

# **LERTHAI FINANCE LIMITED**

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## **43<sup>rd</sup> Annual Report**

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**2021 - 2022**

## **LERTHAI FINANCE LIMITED**

### **BOARD OF DIRECTORS**

Mr. Shao Xing Max Yang, Chairman & Director  
Mr. Jayant Goel, Executive Director  
Mr. Ntasha Berry, Non-Executive Independent Director  
Ms. Aparna Goel, Non-Executive Director

### **COMPANY SECRETARY, COMPLIANCE OFFICER & CHIEF FINANCIAL OFFICER**

Mrs. Sneha Khandelwal, Company Secretary, Compliance Officer & Chief Financial Officer

### **AUDITORS**

**M/s. B.D. Jokhakar & Co.,**  
Chartered Accountants,  
8, Ambalal Doshi Marg, Fort,  
Mumbai – 400001

### **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 Forty Third Annual General Meeting of the members of Lerthai Finance Limited will be held on Tuesday, September 27, 2022 at 11:30 a.m. IST through Video Conferencing (“VC”)/ Other AudioVisual Means (“OAVM”), 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, 2022, 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.

By the order of the Board of Directors,

Sd/-

**Sneha Khandelwal**

Company Secretary and Compliance officer  
Membership No. 55597

**Date:** August 9 2022

**Place:** Bangalore

#### **IMPORTANT NOTES:**

1. In continuation to a series of general circulars issued previously since the on set of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular no. 2 and 3/2022 dated 5th May, 2022 has allowed all the Companies to conduct Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) to be held on or before 31st December, 2022 through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the members at a common venue.
2. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

3. The Register of Members and the Share Transfer books of the Company will remain closed from September 20, 2022 to September 27, 2022, both days inclusive, for annual closing.
4. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
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 2022 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.
11. Voting on the Resolutions set forth in the Notice shall be done by electronic means ("e-voting") in terms of the applicable provisions of the Act read with the Rules made thereunder and SEBI Listing Regulations. Members (as on the cut-off date) may cast their votes remotely ("remote e-voting") as per the details mentioned below:

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<b>Cut-off date</b>	:	20/09/2022
[for determining the Members entitled to vote on the resolutions set forth in this notice]		
<b>Remote e-voting period</b>	<b>Commence from</b>	: 9:00 a.m., 24/09/2022
	<b>End at</b>	: 5.00 p.m., 26/09/2022
[Remote e-voting module shall be disabled post this date]		
<b>URL for remote e-voting</b>	:	<a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a>

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Instructions relating to voting through electronic means and holding of AGM through audio visual means by our Registrar & Transfer Agent M/s Link Intime India Private Limited are annexed with this notice respectively for the benefit of the members.

12. Since there are no special businesses to be transacted explanatory statement is not required to be annexed to the notice.

**ANNEXURE TO AGM NOTICE**

**INFORMATION ON DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT AT 43<sup>RD</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

**Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<ul style="list-style-type: none"> <li>• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>

**Individual Shareholders (holding securities in demat mode) & login through their depository participants**

- You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.
- Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.**

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
  - ▶ Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -
    - A. User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.
    - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
    - D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
    - Shareholders/ members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above
  - ▶ Set the password of your choice (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).
  - ▶ Click “confirm” (Your password is now generated).
2. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.
4. After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option ‘**Favour / Against**’ (If you wish to view the entire Resolution details, click on the ‘**View Resolution**’ file link).
7. After selecting the desired option i.e. Favour / Against, 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.

**Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <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.

**Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:**

- Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on ‘**Submit**’.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- 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.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

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

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

**InstaVote Support Desk****Link Intime India Private Limited**

## LERTHAI FINANCE LIMITED

### BOARD'S REPORT

To,  
The Members,  
**Lerthai Finance Limited**

Your Directors have pleasure in presenting the **Forty Third 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, 2022.

#### 1. Financial Summary

Particulars	(Rs. In Lakhs)	
	For the FY 2021-22 ended on 31 <sup>st</sup> March, 2022	For the FY 2020-21 ended on 31 <sup>st</sup> March, 2021
Total Income	26.72	37.26
Total Expenditure	67.12	109.32
<b>Profit / (Loss) before tax</b>	<b>(40.39)</b>	<b>(72.06)</b>
Less: Tax Expenses	6.78	(10.09)
<b>Profit / (Loss) after Tax</b>	<b>(47.17)</b>	<b>(61.95)</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.

The management of your Company has been keenly looking out for viable business opportunities, however due to the COVID-19 Pandemic situation prevailing all over the world, the past two financial years have not delayed the efforts of the management in terms of availability of suitable business opportunities for the Company in the market. As the effects of the pandemic is subsiding and the world is gearing for economic growth the promoters are optimistic about the future of your Company.

Since the management is still looking of for options to revive the business of 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 authorized capital of the Company is Rs.5,00,00,000/- (Rupees Five Crores Only). The 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

Ms. Aparna Goel and Mr. Shao Xing Max Yang, directors retires by rotation and being eligible, offers 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.

Ms. Sneha Khandelwal is the Company Secretary and Chief Financial Officer of the Company.

### **8. Board Meetings**

During the year under review the Board met **4 (Four)** 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.

## **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 including the independent Director 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.

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

The Nomination & Remuneration Committee has not conducted any meetings during the year as there has been no requirement of any such meeting.

## **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

The Stakeholders' Relationship Committee has not conducted any meetings during the year as there has been no requirement of any such meeting.

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

The Company has a policy, which mandates the 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

Details of employees and Directors or Key Managerial Personnel who are in receipt of remuneration, as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is tabled below:

Sl. No.	Particulars	Details
1.	Designation of the employee	Company Secretary and Chief Financial Officer
2.	Remuneration received	INR 3,93,000
3.	Nature of employment	Full Time basis
4.	Qualifications and experience of the employee	<b>Qualification:</b> Company Secretary <b>Experience:</b> Working as Company Secretary of Listed Company from +4 years
5.	Date of commencement of employment	30 <sup>th</sup> May, 2018
6.	Age	35
7.	Last employment held	NIL
8.	Percentage of equity shares held by the employee	NIL
9.	Whether any such employee is a relative of any director or manager of the company	No

Further, other 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**

As per provisions of the Companies Act, 2013 M/s. B D Jokhakar & Co., Chartered Accountants have been appointed as Statutory Auditors of the Company from the conclusion of the 41<sup>st</sup> AGM of the Company till the conclusion of sixth consecutive AGM hereof on such remuneration as may be decided by the Board.

