



# **LERTHAI FINANCE LIMITED**

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## **40<sup>TH</sup> Annual Report**

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**2018 - 2019**

**LERTHAI FINANCE LIMITED**

**BOARD OF DIRECTORS**

Mr. Shao Xing Max Yang  
Mr. Jayant Goel  
Ms. Aparna Goel  
Mr. Ntasha Berry

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mrs. Sneha Khandelwal

**BANKERS**

Punjab National Bank, Bangalore  
Kotak Mahindra Bank, Mumbai  
Industrial and Commercial Bank of China, Mumbai

**AUDITORS**

**M/s.Guru & Jana,**  
Chartered Accountants,  
No.41, Patalamma Temple Street,  
Basavanagudi, Bangalore- 560004

**REGISTERED OFFICE**

Office No. 312/313, Third Floor, Barton Centre,  
Mahatma Gandhi Road,  
Bangalore – 560001.  
Ph: +91 80 4277 7800

**REGISTRAR AND SHARE TRANSFER AGENT:**

**Link Intime India Private Limited**  
44, Community Centre,  
2<sup>nd</sup> Floor, Naraina Industrial Area Phase-I,  
New Delhi – 110028.



## LERTHAI FINANCE LIMITED

(Formerly known as *Marathwada Refractories Limited*)

(CIN: L65100KA1979PLC061580)

**Reg. Off. Address:** Office No. 312/313, Third Floor, Barton Centre, Mahatma Gandhi Road, Bengaluru, KA - 560001

Email id: [company@lerthaifinance.com](mailto:company@lerthaifinance.com) Phone no. +91 80 4277 7800

### NOTICE

**NOTICE** is hereby given that the 40<sup>th</sup> Annual General Meeting of the Company will be held on Wednesday, the September 4, 2019 at 3.00 P.M. at the Chequers, Hotel Ivory Tower, Ebony, 13<sup>th</sup> Floor, Barton Centre, Mahatma Gandhi Road, Bangalore - 560001 to transact the following business:-

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2019, and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Aparna Goel (DIN: 00142961), who retires by rotation and being eligible has offered herself for reappointment.
3. To appoint a Director in place of Mr. Shao Xing Max Yang (DIN: 08114973), who retires by rotation and being eligible has offered himself for reappointment.

#### **SPECIAL BUSINESS:**

4. **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 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to any regulatory approvals, if any, consent of the members is hereby accorded to increase the Authorised Share Capital of the Company of Rs.1,00,00,000 (Rupees One Crore Only) divided into 8,50,000 equity shares of Rs.10/- each and 15,000 11% redeemable cumulative preference shares of Rs.100/- each to Rs.5,00,00,000/- (Rupees Five Crore Only) divided into 45,00,000 equity shares of Rs.10/- each and 50,000 preference shares of Rs.100/- each ranking *pari passu* with the existing shares of the Company.

RESOLVED FURTHER that the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:

**'V. The Authorised Share Capital of the Company is Rs.5,00,00,000/- (Rupees Five Crore Only) divided into 45,00,000 equity shares of Rs.10/- each and 50,000 preference shares of Rs.100/- each.'**

RESOLVED FURTHER that the Directors of the Company and Company Secretary of the Company are severally authorised to do all such necessary acts, deeds and things to give effect to this resolution.”

By the order of the Board of Directors,

Sd/-

**Sneha Khandelwal**

Company Secretary and Compliance officer

Membership No. 55597

**Date:** August 2, 2019

**Place:** New Delhi

**IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from August 29, 2019 to September 4, 2019, both days inclusive, for annual closing.
2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 4 of the accompanying Notice, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of AGM. A Proxy Form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
5. A Shareholder or his proxy will be required to produce at the entrance to the meeting hall, the attendance slip sent herewith duly completed and signed. Neither photocopies nor torn/mutilated attendance slips will be accepted. However, Shareholders who have received the Annual Report on e-mail can download and print the attendance slip themselves. These should be completed, signed and handed over at the entrance to the meeting hall. The validity of the attendance slip will, however, be subject to the Shareholder continuing to hold equity shares as on the date of the meeting.
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
9. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meeting (SS-2) of ICSI in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations have been received from the Directors for seeking appointment/re-appointment.
10. Electronic copy of the Annual Report for 2019 is being sent to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 are being sent in the permitted mode. Electronic copy of the Notice of the 40<sup>th</sup> AGM of the Company, inter alia, indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip and Proxy Form and Route Map is being sent to all the members whose email addresses are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 40<sup>th</sup> AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
11. Members may also note that the physical copies of the Notice of the 40<sup>th</sup> AGM, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2019 shall be available at the Company's Registered Office for inspection without any fee during normal business hours (9:00 am to 5:00 pm) on working days, except Saturday, up to and including the date of AGM of the Company. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free.
12. Shareholders are advised to bring their own copy of the Annual Report along with them for the meeting. Extra copies of the Annual Report will not be available at the meeting.
13. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders holding shares in physical mode are requested to file a Nomination Form in respect of their shareholdings. Any Shareholder wishing to avail this facility may submit to the Company's Share Transfer Agent ("STA") or Marathwada Refractories Limited, in the prescribed statutory form SH-13.

**Voting through Electronic means:**

In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015'), Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the

40<sup>th</sup> AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Link Intime India Private Limited.

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

**Instructions for shareholders to vote electronically:**

❖ **Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL:  
<https://instavote.linkintime.co.in>.
2. Click on “Login” tab, available under ‘Shareholders’ section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.
4. Your User ID details are given below:
  - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:  
If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	<b>For Shareholders holding shares in Demat Form or Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"><li>• Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li></ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.

Bank Account Number	<p>Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).</li> </ul>
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If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
- On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.  
Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.  
They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.

By the order of the Board of Directors,

**Date:** August 2, 2019  
**Place:** New Delhi

Sd/-  
**Sneha Khandelwal**  
Company Secretary and Compliance officer  
Membership No. 55597



**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT")**

**ITEM NO. 4**

**Increase in Authorised Share Capital**

The Company, in order to meet its growth objectives and to strengthen its financial position, may be required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the Authorised Share Capital of the Company from Rs. 1,00,00,000 (Rupees One Crore Only) to Rs.5,00,00,000/- (Rupees Five Crore Only) and for that purpose, the Memorandum of Association is proposed to be suitable altered by passing ordinary resolution as set out in item no. 4. The provisions of the Act require the Company to seek approval of the Members for increase in the Authorised Share Capital and for the alteration of capital clause of Memorandum of Association of the Company.

A copy of the Memorandum of Association together with the proposed alteration is available for inspection by Members on any working days at the registered office of the Company.

The Board of Directors accordingly recommends the resolution set out in item no. 4 above of the accompanying Notice for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company is, in any way, concerned or interested in the said resolution.

By the order of the Board of Directors,

Sd/-

**Sneha Khandelwal**

Company Secretary and Compliance officer  
Membership No. 55597

**Date:** August 2, 2019

**Place:** New Delhi

# LERTHAI FINANCE LIMITED

(formerly Marathwada Refractories Limited)

(CIN: L65100KA1979PLC061580)

Reg. Off. Address: "Office No. 312/313, Third Floor, Barton Centre, Mahatma Gandhi Road,  
Bengaluru - 560 001, Karnataka

Email id: [company@lerthaifinance.com](mailto:company@lerthaifinance.com) Phone no. +91 80 4277 7800

**FORM NO. MGT-11**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the member (s):	
Registered Address :	
E-mail id :	
Folio No.:	

I/We, being the member of ..... shares of the above named Company, hereby appoint

1. Name :  
Address :  
E-mail id :

Signature : -----, or failing him

2. Name :  
Address :  
E-mail id :

Signature : -----, or failing him

3. Name :  
Address :  
E-mail id :

Signature : -----.

as my/our Proxy to attend and vote (on a poll) for me/us and my/our behalf at 40<sup>th</sup> Annual General Meeting of the Company to be held on the Wednesday, September 4, 2019 at 3.00 P.M. at the Chequers, Hotel Ivory Tower, Ebony, 13<sup>th</sup> Floor, Barton Centre, Mahatma Gandhi Road, Bangalore – 560001 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

Res. No.	Matter	Optional	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Financial Statements for the year ended 31st March, 2018		
2.	Re-appointment of Ms. Aparna Goel (DIN: 00142961)		
3.	Re-appointment of Mr. Shao Xing Max Yang (DIN: 08114973)		
<b>Special Business:</b>			
4.	Ordinary resolution for increase in authorised share capital		

Signed this .....day of ....., 2019.

Affix  
Revenue  
Stamp  
Re. 1/-

**Signature of shareholder:**

**Signature of Proxy holder (s):**

**Note:** The Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at "Office No. 312/313, Third Floor, Barton Centre, Mahatma Gandhi Road, Bengaluru - 560 001, Karnataka not less than 48 hours before the commencement of the Meeting.

