

Independent Auditor's Report

To the Members of Lok Cements Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Lok Cements Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its loss and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2017 ("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 paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act and rules made thereunder.
 - iv. The Company has provided requisite disclosures in Note No. 24 to its Ind AS Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December, 2016. Based on audit procedures performed and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E



M. L. Shukla

(M. L. Shukla)
Partner
Membership No.051505

Place : Kolkata

Date : 24th May, 2017

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The company has maintained full records showing particulars, including quantitative details and situation of fixed assets;
- (b) As the assets are fully depreciated no physical verification has been performed during the year under audit.
- (c) As the Company does not own any immovable property the clause related to title deed of immovable property is not applicable to the company.
- (ii) The clause related to physical verification of inventory is not applicable as the company as it does not own any inventory.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. As no loans are given, other sub-clauses of this clause are not applicable to the company.
- (iv) As the company has not given any loan, made any investments and provided any guarantee and security clause (iv) of the Order is not applicable to the Company.
- (v) As per the information and explanation given to us, the company has not accepted any deposits.
- (vi) As the company is not in operations the provisions of sub-section (I) of section 148 of the Companies Act 2013 with respect to maintenance of Cost Record is not applicable to the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. Details of the undisputed statutory dues not deposited for a period of more than 6 months from the date they became due are as under:

Applicable Law	Nature of dues	Amount (Rs.)	Year to which it pertains
Maharashtra State Tax on Profession, Trades, Callings and Employment Act	Profession Tax on Company	7,500	For F.Y. 2014-15 to 2016-17

- (b) As per the information and explanation given to us, there are no dues of Income Tax / Sales tax / Service Tax / Custom Duty / Excise Duty / Value Added tax etc which have not been deposited on account of any dispute.
- (viii) The Company has not availed any facilities from financial institution or banks or debenture holders thus clause (viii) of the order is not applicable to the Company.
- (ix) No amounts have been raised by way of initial public offer or further public offer and term loan thus clause (ix) relating to utilization of the same is not applicable to the Company.



- (x) As informed and explained to us there are no fraud on or by the company noticed or reported during the year.
- (xi) No managerial remuneration has been paid by the Company, thus clause (x) of the order is not applicable to the Company.
- (xii) As the Company is not "Nidhi Company" clause (xi) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us, transactions with related parties have been done in compliance with provisions of Section 177 and 188 of Companies Act 2013 and have been suitably disclosed in the Financial Statement.
- (xiv) The Company has not made any preferential allotment of shares thus clause (xiv) of the Order is not applicable to the Company.
- (xv) As per the information and explanation provided to us, the company has not entered into non-cash transactions with Directors or persons connected with Directors.
- (xvi) As the Company is not a "Non-banking financial company", clause (xvi) of the Order is not applicable to the Company.

For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E



M.L. Shukla

(M.L. Shukla)
Partner
Membership No.051505

Place: Kolkata

Date: 24th May, 2017

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of Lok Cement Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statement 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 2017, 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 ICAI



For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

A handwritten signature in blue ink, appearing to read "M.L. Shukla".

(M.L. Shukla)
Partner
Membership No.051505

Place: Kolkata

Date: 24th May, 2017

LOK CEMENTS LIMITED
CIN No. U26922MH1995PLC085677
BALANCE SHEET as at 31st March, 2017

(Amount in ₹)

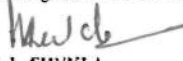
No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	-	-
Financial Assets			
Other Financial Assets	6	10,000	10,000
Other Non-Current Assets	7	32,09,613	32,09,613
		32,19,613	32,19,613
CURRENT ASSETS			
Financial Assets			
Cash and Cash Equivalents	8	32,062	38,563
Other Current Assets	7	9,900	59,900
		41,962	98,463
Total Assets		32,61,575	33,18,076
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	9	1,00,07,000	1,00,07,000
Other Equity	10	(3,26,53,329)	(3,17,27,972)
		(2,26,46,329)	(2,17,20,972)
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	11	2,54,50,942	2,47,97,223
Other Financial Liabilities	12	-	-
		2,54,50,942	2,47,97,223
CURRENT LIABILITIES			
Financial Liabilities			
Trade Payable			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditor other than micro enterprises and small		-	-
Other Financial Liabilities	12	4,48,060	2,33,215
Other Current Liabilities	13	8,902	8,610
		4,56,962	2,41,825
Total Equity and Liabilities		32,61,575	33,18,076
Corporate and General Information	1		
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgement and Key Estimates	4		

The accompanying notes form an integral part of the Financial Statements

As per our Report annexed.

