

LERTHAI FINANCE LIMITED
Balance Sheet as at 31st March 2022

(Rs. in lakhs)

Particulars	Notes	31-Mar-22	31-Mar-21
ASSETS			
Non-current assets			
Financial Assets			
i. Investments	4	42.91	42.91
ii. Loans	5	-	-
Deferred Tax Asset (Net)	6	-	6.69
		42.91	49.60
Current assets			
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
		843.81	884.30
		886.72	933.90
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	70.00	70.00
Other Equity	12	799.25	846.42
		869.25	916.42
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Other Financial Liabilities	13	-	-
Deferred Tax Liability (Net)	6	0.09	-
		0.09	-
Current liabilities			
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
		17.38	17.48
		886.72	933.90

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

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

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

Sneha Khandelwal

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

Particulars	Notes	(Rs. in lakhs)	
		31-Mar-22	31-Mar-21
Income			
Other Income		26.72	37.26
	17	-	-
		<u>26.72</u>	<u>37.26</u>
Expenses			
Employee Benefits Expenses	18	3.93	3.63
Other Expenses	19	63.19	105.67
		<u>67.12</u>	<u>109.30</u>
Profit/(loss) for the year		<u>(40.39)</u>	<u>(72.04)</u>
Tax expenses	20		
Current tax		-	-
Tax for earlier years		-	-
Deferred tax		6.78	(10.09)
Profit/(loss) for the year		<u>(47.17)</u>	<u>(61.95)</u>
Other Comprehensive Income			
<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>		-	-
Total Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		<u>(47.17)</u>	<u>(61.95)</u>
Earnings per equity share			
[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
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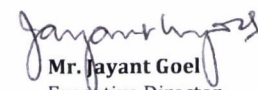
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LERTHAI FINANCE LIMITED
Cash Flow Statement for the Year ended 31st March 2022

Particulars	31-Mar-22	(Rs. in lakhs) 31-Mar-21
Cash flow from operating activities		
Loss before Tax	(40.39)	(72.04)
Loss before Tax	(40.39)	(72.04)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Fair value gain	-	-
Interest income	(26.72)	(37.26)
Operating Loss before working capital changes	(67.12)	(109.30)
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
Cash generated from / (used in) operations	(60.33)	(103.12)
Direct taxes paid (net of refunds)	6.30	(2.56)
Net cash flow from/ (used in) operating activities (A)	(54.03)	(105.68)
Cash flows from investing activities		
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	-	-
Net cash flow from/ (used in) investing activities (B)	126.19	66.44
Cash flows from financing activities	-	-
Net cash flow from/ (used in) in financing activities (C)	-	-
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
Cash and cash equivalents at the end of the year	129.90	57.74
Components of cash and cash equivalents		
Cash on hand	-	-
With banks		
- on current account	129.90	57.74
Total cash and cash equivalents	129.90	57.74

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

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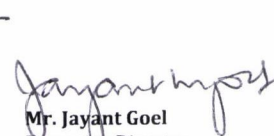
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LERTHAI FINANCE LIMITED
Notes to Financial Statement for the year ended 31 st March 2022

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

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

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

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**

Particulars	Reserve and Surplus			Other Comprehensive Income arising from measurement of Defined Benefit Obligation	Total Other Equity
	Capital Reserve	General reserve	Retained Earnings		
Balance as at 01st April, 2021	30.24	30.00	786.18	-	846.42
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated Balance as at 01st April, 2021	30.24	30.00	786.18	-	846.42
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)
Balance as at 31st March, 2022	30.24	30.00	739.01	-	799.25

Particulars	Reserve and Surplus			Other Comprehensive Income arising from measurement of Defined Benefit Obligation	Total Other Equity
	Capital Reserve	Securities Premium	Retained Earnings		
Balance as at 01st April, 2020	30.24	30.00	848.13	-	908.37
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated Balance as at 01st April, 2020	30.24	30.00	848.13	-	908.37
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)
Balance as at 31st March, 2021	30.24	30.00	786.18	-	846.42

For B. D. Jokhakar & Co.
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LERTHAI FINANCE LIMITED
Notes forming part of Balance Sheet

(Rs. in lakhs)

Equity	31-Mar-22	31-Mar-21
11 Share capital		
Authorized		
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
	500.00	500.00
Issued, subscribed and fully paid-up		
700,000 (31 March 2021: 700,000) Equity Shares of Rs.10/- each	70.00	70.00
	70.00	70.00

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	-	-	-	-
Outstanding at the end of the period	7	70.00	7.00	70.00

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

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.

