



NAMASTE EXPORTS LIMITED

***THIRTY FIFTH ANNUAL REPORT
2022 - 2023***



BOARD OF DIRECTORS	Mrs. Madhura N. Bhat	Chairperson & Additional Director
	Mr. K. Vinod Bhat	Managing Director
	Mr. E.N. Veeranna	Whole-time Director & CFO
	Mr. K. Vikas Bhat	Director
	Mr. K. Madana Bhat	Director
	Mr. G.P. Roy	Independent Director
	Mr. S.V. Madhavan	Independent Director

COMPANY SECRETARY Ms. Swati Shekhawat

BANKERS IDFC First Bank Limited
Lalbagh Main Road,
Bangalore-560027

STATUTORY 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 # 63, New Timberyard Layout,
Mysore Road, Government Electric Factory,
Bangalore-560 026.
CIN : U85110KA1988PLC008988
Tel : 91-80-26759525,26749525
Email : accounts@namasteexports.net
Website : www.namasteexports.net

Namaste Exports Limited

CIN : U85110KA1988PLC008988

Registered Office: No. 63, New Timbaryard, Mysore Road, Govt Electric Factory, Government Electric Factory, Bangalore-560 026
Tel: 91-80-26759525, 26749525 Email: accounts@namasteexports.net Website : www.namasteexports.net

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the members of **Namaste Exports Limited** will be held at **Sri Srinivasa Kalyana Mantapa**, No.51, 5th Main, Madhwa Sangha Building, Chamarajpet, Bangalore - 560 018 on Saturday the **11th November, 2023** 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, 2023 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. Madana Bhat (DIN: 09061239) who retires by rotation, being eligible offer himself for re-appointment.

SPECIAL BUSINESS :

3. REGULARISATION OF THE APPOINTMENT OF MRS. MADHURA NARAYAN BHAT (DIN: 00933486) AS DIRECTOR

To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution.

“**RESOLVED THAT** pursuant to the provisions of Section 161(1) of the Companies Act 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Act made thereunder, Mrs. Madhura Narayan Bhat (DIN: 00933486) who was appointed as an Additional Director on the Board of the Company with effect from 07/08/2023 and who holds the said office upto the date of the ensuing Annual General Meeting of the Company and that her appointment be regularized as a Director, if eligible, at that point of time be and is hereby regularized as Director of the Company.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as maybe necessary or expedient in this regard.”

4. RE-APPOINTMENT OF Mr. E.N. VEERANNA (DIN: 00920219) AS WHOLE-TIME DIRECTOR AND CFO

To consider, and if thought fit, to pass, with or without modification(s) the following resolution as Special 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) consent of the Board be and is hereby accorded to re-appoint Mr. E. N. Veeranna (DIN: 00920219) as a Whole-Time-Director (Finance)

and CFO of the Company for a period of 3 years w.e.f. 01/03/2023 to 28/02/2026 on such terms and conditions including remuneration as set out in the explanatory statement and that the age limit crossed 70 years for which consent given there for and that the remuneration is payable on such terms and conditions as detailed in the explanatory statement.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as maybe necessary or expedient in this regard.”

5. APPOINTMENT OF MR. S.V. MADHAVAN (DIN: 10341124) AS AN INDEPENDENT DIRECTOR

To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Setlur Varadachari Madhavan (DIN: 10341124) who submitted a declaration that he met the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment be appointed as Independent Director of the Company for five consecutive years with effect from 04/10/2023 to 03/10/2028 and whose office shall not be liable to determination by retirement of directors by rotation on such terms and conditions of payment of fees to him as may be determined by the board of directors from time to time.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as maybe necessary or expedient in this regard.”

6. WAIVER OF EXCESS REMUNERATION PAID TO MR. KHANDIGE VIKAS BHAT (DIN: 00939715), DIRECTOR

To consider, and if thought fit, to pass, with or without modification(s) the following resolution as Special Resolution:

“**RESOLVE THAT** pursuant to Section 197(10) and rules made there under, if any, consent is hereby given for waiver of excess remuneration Rs. 5,54,000 paid to Mr. Vikas Bhat (DIN: 00939715) over and above his entitlement INR 12,00,000 remuneration for F.y. 2022-23 based on net worth of the Company as per Schedule V of the Act and that the Company furnished the declaration that no default in payment of dues to any Bank or public institution or any other secured creditor in terms of provisions of the Act”.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as maybe necessary or expedient in this regard.”



7. WAIVER OF EXCESS REMUNERATION PAID TO MR. KHANDIGE MADANABHAT (DIN: 09061239), DIRECTOR

To consider, and if thought fit, to pass, with or without modification(s) the following resolution as Special Resolution:

“**RESOLVE THAT** pursuant to Section 197(10) and rules made there under, if any, consent is hereby given for waiver of excess remuneration Rs. 1,04,000 paid to Mr. Madana Bhat (DIN: 09061239) over and above his entitlement INR 9,00,000 remuneration for F.y. 2022-23 based on the approval extended by shareholders at their AGM held on 30.09.2022 and that the Company furnished the declaration that no default in payment of dues to any Bank or public institution or any other secured creditor in terms of provisions of the Act”.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as maybe necessary or expedient in this regard.”

For NAMASTE EXPORTS LIMITED

Sd /-

(K. VINOD BHAT)

MANAGING DIRECTOR

(DIN : 02359812)

Bangalore-560 018.
20th October, 2023

NOTES

- 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.**
- The Register of Members and Share Transfer Books of the Company will remain closed on 11th November, 2023.
- 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.
- Members are requested to notify immediately any change in address and signature updation for their physical holdings to the Company at its Registered Office/email ID and to the respective DPs in case of shares in demat mode and to the Company's Registrar and Transfer Agent (RTA) BgsE Financials Ltd., Bangalore.
- W.e.f. 2nd October,2018, all the shares held by the unlisted Public Companies shall be held in DEMAT mode and the share transfer or further allotment of shares shall be made in DEMAT

mode only, As per the said regulation, the members holding shares in physical form are requested to dematerialise their physical shares into electronic form by sending demat requests to their concerned Depository Participants. (DP),

- Register of contracts, maintained under section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
- Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
- In case of any specific queries/clarification on the operations or any other subject, members may send their queries to the registered office of the Company before convening the meeting.

For NAMASTE EXPORTS LIMITED

Sd /-

(K. VINOD BHAT)

MANAGING DIRECTOR

(DIN : 02359812)

Bangalore-560 018.
20th October, 2023

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

ITEM NO. 3.

REGULARISATION OF THE APPOINTMENT OF MRS. MADHURA NARAYAN BHAT (DIN: 00933486)

The Board of directors at their meeting held on 07/08/2023 appointed Mrs. Madhura Narayan Bhat (DIN: 00933486), as an Additional Director of the Company. The Board referred her appointment to NRC for its consent by recommendation on regularization of her appointment.

Nomination and Remuneration Committee, recommended the appointment of Mrs. Madhura Narayan Bhat (DIN: 00933486) at the meeting held on 14/08/2023. In terms of the Act, the term of her office comes to an end at the ensuing AGM. Since she is eligible for regular director and conveyed the consent.

The Board recommends the resolution set forth in Item No. 3 for the approval of the members.

Except Mrs. Madhura Narayan Bhat, her relatives namely, Mr. K. Vinod Bhat, Mr. K. Vikas Bhat and Mr. K. Madana Bhat, there is no other director is interested or concerned in this resolution.

ITEM NO.: 4:

RE-APPOINTMENT OF MR. E.N. VEERANNA (DIN: 00920219) AS WHOLE –TIME- DIRECTOR & CFO

The Board of directors at their meeting held on 07/06/2023 approved the re-appointment of Mr. E.N. Veeranna, Director (DIN: 00920219) of the Company as whole – Time – Director of the Company for a period of 3 years from 01/03/2023 to 28/02/2026 and that the Remuneration Committee approved the re-appointment of Mr. E.N. Veeranna at its meeting held on 21/06/2023. Considering his vast experience in the field of financial management and long association with the Company, the re-appointment placed for members approval. Since the Company has the deficiency of profits to pay remuneration U/s 197, it is proposed to pay remuneration under Part II of Schedule V based on net worth less than 5 Crores. As Mr. E.N. Veeranna crossed the age limit 70 years, under Schedule V of the Act requires special resolution for his re-appointment.

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. 1,60,000/- (Rupees One lakh Sixty thousands 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-imbursement 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.



Mr. E.N. Veeranna satisfy all the conditions set out in Para-1 of Schedule V to the Act as also conditions set out under subsection(3) of Section 196 of the Act for being eligible for the re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

Except Mr. E.N. Veeranna none of the directors is interested/ concerned in this resolution.

ITEM NO. 5:

APPOINTMENT OF MR. S.V. MADHAVAN (DIN: 10341124)

The Board in their meeting held on 03/10/2023 informed that by virtue of paid up capital of the Company is over INR 10 Crores, the Company should have independent director in terms of Section 149 and the Companies (Appointment and Qualification of Directors) Rules, 2014. As Mrs. Geetha completed her term as an Independent director of the Company, Mr. Setlur Varadachari Madhavan (DIN: 10341124)is proposed to be appointed an independent director of the Company in her place.

Mr. S V Madhavan is well qualified possessing MSC Statistics, MBA Finance and Lead Auditor for ISO 9001-2015 as well wide experience of over 21 years in various fields of industry in his capacity as general manager, management representative and management consultant.

Because of the provisions and his qualifications & experience mentioned above, Mr. Setlur Varadachari Madhavan (DIN: 10341124) is proposed to be appointed as an independent director of the Company. Mr. Setlur Varadachari Madhavan furnished his declaration fulfilling the prescribed criteria as laid down in the above mentioned Rules and section 149. The appointee will not be liable for retirement by rotation and his appointment is valid for 5 years that is from 04/10/2023 and valid to 03/10/2028.

The Board noted that Mr. S V Madhavan's skills, background and experience are aligned to the role and capabilities and that he is eligible for appointment as an Independent Director of the Company.

The Board recommends the resolution set forth in Item No. 5 for the approval of the members.

Except Mr. S.V. Madhavan no other directors are interested or concerned in this matter.

ITEM NO. 6:

WAIVER OF EXCESS REMUNERATION PAID TO MR. KHANDIGE VIKAS BHAT (DIN : 00939715) , DIRECTOR

The Board of directors at their meeting held on 03/10/2023 approved the waiver of excess remuneration Rs. 5,54,000 paid to Mr. Khandige Vikas Bhat subject to passing special resolution in the next general meeting. The said excess payment to Mr. K Vikas Bhat (DIN: 00939715) was over and above his entitlement INR 12,00,000 remuneration for F.y. 2022-23 based on net worth of the Company as per Schedule V of the Act.