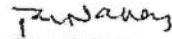
For and on behalf of the Board

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E


M. L. SHUKLA
Partner
Membership No. 051505
Kolkata.

24th May, 2017





B. R. NAHAR
DIN 00049895



VINOD KUMAR HAMIRWASIA
DIN 00149104

LOK CEMENTS LIMITED
CIN No. U26922MH1995PLC085677
STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2017

(Amount in ₹)

INCOME	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Other Income	14	-	-
Total Income		-	-
EXPENSES			
Finance Costs	15	3,25,085	86,102
Other Expenses	16	6,00,272	24,87,614
Total Expenses		9,25,357	25,73,716
Profit before Exceptional Items and Tax		(9,25,357)	(25,73,716)
Exceptional Items		-	-
Profit/(Loss) before Tax		(9,25,357)	(25,73,716)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Income Tax for earlier years		-	-
Profit/(Loss) for the year		(9,25,357)	(25,73,716)
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss		-	-
Income tax relating to these items		-	-
B Items that will be reclassified to profit or loss		-	-
Income tax relating to these items		-	-
Other Comprehensive Income for the Year (Net of Tax)		-	-
Total Comprehensive Income for the period		(9,25,357)	(25,73,716)
Earnings Per Share			
Weighted Average Number of Ordinary Shares outstanding during the year		10,00,700	10,00,700
Basic		(0.92)	(2.57)
Diluted		(0.92)	(2.57)

Corporate and General Information	1
Basis of Accounting	2
Significant Accounting Policies	3
Significant Judgement and Key Estimates	4

The Notes are an integral part of the Financial Statements

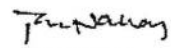
For and on behalf of the Board

As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E



M. L. SHUKLA
Partner
Membership No. 051505
Kolkata.
24th May, 2017





B. R. NAHAR
DIN 00049895



VINOD KUMAR HAMIRWASIA
DIN 00149104

LOK CEMENTS LIMITED
CIN U26922MH1995PLC085677
CASH FLOW STATEMENT for the year ended 31st March, 2017

(Amount in ₹)


	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. Cash Flow from Operating Activities:		
Profit/(Loss) before Tax	(9,25,357)	(25,73,716)
Adjustments for:		
Interest on Loan	3,25,085	86,102
Operating Profit before Working Capital changes	<u>(6,00,272)</u>	<u>(24,87,614)</u>
Adjustments for:		
Increase in Short-term Loans And advances	0	0
Decrease in Other Current Assets	50,000	-
Increase in other Liabilities	<u>367</u>	<u>(9,698)</u>
Cash generated from operations	50,367	(9,698)
Net Cash from Operating Activities	(5,49,905)	(24,97,312)
B.		
Miscellaneous Expenditure written off	-	-
Pre-Operative Expenses	<u>-</u>	<u>-</u>
Net Cash used in Investing Activities	-	-
C.		
Cash Flow from Financing Activities		
(Repayment) / Proceeds from Long Term Borrowings	6,53,719	25,42,792
Interest on Loan	<u>(1,10,315)</u>	<u>(24,569)</u>
Net Cash used in Financing Activities	5,43,404	25,18,223
Net increase in Cash and Cash Equivalents	(6,501)	20,911
Cash and Cash Equivalents as on 01.04.2016 (Opening Balance)	38,563	17,652
Cash and Cash Equivalents as on 31.03.2017 (Closing Balance)	32,062	38,563

Note:

- 1 Above statement has been prepared in indirect method.
- 2 Cash and Cash Equivalents consists of Cash in hand and balance with Banks.
- 3 Figures for the previous year have been re-grouped wherever considered necessary.

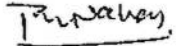
As per our Report annexed.
For SINGHI & CO.

Chartered Accountants
 Firm Registration No. 302049E



M. L. SHUKLA
 Partner
 Membership No. 051505
 Kolkata.



For and on behalf of the Board



B. R. NAHA
 DIN 000498


VINOD KUMAR HAMIRWAS
 DIN 001491

The day of , 2017

LOK CEMENTS LIMITED
CIN No. U26922MH1995PLC05677
Statement of Changes in Equity for the year ended 31st March, 2017

(Amount in ₹)

a) Equity Share Capital

Balance as at 1st April 2015	1,00,07,000
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2016	1,00,07,000
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2017	1,00,07,000

b) Other Equity

	Reserve & Surplus				Items of Other Comprehensive Income			Total
	Capital Reserve	Debt Redemption Reserve	General Reserve	Foreign Currency Monetary Item Translation Difference Account	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	
Balance as at 1st April, 2015			5381		(2,91,59,637)			(2,91,54,256)
Profit for the year					(25,73,716)			(25,73,716)
Total Comprehensive Income for the year					(25,73,716)			(25,73,716)
Balance as at 31st March, 2016			5,381.00		(3,17,33,353)			(3,17,27,972)