M/s. B D Jokhakar & Co., Chartered Accountants being auditor audited the financials 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. Material changes and commitments**

There are no material changes and commitment’s affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

### **19. 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 2021-22 to conduct internal audit.

### **20. 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.

### **21. Secretarial Audit**

The Secretarial Audit Report for the year ended March 31, 2022 issued by Ms. Snehal 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.

### **22. 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.

### **23. 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.

### **24. 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.

### **25. 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.

### **26. 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.

### **27. 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 2021-22.

### **28. 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.

### **29. 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 2021-22.

### **30. 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.

### **31. Foreign exchange earnings and Outgo:**

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

### **32. 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).

### **33. 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**

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

**Place:** Los Angeles

**Date:** 09.08.2022



**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

*[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**  
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 (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 31<sup>st</sup> March, 2022 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, 2022 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 1st December, 2015.

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.

**SNEHAL V SHALIGRAM**  
*Practicing Company Secretary*

**Address:** 453, Shri Datta Hsg Society, Shaniwar Peth, Karad, Kist. Satara -415110  
Mob: (+91) – 9923114884, Email: [snehalshaligram@gmail.com](mailto:snehalshaligram@gmail.com)



- 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: NA.

**Snehal V Shaligram**

Practicing Company Secretary

C.P.NO.10216

09.08.2022, Pune

**SNEHAL V SHALIGRAM**  
*Practising Company Secretary*

**Address:** 453, Shri Datta Hsg Society, Shaniwar Peth, Karad, Kist. Satara -415110  
**Mob:** (+91) – 9923114884, Email: [snehalshaligram@gmail.com](mailto:snehalshaligram@gmail.com)



To,  
The Audit Committee,  
Lerthai Finance Limited  
Bangalore

Dear Sir,

I have conducted the Internal Audit of Lerthai Finance Limited (“**the Company**”) for the period from 1st April, 2021 to 31st March, 2022. The scope of audit was checking the efficiency and effectiveness of the internal control and verification related records. In that regard, I have to report as under:

Considering size and operations of the Company during the period mentioned above I have covered following areas:

- a. Compliance with Accounting Standards;
- b. Compliance with requirements of Companies Act, 2013;
- c. SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015;
- d. SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
- e. SEBI (Prohibition of Insider Trading) Regulations, 2015; and
- f. TDS entries and Return of Income

The internal control system and the procedures followed were, adequate according to the size and nature of operations of the Company.

3. There were no significant material non-compliance or departure from the applicable procedure and systems.

4. In my opinion and according to information and explanations given to us, the Company has complied with all the relevant accounting standards notified under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014, to the extent applicable.

5. In my opinion and according to information and explanations given to us, except as stated otherwise, the Company is in compliance with the provisions of the laws mentioned in para 1(b) to (f) of this report.

My observations under above mentioned areas, not being significant or material, were satisfactorily resolved by the management and or corrective steps are being taken. The summary of such observations including management’s replies are enclosed with this report as Annexure 1. In my opinion these observations may not have material effect on Company’s financial results.

Snehal V. Shaligram  
Practising Company Secretary  
(C.P. No. 10216)



**ANNEXURE – 1**

<b>Sl. No.</b>	<b>Scope reference</b>	<b>Heading</b>	<b>Comment</b>
<b>1.</b>	Composition of the audit committee is not in tune with the Companies Act, 2013.	<b>Risk Involved</b>	<b>Low</b>
		<b>Recommendation</b>	The composition of the audit committee should be in sync with the provisions of the Companies Act, 2013.
		<b>Management Response</b>	Management is in search of suitable candidates to appoint as independent director(s) and will comply with the provisions in due course.
<b>2.</b>	The Company should obtain Shops and Establishment Act registration for its registered office.	<b>Risk Involved</b>	<b>Low</b>
		<b>Recommendation</b>	Company should get the registration done.
		<b>Management Response</b>	The Company will take necessary steps, although the Company has no business at present.
<b>3.</b>	Company to obtain professional tax registration.	<b>Risk Involved</b>	<b>Low</b>
		<b>Recommendation</b>	Company should get professional tax registration.
		<b>Management Response</b>	The Company is considering this issue and will take necessary steps soon, although the Company has no business at present.
	Whether Company should be registered as NBFC.	<b>Risk Involved</b>	<b>Moderate</b>
		<b>Recommendation</b>	Company should get professional tax registration.
		<b>Management Response</b>	The Company has temporarily not operating its business activities and has parked its liquid funds in fixed deposits. The fixed deposits does not qualify as financial asset and consequently interest earned thereon is not a financial income hence the Company did not attract 50:50 test to qualify as deemed NBFC. Further, in view of the change in the objects of the Company, it is exploring alternative registration platform before commencing any business activity in that direction.

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF LERTHAI FINANCE LIMITED**

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

**Opinion**

We have audited the accompanying financial statements of Lerthai Finance Limited ("**the Company**"), which comprise the Balance Sheet as at 31st March 2022 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 notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022, and its loss (including other comprehensive loss), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Act 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 current year. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Description of key audit matter:

The Company is in the process of formulating clear plans about viable business opportunities. However, till date there is no movement or materialization in respect of the aforesaid plans as the plan are kept on hold till the post covid situation improves in view of the management. This may be a significant risk considering the uncertainty regarding the future. Therefore, we have considered it to be a key audit matter.

Description of Auditors' response:

We have considered the above matter and are informed that the management of the company is perusing this matter and as and when opportunities arise, they will assess the same.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Director's Report including Annexure to Directors' Report, Business Responsibility Report, Report on Corporate Governance but does not include the financial statements and our auditor's report thereon. The aforesaid other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the aforesaid other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

**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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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. 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 management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Boards of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in

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

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

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

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

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

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

e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 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**”

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration is not paid or provided by the Company to its directors during the year hence provisions of section 197 of the Act is not applicable.

