-		55
vii. Dues from Directors		112,243		-
Total		6,332,312		8,696,695
18. OTHER CURRENT ASSETS				
Duty Drawback receivable		5,828,485		11,045,178
Interest accrued but not due to deposits		4,940,392		11,309,562
Total		10,768,877		22,354,740
19. Revenue from Operations				
Sales of Products		256,849,736		261,442,299
Sale of Services		21,368,041		21,557,018
Sales of Import License	4,601,921		15,097,864	
Export incentives received	<u>21,005,939</u>	25,607,860	<u>21,096,555</u>	36,194,419
Revenue from operations (Net)		303,825,637		319,193,736



Particulars	AS AT 31-03-2016		AS AT 31-03-2015	
	Rs.	Rs.	Rs.	Rs.
Details of Products Sold				
Leather Garments		242,915,484		235,261,052
Finished Leather		12,263,826		13,808,147
Leather Goods		887,639		11,494,178
Other		782,787		878,922
		<u>256,849,736</u>		<u>261,442,299</u>
Details of Service Rendered				
Processing Charges		21,368,041		21,557,018
		<u>21,368,041</u>		<u>21,557,018</u>
20. Other Income				
a. Interest income from Bank Deposits		3,400,583		2,757,900
b. Interest income from others		180,406		163,138
c. Dividend income from Long Term Investments		2,640		30,154
d. Net gain / (loss) on foreign currency transaction and translation		1,555,446		-
d. Prior year income (net)		260,907		336,268
d. Net gain on sale of fixed assets / investments		80,998		289,673
e. Other non-operating income (net of expenses)				-
i. Excess provision / (unclaimed credit) withdrawn	1,295,452		1,207,635	
ii. Others	<u>157,802</u>	1,453,254	<u>179,874</u>	1,387,509
		<u>6,934,234</u>		<u>4,964,641</u>
21. Cost of materials consumed				
Cost of raw materials consumed		192,579,786		187,838,107
		<u>192,579,786</u>		<u>187,838,107</u>
Raw Material Consumption				
a. Leather		139,528,401		126,356,318
b. Chemicals		38,411,883		33,206,338
c. Accessories		14,639,502		28,275,451
		<u>192,579,786</u>		<u>187,838,107</u>
22. Charges (increase) / Decrease in inventories of finished goods, work in progress				
Inventories at the end of the year				
a. Work in Progress		5,914,872		2,692,629
b. Finished Goods		<u>11,167,845</u>		<u>13,742,713</u>
		<u>17,082,716</u>		<u>16,435,342</u>
Inventories at the beginning of the year				
a. Work in Progress		2,692,629		564,949
b. Finished Goods		<u>13,742,713</u>		<u>2,998,905</u>
		<u>16,435,342</u>		<u>3,563,854</u>
Charges (increase) / Decrease in inventories of finished goods, work in progress and Stock-in-Trade				
		(647,374)		(12,871,488)
Work in Progress				
Leather Garments		5,914,872		2,692,629
Finished Goods				
Leather Garments		11,167,845		13,742,713

Particulars	AS AT 31-03-2016		AS AT 31-03-2015	
	Rs.	Rs.	Rs.	Rs.
23. Employee Benefit Expenses				
Salaries & Wages		96,011,868		90,194,809
Contribution to Provident & Other Funds		13,292,960		19,048,538
Staff Welfare Expenses		2,329,856		2,412,480
		111,634,684		111,655,827
24. Financial Costs				
Interest Expense		7,222,585		4,923,378
Other Borrowing Costs (Bank Charges)		1,170,580		1,608,739
		8,393,165		6,532,117
25. Depreciation and amortisation expenses				
Depreciation of Tangible Assets		7,157,008		8,521,546
Amortisation of Intangible Assets		154,759		168,860
		7,311,767		8,690,406
26. OTHER EXPENSES				
Power and Fuel		10,034,113		10,180,279
Rent		5,720,793		7,104,863
Repairs to buildings		714,797		82,880
Repairs to Machinery		5,797,528		3,093,596
Repairs to Others		2,478,864		2,415,737
Bad Advances / Receivables written off		22,419		5,813,473
Insurance		1,600,920		1,549,605
Rates & Taxes, excluding taxes on income		910,836		3,944,745
Remuneration to Auditors		314,459		400,100
Professional & Consultancy Charges		2,289,137		484,403
Freight and Forwarding		3,527,874		1,856,886
Job Work Charges		7,643,778		5,564,185
Travelling & Conveyance		4,673,417		4,561,475
Communication expenses		1,227,512		645,341
Listing Fees		359,552		313,877
Directors Sitting Fees		110,000		52,500
Business Promotion		1,118,583		558,001
Watch & Ward		1,396,564		1,312,015
Miscellaneous		2,301,975		2,885,475
Donation		105,500		26,800
Foreign Exchange Fluctuation		-		1,266,641
Sales Commission		403,953		1,178,994
Printing & Stationery		1,156,280		1,015,278
		53,908,853		56,307,149
Remuneration to Auditor				
As auditor		200,000		200,000
Audit Fees		30,000		55,000
Tax Audit Fees				
VAT audit Fees				
In other capacity				
Certification		20,000		20,000
Service Tax		36,250		33,990
Reimbursement of expenses		28,209		91,110
		314,459		400,100
27. Exceptional Items				
Depreciation withdrawn		-		25,090,145
		-		25,090,145
28. Extraordinary Items (Refer Note 2.4 - other explanatory information)				
Loss of material on account of floods		28,896,958		
Insurance Claim received		(7,528,125)		21,368,833
		21,368,833		21,368,833

NAMASTE EXPORTS LIMITED

Registered Office : Namaste Complex, 21/2, Vittal Nagar,
Chamarajpet, Bangalore-560 018.

PROXY FORM

I/We _____
of _____
in the district of _____
being a Member(s) of **Namaste Exports Ltd.**, hereby appoint Shri _____
of _____ in the District of _____
_____ failing him Shri _____
of _____ in the district of _____ as my/our proxy to vote for me/
us, on my/our behalf at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company to be held on
Thursday, the 29th September, 2016 at 10.30 a.m. at G.T.R. Prince Palace, Lakshman Garden, 80 Feet Road,
B.S.K. 2nd Stage, Bangalore-560 070.

Signed this _____ day of _____ 2016.

Regd. Folio No. _____

No. of Shares held _____

1/- Rupee
Revenue
Stamp

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at
Registered Office of the Company, not less than 48 hours before the meeting. The proxy need not be a member of the company.

NAMASTE EXPORTS LIMITED

Registered Office : Namaste Complex, 21/2, Vittal Nagar,
Chamarajpet, Bangalore-560 018.

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of the Member attending (in Block Letters) _____

Full Name of the Joint holder _____

(To be filled in if the first named holder does not attend the meeting).

Name of the Proxy _____

(To be filled in if the Proxy Form has been duly deposited with the Company)

I hereby record my presence at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company on
Thursday, the 29th September, 2016 at 10.30 a.m. at G.T.R. Prince Palace, Lakshman Garden, 80 Feet Road,
B.S.K. 2nd Stage, Bangalore-560 070.

Member's / Proxy's Signature (To be signed
at the time of handing over this slip)

Regd. Folio No. _____

No. of Shares held _____

BOOK-POST

If undelivered please return to :
Namaste Exports Limited
'Namaste Complex',
21/2, Vittalnagar, Chamarajpet
Bangalore-560 018.