



**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

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

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 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, 2020 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;

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

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- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable during the audit period);
  - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable during the audit period);
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the audit period);
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the audit period); and
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the audit period).
- vi. I have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable acts, laws, rules and regulations to the Company and the management has identified and confirmed the following laws as specifically applicable to the Company:
- a. Income Tax Act, 1961;
  - b. Goods & Services tax Act, 2017
- vii. I have also examined compliance with applicable clauses of the following:
- a. Secretarial Standards issued by the Institute of Company Secretaries of India;
  - b. Pursuant to Regulation 109 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company has executed a uniform listing agreement with BSE Limited and The Calcutta Stock Exchange Limited with effect from 1<sup>st</sup> December, 2015.
- viii. I further report that:
- a. the compliances by the Company of applicable financial laws like direct and indirect tax laws, have not been reviewed in this Audit since the same are subject to review by statutory financial audit.
  - b. the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, *except that the Company is in process of identifying the independent directors to make board composition in line with the Companies Act, 2013.* The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - c. adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.
  - d. as per the minutes of the meetings recorded and signed by the Chairperson, the decisions of

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- 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  
Mem No: 24398  
C.P.NO.10216  
**UDIN: A024398B000299244**  
29.05.2020, Pune