As per Section 197(10) of the Act, the waiver of excess remuneration paid to any director shall not be waived. However, the Act permits under proviso to Section 197(10) that by passing special resolution the excess remuneration paid to any director

can be waived and the refund period should be within 2 years of the excess salary paid. And the Company should make a declaration that no secured creditor is defaulted.

The excess amount payment Rs. 5,54,000 resulted by end of 31/03/2023. The waiver proposal is within the permitted 2 years. The Company issued declaration that there are no dues to the secured creditors.

The Board recommended passing of this special resolution.

Except Mr. Khandige Vikas Bhat the beneficiary himself, Mr. Khandige Vinod Bhat and Mr. Khandige Madana Bhat directors of the Company, there is no other person concerned or interested in this resolution.

ITEM NO. 7:

WAIVER OF EXCESS REMUNERATION PAID TO MR. KHANDIGE MADANA BHAT (DIN: 09061239), DIRECTOR

The Board of directors at their meeting held on 03/10/2023 approved the waiver of excess remuneration paid to Mr. Khandige Madana Bhat subject to passing special resolution in the next general meeting. The said excess payment to Mr. Mr. Khandige Madana Bhat was over and above his entitlement INR 9,00,000 remuneration for F.y. 2022-23 based on the approved limits given by the shareholders of the Company at their AGM held on 30.09.2023.

As per Section 197(10) of the Act, the waiver of excess remuneration paid to any director shall not be waived. However, the Act permits under proviso to Section 197(10) that by passing special resolution the excess remuneration paid to any director can be waived and the refund period should be within 2 years of the excess salary paid. And the Company should make a declaration that no secured creditor is defaulted.

The excess amount payment Rs. 1,04,000 resulted by end of 31/03/2023. The waiver proposal is within the permitted 2 years. The Company issued declaration that there are no dues to the secured creditors.

The Board recommended passing of this special resolution.

Except Mr. Khandige Madana Bhat, the beneficiary himself and Mr. Khandige Vinod Bhat, Mr. Khandige Vikas Bhat directors of the Company, there is no other person concerned or interested in this resolution.

For NAMASTE EXPORTS LIMITED

Sd /-

(K. VINOD BHAT)

MANAGING DIRECTOR

(DIN : 02359812)

Bangalore-560 018.

20th October, 2023

DIRECTORS REPORT

To The Members,

Directors present the 35th Annual Report of the Company along with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2023.

1. FINANCIAL RESULTS

Particulars	(Rs. in Lakhs)	
	2022-23	2021-22
Revenue from Operations	2095.98	2866.98
other income	44.40	59.88
Profit/(Loss) before exceptional items & tax	(487.77)	157.33
exceptional items	-	-
Profit (Loss) before tax	(487.77)	157.33
Income tax expenses	-	-
Tax expense relating to prior years	-	(0.15)
Profit/(Loss) for the year from continuing operations	(487.77)	157.47
Profit/(Loss) for the year from discontinuing operations	515.09	(42.67)
Tax expenses on discontinued operations	-	-
Profit /(Loss) for the year	27.32	114.80
Remeasurement Loss on defined benefit plan	6.28	(4.34)
Remeasurement of Investments	(1.75)	5.88
Total Comprehensive Income	31.85	116.35

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits under the provisions of Section-73 of the Companies Act, 2013 and the rules made thereunder.

PERFORMANCE

The Company registered sale of Rs.2140.38 Lakhs. A steep reduction in the sales was due to on going Ukraine-Russia war which was effected whole of Europe and Russia. Our business is mainly concentrated in Europe & Russia.

FUTURE PROSPECTS

The Company has reduced the installed Capacity to suit the present orders on hand and business. The Company would depend on out sourcing for production in the event of orders exceeding installed capacity. The reduction in capacity has resulted in substantial savings. With this reduction of expenses and expectation of good orders would result in the Company turning profitable.

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, 2023 and the date on which this report has been signed.

3.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.

4. DIVIDEND

As the Company has not fully recovered from the financial distress it is not able to declare dividend.

5. CHANGE IN SHARE CAPITAL

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.

6. CAPITAL EXPENDITURE

As on 31st March, 2023, the gross tangible assets stood at Rs.652.81 Lakhs. The Company has not purchased any assets under lease.

7. BOARD MEETINGS:

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 2022-23, 11 meetings of the Board of Directors were as under:

One Board meetings during May 2022 viz. 23/05/2022, and remaining ten meetings on 06/06/2022,30/07/2022,02/08/2022, 23/08/2022,27/08/2022,10/11/2022,15/11/2022,06/12/2022, 06/02/2023 & 10/02/2023 respectively.

DETAILS OF DIRECTORS:

Sl. No.	Name	DIN	Category	Designation
1.	Mrs. Madhura N Bhat	06487847	Non-Executive	Chairperson & Additional Director
2.	Mr. K. Vinod Bhat	02359812	Executive	Managing Director
3.	Mr. E.N. Veeranna	00920219	Executive	Whole Time Director & CFO
4.	Mr. K. Vikas Bhat	00939715	Non-Executive	Director
5.	Mr. K. Madana Bhat	09061239	Non-Executive	Director
6.	Mr. G.P. Roy	06487847	Independent	Independent Director
7.	Mr. S.V. Madhavan	02248392	Non-Executive	Independent Director

APPOINTMENT OF INDEPENDENT DIRECTOR

Mrs.Geetha Santhanagopalan,(DIN: 06602023) who completed her 10 years tenure as an Independent Director of the Company, Thereby she ceases to be Independent Director of the Company in terms of the Act & Mr. Setur Veradachari Madhavan (DIN:10341124) was appointed by the board of directors in place of Mrs. Geetha Santhanagopalan w.e.f. 04.10.2023.



APPOINTMENT OF ADDITIONAL DIRECTOR AND CHAIRPERSON OF COMPANY AND REGULARISATION:

Mrs. Madhura N Bhat (DIN: 06487847) appointed as Additional Director w.e.f. 07/08/2023. Her appointment as regular director is proposed at the ensuing AGM & Chairperson of the Company.

Name of Director retiring by rotation at this AGM :

Mr. K. Madana Bhat (DIN: 09061239) who retires by rotation, being eligible offer himself for re-appointment.

8. 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).

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

Following are the composition of various Committees:
Audit Committee of the Company consists of three (3) Non-Executive Directors out of which two are 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 :

- (i). G.P. Roy (Chairman of the Committee) (DIN : 06487847)
- (ii). Mrs. Geetha Santhanagopalan (DIN : 06602023)
- (iii). K. Vikas Bhat (DIN : 00939715)

The Audit Committee met 4 times during the year from 1st April 2022 to 31st March 2023 on 23/05/2022,27/08/2022,15/11/2022 and 06/02/2023.

10. 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:

- (i). Mrs.Geetha Santhanagopalan
(Chairman of the Committee) (DIN : 06602023)
- (ii). G.P. Roy (DIN : 06487847)
- (iii). K. Vikas Bhat (DIN : 00939715)

The Committee met one time during the year 2022-23 viz on 15/11/2022

The Grievance Committee comprises of :

- (i). G.P. Roy (Chairman of the Committee) (DIN : 06487847)
- (ii). Mrs. Geetha Santhanagopalan (DIN : 06602023)
- (iii). K. Vikas Bhat (DIN : 00939715)

11.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) which is available on website of the Company and there were no cases reported during the last period.

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. 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;

- c. 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;
- d. the Directors have prepared the annual accounts on a 'going concern' basis;
- e. 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; and
- f. 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.

13. 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, draft MGT-7 Annual Return available in the web site. The web address pertaining to Annual Report referred in Sub Section 3 of Sec 92 is Website: www.namasteexports.net and Web Link is: http://www.namasteexports.net/investors_desk.php

14. 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.

15. STATUTORY AUDITORS

The Statutory Auditors M/s. Ishwar & Gopal, Chartered Accountants, (FRN No. 001154S) has been appointed for period of 5 years from the date of 34th AGM till conclusion of 39th AGM in accordance with the regulations specified in the Companies Act, 2013 and ratification of their appointment is not required as per the amended provisions of the Companies Act, 2013.

Your Company has not appointed any internal auditors.

16. EXPLANATION BY BOARD ON COMMENTS BY AUDITORS:

The Statutory Auditor's of the Company M/s. Ishwar & Gopal, Chartered Accountant, Bangalore have given their Audit Report for the year ended 31st March, 2023 with certain emphasis of matter, on which the Directors of the Company clarify as follows.

Observations made in the Report :

Qualification by the auditor	Explanation by the Board
As detailed in Note No 15(viii) to the financial statements, the Company has not filed documents/e-forms with the Registrar of Companies, Karnataka, Bangalore, regarding increase in authorized capital, paid up capital, reduction in face value of paid up capital, and other documents relating to amalgamation / restructuring for a substantial period.	The order of BIFR have attained finality. The ROC has filed appeal in the Karnataka High Court regarding BIFR order. We are hopeful of getting favourable judgement from the High Court. Upon which the ROC will have to allow filing of returns without fees.
As detailed in note 7, advance of Rs. 183.77 Lakhs is due for substantial period from a firm in which relatives of a director are interested. As per the documents made available to us, the Company has neither taken steps to register the property in the name of the Company nor taken steps to recover the said dues.	The company would complete the registration formalities at the earliest.
As detailed in note No. 12, the Company has given advance of Rs. 30.85 lakhs to a director, without obtaining approval of members in accordance with section 185 of the Companies Act, 2013.	This is an advance given to the director to meet certain expenses incurred on behalf of the Company. It will be regularised in next 6 months.
Emphasis of Matter	Explanation by the Board
Without modifying our opinion, attention is drawn to Note No 33(j) to the financial statements, relating to delisting of the shares of the Company. As per the notification of BSE, the Company, directors and promoters have got certain obligations as detailed in the said note. Non fulfilling of the said obligations may result in consequential liabilities which are not ascertainable.	The Company and the Promoters are aware of the obligations and have taken suitable steps as purported in the SEBI guidelines. Company has taken action to get connectivity and demat all the shares. Upon completion of this process obligations under delisting will be fulfilled.