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# LERTHAI FINANCE LIMITED

(formerly Marathwada Refractories Limited)

(CIN: L65100KA1979PLC061580)

**Reg. Off. Address:** "Office No. 312/313, Third Floor, Barton Centre, Mahatma Gandhi Road,  
Bengaluru - 560 001, Karnataka

Email id: [company@lerthaifinance.com](mailto:company@lerthaifinance.com) Phone no. +91 80 4277 7800

## ATTENDANCE SLIP

<b>Registered Folio / DP ID &amp; Client ID</b>	
<b>Name and address of the Shareholder</b>	

1. I hereby record my presence at the 40<sup>th</sup> Annual General Meeting of the Company held on Wednesday, September 4, 2019 at 3.00 P.M. at the Chequers, Hotel Ivory Tower, Ebony, 13<sup>th</sup> Floor, Barton Centre, Mahatma Gandhi Road, Bangalore – 560001
2. Signature of the Shareholder / Proxy present .....
3. Shareholder / Proxy Holder wishing to attend the meeting must bring the duly signed Attendance Slip to the meeting.
4. Shareholder/Proxy Holder attending the meeting is requested to bring his / her copy of the Annual Report.

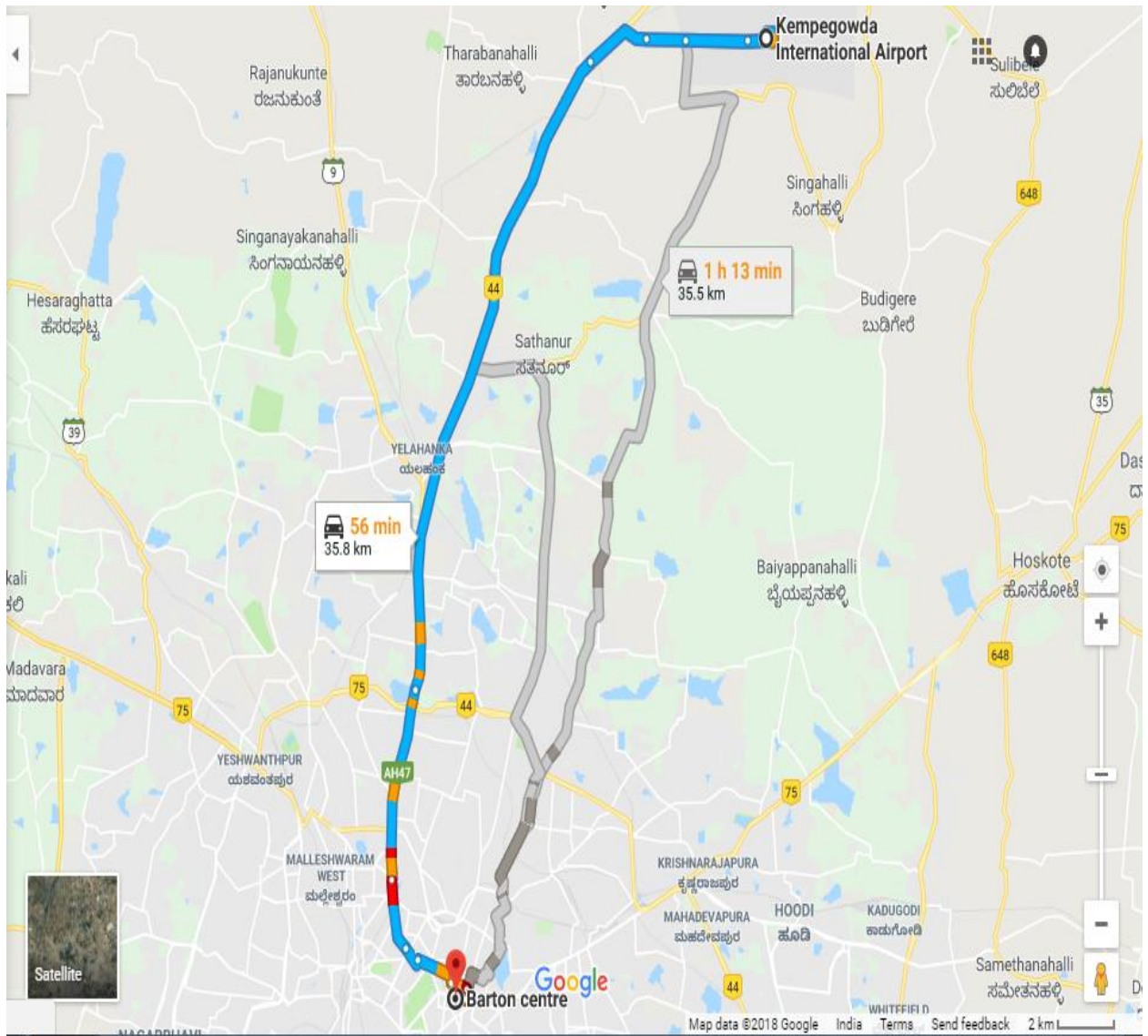
**PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING**

## ELECTRONIC VOTING PARTICULARS

E-Voting Event Number [EVEN]	USER ID	PASSWORD

**Note:** Please read the instructions given in the Notes to the Notice of 40<sup>th</sup> Annual General Meeting dated August 2, 2019. The E-Voting period starts on September 1, 2019 [9:00 AM] and ends on September 3, 2019 [5:00 PM]. The e-voting module shall be disabled by Link Intime for voting thereafter.

# MAP TO VENUE



**ANNEXURE TO AGM NOTICE**

**INFORMATION ON DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT AT 40<sup>TH</sup> ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015**

<b>Name of Director</b>	<b>Aparna Goel</b>	<b>Shao Xing Max Yang</b>
Date of Appointment/Re-appointment	29/09/2015	30/05/2018
Qualification	B.Com and Post Graduate Diploma in Interior Design	<ul style="list-style-type: none"> <li>• B.A. in Economics from the University of Southern California, USA</li> <li>• AMD in Real Estate from the Harvard University Graduate School of Design</li> </ul>
Expertise in specific Functional Area	Interior Design	Real estate development business
List of Listed Companies in which the person holds Directorships	<b>NIL</b>	<b>NIL</b>
Membership/ Chairmanships of committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	<b>NIL</b>	<b>NIL</b>
Shareholding of Non-executive Directors	<b>NIL</b>	<b>NIL</b>
Nature of relationship between directors inter-se	Wife of Mr. Jayant Goel	NIL

**LERTHAI FINANCE LIMITED**  
**(FORMERLY KNOWN AS MARATHWADA REFRACTORIES LIMITED)**

**BOARD'S REPORT**

To,  
The Members,  
**Lerthai Finance Limited**  
**(Formerly known as Marathwada Refractories Limited)**

Your Directors have pleasure in presenting the **Fortieth Directors Report** of your Company together with audited statement of Accounts and the Auditor's Report thereon in respect of the year ended on March 31, 2019.

**1. Financial Summary**

**(Rs. In Lakhs)**

<b>Particulars</b>	<b>For the FY 2018-19 ended on 31<sup>st</sup> March, 2019 (INR)</b>	<b>For the FY 2017-2018 ended on 31<sup>st</sup> March, 2018 (INR)</b>
Total Income	62.46	3.28
Total Expenditure	123.62	13.61
<b>Profit / (Loss) before tax</b>	<b>(61.16)</b>	<b>(10.33)</b>
Less: Tax Expenses	(8.83)	0.01
<b>Profit / (Loss) after Tax</b>	<b>(52.33)</b>	<b>(10.34)</b>

The Company does not have any subsidiaries and hence is not required to prepare a consolidated financial statement.

**2. State of Company's Affairs**

The Company has since discontinued its business activities of inter alia production, manufacture or trade refractories of all kind and bricks of all types and varieties being does not resulting as a profitable venture. During the year under consideration the company has earned income mainly from interest earned on fixed deposits placed with the nationalized Bank.

Subsequent to acquisition followed by open offer, Calvera Capital Pte. Limited ("Acquirer") and LT Investment Limited ("PAC") have jointly acquired 5,25,000 constituting 75% of total paid-up share capital of the Company. Consequently, Mr. Sushil Pandurang Mantri de-classified as a Promoter and re-classified as a Public Shareholders which was approved by the shareholders in previous annual general meeting and same was approved by the stock exchange, accordingly, as on date Mr. Sushil Pandurang Mantri stands de-classified as a Promoter of the Company.

During the year under review the Company has changed its objective to enable it to carry on financial activities subject to any registration requirement with regulatory authority. Coupled with change in

objects clause the Company has also changed its name from 'Marathwada Refractories Limited' to 'Lerthai Finance Limited'. The Registrar has issued fresh certificate of incorporation to these effect.