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

i. The company does not have any pending litigations which would impact the financial position of the company as on 31<sup>st</sup> March 2022.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 33 (vi) to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 33 (vii) to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign

**B. D. Jokhakar & Co.**

*Chartered Accountants*

entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

**For B. D. Jokhakar & Co.**  
*Chartered Accountants*  
**Firm Registration No: 104345W**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2022**

**SD/-**  
**Raman Jokhakar**  
**Partner**  
**Membership No. 103241**  
**UDIN: 22103241ANQLAZ1506**

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

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report on financial statements of even date)

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- (i) According to the information and explanations given to us, the company does not hold Property, Plant & Equipment or Intangible Assets during the year under report. Therefore sub clause (a), (b), (c) and (d) of the paragraph 3 (i) of the Order is not applicable to the Company  
  
(e) According to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, sub clause (e) of the paragraph 3 (i) of the Order is not applicable to the Company
- (ii) (a) According to the information and explanations given by the management, the company does not have any inventories and no working capital limits are sanctioned. Therefore, clauses (a) and (b) of the paragraph 3 (ii) of the Order is not applicable to the Company Accordingly.
- (iii) As informed to us, during the year the Company has not made investments, provided guarantees or securities, given any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Consequently, sub clause (a), (b), (c), (d), (e) and (f) of the paragraph 3 (iii) of the Order are not applicable to the Company
- (iv) According to the information and explanations given to us, the Company has not given any loans, made investments, provided guarantees and securities during the year as contemplated under section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public or amounts deemed to be deposits within the meaning of the provisions of sections 73 to 76 or any relevant provisions of the Act and the rules framed there under. We have been informed by the management of the Company that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal which needs to be complied with. Therefore, paragraph 3(v) of the Order is not applicable.
- (vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Sub-Section (1) of Section 148 of the Act. Therefore, paragraph 3(vi) of the Order is not applicable to 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 Goods & Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities applicable to it. 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, 2022 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, Goods & service tax, duty of customs, duty of excise, cess and any other statutory dues applicable to it, outstanding on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company there are no transactions which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Therefore, paragraph 3(viii) of the Order is not applicable.

(ix) 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. Therefore, sub clause (a), (b), (c), (d), (e) and (f) of paragraph 3(ix) of the Order is not applicable.

(x) (a) 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 paragraph 3 (x) of the Order are not applicable to the Company and hence not commented upon.

(b) According to the information and explanations provided to us and based on our audit procedures and records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally) during the year. Consequently, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out based upon the generally accepted audit procedures performed for the purpose of reporting the true and fair view of the financial statements, to the best of our knowledge and belief and as per the information and explanations given to us by the Management, and the representations obtained from the Management, no material fraud on the Company has been noticed or reported during the year.

- (b) According to the information and explanations provided to us and based on our audit procedures, no report has been filed by the any auditor under section 143(12) in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year. Therefore, sub clause (c) of paragraph 3(xi) of the Order is not applicable
- (xii) According to the information and explanations provided to us and based on our audit procedures, in our opinion, the Company is not a Nidhi Company. Therefore, sub clause (a), (b) and (c) of paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards
- (xiv) (a) According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company has an internal audit system commensurate with the size and nature of its business.  
  
(b) We have considered the internal audit report for the period under audit.
- (xv) According to the information and explanations given to us and based on our audit procedures, we are of the opinion that during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company is not required to obtain any registration under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, sub clauses (a), (b), (c) & (d) of the paragraph 3(xvi) are not applicable to the Company
- (xvii) The Company has incurred cash losses of Rs. 40.39 lakhs in the financial year covered by our audit. The Company has incurred cash losses of Rs. 33.23 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and consequently, paragraph 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the

**B. D. Jokhakar & Co.**

*Chartered Accountants*

financial statements and our knowledge of the Board of Directors and Management plans so far as received / applicable and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The provisions of section 135 of the Act are not applicable to the Company for the year under report and hence reporting under paragraph 3(xx) of the Order is not applicable.

**For B. D. Jokhakar & Co.**  
*Chartered Accountants*  
**Firm Registration No: 104345W**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2022**

**SD/-**  
**Raman Jokhakar**  
**Partner**  
**Membership No. 103241**  
**UDIN: 22103241ANQLAZ1506**

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

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of Independent Auditor’s Report on financial statements of even date)

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**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** as of March 31, 2022 in conjunction with our audit of the 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 Act.

**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 Act, 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 2022, 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.

**For B. D. Jokhakar & Co.**  
*Chartered Accountants*  
**Firm Registration No: 104345W**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2022**

**SD/-**  
**Raman Jokhakar**  
**Partner**  
**Membership No. 103241**  
**UDIN: 22103241ANQLAZ1506**

**LERTHAI FINANCE LIMITED**  
Balance Sheet as at 31st March 2022

(Rs. in lakhs)

Particulars	Notes	31-Mar-22	31-Mar-21
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial Assets			
i. Investments	4	42.91	42.91
ii. Loans	5	-	-
Deferred Tax Asset (Net)	6	-	6.69
		<b>42.91</b>	<b>49.60</b>
<b>Current assets</b>			
Financial Assets			
i. Cash and Bank Balance	7	839.90	867.74
ii. Other Financial Assets	8	-	1.50
Current Tax assets (net)	9	2.77	8.53
Other Current Assets	10	1.14	6.53
		<b>843.81</b>	<b>884.30</b>
		<b>886.72</b>	<b>933.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	70.00	70.00
Other Equity	12	799.25	846.42
		<b>869.25</b>	<b>916.42</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Other Financial Liabilities	13	-	-
Deferred Tax Liability (Net)	6	0.09	-
		<b>0.09</b>	-
<b>Current liabilities</b>			
Financial liabilities			
i. Trade Payables ( Ref Note. 24)	14		
- Total outstanding dues of Micro enterprises and Small enterprises		11.84	11.06
- Total outstanding dues of creditors other than Micro enterprises and Small enterprises		4.51	5.42
ii. Other Financial Liabilities	15	0.33	0.33
Other Current Liabilities	16	0.71	0.67
		<b>17.38</b>	<b>17.48</b>
		<b>886.72</b>	<b>933.90</b>