17. SECRETARIAL AUDIT REPORT

Not applicable

18. 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.	Not applicable
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Not applicable
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	Nil
(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 Initiatives taken to increase exports, Development of new export markets for products and services Export plans	Not Applicable
Total Exchange used (Cash basis)	As on 31 st March 2023: Rs. 23.77 Lakhs
Total Foreign Exchange Earned (Accrual Basis)	As on 31 st March 2023: Rs. 1957.48 Lakhs

19 RATIO OF REMUNERATION TO EACH DIRECTOR

The Company had 310 employees as on 31st March, 2023. 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 1**

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.

20. 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, 2023.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. ANNUAL BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 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.

29. COST AUDIT:

The provision of Cost Audit is not applicable to the Company.

29. 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.

30. EVENT BASED DISCLOSURE

There are no event based disclosures.

31. 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 2022-23.

No of complaints received: NIL

No of complaints disposed off: NIL

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

There are no frauds

33. HUMAN RESOURCES & INDUSTRIAL RELATIONS

Employee relations at all levels continued to remain cordial.

34. COMPLIANCE WITH SECRETARIAL STANDARDS ISSUED BY ICSI

The company is in compliance with applicable secretarial standards issued by ICSI, New Delhi from time to time.

35. ACKNOWLEDGEMENT

Directors place on record their sincere appreciation for the assistance and co-operation received from the bankers. 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. Government of India particularly Ministry of Corporate Affairs, Ministry of Commerce and Finance and Govt. of Karnataka and Bank 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

Sd /-

(E.N. VEERANNA)

WHOLE-TIME-DIRECTOR

(DIN : 00920219)

Sd /-

K. VINOD BHAT)

MANAGING DIRECTOR

(DIN : 02359812)

Bangalore-560 018

11/09/2023



RATIO REMUNERATION

ANNEXURE-1

Particulars				
i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	K. Vinod Bhat, Managing Director	E.N. Veeranna, Whole-time- Director	K. Vikas Bhat, Director	K Madana Bhat, Director
	21.92	15.25	9.53	7.15
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;	K. Vinod Bhat, Managing Director	E.N. Veeranna, Whole-time- Director	K. Vikas Bhat, Director	K Madana Bhat, Director
	NIL	NIL	NIL	NIL
iii. The percentage increase in the median remuneration of employees in the financial year;	5.11%			
iv. The number of permanent employees on the rolls of company;	310			
v. The explanation on the relationship between average increase in remuneration and company performance;	The increase in the remuneration was -1.51%.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. 68.35 Lakhs. The Turnover of the Company is Rs.2141.38Lakhs			
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;	Not Applicable since shares have been delisted by NSE & BSE.			
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 2022-23 is 0.63%. The average percentile increase in the remuneration of employees in management cadre in FY 2022-23 is 26.35%.			
ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Remuneration Rs. 68.35 Lakhs. The Turnover of the Company is Rs.2141.38 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 Rs.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 Rs.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

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 31-03-2023 Rs. 0.11 Lakhs)
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	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 31-03-2023 Rs. 18.00 Lakhs)
e.	Date of approval (Renewal) by the Board	15-05-2015
f.	Amount paid as advances, if any	NIL

For Namaste Exports Limited

Place : Bangalore
11th September, 2023

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



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NAMASTE EXPORTS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Qualified Opinion

We have audited the financial statements of **NAMASTE EXPORTS LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2023, the statement of Profit and Loss, and Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements **subject to the effect of matters described in the basis of qualified opinion paragraph**, 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 March 31, 2023, profit for the year and its cash flows for the year.

Basis of Opinion

1. As detailed in note no 15 (viii) to the financial statements, the Company has not filed documents / e-forms with the Registrar of Companies, Karnataka, Bangalore, regarding increase in authorised capital, paid up capital, reduction in face value of paid up capital, and other documents relating to amalgamation / restructuring for a substantial period.
2. As detailed in note no 7, advance of Rs. 183.77 Lakhs is due for substantial period from a firm in which relatives of directors are interested. As per the documents made available to us, the Company has neither taken steps to register the property in the name of the Company nor taken steps to recover the dues.
3. As detailed in note no 12, the company has given advance of Rs. 30.85 lakhs to a director, without obtaining approval of members in accordance with section 185 of the Companies Act, 2013.

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

Information other than the Financial Statements and Auditor's Report thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for 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 financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls. • Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of matter

Without modifying our opinion, attention is drawn to Note 33 (j) to the financial statements, relating to delisting of shares of the Company. As per the notification of BSE, the Company, directors and promoters have certain obligations as detailed in the said note. Non fulfilment of the said obligations may result in consequential liabilities which are not ascertainable.

Report on Other Legal and Regulatory Requirements

The Companies (Auditor's Report) Order, 2020 ("CARO 2020" or "the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, is applicable to the Company for the year under review. We have given in **Annexure A**, statement on the matters specified in paragraphs 3 and 4 of the Order.

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, Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we have enclosed herewith a report in **Annexure B** on the same for the year under review.
- 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 does not have any pending litigations which would impact its financial position in the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. a The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to

accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- iv.b. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iv.c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared any dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- h. Report under section 197 (16): In our opinion and according to the information and explanations given to us, the excess remuneration paid by the Company to a director of Rs. 3 Lakhs has been shown as recoverable from director and needs to be recovered from him.

For Ishwar & Gopal

Chartered Accountants,
Firm Registration No: 005350S

K.V. Gopalakrishnayya
Partner
Membership no: 021748

Place : Bangalore,
Dated : 11-09-2023

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

Statement on para 3 and 4 of the Companies (Auditor's Report) Order, 2020, (CARO 2020/ "the Order") issued vide Order number S.O. 849(E) dated 25th February 2020 referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2023,

- i. a. A. As per the information and explanation provided to us, the company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;
B. The Company does not have any intangibles. Hence the requirement of clause 3 (i) (a) (B) of the order is not applicable to the Company during the year under review;
- b. As per the information and explanation provided to us, Property Plant and Equipment of the Company have been physically 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. The Company has not revalued its Property, Plant & Equipment. Hence the requirement of clause 3 (i) (d) of the order is not applicable to the Company during the year under review;
- d. Based on the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder,
- ii. a. Inventories 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;
- b. As informed to us, during any point of time of the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence the requirement of clause 3 (ii) (b) of the order is not applicable to the Company during the year under review.
- iii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, has not made investments in, provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.
A. The Company has granted loans / advances in the nature of loans to directors / relatives of directors without obtaining approval of shareholders in a general meeting, the details of which are as under: Aggregate amount granted during the year Rs. 14.42 Lakhs
B. Balance outstanding as at balance sheet date in respect of the above cases Rs. 221.19 Lakhs.
- b. According to the information and explanation given to us and on the basis of examination of records of the Company, there are no terms and conditions for grant of these advances and hence we are not able to comment as to whether the same is prima facie prejudicial to the interest of the Company.
- c. In respect of these advances, there is no schedule of repayment of principal or stipulation for payment of interest and hence we are not able to comment as to whether the repayments or receipts are regular.
- d. In respect of these advances, there is no schedule of repayment of principal or stipulation for payment of interest and hence we are not able to comment as to whether the amount is overdue and steps taken by the Company for recovery of principal and interest.
- e. In respect of these advances, there is no schedule of repayment of principal or stipulation for payment of interest. Hence we are not able to comment as to whether the loan has fallen due during the year and the loan has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f. According to information and explanations given to us and based on the audit procedures performed, the Company has granted any loans / advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013; Aggregate amount granted / provided during the year: Rs. 14.42 Lakhs. Percentage of total loans granted during the year 49%
- 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 granted an advance of Rs. 183.77 lakhs due from a firm in which relative of a director is interested and advance of Rs. 37.44 Lakhs to directors without complying with the provisions of section 185 and 186 of the Act.
- 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 or amounts which are deemed to be deposits and hence the requirement of clause 3 (v) of the order 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) the order is not applicable to the Company during the year under review.
- vii. a. The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues mentioned above as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
b. According to the information and explanation given to us, there are no amounts of statutory dues as referred to in clause 3 (vii) (a) above which have not been deposited on account of any dispute.
- viii. According to the information and explanation given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), hence the requirement of clause 3 (viii) the order is not applicable to the Company during the year under review
- ix. a. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

- b. In our opinion and according to the information and explanations given to us, the Company has not been declared as wilful defaulter by any bank or financial institution or any lender;
- c. In our opinion and according to the information and explanations given to us, the Company has not obtained any term loan during the year under review;
- d. In our opinion and according to the information and explanations given to us, short term funds raised by the Company have not been utilised for long term purposes.
- e. In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence the requirement of clause 3 (ix) (e) of the order is not applicable to the Company during the year under review;
- f. In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence the requirement of clause 3 (ix) (f) of the order is not applicable to the Company during the year under review;
- x. a. 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) and hence clause 3 (x) (a) of the Order is not applicable to the Company during the year under review.
- b. In our opinion and according to the information and explanations given to us, the company has made not any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence clause 3 (x) (b) of the Order is not applicable to the Company during the year under review.
- xi. a. According to the information and explanations given to us, no material frauds by the Company or on the Company have been noticed or reported during the course of the audit.
- b. According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- c. According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year under review;
- 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) (a) to (c) of the Order 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. In our opinion and according to the information and explanation given to us, the Company is not in the class of Companies required to have internal audit system and hence clause 3 (xiv) (a) and (b) of the Order is not applicable to the Company during the year under review.
- 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 and hence clause 3 (xv) of the Order 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 and hence clause 3 (xvi) (a) to (d) of the Order is not applicable to the Company for the year under review.
- xvii. The Company has not incurred cash loss during the current year and immediately preceding previous year.
- xviii. There has been resignation of the statutory auditors during the year under review. There were no issues, objections or concerns raised by the outgoing auditor.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, as on the date of the balance sheet, the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. The Company is not covered under the class of Companies under section 135 of the Companies Act, 2013 and rules framed thereunder. Hence clause 3 (xx) (a) and (b) of the Order is not applicable to the Company for the year under review.
- xxi. The Company is not required to prepare consolidated financial statements and hence clause 3 (xxi) of the Order is not applicable to the Company for the year under review.

For Ishwar & Gopal
Chartered Accountants,
Firm Registration No: 005350S

K.V. Gopalakrishnayya
Partner
Membership no: 021748

Place : Bangalore,
Dated : 11-09-2023

**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 2023, 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 has been identified as at 31st March 2023.

The internal control system of the Company in respect of receipt of material and reconciliation of material consumption, needs to be improved to make it commensurate with the size of the Company and nature of its business.