	Reserve & Surplus				Items of Other Comprehensive Income			Total
	Capital Reserve	Debt Redemption Reserve	General Reserve	Foreign Currency Monetary Item Translation Difference Account	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	
Balance as at 31st March, 2016			5,381.00		(3,17,33,353.00)			(3,17,27,972)
Profit for the year					(9,25,357.00)			(9,25,357.00)
Total Comprehensive Income for the year					(9,25,357.00)			(9,25,357.00)
Balance as at 31st March, 2017			5,381.00		(3,26,58,710.00)			(3,26,53,329.00)

As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

M. L. SHUKLA
Partner
Membership No. 051505
Kolhapur.
The day of ,



For and on behalf of the Board
B. R. NAHAR
DIN 00049895

B. R. NAHAR
VINOD KUMAR JAMIRWASIA
DIN 00149104

Lok Cements Limited
CIN : U26922MH1995PLC085677

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2017

1. CORPORATE AND GENERAL INFORMATION

Lok Cements Limited is a company of M. P. Birla Group. It was incorporated in the year 1995. The Company was formed to Carry business as manufacturers and dealers in Grey Cement, while Portland cement & its related Products like Clinker, Lime, Clay, Gypsum & Limestone, etc. Since, the acquisition of mining lease is still in process, the production has not yet commenced.

2. BASIS OF ACCOUNTING

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all periods up to and including the year ended March 31, 2016, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31st March, 2017 are the first financials with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April, 2015 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No.18.4. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2015 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2015 as required by Ind- AS 101. The financial statements of the Company for the year ended 31st March, 2017 have been approved by the Board of Directors in their meeting held on 24/05/2017.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities are measured at Fair value/ Amortised cost;

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Rupees as per the requirements of Schedule III, unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.



2.5 Current Vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- 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 the other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- 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 respectively.

3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3.2 Income Tax

Income Tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

3.2.1. Current Tax

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

3.2.2. Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.



- Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.3 Property, Plant and Equipment

3.3.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.3.2. Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.3.3. Depreciation and Amortization

- Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. In case of certain components of plant and machineries depreciation has been provided based on the useful life considered at 2-15 years.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.



3.3.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.3.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.4 Revenue Recognition

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.
- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction specific to each arrangement.

3.4.1. Sale of Goods

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

3.4.2. Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.5 Borrowing Cost

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



3.6.1. Financial Assets

➤ **Recognition and Initial Measurement:**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

➤ **Classification and Subsequent Measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
 - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
 - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
 - The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.
- Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➤ **Derecognition**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.



Impairment of Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.6.2. Financial Liabilities

➤ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➤ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➤ **Financial Guarantee Contracts**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

➤ **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

➤ **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.7 Impairment of Non-Financial Assets

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.8 Provisions, Contingent Liabilities and Contingent Assets



3.8.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.8.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.8.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.9 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.



Standards Issued but not yet Effective

The standard issued but not yet effective up to the date of issuance of the Company's financial Statements is disclosed below. The company intends to adopt this Standard when it becomes effective.

- Ind-AS 7 – Statement of Cash Flows

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend the above Ind-AS's. The amendment will come into force from accounting period commencing on or after April 1, 2017. The Company is in the process of assessing the possible impact of Ind-AS 7: Statement of Cash Flows and will adopt the amendments on the required effective date.

4. Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied as best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.



5 PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

Particulars	Year Ended 31st March 2016												
	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount		
	Deemed cost as at 1st April 2015	Additions	Transfer/Inter Unit Transfer	Disposals	Other Adjustments	As at 31st March 2016	As at 1st April 2015	Depreciation charged during the year	Transfer/Inter Unit Transfer	Deductions		Other Adjustments	
Leasehold Land													
Freehold Land													
Sub-Total													
Buildings													
Plant and Machinery													
Furniture and Fixtures													
Vehicles													
Office Equipments													
Railway Slidings													
Capital Work- In-Progress													
Total													

Particulars	Year Ended 31st March 2017												
	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount		
	Deemed cost as at 1st April 2015	Additions	Transfer/Inter Unit Transfer	Disposals	Other Adjustments	As at 31st March 2017	As at 1st April 2016	Depreciation charged during the year	Transfer/Inter Unit Transfer	Deductions		Other Adjustments	
Leasehold Land													
Freehold Land													
Sub-Total													
Buildings													
Plant and Machinery													
Furniture and Fixtures													
Vehicles													
Office Equipments													
Railway Slidings													
Capital Work- In-Progress													
Total													

N/A

The original cost and Accumulated depreciation as on 1st April 2015 is ₹s 16543 respectively.