The equity shares of the company are listed on BSE Limited and The Calcutta Stock Exchange (CSE). Pursuant to regulation 6(a) of the Regulations, it is open for the Company to voluntarily delist its equity shares from CSE, if the equity shares would remain listed on any recognized stock exchange which has nationwide trading terminals. There has been negligible or no trading of the Company's equity shares in CSE in recent period. As the Company's equity shares have been mandated by SEBI for compulsory trading in dematerialized form by all investors and BSE have trading terminals in various cities affording to the investors convenient access to trade and deal in the Company's equity shares across the country, therefore, it is proposed to voluntarily delist the equity shares of the Company from CSE. Accordingly, the Board of Directors have approved the proposal to voluntarily delist the equity shares of the Company from CSE in their meeting held on 5<sup>th</sup> November, 2018. The proposed delisting of the Company's equity shares from CSE will not be prejudicial to or affect the interests of the investors. The application for delisting of equity shares is made and as on date awaiting approval from CSE.

The prime objective of the Acquirer of shares was to have substantial holding of Equity Shares and voting rights accompanied by control over the management of the Company. Post successful acquisition the new promoters are considering available options to revive or diversify the business of the Company. As one of the options the Company is in the process of formulating clear plans about the business of investment in real estate and technology start ups. The Company is planning to set up its own alternative investment fund for that purpose.

As mentioned above, Directors' of your Company are considering available options to revive or diversify the business of the Company subsequent to the acquisition of substantial shareholding in the Company, there is nothing at present which can be reported under Management Discussion and Analysis Report in so far industry structure, outlook, opportunities and risk are concerned. The Directors have dealt with the other aspects relating to financial performance, internal control and accounting treatment as far as possible elsewhere in this report.

Further, the obligations relating to compliance with corporate governance provisions does not apply to the Company as per the exemption criteria given under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company shall comply with the requirements with the said regulations within six months from the date on which it becomes applicable to it. Nevertheless, the Company follows highest governance standards in spirit and believes in philosophy of transparency and disclosure. Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. Your Company's Board exercises its fiduciary responsibilities in the widest sense of the term.

### **3. Dividend**

In view of inadequacy of profits, the Board of Directors has not recommended any dividend for the year under review.



#### **4. Share capital**

The current paid-up share capital of the Company is Rs. 70,00,000 (Rupees Seventy Lakhs Only) consisting of 700,000 (Seven Lakhs) Equity Shares of Rs. 10 (Rupees Ten only) each. There was no change in the Share Capital of the Company during the year under review.

#### **5. Amount to be transferred to reserves**

No amount is proposed to be transferred to any reserve.

#### **6. Subsidiary/Joint Ventures/Associate Companies**

The Company did not have any subsidiaries, joint ventures or associate companies during the year under review.

#### **7. Directors and Key Managerial personnel**

The present Board of Directors consists of the following Directors:

- i. Mr. Shao Xing Max Yang
- ii. Mr. Jayant Goel
- iii. Ms. Aparna Goel
- iv. Ms. Ntasha Berry

During the under review, Mr. Shao Xing Max Yang, Mr. Jayant Goel and Ms. Ntasha Berry regularized as directors of the Company in previous annual general meeting.

Ms. Aparna Goel, who was and Independent Director of the Company has given a declaration that due to change in circumstances she does not meet criteria of independence and accordingly her status has been changed from an Independent Director to non Executive Director.

Ms. Aparna Goel and Mr. Shao Xing Max Yang, directors retire by rotation and being eligible, offer themselves for re-appointment.

The Board has entrusted nomination committee to search for the Independent Directors in terms of the statutory provisions and the process for the same is underway as the committee is screening candidates suitable for the position.

#### **8. Board Meetings**

During the year under review the Board met **6 (Six)** times inter alia to adopt and declare financial results to stock exchanges.

#### **9. Declaration by Independent Directors**

The Company has received necessary declarations from Ms. Ntasha Berry, an Independent Director, under Section 149(7) of the Companies Act, 2013 that she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. Ms. Aparna Goel has given declaration stating

that she no longer meet the criteria of independence due to change in circumstances. The Board took note of the declarations.

#### **10. Board Evaluation**

The Board of Directors have carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the board was evaluated by the board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

In a separate meeting of independent Directors, performance of non-independent Directors, the Chairman of the Company and the board as a whole was evaluated, taking into account the views of executive Directors and non-executive Directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as education qualification, experience of the core area in which the company operates, attendance, the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent Directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent Directors was done by the entire board, excluding the independent director being evaluated.

#### **11. Audit Committee**

Present composition of the Audit Committee is as under:

1. Ms. Ntasha Berry
2. Mr. Shao Xing Max Yang
3. Mr. Jayant Goel

During the financial year, the Audit Committee met **4 (four)** times.

#### **12. Nomination & Remuneration Committee**

Present composition of the Nomination & Remuneration Committee is as under:

1. Mrs. Aparna Goel
2. Ms. Ntasha Berry
3. Mr. Shao Xing Max Yang

During the financial year, the Nomination & Remuneration Committee met **1 (One)** time.

### **13. Stakeholders' Relationship Committee**

Present composition of the Stakeholders' Relationship Committee is as under:

1. Mr. Shao Xing Max Yang
2. Mr. Jayant Goel
3. Ms. Ntasha Berry

During the financial year, the Stakeholders' Relationship Committee met 1 (One) time.

### **14. Company's Policy on Directors' Appointment and Remuneration**

The Company has policy which mandates to look criteria for determining qualifications, positive attributes and independence of Directors' Appointment and Remuneration while considering appointment of Director and key managerial personnel. The policy inter alia takes into account: (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (iii) remuneration to Directors and key managerial personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### **15. Remuneration Details of Directors/ Key Managerial Personnel (KMP) and Employees**

None of the employees and Directors or Key Managerial Personnel are in receipt of remuneration, hence the disclosure prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

The members of Board are only entitled to sitting fees as approved by the Board pursuant to provisions of Section 203 of the Companies Act, 2013 and Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **16. Directors' Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 ("the Act") and, based upon representations from the Management, the Board states that:

- a) in preparing the annual accounts, applicable accounting standards have been followed and there are no material departures;
- b) the Directors have selected accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent 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 loss of the Company for the year;

- c) the Directors have taken proper and sufficient care in maintaining adequate accounting records in accordance with provisions of the 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 of the Company on a “going concern” basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure proper compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **17. Statutory Auditors**

M/s. Guru & Jana, Chartered Accountants (Firm Registration Number 006826S) are appointed as the Statutory Auditors of the Company. Subject to provisions of the Companies Act, 2013, statutory auditors’ continue to remain until conclusion of 41<sup>st</sup> Annual General Meeting of the Company.

There are no qualifications or adverse remarks in the Statutory Auditors’ Report which require any explanation from the Board of Directors.

#### **18. Internal Auditors**

In accordance with Section 138 of the Companies Act, 2013 read with Rule 13 of Chapter IX of the said Act, the Board appointed M/s Snehal V. Shaligram, Practicing Company Secretary (C.P. No. 10216) as Internal Auditor of the Company for the Financial Year 2018-19 to conduct internal audit.

#### **19. Explanation on auditor’s qualification, reservation, adverse remark or disclaimer**

There are no qualifications, reservations or adverse remarks given or disclaimers made by the auditor in his audit report for the financial year under review.

#### **20. Secretarial Audit**

The Secretarial Audit Report for the year ended March 31, 2019 issued by Ms. Snehal V. Shaligram, Practicing Company Secretary (C.P. No: 10216) in accordance with the provisions of Section 204 of the Companies Act, 2013, forms part of the Annual Report.

#### **21. Orders passed by the Regulators or Courts or Tribunals**

During the year under review, there have been no orders passed by any of the regulators or courts or tribunals impacting the going concern status of the Company and the Company’s operations in future.

## **22. Related Party transactions**

There have been no transactions between the Company and related parties as referred to in section 188(1) of the Companies Act, 2013 during the financial year under review. Accordingly, Form AOC-2 as per the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013 does not form part of this report.

## **23. Loan, Guarantees or Investments**

During the financial year under review, the Company has not granted any loans or guarantees or made any investments in respect of which the provisions of section 186 of Companies Act, 2013 are applicable except investment aggregating to INR 35.02 lakh in equity and preference shares of Homeville Consulting Private Limited by way of private placement in accordance with section 42 read with section 186 of the Companies Act, 2013.

## **24. Deposits from public**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

## **25. Risk management policy**

Since the Company has already closed its manufacturing operations and is in the process of identifying business opportunities, the Company has no such policy in place as of now. The Board shall take steps to formulate the requisite policy as soon as it identifies business opportunity.

## **26. Vigil Mechanism/Whistle Blower Policy**

Your Company has in place a Whistle Blower Policy for its directors and employees to report concerns about unethical behavior, actual or suspected fraud in accordance with Section 177(9) of the Companies Act, 2013. The policy provides for protected disclosures which can be made by a complainant through e-mail or a letter to the Chairperson of the audit committee. The Company did not receive any complain during the year 2018-19.