Summary of significant accounting policies

3

The accompanying notes 1 to 34 are an integral part of the financial statements

**For B. D. Jokhakar & Co.**

Chartered Accountants

Firm Registration No: 104345W

SD/-

**Raman Haren Jokhakar**

Partner

Membership No: 103241

Place: Mumbai

Date: 30/05/2022

**For and on behalf of the board of Director of**

**Lerthai Finance Limited**

SD/-

**Mr. Shao Xing Max Yang**

Chairman and Director

DIN 08114973

Place: Los Angeles

Date: 30/05/2022

SD/-

**Mr. Jayant Goel**

Executive Director

DIN 01925642

Place: Delhi

Date: 30/05/2022

SD/-

**Ms. Sneha Khandelwal**

Company Secretary

M. No : A55597

Place: Delhi

Date: 30/05/2022

**LERTHAI FINANCE LIMITED**  
**Statement of Profit & Loss Account for the year ended 31st March 2022**

(Rs. in lakhs)

Particulars	Notes	31-Mar-22	31-Mar-21
<b>Income</b>			
Other Income		26.72	37.26
	17	-	-
		<u>26.72</u>	<u>37.26</u>
<b>Expenses</b>			
Employee Benefits Expenses	18	3.93	3.63
Other Expenses	19	63.19	105.67
		<u>67.12</u>	<u>109.30</u>
<b>Profit/(loss) for the year</b>		<u>(40.39)</u>	<u>(72.04)</u>
<b>Tax expenses</b>			
Current tax	20	-	-
Tax for earlier years		-	-
Deferred tax		6.78	(10.09)
<b>Profit/(loss) for the year</b>		<u>(47.17)</u>	<u>(61.95)</u>
<b>Other Comprehensive Income</b>			
<i>Items that not be reclassified to profit or loss in subsequent periods.</i>			
		-	-
<i>Items that will 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>		<u>(47.17)</u>	<u>(61.95)</u>
<b>Earnings per equity share</b>			
[Nominal value of Rs. 10/- (31 March 2022: Rs. 10/-)]			
Basic		(6.74)	(8.85)
Diluted		(6.74)	(8.85)

Summary of significant accounting policies 3

The accompanying notes 1 to 34 are an integral part of the financial statements

**For B. D. Jokhakar & Co.**  
Chartered Accountants  
**Firm Registration No: 104345W**

**For and on behalf of the board of Director of  
Lerthai Finance Limited**

SD/-

SD/-

SD/-

**Raman Haren Jokhakar**  
Partner  
**Membership No: 103241**  
Place: Mumbai  
Date: 30/05/2022

**Mr. Shao Xing Max Yang**  
Chairman and Director  
**DIN 08114973**  
Place: Los Angeles  
Date: 30/05/2022

**Mr. Jayant Goel**  
Executive Director  
**DIN 01925642**  
Place: Delhi  
Date: 30/05/2022

SD/-

**Ms. Sneha Khandelwal**  
Company Secretary  
**M. No : A55597**  
Place: Delhi  
Date: 30/05/2022

**LERTHAI FINANCE LIMITED**  
**Cash Flow Statement for the Year ended 31st March 2022**

Particulars	31-Mar-22	(Rs. in lakhs) 31-Mar-21
<b>Cash flow from operating activities</b>		
Loss before Tax	(40.39)	(72.04)
<b>Loss before Tax</b>	<b>(40.39)</b>	<b>(72.04)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Fair value gain	-	-
Interest income	(26.72)	(37.26)
<b>Operating Loss before working capital changes</b>	<b>(67.12)</b>	<b>(109.30)</b>
Movements in working capital :		
Increase/(decrease) in other current liabilities	0.03	(2.21)
Increase/(decrease) in other Financial liabilities	-	-
Increase/(decrease) in other payables	-	0.10
Increase/(decrease) in Trade Payables	(0.14)	4.26
Decrease/(increase) Non current Assets	-	-
Decrease/(increase) in Trade Receivables	-	-
Decrease/(increase) in Other financial assets	1.50	0.78
Decrease/(increase) in other current assets	5.39	3.26
<b>Cash generated from / (used in) operations</b>	<b>(60.33)</b>	<b>(103.12)</b>
Direct taxes paid (net of refunds)	6.30	(2.56)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(54.03)</b>	<b>(105.68)</b>
<b>Cash flows from investing activities</b>		
Revaluation of non-current investments	-	38.81
Interest received on Investments	26.19	37.23
Investments in Deposits having maturity more than 3 months	100.00	(9.60)
Recovery of advances	-	-
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>126.19</b>	<b>66.44</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)	72.16	(39.24)
Cash and cash equivalents at the beginning of the year	57.74	96.98
<b>Cash and cash equivalents at the end of the year</b>	<b>129.90</b>	<b>57.74</b>
Components of cash and cash equivalents		
Cash on hand	-	-
With banks	-	-
- on current account	129.90	57.74
<b>Total cash and cash equivalents</b>	<b>129.90</b>	<b>57.74</b>

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

**For B. D. Jokhakar & Co.**  
Chartered Accountants  
Firm Registration No: 104345W

SD/-

**Raman Haren Jokhakar**  
Partner  
Membership No: 103241  
Place: Mumbai  
Date: 30/05/2022

**For and on behalf of the board of Director of**  
**Lerthai Finance Limited**

SD/-

**Mr. Shao Xing Max Yang**  
Chairman and Director  
DIN 08114973  
Place: Los Angeles  
Date: 30/05/2022

SD/-

**Mr. Jayant Goel**  
Executive Director  
DIN 01925642  
Place: Delhi  
Date: 30/05/2022

SD/-

**Ms. Sneha Khandelwal**  
Company Secretary  
M. No : A55597  
Place: Delhi  
Date: 30/05/2022

**LERTHAI FINANCE LIMITED**  
**Notes to Financial Statement for the year ended 31 st March 2022**

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**1. Company Information**

Lerthai Finance Limited [formerly known as 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 amended its object clause in the Memorandum of association w.e.f. 28 Dec 2018. Now, the Company is engaged into the business activity of financing and investment.