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, 2023, 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 weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023, financial statements of the Company, and the same is reported under emphasis of matters in our audit report of even date.

For Ishwar & Gopal

Chartered Accountants,
Firm Registration No: 005350S

K.V. Gopalakrishnayya
Partner
Membership no: 021748

Place : Bangalore,
Dated : 11-09-2023

BALANCE SHEET AS ON 31ST MARCH 2023

Amount in Lakhs (INR)

Particulars	Note No.	31/03/2023	31/03/2022
ASSETS			
Non -current Assets			
Property, Plant and Equipment	3A	282.72	253.46
Intangible Assets	3B	-	-
Assets held for Sale	4	381.78	430.29
Financial Assets			
i) Investments	5	17.43	18.83
ii) Other Financial Assets	6	11.50	4.79
Other Non Current Assets	7	183.77	183.77
Total Non Current Assets		877.20	891.13
Current Assets			
Inventories	8	378.83	599.98
Financial Assets			
i) Trade Receivables	9	25.43	213.11
ii) Cash and Cash Equivalents	10	521.18	246.04
iii) Bank Balances Other Than (ii) above	11	50.12	203.00
iv) Loans and Advances	12	41.80	40.15
v) Other Financial Assets	13	3.25	10.79
Current Tax Assets		6.32	2.28
Other Current Assets	14	217.83	174.71
Total Current Assets		1,244.77	1,490.06
Total Assets		2,121.97	2,381.20
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	1,372.91	1,372.91
(b) Other Equity	16	(866.19)	(898.04)
Inter branch			
Total Equity		506.72	474.87
LIABILITIES			
Non - current liabilities			
Financial Liabilities			
i) Borrowings	17	-	-
Provisions	18	114.23	110.24
Total Non Current Liabilities		114.23	110.24
Current Liabilities			
Financial Liabilities			
i) Borrowings	19	471.17	271.51
ii) Trade Payable	20		
(a) total outstanding dues of micro enterprises and small enterprises ;		223.23	169.59
(b) total outstanding dues of creditors other than micro enterprises and small enterprises.		203.59	652.63
iii) Other Financial Liabilities	21	298.70	294.85
Provisions	22	52.10	47.83
Other Current Liabilities	23	252.23	359.69
Total Current Liabilities		1,501.02	1,796.08
Total Liabilities		1,615.25	1,906.32
Total Equity and Liabilities		2,121.97	2,381.20

See accompanying notes to the financial statements

As per our attached report of even date

For Ishwar & Gopal

Chartered Accountants,
Firm Registration No: 005350S

K.V. Gopalakrishnayya

Partner

Membership no: 021748

Place : Bangalore,

Dated : 11-09-2023

For and on behalf of the Board

K. VINOD BHAT
Managing Director
(DIN : 02359812)

K. VIKAS BHAT
Director
(DIN : 00939715)

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

SWATI SHEKHAWAT
Company Secretary
ACS No.: 51507



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023

Amounts in Lakhs (INR)

Particulars	Note No.	For the Year ended 31-03-2023	For the Year ended 31-03-2022
Continuing operations			
Revenue from operations	24	2,095.98	2,866.98
Other income	25	44.40	59.88
Total Income		2,140.38	2,926.86
Expenses			
Cost of materials consumed	26	1,344.30	1,441.96
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress	27	104.34	78.88
Employee benefits expense	28	820.43	830.91
Financial costs	29	62.82	101.20
Depreciation and amortization expense	30	11.82	10.84
Other expenses	31	284.44	305.74
Total Expenses		2,628.15	2,769.53
Profit / (Loss) before exceptional items and tax		(487.77)	157.33
Exceptional Items		-	-
Profit / (Loss) before tax		(487.77)	157.33
Income tax Expenses			
c) Tax expense relating to prior years		-	(0.15)
Total Tax Expenses		-	(0.15)
Profit / (Loss) for the year from continuing operations	32 A to F	(487.77)	157.47
Profit / (Loss) for the year from discontinuing operations		515.09	(42.67)
Tax Expense on discontinued operations		-	-
Profit / (Loss) for the year		27.32	114.80
Other Comprehensive Income			
Items that will not be classified to the Profit & Loss Account			
Re-measurement Loss on defined benefit plan		6.28	(4.34)
Re-measurement of investments		(1.75)	5.88
Total Comprehensive Income		31.85	116.35
Earnings per equity share (For continuing operation)			
Basic & Diluted		(0.35)	0.12
Earnings per equity share (For discontinued operation)			
Basic & Diluted		0.38	(0.03)
Earnings per equity share (For discontinued & continuing operation)			
Basic & Diluted		0.02	0.08

See accompanying notes to the financial statements

As per our attached report of even date

For Ishwar & Gopal
Chartered Accountants,
Firm Registration No: 005350S
K.V. Gopalakrishnaya
Partner
Membership no: 021748
Place : Bangalore,
Dated : 11-09-2023

For and on behalf of the Board

K. VINOD BHAT
Managing Director
(DIN : 02359812)

K. VIKAS BHAT
Director
(DIN : 00939715)

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

SWATI SHEKHAWAT
Company Secretary
ACS No.: 51507

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2023

Amounts in Lakhs (INR)

Particulars	31-03-2023	31-03-2022
A.Cashflow from operating activities		
Net profit before tax and extraordinary items	31.85	116.20
Adjustments for:		
Depreciation(net)	14.93	11.85
Adjustment for remeasurement of investments/ retirement benefits	(4.53)	(1.55)
Dividend Income	(0.27)	(0.31)
Interest income	(2.78)	(7.56)
Interest expenditure	49.38	95.87
Loss/(profit)on discard/Sale of fixed assets	(547.09)	(46.08)
Operating profit/(Loss)before working capital changes	(458.51)	168.43
Adjustments for changes in :		
Decrease / (increase) in inventories	221.15	129.64
Decrease / (increase) in trade receivables	187.68	(118.21)
Decrease / (increase) in other assets	109.63	(53.59)
(Decrease) / increase in trade payables	(395.40)	83.58
(Decrease) / increase in other liabilities	(99.33)	127.34
(Decrease) / increase in provisions	10.27	8.94
Cash generated from operations	(424.51)	346.12
Income tax paid(net)	(4.03)	1.01
Net cashflow from operating activities	(428.55)	347.13
Extraordinary Items	-	-
Net Cash Flow from/(used in) Operating Activities	(432.58)	348.14
B.Cashflow from investing activities		
Purchase of Fixed Assets	(44.19)	(23.04)
Proceeds from Sale of Fixed Assets	595.60	48.06
Investment in Shares	(0.35)	(1.35)
Dividend Income	0.27	0.31
Interest received	2.08	7.56
Net cash used in investing activities	553.41	31.53
C.Cashflow from Financing activities		
Increase in borrowings	199.66	(83.96)
Increasein Long term borrowings	-	(71.12)
Interest & Financial charges	(49.38)	(95.87)
Net cash used in Financing activities	150.28	(250.95)
Net increase/(Decrease)in Cash & Cash equivalents(A+B+C)	275.14	127.71
Cash &Cash equivalents		
Opening balance	246.04	118.32
Closing balance	521.18	246.04
Net increase/Decrease in cash and cash equivalents	275.14	127.71

See accompanying notes to the financial statements

As per our attached report of even date

For Ishwar & Gopal
 Chartered Accountants,
 Firm Registration No: 005350S

 K.V. Gopalakrishnaya
 Partner
 Membership no: 021748

 Place : Bangalore,
 Dated : 11-09-2023

For and on behalf of the Board

K. VINOD BHAT
Managing Director
 (DIN : 02359812)

K. VIKAS BHAT
Director
 (DIN : 00939715)

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

SWATI SHEKHAWAT
Company Secretary
 ACS No.: 51507

**STATEMENT OF CHANGES IN EQUITY****A) Equity Share Capital****Amount in Lakhs (INR)****i) Current reporting period - year ended 31st March 2023**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,372.91	-	1,372.91	-	1,372.91

ii) Previous reporting period - year ended 31st March 2022

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
1,372.91	-	1,372.91	-	1,372.91

B) Other Equity**Amounts INR in Lakhs****i) Current reporting period - year ended 31st March 2023**

Particulars	Other Reserve (Capital Redemption Reserve)	Retained Earnings	Other Comprehensive Income (OCI)	Total
Balance at the beginning of the current reporting period	20.51	(929.75)	11.20	(898.04)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	20.51	(929.75)	11.20	(898.04)
Total Comprehensive Income for the Current year	-	27.32	4.53	31.85
Dividends Paid	-	-	-	-
Balance at the end of the current reporting period	20.51	(902.43)	15.73	(866.19)

ii) Previous reporting period - year ended 31st March 2022

Particulars	Other Reserve (Capital Redemption Reserve)	Retained Earnings	Other Comprehensive Income (OCI)	Total
Balance at the beginning of the current reporting period	20.51	(1,044.55)	9.65	(1,014.39)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	20.51	(1,044.55)	9.65	(1,014.39)
Total Comprehensive Income for the Current year	-	114.80	1.55	116.35
Dividends Paid	-	-	-	-
Balance at the end of the current reporting period	20.51	(929.75)	11.20	(898.04)

See accompanying notes to the financial statements

As per our attached report of even date

For and on behalf of the Board

For Ishwar & GopalChartered Accountants,
Firm Registration No: 005350SK.V. Gopalakrishnaya
Partner
Membership no: 021748Place : Bangalore,
Dated : 11-09-2023**K. VINOD BHAT**
Managing Director
(DIN : 02359812)**E.N. VEERANNA**
Director-Finance
(DIN : 00920219)**K. VIKAS BHAT**
Director
(DIN : 00939715)**SWATI SHEKHAWAT**
Company Secretary
ACS No.: 51507

NAMASTE EXPORTS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2023

1. Corporate Information:

NAMASTE EXPORTS LIMITED ('the Company') is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 in India. The registered office of the Company is situated in Bangalore India.

The Company is primarily engaged in the business of manufacture of leather garments. The financial statements are prepared in Indian Rupees in Lakhs.

2. A. Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as Ind AS) as notified by the Ministry of Corporate Affairs, pursuant to Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015.

The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

B. Summary of Significant Accounting Policies:

a. Uses of Estimates and Judgements:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses for the years presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

b. Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

1. **Sale of Products:** Revenue is recognised at the time of transfer of property in goods, which results in or coincides with the transfer of significant risks and rewards to the customers and is generally at the point of dispatch of goods to the customers and no significant uncertainty exist regarding the amount of consideration towards such sale. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sale values of products and of services are recognized as per the customs and trade practices and are exclusive of taxes, trade and quantity discounts.