## **27. Corporate Social Responsibility**

For the year under review, the provisions of section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

## **28. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) ACT, 2013**

The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complain during the year 2018-19.

### **29. Conservation of Energy and Technology Absorption**

Particulars regarding conservation of energy and technology absorption as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 are not applicable since the Company is not engaged in any manufacturing / power intensive activity.

### **30. Foreign exchange earnings and Outgo**

There was no foreign exchange inflow or Outflow during the year under review.

### **31. Transfer of Amounts to Investor Education and Protection Fund**

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

### **32. Acknowledgment**

The Directors take this opportunity of thanking their shareholders, bankers, business associates and government authorities for their co-operation and support during the year.

For and on behalf of the Board of Directors

**Lerthai Finance Limited**  
**(formerly known as Marathwada Refractories Limited)**

Sd/-

**Shao Xing Max Yang**  
Chairperson  
DIN: 08114903

**Place:** New Delhi

**Date:** August 2, 2019

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Lerthai Finance Limited  
*(formerly known as Marathwada Refractories Limited)*  
Bangalore

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable during the audit period);
  - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable during the audit period);

- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the audit period);
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the audit period); and
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the audit period).
- vi. I have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable acts, laws, rules and regulations to the Company and the management has identified and confirmed the following laws as specifically applicable to the Company:
- a. Income Tax Act, 1961;
  - b. Goods & Services tax Act, 2017
- vii. I have also examined compliance with applicable clauses of the following:
- a. Secretarial Standards issued by the Institute of Company Secretaries of India;
  - b. Pursuant to Regulation 109 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company has executed a uniform listing agreement with BSE Limited and The Calcutta Stock Exchange Limited with effect from 1<sup>st</sup> December, 2015.
- viii. I further report that:
- a. the compliances by the Company of applicable financial laws like direct and indirect tax laws, have not been reviewed in this Audit since the same are subject to review by statutory financial audit.
  - b. the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, *except that the Company is in process of identifying the independent directors to make board composition in line with the Companies Act, 2013.* The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - c. adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.
  - d. as per the minutes of the meetings recorded and signed by the Chairperson, the decisions of the Board were unanimous and no dissenting views of the Directors have been noticed in the Minutes.
  - e. there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.
  - f. during the audit period following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc:  
*The Company had discontinued its business objective of manufacturing and changed its objective to engage inter alia in the business of investment. Pursuant to change in object*



*clause of the Company as aforesaid the name of the Company was changed from 'Marathwada Refractories Limited' to 'Lerthai Finance Limited'.*

*Further, in terms of Share Purchase Acquisition dated 21.11.2017 followed by open offer Calvera Capital Pte. Limited ("Acquirer") and LT Investment Limited ("PAC") have jointly acquired 5,25,000 shares constituting 75% of the paid-up share capital of the Company. Consequently, Mr. Sushil Pandurang Mantri (the erstwhile promoter) was declassified and the application to that effect, after shareholders approval, was made to the BSE for formal approval which has been approved by the BSE.*

Sd/-

**Snehal V Shaligram**  
Practicing Company Secretary

C.P.NO.10216

2.08.2019, Pune

**Certificate from Company Secretary in Practice**

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

To,  
The Members,  
Lerthai Finance Limited  
*(formerly known as Marathwada Refractories Limited)*  
Bangalore

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Lerthai Finance Limited (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Director Identification Number) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ending on 31<sup>st</sup> March, 2019, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

**Sd/-**

**Snehal V Shaligram**  
Practicing Company Secretary  
C.P.NO.10216

**Date:** 02.08.2019

**Place:** Pune

## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members,**  
**Lerthai Finance Limited (Formerly known as Marathwada Refractories Limited)**

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

#### **Opinion**

We have audited the accompanying financial statements of Lerthai Finance Limited (Formerly known as Marathwada Refractories Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2019 and the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of the 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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March 2019, and its loss, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 thereunder, 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.

#### **Key audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

##### **a. Change in Business Operations**

During the year there was a change in the Shareholding/management (refer Note 13.2 of Financial Statements). The company did not have any business operations during past few years. As explained the Company is in the process of formulating clear plans about the business wrt to investment in India Real Estate Market and Technology Startups. The Company is in the plan of setting up its own Alternative Investment Fund to implement the same.

### **Other Information**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
  
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) rules, 2015 as amended.
  
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"

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g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 28 to 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Guru & Jana,**

Chartered Accountants

**Firm Registration No: 006826S**

**Sd/-**

**M. Surendra Reddy**

Partner

**Membership No: 215205**

Place: Bangalore

Date: May 29, 2019

## **“Annexure A” to Auditor’s Report**

The annexure referred to in our report to the members of **Lerthai Finance Limited** (Formerly known as Marathwada Refractories Limited) for the year ended on 31<sup>st</sup> March 2019. We report that:

- (i) According to the information and explanations given to us, the company does not hold fixed assets and immovable properties at the end of the year. Hence the provisions of Clause 3 (i) (a) to (c) of the Order are not applicable.
- (ii) According to the information and explanations given by the management, the company does not have any inventory. Accordingly, provisions of Clause 3 (ii) of the order is not applicable.
- (iii) According to the information and explanation given by the management, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of Clauses 3 (iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanation given by the management, the company has not given loans/guarantees to which the provisions of Sec.186 of the act apply. However regarding the investments to which the provisions of Sec.186 apply, the company has complied with the respective provisions of the act.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of Clauses 3 (v) of the Order are not applicable to the Company.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- (vii)
  - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
  - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) According to the information and explanation given by the management, the Company has not borrowed any amount from any financial institutions, banks or debenture holders during the year. Accordingly, provisions of clause (viii) are not applicable.
- (ix) According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of Clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the company has not paid or provided for any managerial remuneration during the year. Hence, the provisions of Clause 3 (xi) of the Order is not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **Guru & Jana,**  
Chartered Accountants  
**Firm Registration No: 006826S**

**Sd/-**

**M.Surendra Reddy**  
Partner  
**Membership No: 215205**

Place: Bangalore  
Date: May 29, 2019



**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF LERTHAI FINANCE LIMITED (Formerly known as Marathwada Refractories Limited)**

**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 **Lerthai Finance Limited** (Formerly known as Marathwada Refractories Limited) as of March 31, 2019 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. 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 the 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.

**Auditor’s 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 as specified 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 judgement, 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 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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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.

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of Company, which comprise the Balance Sheet as at March 31, 2019, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended and Statement of Changes in Equity, and a summary of significant accounting policies and other explanatory information, and our report even dated expressed an “unqualified opinion thereon”.

For **Guru & Jana,**  
Chartered Accountants  
**Firm Registration No: 006826S**

**Sd/-**

**M. Surendra Reddy**  
Partner  
**Membership No: 215205**

Place: Bangalore  
Date: May 29, 2019

**LERTHAI FINANCE LIMITED**  
**(PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**

Balance Sheet as at 31st March 2019

(All Amounts are in Rs'000)

Particulars	Notes	31-Mar-19	31-Mar-18
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial Assets			
i. Investments	4	3,502.54	-
ii. Loans	5	1,523.89	-
Other Non Current Assets	6	-	95,000.00
Deferred Tax Asset (Net)	7	965.67	4.27
		<b>5,992.10</b>	<b>95,004.27</b>
<b>Current assets</b>			
Financial Assets			
i. Cash and Cash Equivalents	8	96,138.99	2,440.02
ii. Trade Receivable	9	-	1,313.73
iii. Other Financial Assets	10	668.86	10,470.35
Current Tax assets	11	624.47	-
Other Current Assets	12	3,144.16	108.83
		<b>1,00,576.48</b>	<b>14,332.93</b>
		<b>1,06,568.58</b>	<b>1,09,337.20</b>
<b>EQUITIES AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	7,000.00	7,000.00
Other Equity	14	96,566.29	1,01,799.37
		<b>1,03,566.29</b>	<b>1,08,799.37</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
Other Financial Liabilities	15	31.94	-
		<b>31.94</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Trade Payables	16		
- Total outstanding dues of Micro enterprises and Small enterprises		206.31	287.31
- Total outstanding dues of creditors other than Micro enterprises and Small enterprises		2,498.86	211.64
ii. Other Financial Liabilities	17	22.75	-
Other Current Liabilities	18	242.43	38.89
		<b>2,970.35</b>	<b>537.83</b>
		<b>1,06,568.58</b>	<b>1,09,337.20</b>