The financial statements are approved for issue by the Company's Board of Directors on 30/05/2022.

**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 lakh, 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 FD, 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.

**LERTHAI FINANCE LIMITED**  
**Notes to Financial Statement for the year ended 31 st March 2022**

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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 financial assets of Company 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 financial assets of Company that can be reliably estimated.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

**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.

**LERTHAI FINANCE LIMITED**  
**Notes to Financial Statement for the year ended 31 st March 2022**

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**f) 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.

**g) 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.

**LERTHAI FINANCE LIMITED**  
**Notes to Financial Statement for the year ended 31 st March 2022**

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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.

**h) 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.

**i) 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.

**j) 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. 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.

**LERTHAI FINANCE LIMITED**  
Statement of Change in equity for the year ended 31 st March 2022

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

(a) **Equity share capital** (In Lakhs)  
**FY 2021-22**

Balance as at 01st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01st April, 2021	Changes in equity share capital during the current year	Balance as at 31st March, 2022
70.00	-	70.00	-	70.00

**FY 2020-21**

Balance as at 01st April, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01st April, 2020	Changes in equity share capital during the current year	Balance as at 31st March, 2021
70.00	-	70.00	-	70.00

(b) **Other equity**

**FY 2021-22**

Particulars	Reserve and Surplus			Other Comprehensive Income arising from measurement of Defined Benefit Obligation	Total Other Equity
	Capital Reserve	General reserve	Retained Earnings		
<b>Balance as at 01st April, 2021</b>	30.24	30.00	786.18	-	846.42
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated Balance as at 01st April, 2021</b>	<b>30.24</b>	<b>30.00</b>	<b>786.18</b>	-	<b>846.42</b>
Total Comprehensive Income for the year (net of tax)	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-
- Profit/(Loss) for the period	-	-	(47.17)	-	(47.17)
<b>Balance as at 31st March, 2022</b>	<b>30.24</b>	<b>30.00</b>	<b>739.01</b>	-	<b>799.25</b>

**FY 2020-21**

Particulars	Reserve and Surplus			Other Comprehensive Income arising from measurement of Defined Benefit Obligation	Total Other Equity
	Capital Reserve	Securities Premium	Retained Earnings		
<b>Balance as at 01st April, 2020</b>	30.24	30.00	848.13	-	908.37
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated Balance as at 01st April, 2020</b>	<b>30.24</b>	<b>30.00</b>	<b>848.13</b>	-	<b>908.37</b>
Total Comprehensive Income for the year (net of tax)	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-
- Profit/(Loss) for the period	-	-	(61.95)	-	(61.95)
<b>Balance as at 31st March, 2021</b>	<b>30.24</b>	<b>30.00</b>	<b>786.18</b>	-	<b>846.42</b>

**For B. D. Jokhakar & Co.**  
Chartered Accountants  
Firm Registration No: 104345W

**For and on behalf of the board of Director of**  
**Lerthai Finance Limited**

SD/-

**Raman Haren Jokhakar**  
Partner  
Membership No: 103241  
Place: Mumbai  
Date: 30/05/2022

SD/-

**Mr. Shao Xing Max Yang**  
Chairman and Director  
DIN 08114973  
Place: Los Angeles  
Date: 30/05/2022

SD/-

**Mr. Jayant Goel**  
Executive Director  
DIN 01925642  
Place: Delhi  
Date: 30/05/2022

SD/-

**Ms. Sneha Khandelwal**  
Company Secretary  
M. No : A55597  
Place: Delhi  
Date: 30/05/2022



**LERTHAI FINANCE LIMITED**  
Notes forming part of Balance Sheet

(Rs. in lakhs)

Equity	31-Mar-22	31-Mar-21
<b>11 Share capital</b>		
<b>Authorized</b>		
45,00,000 ( 31 March 2021: 45,00,000 ) Equity Shares of Rs.10/- each.	450.00	450.00
50,000 ( 31 March 2021: 50,000 ) 11% Redeemable Cumulative Preference Shares of Rs. 100/- each.	50.00	50.00
	<u>500.00</u>	<u>500.00</u>
<b>Issued, subscribed and fully paid-up</b>		
700,000 (31 March 2021: 700,000) Equity Shares of Rs.10/- each	70.00	70.00
	<u>70.00</u>	<u>70.00</u>

**11.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	31-Mar-22		31-Mar-21	
	No. of shares in lakhs	Amount	No. of shares in lakhs	Amount
At the beginning of the period	7	70.00	7.00	70.00
Issued during the period	-	-	-	-
Bought back during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<u>7</u>	<u>70.00</u>	<u>7.00</u>	<u>70.00</u>

**Terms/Rights attached to Equity Shares**

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

**11.2 Details of shareholders holding more than 5% shares in the company**

Particulars	31-Mar-22		31-Mar-21	
	No	%	No	%
Calvera Capital Pte Ltd	420,000	60%	420,000	60%
LT Investment Limited	105,000	15%	105,000	15%
Sparrow Asia Diversified Opportunities Fund	61,132	9%	61,132	9%
BAO Value Fund	51,600	7%	51,600	7%

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.

**11.3 Details of promoters holding shares in the company**

S. No.	Promoter Name	Shares held by Promoters at the end of the year		Shares held by Promoters at the beginning of the year		% change during the year***
		No. of shares**	% of total shares **	No. of shares**	% of total shares **	
1	Calvera Capital Pte Ltd	420,000.00	60%	420,000.00	60%	No change
2	LT Investment Limited	105,000.00	15%	105,000.00	15%	No change
	Total	525,000.00	75%	525,000.00	75%	

**12 Reserves and Surplus**

	31-Mar-22	31-Mar-21
<b>Capital Reserve</b>		
Balance as per the last financial statements	30.24	30.24
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
<b>Closing Balance</b>	<u>30.24</u>	<u>30.24</u>
<b>General reserve</b>		
Balance as per the last financial statements	30.00	30.00
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
<b>Closing Balance</b>	<u>30.00</u>	<u>30.00</u>
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per last financial statements	786.18	848.13
Profit/(loss) for the year	(47.17)	(61.95)
Less: Appropriations	-	-
<b>Net surplus in the statement of profit and loss</b>	<u>739.01</u>	<u>786.18</u>
<b>Total Reserves And Surplus</b>	<u>799.25</u>	<u>846.42</u>