2. **Sale of Services:** Revenue from service contracts are recognized as per the contractual terms as and when the services are rendered and an unconditional right to receive such income is established. No further obligations remains and the collection is probable.

3. **Interest Income:** Interest Income is recognized on a time proportionate basis taking into account effective rate of interest.

4. **Dividend Income:** Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

5. **Export Benefits:** Export entitlements in the form of Remission of Duties and Taxes on Export Products (RODTEP) and Duty Entitlement Pass Book / draw back (DEPB) are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

c. Income Taxes:

Provision for income tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities for timing differences between taxable and accounting income shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. However, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period. The Company shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

d. Property, Plant and Equipment & Depreciation :

Property, Plant & Equipment and intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment is charged based on straight line method based on management's estimated useful lives prescribed in Schedule II to the Companies Act, 2013.

Assets costing up to Rs. 5,000 are fully depreciated in the year of purchase.

An item of Property, Plant & Equipment and intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Right-of-use assets are depreciated over the term of lease on straight line basis.

e. Intangibles and Amortisation:

Intangible assets acquired are initially recorded at cost. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. In case of finite lives, following useful economic life has been considered:

Computer Software	5 years
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Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized

f. Provisions:

A provision is recognised 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 excluding retirement benefits are not discounted



to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

g. Leases:

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. On the Balance Sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in borrowings and other financial liabilities.

h. Foreign Currency Transactions:

The functional currency of the company is Indian Rupees (INR). Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

i. Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

j. Employee Benefits:

i. Gratuity: The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method. Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognised in profit or loss in the period of a plan amendment

ii. Provident fund: The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the concerned authorities by the Company. The Company has no further obligations for future provident fund.

iii. Employees' State Insurance Scheme (ESI): Employees' state insurance scheme, which are defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

iv. Compensated absences: The Company provides for the compensated absences on estimated basis.

k. Borrowing Costs: Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss.

l. Inventories: Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

• **Raw Materials:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of all raw materials except accessories are valued on First in First out (FIFO) basis. Accessories are valued on weighted average basis.

• **Finished Goods and Work-in-progress:** Cost includes cost of direct materials and labour and a proportion of manufacturing overheads.

m. Earnings per Share: Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n. Discontinued Operations:

(i) Assets are classified as "assets included in disposal group held for sale" when the appropriate level of the Company's management is committed to a plan to sell the asset and an active plan to locate the buyer and complete the plan is initiated and the sale is highly probable and expected to complete within one year of such classification. The carrying amount of these assets will be principally recovered through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

(ii) Liabilities of disposal group are classified as "liabilities included in disposal groups(s) held for sale"

(iii) Profit and loss from discontinued operations are separately disclosed in the Statement of Profit and loss.

o. Impairment:

The carrying value of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If, any such indication exists, the Company estimates their recoverable amount and impairment is recognised if, the carrying amount of these assets/cash generating units exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit & Loss.

33. Other Notes to the financial statements
a. Fair Value Measurement:

- i. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- ii. The following methods and assumptions were used to estimate the fair values:

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3.

The fair value of security deposits / investments in equity / mutual funds are calculated using effective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

iii. Analysis of fair value measurement

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

During the period under review, level 3 hierarchy is considered for determination of fair value for all the financial assets and liabilities which are measured at fair value.

iv. Financial instruments by category:

The carrying value and fair value of financial instruments by categories is as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Fair Value through P & L	Amortised Cost	Fair Value through P & L	Amortised Cost
Non-Current Assets				
Investments	17.43		18.83	
Other Financial Assets		11.50		4.79
Other Non-Current assets		183.77		183.77
Current Assets				
Inventories		378.83		599.98
Trade Receivables		25.43		213.11
Cash and Cash Equivalents		521.58		246.04
Other Balances with Banks		50.12		203.00
Loans and Advances		41.80		40.15
Other Financial Assets		3.25		10.79
Tax Assets		6.32		2.28
Other Current Assets		217.83		174.71
Total	18.99	1,440.04	18.99	1678.62
Non-Current liabilities				
Borrowings		0		0
Provisions		114.23		110.24
Current Liabilities				
Borrowings		471.17		271.51
Trade Payables		426.82		822.22
Other Financial Liabilities		298.70		298.85
Provisions		52.10		47.83
Other Current Liabilities		252.53		359.69
Total		1,615.25		1,906.32

**a. Financial Risk Management:**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors.

The Company's principal financial liabilities consist of borrowings, trade payables, liabilities for expenses.

Risk Management Framework:

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the finance department under the policies approved by the Board of Directors. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1. Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, and payables.

The Company manages market risks through finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies which are approved by Board of Directors. The activities of the department include management of cash resources, ensuring compliance with market risk limits and policies.

Sensitivity analysis: Every 1% appreciation or depreciation of the respective foreign currencies compared to functional currency of the Company would cause the profit before exceptional items in proportion to revenue to increase or decrease respectively by 3.93% (March 31, 2022: 5.66%).

2. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate due to change in the market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's working capital borrowings with fixed interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's profit before tax due to change in the interest rate/ fair value of financial liabilities are as disclosed below:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Effect of profit before exceptional items and tax expense	-0.10%	0.10%	-2.37%	2.37%

1. Foreign Currency Risk:

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to the changes in the foreign exchange rates. The company is exposed to the effect of foreign exchange rate fluctuations because of its foreign currency linked revenue, foreign currency denominated expenses. Due to this any volatility in foreign currency exchange rates will have an impact to the Company.

The position of foreign currency exposure to the Company as at the end of the year expressed in lakhs is as follows:

Currency	31 March 2023	31 March 2022
Trade Receivables		
USD	23.63	0.93
Euro	0.96	1.72
Trade Payables		
USD	Nil	0.02

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rates on foreign currency denominated assets / liabilities. With all other variables held constant, the companies profit before tax is affected through the impact on foreign currency denominated liabilities as follows.

(Rs. in Lakhs)

Impact on Profit

	31 March 2023	31 March 2022
Reported profit before tax and Other Comprehensive Income	27.32	114.80
IND/Foreign Currency increases by 5%	100.58	141.88
Adjusted Profit before tax and Other Comprehensive Income	127.90	256.68
Reported profit before tax and Other Comprehensive Income	27.32	114.80
IND/USD decreases by 5%	100.58	87.72
Adjusted Profit before tax and Other Comprehensive Income	73.26	27.08

4. Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligation as agreed. Customer credit risk is managed by each business unit subject to Company's established policy, procedure and control relating to customer risk management. Further, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectation of recovery, such debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and advances based on historical trend, industry practices and the business environment in which the entity operates. Based on the historical data the provision for loss on receivables is made.

Ageing of Trade Receivables

(Rs. in Lakhs)

Particulars	31 March 2023	31 March 2022
0-3 Months	25.43	194.59
3-6 Months	Nil	18.51
6-12 Months	Nil	Nil
Beyond 12 Months	Nil	Nil
Total	25.43	213.10

5. Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company closely monitors its liquidity position in consultation with the Board of Directors to ensure that the operations of the Company are not affected adversely due to liquidity and is attempting to enhance its sources of funding by increasing cash flow generated from its operations..

The break-up of cash and cash equivalents and deposits is as below:

Rs. in Lakhs

Particulars	31 March 2023	31 March 2022
Cash on Hand	0.39	1.41
Balances with Banks		
i) In Current Account	520.79	244.64
ii) In Deposits With maturity of less than Three months	Nil	Nil

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

Particulars	On Demand	0-180 Days	180-365 days	Total
March 31, 2023				
Borrowings – Current	471.17	-	-	471.17
Trade Payables	426.82	-	-	426.82
Other Financial Liabilities	298.70	-	-	298.70
Total	1,196.69	-	-	1,196.69
March 31, 2022				
Borrowings – Current	271.51	-	-	271.51
Trade Payables	822.19	-	-	822.19
Other Financial Liabilities	294.85	-	-	294.85
Total	1388.57	-	-	1388.57

**c. Capital Management:**

Capital of the Company, for the purpose of capital management is the total equity, which includes issued equity capital and other equity. Other Equity consists of balance in retained earnings. The primary objective of the Company's capital management is to maximise shareholders value.

d. Contingent Liabilities and Commitments:

Capital commitments (net of advance) Rs. Nil (Rs. Nil)

The erstwhile 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. Fees payable for increase in capital not provided Rs. 98.03 Lakhs.

e. Dues to Micro Small and medium Enterprises

Sl.No.	Particulars	As at 31-03-2023	As at 31-03-2022
a	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	234.47	273.92
b	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
c	The amount of 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;	11.24	48.52
d	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	11.24	104.33
e	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

f. Related Party Transactions:

i. List of Related Parties and Relationships:

Sl. No.	Name of the Related Party	Relationship
1	Mr. Vinod Bhat	Key Managerial Person.
2.	Mr. Vikas Bhat	Key Managerial Person
3.	Mr. E N Veeranna	Key Managerial Person.
4.	Mr. K Vishal Bhat	Relative of Key Managerial Person.
5.	Mrs. Madhura N Bhat	Relative of Key Managerial Person.
6.	Mr. Madana Bhat	Director
7.	Elite Leather International Private Limited	Company in which director is interested
8.	MNS Exports Private Limited	Company in which director is interested
9.	N. P. Properties Private Limited	Company in which director is interested
10.	Thrive Leathers	Firm in which director is interested as partner
11.	R. V. Botanicals Private Limited	Company in which director is interested
12.	M.N Biodiversity Rewilding Project Private Limited	Company in which director is interested

ii. Transactions carried out with related parties referred in one above
Amounts in Lakhs

Sl. No.	Name of the Transaction	March 31, 2023	March 31, 2022
1.	Remuneration to Key Managerial Personnel		
	Mr. Vinod Bhat	Rs. 27.60	Rs. 24.80
	Mr. E N Veeranna	Rs. 19.65	Rs. 17.35
	Mr Vikas Bhat	Rs. 12.00	Rs. 4.74
	Mr Madana Bhat	Rs. 9.00	Rs. 7.21
2.	Sitting Fees to Directors		
	Mr. GP Roy	Rs. 0.65	Rs. 0.15
	Miss. Geetha Santhanagopalan	Rs. 0.65	Rs. 0.15
	Mr Madana Bhat	Rs. 0.65	Rs. 0.15
	Mr. E N Veeranna	Nil	Rs. 0.15
	Mr Vikas Bhat	Rs. 0.50	Nil

iii. Balances with related parties
Amounts in lakhs

Sl. No.	Nature of the Transaction	March 31, 2023	March 31, 2022
1.	(Receivable) / Payable to Key Managerial Personnel / Relatives		
	Mr. Vinod Bhat	(30.85)	(19.69)
	Mr. Vikas Bhat	(5.54)	(2.35)
	Mr. E N Veeranna	1.08	(0.37)
	Mr. Madan Bhat	(1.04)	(0.97)
	Mrs. Madhura N Bhat	2.04	2.04
2.	Elite Leather International Private Limited	0.11	0.11
3.	NP Properties Private Limited	18.00	18.00
4.	Thrive Leathers	(183.76)	(183.76)

g. Provisions

The Company has made provision for leave salary on basis of 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.