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

**For Guru & Jana**  
Chartered Accountants  
**Firm Reg No:0068265**

Sd/-

**Neelima J**  
Partner  
**Membership No: 222625**

Place: Bangalore  
Date: 29/05/2019

**For and on behalf of the board**

Sd/-

**Mr. Shao Xing Max Yang**  
Chairman and Director  
**DIN: 08114973**

Sd/-

**Ms. Sneha Khandelwal**  
Company Secretary  
**M. No : 55597**  
Place: Delhi  
Date: 29/05/2019

Sd/-

**Mr. Jayant Goel**  
Executive Director  
**DIN: 01925642**

**LERTHAI FINANCE LIMITED**  
**(PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**  
**Statement of Profit & Loss Account for the year ended 31st March 2019**

*(All Amounts are in Rs'000)*

Particulars	Notes	31-Mar-19	31-Mar-18
<b>Income</b>			
Other Income	19	6,245.55	328.20
		-	-
		<b>6,245.55</b>	<b>328.20</b>
<b>Expenses</b>			
Employee Benefits Expenses	20	227.50	-
Other Expenses	21	12,134.52	1,360.70
		<b>12,362.02</b>	<b>1,360.70</b>
<b>Profit/(loss) for the year</b>		<b>(6,116.47)</b>	<b>(1,032.50)</b>
<b>Tax expenses</b>			
	22		
Current tax		-	-
Tax for earlier years		78.00	-
Deferred tax		(961.40)	1.23
<b>Profit/(loss) for the year</b>		<b>(5,233.07)</b>	<b>(1,033.73)</b>
<b>Other Comprehensive Income</b>			
<i>Items that will be reclassified to profit or loss in subsequent periods.</i>			
		-	-
<i>Items that will not be reclassified to profit or loss in subsequent periods.</i>			
		-	-
<b>Total Other Comprehensive Income for the year</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>(5,233.07)</b>	<b>(1,033.73)</b>

**Earnings per equity share**

[Nominal value of Rs. 10/- (31 March 2018: Rs. 10/-)]

Basic	(7.48)	(1.48)
Diluted	(7.48)	(1.48)

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

**For Guru & Jana**  
Chartered Accountants  
**Firm Reg No:006826S**

Sd/-

**Neelima J**  
Partner  
**Membership No: 222625**

Place: Bangalore  
Date: 29/05/2019

**For and on behalf of the board**

Sd/-

**Mr. Shao Xing Max Yang**  
Chairman and Director  
**DIN: 08114973**

Sd/-

**Mr. Jayant Goel**  
Executive Director  
**DIN; 01925642**

Sd/-

**Ms. Sneha Khandelwal**  
Company Secretary  
**M. No : 55597**

Place: Delhi  
Date: 29/05/2019

**LERTHAI FINANCE LIMITED**  
**(PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**

Statement of Change in equity for the year ended 31st March 2019

**A. Equity shares of INR 10 each issued, subscribed and fully paid**

*(All Amounts are in Rs'000)*

Particulars	Numbers	Amount
As at 01 April 2018	700	7,000.00
Changes in equity share capital	-	-
<b>As at 31 March 2019</b>	<b>700</b>	<b>7,000.00</b>

**B. Other equity**

*(All Amounts are in Rs'000)*

Particulars	General reserve	Capital reserve	Revenue reserve	Total
As at 01 April 2018	3,000.00	3,023.81	95,775.55	1,01,799.37
Profit for the year	-	-	(5,233.07)	(5,233.07)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(5,233.07)</b>	<b>(5,233.07)</b>
Dividends	-	-	-	-
Dividend distribution tax	-	-	-	-
Transfer from retained earnings	-	-	-	-
<b>As at 31 March 2019</b>	<b>3,000.00</b>	<b>3,023.81</b>	<b>90,542.48</b>	<b>96,566.29</b>

Particulars	General reserve	Capital reserve	Revenue reserve	Total
As at 01 April 2017	3,000.00	3,023.81	96,809.28	1,02,833.09
Profit for the year	-	-	(1,033.73)	(1,033.73)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(1,033.73)</b>	<b>(1,033.73)</b>
Dividends	-	-	-	-
Dividend distribution tax	-	-	-	-
Transfer from retained earnings	-	-	-	-
<b>As at 31 March 2018</b>	<b>3,000.00</b>	<b>3,023.81</b>	<b>95,775.55</b>	<b>1,01,799.37</b>

**For Guru & Jana**

Chartered Accountants

**Firm Reg No:006826S**

Sd/-

**Neelima J**

Partner

**Membership No: 222625**

Place: Bangalore

Date: 29/05/2019

**For and on behalf of the board**

Sd/-

**Mr. Shao Xing Max Yang**

Chairman and Director

**DIN; 08114973**

Sd/-

**Ms. Sneha Khandelwal**

Company Secretary

**M. No : 55597**

Place: Delhi

Date: 29/05/2019

Sd/-

**Mr. Jayant Goel**

Executive Director

**DIN; 01925642**

**LERTHAI FINANCE LIMITED**  
**(PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**  
**Cash Flow Statement for the Year ended 31st March 2019**

*(All Amounts are in Rs'000)*

Particulars	31-Mar-19	31-Mar-18
<b>Cash flow from operating activities</b>		
Loss before Tax	(6,116.47)	(1,032.50)
<b>Loss before Tax</b>	<b>(6,116.47)</b>	<b>(1,032.50)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Interest income	(6,244.69)	(106.98)
<b>Operating Loss before working capital changes</b>	<b>(12,361.16)</b>	<b>(1,139.49)</b>
Movements in working capital :		
Increase/(decrease) in other current liabilities	203.54	25.32
Increase/(decrease) in other Financial liabilities	31.94	-
Increase/(decrease) in other payables	22.75	-
Increase/(decrease) in Trade Payables	2,206.22	341.64
Decrease/(increase) Non current Assets	(1,523.88)	-
Decrease/(increase) in Trade Receivables	1,313.73	(75.00)
Decrease/(increase) in Other financial assets	9,801.49	(4,482.00)
Decrease/(increase) in other current assets	(3,113.34)	2,977.41
<b>Cash generated from / (used in) operations</b>	<b>(3,418.71)</b>	<b>(2,352.11)</b>
Direct taxes paid (net of refunds)	(624.47)	-
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(4,043.18)</b>	<b>(2,352.11)</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current investments	(3,502.54)	-
Interest received	6,244.69	106.98
Recovery of advances	95,000.00	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>97,742.15</b>	<b>106.98</b>
<b>Cash flows from financing activities</b>	-	-
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	93,698.97	(2,245.12)
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	2,440.02	4,685.14
<b>Cash and cash equivalents at the end of the year</b>	<b>96,138.99</b>	<b>2,440.02</b>
Components of cash and cash equivalents		
Cash on hand	-	-
With banks		
- on current account	96,138.99	2,440.02
<b>Total cash and cash equivalents</b>	<b>96,138.99</b>	<b>2,440.02</b>

The above Cash Flow Statement has been prepared under the Indirect Method set out in Ind AS 7

**For Guru & Jana**

Chartered Accountants  
**Firm Reg No:006826S**

Sd/-

**Neelima J**

Partner

**Membership No: 222625**

**Place: Bangalore**

**Date: 29/05/2019**

**For and on behalf of the board**

Sd/-

**Mr. Shao Xing Max Yang**

Chairman and Director

**DIN; 08114973**

Sd/-

**Ms. Sneha Khandelwal**

Company Secretary

**M. No : 55597**

Place: Delhi

Date: 29/05/2019

Sd/-

**Mr. Jayant Goel**

Executive Director

**DIN: 01925642**

**LERTHAI FINANCE LIMITED**  
**(PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**

**Notes to Financial Statement for the year ended 31st March 2019**

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**1. Company Information**

Marathwada Refractories Ltd (the company) was engaged in the activities relating to production, manufacture or trade refractories of all kind and bricks of all types and varieties with different properties and components.

The Company has changed its name to Lerthai Finance Limited wef. 28 December 2018. The company has amended its object clause in the Memorandum of association. Now, the Company is engaged into the business activity of financing and investment.

The standalone financial statements are approved for issue by the Company's Board of Directors on May 29, 2019.

**2. Basis of Preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements are presented in INR and all values are rounded to the nearest thousands, except when otherwise indicated.

**3. Summary of significant accounting policies**

**a) Revenue Recognition**

**i. Dividend income**

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholders approve the dividend.

**ii. Interest income**

Interest income from, if any is recognized in the books on time proportion basis taking into account the amount outstanding and the rates applicable. Interest income is included under the head "Interest income" in the statement of profit and loss. Other income is recognized in the books when the same is accrued to the company.

**b) Current versus non-current classification**

The Company presents assets and liabilities in balance sheet based on current/non-current classification. An asset is current when it is:

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

All Other Assets are classified as non current

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The company has identified twelve months as its operating cycle.

A liability is current when it is:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



**c) Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand.

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**d) Impairment of Financial Assets**

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a Company of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated.