Note -

1. Capital Reserves: Amount received on reissue of forfeited shares and debentures is treated as capital reserve.

2. General Reserve: The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

3. Retained Earnings: Retained earnings are the profits/Loss that the Company has earned/Incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**LERTHAI FINANCE LIMITED**  
Notes forming part of Balance Sheet

(Rs. in lakhs)

<b>Non-current liabilities</b>		<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>13 Other Financial Liabilities</b>			
Deferred Rent	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Current Liabilities</b>		<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>Financial liabilities</b>			
<b>14 Trade Payables ( Ref Note. 24)</b>			
- Total outstanding dues of Micro enterprises and Small enterprises	11.84	11.06	11.06
- Total outstanding dues of creditors other than Micro and Small enterprises	4.51	5.42	5.42
	<u>16.35</u>	<u>16.49</u>	<u>16.49</u>

  

Particulars	F.Y.-2021-22					
	Outstanding for following periods from due date of payment					
	Unbilled	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i)MSME	-	-	11.84	-	-	-
(ii)Others	-	-	4.51	-	-	-
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						

  

Particulars	F.Y.-2020-21					
	Outstanding for following periods from due date of payment					
	Unbilled	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i)MSME	-	-	11.06	-	-	-
(ii)Others	-	-	5.42	-	-	-
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						

  

<b>15 Other Financial Liabilities</b>			
Employee related dues	0.33	0.33	0.33
	<u>0.33</u>	<u>0.33</u>	<u>0.33</u>
<b>16 Other Current liabilities</b>			
Statutory Liabilities Payable	0.71	0.67	0.67
	<u>0.71</u>	<u>0.67</u>	<u>0.67</u>

  

<b>Income</b>		<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>17 Other Income</b>			
Interest Income			
from Bank Deposits	26.19	36.99	36.99
from Income tax refund	0.53	0.03	0.03
Fair value gain on Investments	-	-	-
Other Income	-	0.24	0.24
	<u>26.72</u>	<u>37.26</u>	<u>37.26</u>

  

<b>Expenses</b>		<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>18 Employee Benefits Expenses</b>			
Salaries	3.93	3.63	3.63
	<u>3.93</u>	<u>-</u>	<u>3.63</u>
<b>19 Other expenses</b>			
Professional Charges	50.83	53.61	53.61
Fair value loss on Investments	-	38.81	38.81
Rent	1.17	2.31	2.31
Listing Fee	3.54	3.77	3.77
Payment to auditor (refer note below)	4.51	3.08	3.08
Rates & Taxes	-	-	-
Travelling	-	-	-
Advertisement Expenses	1.00	1.47	1.47
Insurance	0.95	1.27	1.27
Repair & Maintenance	-	-	-
Other Expenses	1.19	1.37	1.37
Bank Charges	0.00	-	-
Interest on TDS	-	-	-
Postage & Courier	-	-	-
Printing & Stationary	-	-	-
Commission & Brokerage	-	-	-
Bad debts written off	-	-	-
Prior Period Expenses	-	-	-
	<u>63.19</u>	<u>105.67</u>	<u>105.67</u>
Note: Payment to auditor (inclusive of GST)			
<b>As Auditor</b>			
Statutory Audit	1.95	1.95	1.95
Limited review	1.59	1.59	1.59
<b>In other capacity:</b>			
For other matters	-	-	-
	<u>3.54</u>	<u>3.54</u>	<u>3.54</u>

**LERTHAI FINANCE LIMITED**  
Notes forming part of Balance Sheet

(Rs. in lakhs)

**20 Income Tax**

Major components of income tax expense for the year ended 31-March-22 and 31-Mar-21 are :

Statement of profit and loss :

Profit or Loss section

Current income tax :

Current Income tax charge	-	-
Expense earlier year's tax adjustments	-	-
	<u>-</u>	<u>-</u>

Deferred tax :

Deferred tax adjustments for timing differences	-	-
Deferred tax adjustments for Ind AS adjustments	6.78	(10.09)
	<u>6.78</u>	<u>(10.09)</u>

Tax expense reported in the statement of profit or loss

<u>6.78</u>	<u>(10.09)</u>
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Reconciliation of tax expenses and the accounting profit multiplied by india's domestic tax rate for the year ended 31-Mar-22 and 31-Mar-21:

Accounting loss before tax	(40.39)	(72.04)
Tax on accounting profit at statutory income tax rate 26% (March 31, 2022 :26%)	(10.50)	(18.73)
Adjustment for Non creation of deferred tax for Current year losses	10.50	18.73
Deferred tax adjustments for Ind AS adjustments	6.78	(10.09)
Deferred tax adjustments for timing differences	-	-
Adjustments for Eariler year's income tax adjustments	-	-
Adjustments for permanent differences	-	-
At the effective income tax rate	6.78	(10.09)
Tax expense reported in the statement of profit or loss	<u>6.78</u>	<u>(10.09)</u>

**21 Related Party Disclosure**

Names of Related Parties and Related Party relationships

Executive Director	Mr. Shao Xing Max Yang (wef. 30 May 2018)
Executive Director	Mr. Jayant Goel (wef. 30 May 2018)
Independent Director	Ms. Ntasha Berry (wef. 30 May 2018)
Director	Ms. Aparna Goel
Company Secretary	Ms. Sneha Khandelwal (wef. 30 May 2018)

Ultimate Holding company (Beneficial owner)