Amounts in lakhs

Nature of Obligation	The carrying amount at the beginning of the period	Additional provisions made during the year	Amounts incurred and charged against the provision during the period	Unused amounts reversed during the period	The carrying amount at the end of the period
Leave Salary	29.46	29.30	29.46	-	29.30
Previous year	33.74	29.46	33.43	-	29.46

h. Retirement Benefit Plans
Defined benefit plans

The Company has made a provision for gratuity payable to qualifying employees'. Lump sum payment is made to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary, payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related 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, 2023 :



Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Asset and Liability (Balance Position)		
Present Value of obligation	166.42	163.61
Fair Value of Plan Assets	29.39	35.01
Surplus / (Deficit)	(137.03)	(128.60)
Effects of asset ceiling	-	-
Net Asset / (Liability)	(137.03)	(128.60)
Expenses recognised during the year		
In Income statement	29.68	30.21
In Other Comprehensive Income	(6.28)	4.34
Total Expenses recognised during the period	23.40	34.55
Changes in Present Value of Obligation		
Present Value of Obligation at the beginning	163.61	157.16
Current Service Cost	20.42	22.72
Interest Expense or Cost	11.71	10.60
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(3.56)	(7.03)
- experience variance (i.e. Actual experience vs assumptions)	(4.06)	9.49
Benefits Paid	(21.77)	(29.33)
Present Value of Obligation as at the end	166.43	163.61
Bifurcation of Net Liability		
Current Liability / (Assets)	22.80	18.36
Non-Current Liability (Long term)	143.63	145.25
Net Liability	166.43	163.61
Changes in Fair Value of plan assets		
Fair Value of Plan Assets as at the beginning	35.01	46.10
Investment Income	2.52	3.11
Employer's Contribution	14.98	17.00
Benefits paid	(21.77)	29.33
Return on plan assets , excluding amount recognised in net interest expense	(1.35)	(1.88)
Fair Value of Plan Assets as at the end	29.39	35.01
Change in the effect of asset ceiling		
Effect of Asset Ceiling at the beginning	-	-
Interest Expense or Cost (to the extent not recognised in net interest expense)	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Effect of Asset Ceiling at the end	-	-
Expenses recognised in the Income Statement		
Current Service Cost	20.43	22.72
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	9.25	7.49
Expenses Recognised in the Income Statement	29.68	30.21
Other Comprehensive Income		
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(3.56)	(7.03)
- experience variance (i.e. Actual experience vs assumptions)	(4.06)	9.49
Return on plan assets, excluding amount recognised in net interest expense	1.34	1.89
Components of defined benefit costs recognised in other comprehensive income	(6.28)	4.34
Major categories of Plan Assets (as percentage of Total Plan Assets)		
Funds managed by Insurer	100%	100%
Total	100%	100%

a. Actuarial Valuation Method:

The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the Present Value of Defined Benefit Obligations and the related Current Service Cost and, where applicable, Past Service Cost. It should be noted that valuations do not affect the ultimate cost of the plan, only the timing of when the benefit costs are recognised.

b. Benefits Valued

The benefit valued in this Report are summarised below:

Type of Plan	Defined Benefit
Employer's Contribution	100%
Employee's Contribution	Nil
Salary for calculation of gratuity	Last drawn salary
Normal age of retirement	58 years
Vesting period	5 years
Benefit on normal retirement	Same as per the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time).
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service up to the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	Rs. 20,00,000/-
Gratuity Formula	$15/26 * \text{Last drawn basic salary} + \text{DA (if any)} * \text{Number of completed year}$

* In case of employees with age above the retirement age indicated above, the retirement is assumed to happen immediately and valuation is done accordingly.

It should be noted that the actuaries have used and relied on the plan provisions supplied by the Company (as summarised above). The Company is solely responsible for the validity, accuracy and comprehensiveness of this information. If the provisions supplied are not accurate and complete, the valuation results may differ significantly from the results that would be obtained based on accurate and complete information.

c. Description of Regulatory Framework in which Plan operates - The payment of gratuity is required by the Payment of Gratuity Act, 1972.

d. Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs.

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

e. Effect of any Amendments, Curtailments and Settlements – Not applicable

**ACTUARIAL ASSUMPTIONS****I. Financial Assumptions:**

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.45%	7.20%
Salary growth rate (per annum)	7.00%	7.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

II. Demographic Assumptions:

The principal demographic assumptions used in the valuation are shown in the table below:

Particulars	As at March 31, 2023	As at March 31, 2022
Mortality rate (% of IALM 12-14)	100%	100%
Normal retirement age	58 Years	58 Years
Attrition / Withdrawal rates, based on age: (per annum)		
Up to 30 years	3.00%	3.00%
31-44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

III. Effect of Plan on Entity's Future Cash Flows**a. Funding arrangements and Funding Policy:**

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b. Expected Contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year - Nil

c. Maturity Profile of Defined Benefit Obligation:

Weighted average duration (based on discounted cash flows)	9 Years	9 Years
Expected cash flows over the next (valued on undiscounted basis):		
1 Year	22.80	18.36
2-5 Years	60.75	48.14
6-10 Years	66.65	75.56
More than 10 Years	215.48	234.44

IV. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Defined Benefit Obligation (Base)	166.43	163.61

Particulars	As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	181.47	153.39	179.94	142.08
(% change compared to base due to sensitivity)	9%	-7.8%	10%	-9.6%
Salary Growth Rate (- / + 1%)	153.23	181.38	149.46	174.69
(% change compared to base due to sensitivity)	-7.9%	9.0%	-8.6%	11.2%
Attrition Rate (- / + 50% of attrition rates)	166.15	166.65	163.61	156.67
(% change compared to base due to sensitivity)	-0.2%	0.1%	0%	-0.3%
Mortality Rate (- / + 10% of mortality rates)	166.40	166.44	163.60	157.15
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

V. Windup Liability / Discontinuance Liability

Particulars	As at March 31, 2023	As at March 31, 2022	Increase %
Discontinuance Liability	173.21	167.03	4%
Present value of obligation	166.42	163.61	2%
Ratio (Present value of obligation / Discontinuance liability)	96%	98%	-2%

i. The Company is in the business of manufacture and export of leather garments which in the context of Indian Accounting Standards 108 – “Segment Information” represents single reportable business segment. Accordingly, the revenue, total expenses, net profit as per statement of profit and loss account represents the revenue, total expense, net profit of the reportable segment.

j. Delisting of Shares:

The Shares of the Company which was listed on the National Stock Exchange (NSE) with effect from February 05, 1995, was suspended with effect from August 29, 2001 due to non-compliance of clauses in listing agreement and listing regulations. The shares of the Company has been delisted with effect from September 15, 2017. Consequently,

- i. The securities of these Companies would cease to be listed and not be available for trading on the platform of the exchange.
- ii. Promoters of the delisted Companies will be required to purchase the shares from the public shareholders as per fair value determined by the independent valuer appointed by the Exchange.
- iii. In terms of Regulation 24 of the Delisting Regulations, the delisted Company, its whole time directors, promoters and group companies shall be debarred from accessing the securities market for a period of 10 years from the date of compulsory delisting.

k. Current Tax and Deferred Tax:

Income tax: In view of the losses, no provision for income tax has been made. 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.

i. In order to resolve the Company’s overdue creditors, the Company has ceased activities in its Chennai unit and has decided to sell a portion of its immovable property. The company intends to reduce its creditors. The Company is in the process of obtaining necessary required approvals.

Pursuant to above, the Business undertakings is classified as per Ind AS 105 - “Non current Asset held for sale and discontinued operations”. Accordingly the immovable property held for sale and corresponding previous year figures of Statement of Profit and Loss account have been restated accordingly.



Profit / Loss from discontinued operations.

Rs. In Lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Revenue from operations	-	-
Other Income	571.76	0.66
Total	571.76	0.66
Employee benefit expenses	17.02	12.51
Finance Cost	0.01	0.03
Depreciation and amortisation	0.01	1.02
Other expenses	36.54	29.79
Total	53.58	43.34
Profit / (Loss) before tax	518.59	(42.67)
Taxation		
Profit / (Loss) after tax	518.59	(42.67)

Assets held for sale

Rs. In Lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Land	381.77	430.29
Total	381.77	430.29

m. Analytical Ratios :

Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	Variance %	Remarks for Variance more than 25%
Current Ratio (in times)	Current Assets	Current Liabilities	0.85	0.83	1.95	NA
Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.92	0.57	61.65	Refer note 1
Debt Service Coverage Ratio	Earnings before Interest & Tax	Debt Service	(0.47)	1.39	(133.54)	Refer Note 2
Return on Equity Ratio (%)	Net Profits after taxes –Preference Dividend (if any)	Average Shareholder's Equity	0.07	0.28	(74.59)	Refer Note 3
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.96	2.29	29.39	Refer Note 4
Trade Receivables Turnover Ratio (times)	Net Credit Sales	Average Accounts Receivables	17.57	18.62	(5.60)	NA
Trade Payables Turnover Ratio	Net Credit Purchases	Average Accounts Payables	1.73	1.28	35.45	Refer Note 5
Net capital Turnover Ratio (%)	Net Sales	Average Working Capital	(5.45)	(5.92)	(7.96)	NA
Net Profit Ratio	Net Profit after tax	Net Sales	0.02	0.04	(58.93)	Refer Note 6
Return on Capital Employed (%)	Earning before interest and taxes	Capital Employed	0.18	0.45	(59.77)	Refer Note 7
Return on Investment	Income generated from investments	Average Investments	0.02	0.02	(26.23)	Refer Note 8

1. The Company has borrowed funds for working capital during the year and profit for the year has reduced. Hence debt equity ratio is increased compared to previous year.
2. The earnings before interest and tax has reduced compared to previous year and borrowed funds. Hence debt service coverage ratio has decreased
3. The profit for the year has reduced. Hence return on equity has reduced compared to previous year.
4. The average inventory has reduced compared to previous year. Hence inventory turnover ratio has increased.
5. The average trade payables has reduced compared to previous year. Hence trade payables turnover ratio has increased.
6. The net profit after tax for the year and sales has reduced compared to previous year. Hence net profit ratio has reduced.
7. The earnings before interest and tax has decreased. Hence Return on Capital Employed has reduced.
8. Income from investments has reduced and hence return on investments has reduced.

n. Other Statutory Information:

1. The company have certain immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company. Leasehold land in Pondicherry is not registered in the name of the Company.
2. The Company does not have any investment property.
3. The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).
4. The Company has granted the advances in the nature of loans to its promoters, directors, key managerial personnel or other related parties (as defined under Companies Act, 2013), without specifying any terms or period of repayment.