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

**e) Retirement and other employee benefits**

**Short-term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. Undiscounted value of benefits such as salaries and bonus are recognised in the period in which the employee renders the related service.

**f) Lease**

**Operating Lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

**g) Income Tax**

Tax expense comprises of current and deferred tax.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

## **h) Provisions and Contingent Liability**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

## **i) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## **j) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at fair value through profit and loss

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## **4 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### **i) Provisions and contingent liabilities**

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 the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date 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.

**LERTHAI FINANCE LIMITED (PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**  
**Notes forming part of Balance Sheet**

(All Amounts are in Rs'000)

<b>Non Current Assets</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>Financial Assets</b>		
<b>4 Investments</b>		
<b>Investment in Equity Shares</b>		
Equity Component of Investment in Compulsarily Convertible Preference Shares in Homeville Consulting Private Limited	3,158.30	-
<b>Investment in preference shares</b>		
<b>Unquoted investments</b>		
<b>Valued at fair value through profit and loss</b>		
147 (31 March 2018: Nil) Compulsarily Convertible Preference Shares of Rs.10 each fully paid, in Homeville Consulting Private Limited	344.24	-
	<u>3,502.54</u>	<u>-</u>
Aggregate amount of Unquoted Investments	3,502.54	-
Aggregate amount of Impairment in Value of Investments	-	-
	<u>3,502.54</u>	<u>-</u>
<b>5 Loans</b>		
Security Deposits	1,523.88	-
	<u>1,523.89</u>	<u>-</u>
The Above amount is sub classified as:-		
Secured, considered good	-	-
Unsecured, considered good	1,523.89	-
Doubtful	-	-
	<u>1,523.89</u>	<u>-</u>
<b>6 Other Non Current Assets</b>		
Advance to Vendors	-	95,000.00
	<u>-</u>	<u>95,000.00</u>
The Above amount is sub classified as:-		
Secured, considered good	-	95,000.00
Unsecured, considered good	-	-
Doubtful	-	-
	<u>-</u>	<u>95,000.00</u>
<b>7 Deferred Tax Asset/(Liability)</b>		
<b>Deferred Tax Asset</b>		
Depreciation and amortisation expense (fixed assets)	-	4.26
Deferred rent	8.31	
Rental Deposit	136.42	
Investment in Preference shares	820.94	
<b>Deferred Tax Liability</b>	-	-
Deferred Tax Asset/(Liability)	<u>965.67</u>	<u>4.26</u>
	<u>965.67</u>	<u>4.26</u>

**LERTHAI FINANCE LIMITED (PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**  
**Notes forming part of Balance Sheet**

(All Amounts are in Rs'000)

<b>Current assets</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>Financial Assets</b>		
<b>8 Cash and Cash equivalents</b>		
<b>Cash and Bank balances</b>		
Cash in hand	-	-
Balances with banks		
On current accounts	4,338.99	440.02
Deposits with original maturity of less than three months	91,800.00	2,000.00
	<b>96,138.99</b>	<b>2,440.02</b>
<i>For the purpose of the statement of cash flows, cash and cash equivalents comprise of the above</i>		
<b>9 Trade Receivables</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	-	1,313.73
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit impaired	-	-
	<b>-</b>	<b>1,313.73</b>
* In FY 2017-18 the amount of trade receivables included Rs. 626,729/- receivable from Shivang Ispat Pvt Ltd which has been written off during FY 2018-19 as no more recoverable.		
<b>10 Other Financial Assets</b>		
Receivable from Related Parties*	668.86	10,470.35
	<b>668.86</b>	<b>10,470.35</b>
*includes balances that are Unsecured, considered Good, from the following parties:		
<b>11 Current Tax assets</b>		
TDS receivable	624.47	-
	<b>624.47</b>	<b>-</b>
<b>Break up of Financial Assets carried at amortised cost</b>		
Other Financial Assets	2,192.75	10,470.35
Cash and Cash Equivalents	96,138.99	2,440.02
Trade Receivables	-	1,313.73
	<b>98,331.74</b>	<b>14,224.10</b>
<b>12 Other Current Assets</b>		
Prepaid Expenses	995.99	-
Interest Accrued	2,070.48	-
Advance to Service provider	42.71	-
Balances with Statutory Authorities	34.98	108.83
	<b>3,144.16</b>	<b>108.83</b>

**LERTHAI FINANCE LIMITED (PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**  
**Notes forming part of Balance Sheet**

(All Amounts are in Rs'000)

<b>Equity</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>13 Share capital</b>		
<b>Authorized shares</b>		
850,000 ( 31 March 2018: 850,000) Equity Shares of Rs.10/- each.	8,500.00	8,500.00
15,000 ( 31 March 2018: 15,000) 11% Redeemable Cumulative Preference Shares of Rs. 100/- each.	1,500.00	1,500.00
	<u>10,000.00</u>	<u>10,000.00</u>
<b>Issued, subscribed and fully paid-up shares</b>		
700,000 (31 March 2017: 700,000) Equity Shares of Rs.10/- each	7,000.00	7,000.00
	<u>7,000.00</u>	<u>7,000.00</u>
<b>13.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>		
<b>Equity Shares</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	<b>No</b>	<b>Amount</b>
At the beginning of the period	700	7,000.00
Issued during the period	-	-
Bought back during the period	-	-
<b>Outstanding at the end of the period</b>	<u>700</u>	<u>7,000.00</u>
	<b>No</b>	<b>Amount</b>
	700.00	7,000.00
	-	-
	-	-
	<u>700.00</u>	<u>7,000.00</u>
<b>Terms/Rights attached to Equity Shares</b>		
The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the company has not proposed for any dividend payable to the share holders .		
In the event of Liquidation, Equity Share holders are entitled to receive the assets of the company remaining after distribution of all preferential amount, in proportion to the number of shares held by them.		
<b>13.2 Details of shareholders holding more than 5% shares in the company</b>		
<b>Particulars</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	<b>No</b>	<b>%</b>
Calvera Capital Pte Ltd	4,20,000	60%
LT Investment Limited	1,05,000	15%
Sparrow Asia Diversified Opportunities Fund	61,132	9%
BAO Value Fund	51,600	7%
Saha Infrastructures Pvt Ltd	47	0.01%
Sushil Mantri	-	0%
	# #####	-
	# #####	-
	# #####	-
	# #####	-
	86,509	12%
	5,25,000	75%
As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.		
<b>14 Other Equity</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>Capital Reserve</b>		
Balance as per the last financial statements	3,023.81	3,023.81
Add: Amount transferred from surplus balance in the statement of profit and loss		
<b>Closing Balance</b>	<u>3,023.81</u>	<u>3,023.81</u>
<b>General reserve</b>	3,000.00	3,000.00
Balance as per the last financial statements		
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
<b>Closing Balance</b>	<u>3,000.00</u>	<u>3,000.00</u>
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per last financial statements	95,775.55	96,809.28
Profit/(loss) for the year	(5,233.07)	(1,033.73)
Less: Appropriations	-	-
<b>Net surplus in the statement of profit and loss</b>	<u>90,542.48</u>	<u>95,775.55</u>
<b>Total Reserves And Surplus</b>	<u>96,566.29</u>	<u>1,01,799.37</u>

**LERTHAI FINANCE LIMITED (PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**  
**Notes forming part of Balance Sheet**

*(All Amounts are in Rs'000)*

<b>Non-current liabilities</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>15 Other Financial Liabilities</b>		
Deferred Rent	31.94	-
	<u>31.94</u>	<u>-</u>
<b>Current Liabilities</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>Financial liabilities</b>		
<b>16 Trade Payables</b>		
- Total outstanding dues of Micro enterprises and Small enterprises	206.31	287.31
- Total outstanding dues of creditors other than Micro enterprises and Small enterprises	2,498.86	211.64
	<u>2,705.17</u>	<u>498.95</u>
<b>17 Other Financial Liabilities</b>		
Employee related dues	22.75	-
	<u>22.75</u>	<u>-</u>
<b>18 Other Current liabilities</b>		
Statutory Liabilities Payable	242.43	38.89
	<u>-</u>	<u>-</u>
	<u>242.43</u>	<u>38.89</u>

**LERTHAI FINANCE LIMITED (PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**  
**Notes forming part of Balance Sheet**

(All Amounts are in Rs'000)