LT International Investment Holdings Limited

Holding Company

Calvera Capital Pte Ltd

Member

LT Investment Limited

Companies in which Directors are interested

Futura Techpark Pvt. Ltd.	Aparna & Jayant
Sinew Developers Pvt. Ltd.	Aparna
Kleio Developers Pvt. Ltd.	
Vessel Warehousing Pvt. Ltd.	Aparna
NV Projects Pvt. Ltd.	
ASL Advisory Services Pvt. Ltd.	Aparna
VR Dakshin Private Limited	Aparna
VR Konkan Private Limited	
Brightbridge Advisors LLP	Aparna
Shrachi Virtuous Retail Projects Private Limited	Aparna
TAPP Semiconductor India Pvt Ltd	Jayant
Kishlay Foods Private Limited	Jayant
Astonfield Solar (Rajastan) Private Limited	
Indus Clean Energy (India) Private Limited	Jayant
Noida Towers Private Limited	Jayant
Newtown Dwellers Pvt Ltd	Jayant
NVP Venture Capital India private Limited	Jayant
Base Buildwell Pvt Ltd	Jayant
G P Realtors Pvt Ltd	Jayant
Success BuildHome PrivateLimited	Jayant
Game Infinity Studio PrivateLimited	Jayant
Rusk Media Private Limited	Jayant
SPPIN India Private Limited	Jayant
Busybees Logistics SolutionsPrivate Limited	Jayant
Futura Techpark Private Limited	Jayant
Buovant TechnologyConstellations Private Limited	Jayant
Hamir Real Estate PrivateLimited	Jayant
Bagnan Infra Projects PrivateLimited	Jayant
Kaama Breweries Private Limited	Jayant
F M Hammerle Textiles Limited	Jayant
Kapstone Constructions PrivateLimited	Jayant
Bundl Technologies PrivateLimited	Jayant
Serigold 79 Technology PrivateLimited	Jayant
North Delhi Metro Mall PrivateLimited	Jayant
ASL Services LLP	Jayant
Strategic Global Group Inc.	Max
LT Commercial Real Estate Limited	Max
Calvera Capital Pte. Ltd.	Max
Lerthai Investment Group Limited	Max
Venture Gurukool Mentoring Services Private Limited	Ntasha
Avocado Management Services Pvt. Ltd	Ntasha
Qihoo India Finance Private Limited	Ntasha

**LERTHAI FINANCE LIMITED**  
Notes forming part of Balance Sheet

(Rs. in lakhs)

**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.

		(Rs. in lakhs)		
Name of the Related Party	Description of Relationship	Description of the nature of transaction	31-Mar-22	31-Mar-21
Mantri Developers Private Limited	Other Related Party	Loans advances given to Related parties	-	-
		Loan recovered	-	-
		Expenses incurred / Payments made by related	-	-
		Closing balance receivable	-	-
LT Commercial real Estate Limited	Member	Expenses incurred / Payments made on behalf of	-	-
		Closing balance receivable	-	1.50
Ms. Sneha Khandelwal	Company Secretary	Salary	3.93	3.63
		Salary payable	0.33	0.33
Mr. Jayant Goel	Executive Director	Director Sitting fees	7.36	7.36
		Reimbursement of expenses	-	-
		Closing balance payable	-	3.45
Ms. Aparna Goel	Director	Director Sitting fees	1.66	1.66
		Reimbursement of expenses	-	-
		Closing balance payable	-	0.78
Ms. Ntasha Berry	Independent Director	Director Sitting fees	2.30	2.21
		Reimbursement of expenses	-	-
		Closing balance payable	0.53	0.45

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

		(Rs. in lakhs)	
Description of the nature of transactions	31-Mar-22	31-Mar-21	
<b>(A) During the year</b>			
Loans advances given to Related parties	-	-	
Expenses incurred / Payments made by related party on behalf of the company	-	-	
Expenses incurred / Payments made on behalf of related party	-	-	
Director Sitting fees	11.32	11.23	
Reimbursement of expenses	-	-	
Salary	3.93	3.63	
Receipt of Loans	-	-	
Loan recovered	-	-	
Interest Income	-	-	
	-	-	
<b>(B) Closing balance</b>			
Closing balance payable	0.53	4.67	
Closing balance receivable	-	1.50	
Salary Payable	0.33	0.33	

**22 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.

	<b>31-Mar-22</b>	<b>31-Mar-21</b>
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**23 Earnings Per share (EPS)**

**Basic earnings per share**

Profit / (Loss) after Tax	(47.17)	(61.95)
Weighted Average No. of Equity Shares (Face Value of Rs.10/- Each)	7.00	7.00
Earnings Per Share	(6.74)	(8.85)

**Diluted earnings per share**

Profit / (Loss) after Tax	(47.17)	(61.95)
Weighted Average No. of Equity Shares (Face Value of Rs.10/- Each)	7.00	7.00
Earnings Per Share	(6.74)	(8.85)

**24 Micro, Small and Medium Enterprises**

As per the information available with the Company and as certified by the management, the dues outstanding including interest as on 31 St March, 2022 and comparative year 2021 to Small and Micro enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 stand as below:

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	For the year ended	For the year ended
	31 March 2022	31 March 2021
(i) Amounts remaining unpaid to micro and small suppliers as at the end of the year:		
-Principal	11.84	11.06
-Interest	-	-
(ii) The amount of interest (other than the interest under Section 16) paid along with the amounts of the payment made to the	-	-
(iii) Interest paid under Section 16 to suppliers registered under MSMED act, beyond the appointed day during the year.	-	-
(iv) The amount of interest due and payable for the year.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as	-	-

**25 Contingent Liabilities**

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.

**LERTHAI FINANCE LIMITED**  
**Notes to financial statements for the year ended March 31, 2022**

**26 Fair Value Measurements**

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

(Rs. in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	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	-	42.91	-	-	42.91	-
Cash and cash equivalents	-	-	839.90	-	-	867.74
Security deposit	-	-	-	-	-	-
Receivable from related parties	-	-	-	-	-	1.50
Interest accrued	-	-	1.12	-	-	5.56
<b>Total</b>	<b>-</b>	<b>42.91</b>	<b>841.02</b>	<b>-</b>	<b>42.91</b>	<b>874.80</b>
<b>Financial Liabilities</b>						
Trade payable	-	-	16.35	-	-	16.49
Employee related payment	-	-	0.33	-	-	0.33
Other financial liability	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>16.68</b>	<b>-</b>	<b>-</b>	<b>16.81</b>