(Amount in Lakhs)

	Current Period		Previous Period	
	Amount Outstanding	% of Total	Amount Outstanding	% of Total
Director	37.44	89.56%	19.93	49.63%
Total Loans and Advances	41.80		40.15	

5. The Company does not have any capital work in progress as on the date of balance sheet.
6. The Company does not have any intangibles under development
7. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
8. The Company does not have borrowings from banks or financial institutions on the basis of security of current assets.
9. The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
10. The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
11. The Company has not filed satisfaction of charges with the Registrar of Companies, beyond the statutory period. The details of the same are as follows:

As per the settlement approved by the Board of Industrial and Financial Reconstruction (BIFR), Company has paid dues to State Bank of India, Canara Bank for which a charge on assets was created earlier. Further as per the approved scheme, Company / promoters are required to buy back the shares allotted to these banks. Pending completion of the same, Company has not filed satisfaction of charges in respect of these loans.

The Company has not filed satisfaction of charges for charge created in favour of Indian Equipment Leasing Limited.

12. The number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable to the Company for the year.



13. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 involving the Company.
 14. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
 15. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
 16. The Company does not have any share application money pending allotment.
 17. The Company has not issued any preference shares.
 18. The Company has not issued any compound financial instruments.
 19. There are no regulatory deferral account balances.
 20. There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
 21. The company is not covered under the class of companies to whom section 135 of the Companies Act, 2013 relating to corporate social responsibility is applicable.
 22. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- o.** Figures of the previous year are re-grouped wherever necessary in conformity with the presentation of the Current Year. Figures in bracket relate to previous year.
- p. Recent accounting pronouncements:**
There are no significant changes to Companies (Indian Accounting Standards) Rules 2015, which materially impacts the company.

3A. Tangible Assets		Rs. in Lakhs (INR)									
Particulars	Land	Factory Building	Plant & Machinery	Office Equipment	Computers & Printers	Vehicles	Electrical Installations	Furniture & Fixtures	Total		
Carrying Amount (Gross Block)											
Balance as at 31st March 2022	161.11	108.08	226.75	7.56	13.48	89.36	-	2.27	608.62		
Additions	-	-	0.72	0.91	0.62	41.55	-	0.40	44.19		
Deductions/Adjustment	-	-	-	-	-	-	-	-	-		
Balance as at 31st March 2023	161.11	108.08	227.47	8.47	14.10	130.91	-	2.67	652.81		
Accumulated Depreciation											
Balance as at 31st March 2022	-	59.52	192.77	6.83	12.46	81.30	-	2.27	355.16		
Additions	-	2.62	5.67	0.46	0.35	5.82	-	0.00	14.93		
Deductions/Adjustment	-	-	-	-	-	-	-	-	-		
Balance as at 31st March 2023	-	62.15	198.44	7.29	12.82	87.12	-	2.28	370.09		
Net carrying amount as at 31st March 2023	161.11	45.93	29.03	1.18	1.29	43.79	-	0.39	282.72		
Net carrying amount as at 31st March 2022	161.11	48.55	33.98	0.73	1.01	8.07	-	0.00	253.46		

Note: Additions to vehicle Rs. 24.79 Lakhs during the year is registered in the name of director of the Company. Company is taking steps to get the same registered in its name.

NOTE - 4

Assets held for Sale

Particulars	Amount in Lakhs (INR)	
	Land	
Carrying amount		
Gross Block		
Balance as at 31st March 2021	98.27	
Additions	233.75	
Deductions/Adjustment	-	
Balance as at 31st March 2022	332.02	
Additions	48.51	
Balance as at 31st March 2023	381.77	



NOTES FORMING PART OF FINANCIAL AS AT 31st MARCH 2023

Amount in Lakhs (INR)

Particulars	Note Number	As at	
		March 31,2023	March 31,2022
Financial assets			
Non Current Investment	5		
Quoted Equity Shares			
2200 (2200) Equity Shares of Industrial Development Bank of India		0.99	1.37
200 (Nil) Equity Shares of Coal India Limited		0.64	0.37
100 (Nil) Equity Shares of Hindalco Industries Ltd		0.41	0.57
10 (Nil) Equity Shares of Industrial Credit and Investment Corporation of India		0.09	0.07
150 (Nil) Equity Shares of Karnataka Bank Limited		0.20	0.08
25 (Nil) Equity Shares of Tata Steel Limited		0.26	0.33
100 (Nil) Equity Shares of India Steel Limited		0.19	0.21
Equity Shares of HDFC Bank Limited		0.16	-
Total		2.93	3.00
Unquoted Equity Shares			
100 (100) Shares of Ranipet Leather Finishing Servicing Industrial Co-operative Society Ltd		0.10	0.10
2625 (2625) shares of TALCO-DINDIGUL TANNERS ENVIRO CONTROL SYSTEM PRIVATE LIMITED		2.63	2.63
Total		2.73	2.73
Investment in Government or trust securities			
Unquoted			
Government Securities (pledged with sales tax authorities)		-	-
Total		-	-
Quoted Mutual Funds			
10,000 (10,000) Units of SBI Magnum Comma Fund		5.76	7.67
Dividend Mutual Fund		6.00	5.44
9121(9121) Units of Punjab National Bank Gilts		11.77	13.11
Total		17.43	18.83

Particulars		31st March 2023		31st March 2022	
		Cost	Market Value	Cost	Market Value
Quoted Investments		3.11	14.20	3.11	16.10
Unquoted Investments		2.73	-	2.73	-
Other Financial assets (Unsecured)					
Security Deposits considered good	5	11.50			4.79
Total		11.50			4.79
Other Non Current Assets (Unsecured, Considered Good)	7				
Capital Advance -To related parties			183.77		183.77
Total			183.77		183.77
Inventories (At lower of Cost or Market Value)	8				
Raw Materials			246.73		369.12
Work in Progress			24.77		25.60
Finished goods			100.25		203.76
Goods-in-transit			7.09		1.50
Total			378.83		599.98
Trade Receivables (Unsecured) Considered Good	9		25.43		213.11
Unsecured Considered Doubtful Credit impaired			17.82		17.82
			43.25		230.93
Less: Allowance for doubtful debts			17.82		17.82
Total			25.43		213.11

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Particulars	31st March 2023		31st March 2022	
	Cost	Market Value	Cost	Market Value
Outstanding for following periods from due date of payment				
Less than 6 Months				
Undisputed Trade receivables- considered goods		25.43		213.11
Undisputed Trade Receivables — credit impaired				17.82
6 months to 1 Year				
Undisputed Trade Receivables — credit impaired		17.82		
1 - 2 Years				
2-3 Years				
More Than 3 Years				
Total		43.25		230.93

* Provision for bad and doubtful debts has been provided in books .

Cash and Cash Equivalents	10				
A) Balances with Banks					
i) In Current Account *			520.79		244.63
*Certain bank accounts are subject to confirmation					
Cash on Hand			0.39		1.41
Total			521.57		247.45
Bank Balances (other than Note 9 above)	11				
With scheduled bank					
i) In Deposits with maturity of more than three months			50.12		203.00
Total			50.12		203.00
Loans and Advances	12				
(Unsecured, Considered Good)					
Due from Directors			37.44		19.93
Export Incentives Receivable			3.38		19.95
Interest accrued on deposits			0.98		0.28
Total			41.80		40.15
Other Financial Assets					
(Unsecured, Considered Good)					
Security Deposits	13		3.25		10.79
			3.25		10.79
Other Current Assets	14				
(Unsecured)					
Advance to Suppliers Considered Good		1.21		1.90	
Advance to Suppliers Considered Doubtful		6.62		6.62	
		7.84		8.53	
Less: Provision for Doubtful Advances		6.62		6.62	
Advance to Suppliers			1.21		1.90
Advance to Employees			2.15		1.26
Prepaid Expenses			1.29		1.68
Advances to Others			-		1.03
Balance with statutory/ Government authorities			213.18		168.83
Total			217.83		174.71



Amount in Lakhs (INR)

Particulars	Note No.	As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
Equity Share Capital	15				
Authorised Equity Share Capital (Par Value per Share Rs. 1)		25,00,00,000	2,500.00	25,00,00,000	2,500.00
Issued Subscribed and fully paid up Equity Share Capital(Par Value per Share Rs. 1)		13,72,91,230	1,372.91	13,72,91,230	1,372.91
Total		13,72,91,230	1,372.91	13,72,91,230	1,372.91
Equity shares with par value of Rs. 1 per share					
(iii) Reconciliation of No. of equity share capital outstanding		As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
Opening number of share outstanding		13,72,91,230	1,372.91	13,72,91,230	1,372.91
Add: No of Shares/ Share Capital issued/ subscribed during the year		-	-	-	-
Closing Number of shares outstanding		13,72,91,230	1,372.91	13,72,91,230	1,372.91

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has equity shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividends proposed by the Board of Directors and approved by the shareholders. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shareholders have all other rights as available to the equity shareholders as per the provisions of Companies Act, 2013 read together with the Memorandum of Association and Articles of Association of the Company as applicable.

Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate: Nil

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

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Mrs. Madhura Bhat	4,29,06,120	31.25%	6,43,59,180	46.88%
M. Srinivasa Murthy	-	0.00%	14,50,200	1.06%
K Vinod Bhat	2,29,91,110	16.75%	2,29,91,110	16.75%
K Vikas Bhat	84,90,230	6.18%	2,34,90,230	17.11%
K Vishal Bhat	2,36,02,710	17.19%		0.00%
K Madan Bhat	75,00,000	5.46%		
K Poorvi Bhat	75,00,000	5.46%		
M Sripad Rao	-	0.00%	96,365	0.07%
Mrs. Vanajakshi	-	0.00%	6,800	0.00%
M Prabhakar	1,20,06,700	8.75%	1,20,06,700	8.75%

Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts: Nil

For the period of five years immediately preceding the date as at which the Balance Sheet is prepared: (a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. (b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares. (c) Aggregate number and class of shares bought back:

The erstwhile 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.

Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date: Nil

Calls unpaid (showing aggregate value of calls unpaid by directors and officers): Nil

Disclosure of Shareholding of Promoters

Promoter	Shares held by promoters at the end of the year (FY 2022-23)		
	No. of Shares	% of Total Shares	% Change during the year
Madura N Bhat	4,29,06,120	31.25	15.62

Particulars	Note Number	As at March 31,2023	As at March 31,2021
Other Equity	16		
i. Capital Redemption Reserve			
Balance as per last financial Statement		20.51	20.51
Balance as on balance sheet date		20.51	20.51
ii. Retained Earnings/Surplus			
Balance as per last financial Statement		(929.75)	(1,044.55)
Add:- Profit / (Loss) for the year		27.32	114.80
Balance as on balance sheet date		(902.43)	(929.75)
iv. Other Comprehensive Income			
Balance as per last financial Statement		11.20	9.65
Remeasurement of Defined Benefit Plans		6.28	(4.34)
Increase in fair value of investments		(1.75)	5.88
Balance as on balance sheet date		15.73	11.20
Total		(866.19)	(898.04)
Long Term Borrowings	17		
Loan from Bank (Secured)		-	-
Total		-	-
Long Term Provisions	18		
Provision for		-	-
- Gratuity		114.23	110.24
Total		114.23	110.24
Short Term Borrowings	19		
Working Capital from Bank (Secured)#		471.17	200.38
Current maturities of Long Term borrowings		-	71.12
Total		471.17	271.51

Short term borrowings are secured by hypothecation of inventories and receivables, personal guarantee of three Directors and Equitable mortgage of two immovable properties.

As per the settlement approved by the Board of Industrial and Financial Reconstruction (BIFR), Company has paid dues to State Bank of India, Canara Bank for which a charge on assets was created earlier. Further as per the approved scheme, Company / promoters are required to buy back the shares allotted to these banks. Pending completion of the same, Company has not filed satisfaction of charges in respect of these loans.



Particulars	Note Number	As at	
		March 31,2023	March 31,2022
Trade Payables	20		
Total outstanding dues of micro enterprise and small enterprise		223.23	169.59
Total outstanding dues of creditors other than micro enterprise and small enterprise		203.59	652.63
Total		426.82	822.22

Outstanding for following periods from due date of payment	MSME	Others	Disputed Dues to MSME	Disputed Dues to Others
i) Less than 1 Year				
Due to MSME Undisputed		203.59		165.86
Due to Others Undisputed		(0.00)		420.92
ii) 1 - 2 Years				
Due to MSME Undisputed				2.80
Due to Others Undisputed				0.14
iii) 2 - 3 Years				
Due to MSME Undisputed				
Due to Others Undisputed				0.04
iv) More Than 3 Years				
Due to MSME Undisputed				0.92
Due to Others Undisputed				231.54
Total		203.59		822.22

Other Financial Liabilities	21			
Liabilities for expenses			295.56	291.50
Due to directors			3.14	3.34
Other Liabilities			-	-
Total			298.70	294.85
Short Term Provisions	22			
- Gratuity			22.80	18.36
- Leave Benefits			29.30	29.46
Total			52.10	47.83
Other Current Liabilities	23			
Advances from Customers			0.30	46.80
Advance against sale of property			241.40	304.00
Statutory Liabilities			10.53	8.89
Total			252.23	359.69

NOTES FORMING PART OF FINANCIAL AS AT 31st MARCH 2023
Amount in Lakhs (INR)

Particulars	Note Number	As at March 31,2023		As at March 31,2022	
<u>Revenue from Operations</u>	24				
Sale of Products			1,986.30		2,695.98
Sale of Services					
Other Operating Revenue					
- Export Incentives Received			77.31		106.65
- Sale of Export Licenses			32.37		64.35
Revenue from operations (Gross)			2,095.98		2,866.98
<u>Other income</u>	25				
Interest Income from Bank Deposits			2.78		7.33
Interest Income from Others			0.12		0.23
Dividend Income from Long Term Investments			0.27		0.31
Net gain/(loss) on foreign currency transaction & translation			35.95		0.81
Net gain on sale of property, plant and equipments			547.09		46.08
Excess Provision / (Unclaimed Credit) Withdrawn			3.57		3.26
Others			26.38		1.86
Total			616.16		59.88
<u>Cost of materials consumed</u>	26				
Cost of raw materials consumed			1,344.30		1,441.96
Total			1,344.30		1,441.96
Raw Material Consumption					
Leather			0		1186.188
Others			-		255.77
Total			0		1441.959
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress	27				
Inventories at the end of the year					
Work in Progress			24.77		25.60
Finished Goods			100.25		203.76
Total			125.02		229.35
Inventories at the beginning of the year					
Work in Progress			25.60		52.37
Finished Goods			203.76		255.86
Total			229.35		308.23
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade			104.34		78.88
Work in Progress					
Leather Garments			24.77		25.60
Finished Goods					
Leather Garments			100.25		203.76
<u>Employee Benefit Expenses</u>	28				
Salaries and Wages			689.50		694.62
Contribution to provident & Other Funds			112.82		118.53
Staff Welfare expenses			35.13		17.76
			837.45		830.91
<u>Financial Costs</u>	29				
Interest Expense			49.38		95.87
Other Borrowing Costs (Bank Charges)			13.44		5.33
			62.82		101.20
<u>Depreciation and amortisation expenses</u>	30				
Depreciation of tangible assets			11.82		10.84
Amortisation of intangible assets					
			11.82		10.84



Particulars	Note Number	As at	
		March 31,2023	March 31,2022
Other Expenses	31		
Power and Fuel		24.38	24.93
Rent		49.56	60.71
Repairs to Buildings		1.71	0.61
Repairs to Machinery		3.76	3.08
Repairs to Others		15.01	12.43
Insurance		5.55	5.00
Rates & Taxes, excluding taxes on income		9.28	8.45
Remuneration to Auditors *		3.50	2.00
Professional & Consultancy Charges		32.71	14.42
Freight & Forwarding		29.79	38.69
Jobwork Charges		65.84	76.90
Travelling and Conveyance		30.83	13.23
Communication expenses		7.05	5.73
Directors Sitting Fees		2.45	0.60
Business Promotion		0.88	0.64
Watch & Ward		22.17	16.61
Demat Charges		0.01	0.02
Miscellaneous		5.90	9.09
Donation		1.70	1.61
Commission		-	-
Printing & Stationery		8.88	6.67
Bad Advances / Receivables Written off		0.02	4.33
		320.98	305.74
*Remuneration to Auditor			
Audit fees		3.50	2.00
		3.50	2.00

Statement of Profit or loss for the Year Ended 31st March 2023

Amounts in Lakh (INR)

Particulars	Note	For the Year ended 31 March 2023	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Continuing operations				
Revenue from operations	32A	-	-	4.22
Other income	32B	571.76	0.66	11.78
Total Income		571.76	0.66	16.00
Expenses				
Employee benefits expense	32C	17.02	12.51	10.19
Financial costs	32D	0.01	0.03	0.01
Depreciation and amortization expense	32E	3.11	1.02	4.01
Other expenses	32F	36.54	29.79	128.21
Total Expenses		56.68	43.34	142.42
Profit / (Loss) before exceptional items & tax		515.09	(42.67)	(126.42)
Exceptional Items		-	-	-
Profit / (Loss) before tax		515.09	(42.67)	(126.42)

Notes Forming part of Discontinued Operations for the Year Ended 31st March 20223.

Amounts in Lakhs (INR)

Particulars	Note	For the Year ended 31 March 2023	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<u>Revenue from Operations</u>	32A			
Sale of Products		-	-	4.22
Sale of Services				
Total		-	-	4.22
<u>Other income</u>	32B			
Net gain on sale of property, plant and equipments		547.09	-	11.78
Others		24.67	0.66	-
Total		571.76	0.66	11.78
<u>Employee Benefit Expenses</u>	32C			
Staff Welfare expenses		17.02	12.51	10.19
		17.02	12.51	10.19
<u>Financial Costs</u>	32D			
Interest Expense				
Other Borrowing Costs (Bank Charges)		0.01	0.03	0.01
		0.01	0.03	0.01
<u>Depreciation and amortisation expenses</u>	32E			
Depreciation of tangible assets		3.11	1.02	4.01
		3.11	1.02	4.01
<u>Other Expenses</u>	32F			
Power and Fuel		-	2.92	1.35
Rent		1.09	2.10	2.09
Commission		-	-	32.50
Repairs to Others		0.83	4.65	3.33
Insurance		0.54	0.40	1.49
Rates & Taxes, excluding taxes on income		0.05	-	0.39
Professional & Consultancy Charges		18.62	17.64	11.69
Loss on sale of assets		-	-	70.45
Travelling and Conveyance		7.67	0.36	2.88
Communication expenses		0.23	0.31	0.19
Miscellaneous		1.24	1.41	1.77
Watch and Ward		6.24		
Printing & Stationery		0.04	0.01	0.09
		36.54	29.79	128.21



NAMASTE EXPORTS LIMITED

CIN : U85110KA1988PLC008988

Registered Office : No. 63, New Timberyard Layout, Mysore Road, Government Electric Factory, Bangalore - 560 026.
Tel: 91-80-26759525, 26749525 Email: accounts@namasteexports.net Website : www.namasteexports.net

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 THIRTY FIFTH ANNUAL GENERAL MEETING of the Company to be held on
Saturday, 11th November 2023 at 10.30 a.m. at Sri Srinivasa Kalyana Mantapa, No. 51, 5th Main Road, Madhwa
Sangha Building, Chamarajpet, Bangalore - 560 018.

Signed this _____ day of _____ 2023.

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.

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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 THIRTY FIFTH ANNUAL GENERAL MEETING of the Company on
Saturday, 11th November 2023 at 10.30 a.m. at Sri Srinivasa Kalyana Mantapa, No. 51, 5th Main Road, Madhwa
Sangha Building, Chamarajpet, Bangalore - 560 018.

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
Registered Office :
No. 63, New Timberyard Layout,
Mysore Road, Bangalore - 560 026.