<b>Income</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>19 Other Income</b>		
Interest from Others	-	114.50
Interest from Banks	6,244.69	106.98
Other income	0.86	106.72
	<u>6,245.55</u>	<u>328.20</u>
<b>Expenses</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>20 Employee Benefits Expenses</b>		
Salaries	227.50	-
	<u>227.50</u>	<u>-</u>
<b>21 Other expenses</b>		
Professional Charges	7,750.41	679.41
Rent	1,787.51	-
Listing Fee	453.78	287.51
Travelling	411.87	-
Payment to auditor (refer note below)	389.00	178.50
Advertisement Expenses	172.84	138.32
Commission & Brokerage	354.00	-
Rates & Taxes	89.75	14.46
Insurance	74.86	-
Bad Debts Written off	626.73	-
Other Expenses	15.35	-
Postage & Courier	8.35	2.28
Bank Charges	0.07	0.26
Printing & Stationary	-	54.56
Interest on TDS	-	5.26
Conveyance Charges	-	0.14
	<u>12,134.52</u>	<u>1,360.70</u>
Note: Payment to auditor (inclusive of GST)		
<b>As Auditor</b>		
Statutory Audit	194.70	40.00
Limited review	159.30	-
<b>In other capacity:</b>		
For company law matters	-	108.50
For other matters	35.00	30.00
	<u>389.00</u>	<u>178.50</u>

**22 Income Tax**

**Major components of income tax expense for the year ended 31-Mar-19 and 31-Mar-18 are :**

**Statement of profit and loss :  
Profit or Loss section**

<b>Current income tax :</b>		
Current Income tax charge	-	-
Expense earlier year's tax adjustments	78.00	-
	<u>78.00</u>	<u>-</u>
<b>Deferred tax :</b>		
Deferred tax adjustments for timing differences	(4.04)	1.23
Deferred tax adjustments for Ind AS adjustments	(957.36)	-
	<u>(961.40)</u>	<u>1.23</u>
<b>Tax expense reported in the statement of profit or loss</b>	<u>(883.40)</u>	<u>1.23</u>

**Reconciliation of tax expenses and the accounting profit multiplied by india's domestic tax rate for the year ended 31-Mar-19 and 31-Mar-18:**

Accounting loss before tax	(6,116.47)	(1,032.50)
Tax on accounting profit at statutory income tax rate 26% (March 31, 2018 :26%)	(1,590.28)	(268.45)
Adjustment for Non creation of deferred tax for Current year losses	1,444.42	-
Deferred tax adjustments for Ind AS adjustments	957.36	-
Deferred tax adjustments for timing differences	2.68	1.23
Adjustments for Eariler year's income tax adjustments	(78.00)	-
Adjustments for permanent differences	1.36	-
At the effective income tax rate	883.40	(267.22)
<b>Tax expense reported in the statement of profit or loss</b>	<b>(883.40)</b>	<b>1.23</b>

**23 Related Party Disclosure**

**Names of Related Parties and Related Party relationships**

<b>Executive Director</b>	Mr. Shao Xing Max Yang (wef. 30 May 2018)
<b>Executive Director</b>	Mr. Jayant Goel (wef. 30 May 2018)
<b>Independent Director</b>	Ms. Ntasha Berry (wef. 30 May 2018)
<b>Director</b>	Ms Aparna Goel
<b>Company Secretary</b>	Ms. Sneha Khandelwal (wef. 30 May 2018)
<b>Member</b>	Sushil Mantri (Up to 30 May 2018)
<b>Member</b>	Saha Infrastructures Pvt Ltd
<b>Managing Director</b>	H S Girish Gupta (Upto30 May 2018)
<b>Director</b>	Ganapathy Venkatesh (Upto30 May 2018)
<b>Additional Director</b>	Dig Vijay Singh (Upto30 May 2018)
<b>Company Secretary</b>	Juhi Sinha (Upto30 May 2018)

<b>Ultimate Holding company (Beneficial owner)</b>	LT International Investment Holdings Limited
<b>Holding Company</b>	Calvera Capital Pte Ltd
<b>Member</b>	LT Investment Limited

**Companies in which Directors are interested**

3D Megacity Private Limited  
 Anthariksh Construction Private Limited (Upto30 May 2018)  
 ASL Hospitalities Private Limited  
 ASL Advisory Services Private Limited  
 Avant Garde Shelters Private Limited (Upto30 May 2018)  
 Creativita Creamics Private Limited  
 Deeta Constructions Private Limited  
 Inesh Realtors Private Limited  
 Indus Scholastic and Management Services Private limited  
 Indus International School (Pune) Private Limited  
 Jasmine Enterprises Private Limited  
 Lakeview Development Corporation Private Limited  
 Mantri Abodes Private Limited (Upto30 May 2018)  
 Mantri Apartments Private Limited  
 Mantri Castles Private Limited  
 Mantri Habitats Private Limited  
 Mantri Homes Private Limited  
 Mantri Infrastructure Private Limited  
 Mantri Primus Lifespaces Private Limited  
 Mantri Property Developers Private Limited (Upto30 May 2018)  
 Mantri Resi Structures Private Limited

**Companies in which Directors are interested**

Mantri Technology Parks Private Limited  
 Mantri Techzone Private Limited  
 Minerva Infra Tech Private Limited (Upto30 May 2018)  
 Pratibha Realtors Private Limited  
 Propcare Holdings Private Limited (Upto30 May 2018)  
 Propcare Mall Management (India) Private Limited  
 Propcare Real Estate Management Private Limited (Upto30 May 2018)  
 SGP Software Solutions private Limited  
 Smarthomes Developers (India) Private Limited  
 Sugam Vanijya Holdings Private Limited  
 Suraj Inn Private Limited  
 VanGuard Hospitality Private Limited  
 Vassel Warehousing Private Limited  
 Shivashakti Estates and Investments Private Limited  
 Mantri Mansion Private Limited (Upto30 May 2018)  
 Jubilee Hills Landmark Projects Private Limited  
 Primus Senior Services Private Limited  
 Venture Gurukool Mentoring Services Private Limited  
 Futura Techpark Private Limited  
 Comfortable Adode Private Limited  
 North Delhi Metro Mall Private Limited  
 F M Hammerle Textiles Limited  
 Newtown Dwellers Private Limited  
 Gateway Office Parks Private Limited  
 Shrachi Virtuous Retail Projects Private Limited  
 NVP Venture Capital India private Limited  
 Hamir Real Estate Private Limited  
 Noida Towers Private Limited  
 Bundl Technologies Private Limited  
 Serigold 79 Technology Private Limited  
 Sinew Developers Private Limited  
 Tarun Realtors Private Limited  
 BrightBridge Business Solutions Private Limited  
 BrightBridge Advisors LLP  
 Strategic Global Group Inc.  
 Calvera Capital Pte. Ltd.  
 Lertthai Investment Group Ltd.  
 LT Commercial Real Estate Limited



**LERTHAI FINANCE LIMITED (PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**  
**Notes forming part of Balance Sheet**

(All Amounts are in Rs'000)

**Other Related Parties (Up to 30 May 2018)**

Mantri Developers Private Limited  
 Brahmagiri Realtors Private Limited  
 Raffles Enterprises Private Limited  
 Kirthana Realtors Private Limited  
 North Educational Academy (India) Private Limited  
 Vismay Realtors Private Limited  
 Classic Developers  
 Mantri Global  
 Mantri Homes  
 Movva Outdoor Media (9 Feb 2018)  
 Projenco Software Systems Private Limited  
 Hopscape Design Studio

**Related Party Transactions**

The table below shows the total amount of transactions that have been entered into with related parties for the relevant financial year.

(Amount in 000's)

Name of the Related Party	Description of Relationship	Description of the nature of transaction	31-03-2019	31-03-2018
Mantri Developers Private Limited	Other Related Party	Loans advances given to Related parties	-	10,555.00
		Loan recovered	9,840.35	
		Expenses incurred / Payments made by related party on behalf of the company	111.14	81.10
		Closing balance receivable	518.86	10,470.35
LT Commercial real Estate Limited	Member	Expenses incurred / Payments made on behalf of related party	150.00	-
		Closing balance receivable	150.00	-
SGP Software Solutions private Limited	Company in which director is interested	Receipt of Loans	-	9,091.01
		Interest Income	-	102.66
		Closing balance payable	-	-
Ms. Sneha Khandelwal	Company Secretary	Salary	227.50	-
		Salary payable	22.75	
BrightBridge Advisors LLP	Company in which director is interested	Director Sitting fees	861.75	-
		Reimbursement of expenses	21.55	-
		Closing balance payable	696.87	
Ms. Ntasha Berry	Director	Director Sitting fees	146.25	-
		Reimbursement of expenses	13.40	-
		Closing balance payable	43.88	-

**Aggregate of amount of transactions by nature:**

Description of the nature of transactions	31-Mar-19	31-Mar-18
<b>(A) During the year</b>		
Loans advances given to Related parties	-	10,555.00
Expenses incurred / Payments made by related party on behalf of the company	111.14	81.10
Expenses incurred / Payments made on behalf of related party	150.00	-
Director Sitting fees	1,008.00	-
Reimbursement of expenses	34.95	-
Salary	227.50	-
Receipt of Loans	-	9,091.01
Loan recovered	9,840.35	-
Interest Income	-	102.66
<b>(B) Closing balance</b>		
Closing balance payable	740.74	-
		-
Closing balance receivable	668.86	10,470.35
Salary Payable	22.75	-

**24 Capital and Other Commitments**

There are no commitments of capital or other nature falling on the company as on the reporting date, no such commitments are due to be settled or which requires outflow of cash or cash equivalent.