**LERTHAI FINANCE LIMITED**  
**Notes to financial statements for the year ended March 31, 2022**

**27 Fair value hierarchy**

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

Particulars	As at March 31, 2022				As at March 31, 2021			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>								
Cash and cash equivalents	839.90	-	-	839.90	867.74	-	-	867.74
Security deposit	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	1.50	-	-	1.50
Interest accrued	1.12	-	-	1.12	5.56	-	-	5.56
	<b>841.02</b>	<b>-</b>	<b>-</b>	<b>841.02</b>	<b>874.80</b>	<b>-</b>	<b>-</b>	<b>874.80</b>
Investment	42.91	42.91	-	-	42.91	42.91	-	-
	<b>42.91</b>	<b>42.91</b>	<b>-</b>	<b>-</b>	<b>42.91</b>	<b>42.91</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>								
Trade payable	16.35	-	-	16.35	16.49	-	-	16.49
Employee related payment	0.33	-	-	0.33	0.33	-	-	0.33
Other financial liability	-	-	-	-	-	-	-	-
	<b>16.68</b>	<b>-</b>	<b>-</b>	<b>16.68</b>	<b>16.81</b>	<b>-</b>	<b>-</b>	<b>16.81</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.

- a. There have been no transfers between the levels during the period.
- b. 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.
- c. For financial assets & liabilities that are measured at fair value, the carrying amounts are equal to fair values.

**LERTHAI FINANCE LIMITED**  
**Notes to financial statements for the year ended March 31, 2022**

**28 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 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 accordance with the Company's board approved SOP. 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. 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 2022 and 2021 is the carrying amounts.

**LERTHAI FINANCE LIMITED**  
**Notes to financial statements for the year ended March 31, 2022**

**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 2022</b>					
Trade and other payables	16.68	-	-	-	16.68
	<b>16.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.68</b>
<b>For the year ended 31st March 2021</b>					
Trade and other payables	16.81	-	-	-	16.81
	<b>16.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.81</b>

**29 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 manage 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>31-Mar-22</b>	<b>31-Mar-21</b>
		<b>(Rs. In lakhs)</b>
Other Financial Liabilities (Note 13)	-	-
Trade Payables (Note 14)	16.35	16.49
Other Financial liabilities(Note 15)	0.33	0.33
Other Current Liabilities (Note 16)	0.71	0.67
Less : Cash and Cash Equivalents (Note 7)	<u>(839.90)</u>	<u>(867.74)</u>
<b>Net Debt</b>	<b>(822.52)</b>	<b>(850.25)</b>
Equity	<u>869.25</u>	<u>916.42</u>
<b>Total Capital</b>	<b>869.25</b>	<b>916.42</b>
Capital & Net debt	<u><b>46.73</b></u>	<u><b>66.17</b></u>
Debt Equity ratio	-1760.04%	-1284.96%

**LERTHAI FINANCE LIMITED**  
**Notes to financial statements for the year ended March 31, 2022**

**30 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.

**31 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 21

**32 Disclosure required as per Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:**

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use Based on preliminary assessment,

the Company does not expect these amendments to have any significant impact on its financial statements.

Note No:33

LERTHAI FINANCE LIMITED

Following Ratios to be disclosed :-

Ratio	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% Variance	Reasons for Variance
(a) Current Ratio,	Current Assets	Current Liabilities	48.54	50.57	(2.03)	Fixed deposit has been reduced
(b) Debt-Equity Ratio,	Total Debt	Shareholder's Equity	0.00	0.00	-	
(c) Debt Service Coverage Ratio,	Earnings available for debt service (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service (Interest & Lease Payments + Principal Repayments)	0.00	0.00	-	
(d) Return on Equity Ratio,	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	-5.43	-6.76	1.33	Increase in Loss amount for current period
(e) Inventory turnover ratio,	Revenue from sale of products	Average Inventory	0.00	0.00	-	
(f) Trade Receivables turnover ratio,	Revenue from Operation	Average Accounts Receivable	0.00	0.00	-	
(g) Trade payables turnover ratio,	Net Purchases and Expenses	Average Trade Payables	3.85	4.66	(0.81)	Increase in Trade Payable for current period
(h) Net capital turnover ratio,	Revenue from Operation	Average Working Capital	0.00	0.00	-	
(i) Net profit ratio,	Net Profit	Revenue from Operation	0.00	0.00	-	
(j) Return on Capital employed,	Earning before Interest and Taxes	Capital Employed (Total Assets-Current Liabilities excluding current borrowings )	-4.65	-7.86	3.21	Increase in Loss amount for current period
(k) Return on investment. T1 = End of time period T0 = Beginning of time period t = Specific date falling between T1 and T0 MV(T1) = Market Value at T1 MV(T0) = Market Value at T0 C(t) = Cash inflow, cash outflow on specific date W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$	$\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}$	$\{MV(T0) + \text{Sum } [W(t) * C(t)]\}$	0.00	0.00		

**Note No:34**

**LERTHAI FINANCE LIMITED**

**Notes to financial statements for the year ended March 31, 2022**

DISCLOSURE REQUIRED AS PER AMENDED SCHEDULE III OF COMPANIES ACT, 2013 vide MCA notification dated 24th March, 2021

- (i) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
- (ii) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (iii) The Company do not have sanctioned facilities from banks on the basis of security of current assets.
- (iv) There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2022.
- (v) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.  
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (vi) (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary  
The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (vii) (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (viii) The Company has not operated in any crypto currency or Virtual Currency transactions
- (ix) During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

**For B. D. Jokhakar & Co.**  
Chartered Accountants  
**Firm Registration No: 104345W**

SD/-

**Raman Haren Jokhakar**  
Partner  
**Membership No: 103241**  
Place: Mumbai  
Date:30/05/2022

**For and on behalf of the board of Director of  
Lerthai Finance Limited**

SD/-

SD/-

**Mr. Shao Xing Max Yang**  
Chairman and Director  
**DIN 08114973**  
Place: Los Angeles  
Date:30/05/2022

**Mr. Jayant Goel**  
Executive Director  
**DIN 01925642**  
Place: Delhi  
Date:30/05/2022

SD/-

**Ms. Sneha Khandelwal**  
Company Secretary  
**M. No : A55597**  
Place: Delhi  
Date:30/05/2022