**LERTHAI FINANCE LIMITED (PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**  
**Notes forming part of Balance Sheet**

(All Amounts are in Rs'000)

	<u>31-Mar-19</u>	<u>31-Mar-18</u>
<b>25 LEASE</b>		
<b>Premises taken on operating lease:</b>		
The Company has significant operating leases for premises. These lease arrangements range for a period of 36 months, which include both cancellable and non-cancellable leases. The leases term includes escalation clauses.		
With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under:		
For a period not later than one year	3,789.90	-
For a period later than one year and not later than five years	931.94	-
For a period later than five years	-	-
<b>26 Earnings Per share (EPS)</b>		
<b>Basic earnings per share</b>		
Profit / (Loss) after Tax	(5,233.07)	(1,033.73)
Weighted Average No. of Equity Shares (Face Value of Rs.10/- Each)	700.00	700.00
Earnings Per Share	<u>(7.48)</u>	<u>(1.48)</u>
<b>Diluted earnings per share</b>		
Profit / (Loss) after Tax	(5,233.07)	(1,033.73)
Weighted Average No. of Equity Shares (Face Value of Rs.10/- Each)	700.00	700.00
Earnings Per Share	<u>(7.48)</u>	<u>(1.48)</u>
<b>27 Micro, Small and Medium Enterprises</b>		
As per the information available with the Company and as certified by the management, the dues outstanding including interest as on 31st Mar, 2019 to Small and Micro enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 stand as below:		
The principal and interest due thereon remaining unpaid to any supplier/service provider as at the end of each	-	-
Principal amount due to Micro, Small and Medium Enterprises	<u>206.31</u>	<u>287.31</u>
	<b>206.31</b>	<b>287.31</b>
<b>28 Pending Litigations</b>		
With respect to note 9, the company had initiated legal proceedings on Shivang Ispat Pvt Ltd amounting to Rs. 6,26,729/-. However, the amount is no more recoverable hence management decided to write it off as bad debts.		
<b>29 Contingent Liabilities</b>		
There are no possible obligation on the company as on the reporting date , that may probably require an outflow of resources from the company and as such no disclosure is required for any Contingent Liability.		
<b>30 Previous Year Figures</b>		
Previous year figures have been regrouped, rearranged and recast wherever necessary to make them comparable to the respective figures in the current year		

**LERTHAI FINANCE LIMITED (PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**

Notes to financial statements for the year ended March 31, 2019

**31 Fair Value Measurements**

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

(All Amounts are in Rs'000)

Particulars	As at March 31, 2019			As at March 31, 2018		
	At Cost	Fair value through profit or loss	At Amortised Cost	At Cost	Fair value through profit or loss	At Amortised Cost
<b>Financial Assets</b>						
Investment	-	3,502.54	-	-	-	-
Cash and cash equivalents	-	-	96,138.99	-	-	2,440.02
Trade receivables	-	-	-	-	-	1,313.73
Security deposit	-	-	1,523.88	-	-	-
Receivable from related parties	-	-	668.86	-	-	10,470.35
Interest accrued	-	-	2,070.48	-	-	-
<b>Total</b>	-	<b>3,502.54</b>	<b>1,00,402.21</b>	-	-	<b>14,224.10</b>
<b>Financial Liabilities</b>						
Trade payable	-	-	2,727.92	-	-	498.95
Employee related payment	-	-	22.75	-	-	-
Other financial liability	-	-	31.94	-	-	-
<b>Total</b>	-	-	<b>2,782.61</b>	-	-	<b>498.95</b>

**LERTHAI FINANCE LIMITED (PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**

**Notes to financial statements for the year ended March 31, 2019**

**32 Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Particulars	As at March 31, 2019				As at March 31, 2018			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>								
<i>Measured at cost/ amortised cost</i>								
Cash and cash equivalents	96,138.99	-	-	96,138.99	2,440.02	-	-	2,440.02
Trade receivables	-	-	-	-	1,313.73	-	-	1,313.73
Security deposit	1,523.88	-	-	1,523.88	-	-	-	-
Other financial assets	668.86	-	-	668.86	10,470.35	-	-	10,470.35
Interest accrued	2,070.48	-	-	2,070.48	-	-	-	-
	<b>1,00,402.21</b>	-	-	<b>1,00,402.21</b>	<b>14,224.10</b>	-	-	<b>14,224.10</b>
<i>Measured at fair value</i>								
Investment	344.24	344.24	-	-	-	-	-	-
	<b>344.24</b>	<b>344.24</b>	-	-	-	-	-	-
<b>Financial liabilities</b>								
<i>Measured at amortised cost</i>								
Trade payable	2,727.92	-	-	2,727.92	498.95	-	-	498.95
Employee related payment	22.75	-	-	22.75	-	-	-	-
Other financial liability	31.94	-	-	31.94	-	-	-	-
	<b>2,782.61</b>	-	-	<b>2,782.61</b>	<b>498.95</b>	-	-	<b>498.95</b>

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date, Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly, Level 3 inputs are unobservable inputs for assets or liability.

There have been no transfers between the levels during the period.

The carrying amount of trade payables, employee related payment, loans (financial assets), trade receivable, cash and cash equivalents, security deposit, interest accrued and other financial assets and liabilities are considered to be same as fair values, due to their short-term nature.

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

**LERTHAI FINANCE LIMITED**  
**(PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**  
**Notes to the financial statements for the year ended March 31, 2019**

**33 Financial risk management objectives and policies**

The Company's principal financial liabilities comprises trade and other payables. The Company's principal financial assets include investments, loans and advances given, cash and cash equivalents and security deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. 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 Managing Board. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**a. 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 the 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 investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company's exposure to market risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. The exposure of the Company is limited to the fair value of the preference shares held by it.

**b. Credit risk**

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts, loans and advances receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past trend, industry practices and business environment in which company operates.

**Financial Instrument and Cash Deposit**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2019 and 2018 is the carrying amounts.

**c. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flow.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	<b>On demand</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
<b>For the year ended 31st March 2019</b>					
Trade and other payables	2,727.92	-	-	-	2,727.92
	<b>2,727.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,727.92</b>
<b>For the year ended 31st March 2018</b>					
Trade and other payables	498.95	-	-	-	498.95
	<b>498.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>498.95</b>

**LERTHAI FINANCE LIMITED**  
**(PREVIOUSLY KNOWN AS : MARATHWADA REFRACTORIES LIMITED)**  
**Notes to the financial statements for the year ended March 31, 2019**

**34 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

	<b>(Rs. In lakhs)</b>	
	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Other Financial Liabilities (Note 14)	31.94	-
Trade Payables (Note 15)	2,705.17	498.95
Other Financial liabilities(Note 16)	22.75	-
Other Current Liabilities (Note 17)	242.44	38.90
Less : Cash and Cash Equivalents (Note 8)	<u>(96,138.99)</u>	<u>(2,440.02)</u>
<b>Net Debt</b>	<b>(93,136.69)</b>	<b>(1,902.18)</b>
Equity	<u>1,03,566.29</u>	<u>1,08,799.37</u>
<b>Total Capital</b>	<b>1,03,566.29</b>	<b>1,08,799.37</b>
Capital & Net debt	<u><b>10,429.60</b></u>	<u><b>1,06,897.19</b></u>
Gearing Ratio	-893.00%	-1.78%

**35 Segment Reporting**

The Chief Operating Decision maker reviews the operations of the company as a Investment activity, which is considered to be the only reportable segment by the management. Hence there are no additional disclosures to be provided under IND AS 108 'Operating Segments'. Further, the Company's operations are in India only.

**36 Disclosure required under Section 186(4) of the Companies Act 2013**

For details of loans, advances and guarantees given and securities provided to related parties refer note 23

**37 Standards issued but not effective**

**Ind AS 116: Leases**

This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, in order to ensure to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. It is effective from 1 April 2019. The management of the company are currently in the process of evaluation of impact on the company's financial statements.

**For Guru & Jana**  
Chartered Accountants  
**Firm Reg No:006826S**  
  
Sd/-  
**Neelima J**  
**Partner**  
**Membership No: 222625**  
  
**Place: Bangalore**  
**Date: 29/05/2019**

**For and on behalf of the board**  
  
Sd/-  
  
**Mr. Shao Xing Max Yang**  
Chairman and Director  
**DIN: 08114973**  
  
Sd/-  
**Ms. Sneha Khandelwal**  
**Company Secretary**  
M. No. 55597  
Place: Delhi  
Date: 29/05/2019

Sd/-

**Mr. Jayant Goel**  
Executive Director  
**DIN: 01925642**