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Notes to Financial Statements as on and for the year ended 31st March, 2017

(Amount in ₹)

Refer Note No.	Long-term			Short-term		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
6 OTHERS FINANCIAL ASSETS						
Security Deposits						
Secured, considered good	10000	10000	10000			
Unsecured, considered good						
Doubtful	10,000	10,000	10,000	-	-	-
Provision for doubtful security deposit	10,000	10,000	10,000	-	-	-

7 OTHER ASSETS

Advances other than Capital Advances

Advance Tax and TDS (Net of provisions)	81,638	81,638	81,638			
Advance against supply of Goods and Services				9,900	59,900	59,900
Balances with Government & Statutory Authorities	31,27,975	31,27,975	31,27,975			
Total Other Assets	32,09,613	32,09,613	32,09,613	9,900	59,900	59,900

Refer Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
8 CASH AND CASH EQUIVALENTS			
Balances With Banks :			
In Current/Cash Credit Account	30,138	36,639	15,728
Cash in Hand	1,924	1,924	1,924
	32,062	38,563	17,652

Refer Note No.	As at 31 st March 2017		As at 31 st March 2016		As at 1st April 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
9 EQUITY SHARE CAPITAL						
9.1 Authorised Share Capital						
Ordinary Shares of ₹10/- each	1,00,00,000.00	10,00,00,000.00	1,00,00,000.00	10,00,00,000.00	1,00,00,000.00	10,00,00,000.00
	1,00,00,000.00	10,00,00,000.00	1,00,00,000.00	10,00,00,000.00	1,00,00,000.00	10,00,00,000.00
9.2 Issued Share Capital						
Ordinary Shares of ₹10/- each	10,00,700.00	1,00,07,000.00	10,00,700.00	1,00,07,000.00	10,00,700.00	1,00,07,000.00
	10,00,700.00	1,00,07,000.00	10,00,700.00	1,00,07,000.00	10,00,700.00	1,00,07,000.00
9.3 Subscribed and Paid-up Share Capital						
Ordinary Shares of ₹10/- each fully paid-up	10,00,700.00	1,00,07,000.00	10,00,700.00	1,00,07,000.00	10,00,700.00	1,00,07,000.00
	10,00,700.00	1,00,07,000.00	10,00,700.00	1,00,07,000.00	10,00,700.00	1,00,07,000.00

9.4 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

9.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e., Ordinary Shares having par value of ₹10 per share. Each holder of the Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

9.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

All equity shares of the company are being held by Birla Corporation Ltd.- the Holding Company and its nominees.

9.7 No shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

9.8 The Company has not allotted any equity shares against consideration other than cash nor has allotted any shares as fully paid up by way of bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

9.9 No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

9.10 No calls are unpaid by any Director or Officer of the Company during the year.

Refer Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
10 OTHER EQUITY			
General Reserve	5,381	5,381	5,381
Retained Earnings	(3,26,58,710)	(3,17,33,353)	(2,91,59,637)
	(3,26,53,329)	(3,17,27,972)	(2,91,54,256)



LOK CEMENTS LIMITED
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Notes to Financial Statements as on and for the year ended 31st March, 2017

						(Amount in ₹)	
		As at		As at			
Refer Note No.		31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
10.1	General Reserve						
	Balance at the beginning of the year			5,381	5,381		
	Balance at the end of the year			5,381	5,381		
10.2	Retained Earnings						
	Balance at the beginning of the year			(3,17,33,353)	(2,91,59,637)		
	Add: Profit for the year			(9,25,357)	(25,73,716)		
	Balance at the end of the year			(3,26,58,710)	(3,17,33,353)		
	Total Reserve & Surplus			(3,26,53,329)	(3,17,27,972)		
11	BORROWINGS						
		Non-Current Portion			Current Maturities		
11.1	Others	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Loan and Advances from Related parties(Unsecured)	2,54,50,942.00	2,47,97,223.00	2,22,54,431.00	-	-	-
		2,54,50,942.00	2,47,97,223.00	2,22,54,431.00	-	-	-
	Secured	-	-	-	-	-	-
	Unsecured	2,54,50,942.00	2,47,97,223.00	2,22,54,431.00	-	-	-
	Total	2,54,50,942.00	2,47,97,223.00	2,22,54,431.00	-	-	-
		Long-term			Short-term		
		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
12	OTHER FINANCIAL LIABILITIES						
	OTHER PAYABLES						
	Provision for expenses	-	-	-	1,55,798	1,55,723	1,72,258
	Interest payable to related parties	-	-	-	2,92,262	77,492	15,959
		-	-	-	4,48,060.00	2,33,215.00	1,88,217.00
13	OTHER CURRENT LIABILITIES						
	Statutory Dues				8,902.00	8,610.00	1,773.00
					8,902.00	8,610.00	1,773.00
14	OTHER INCOME						
15	FINANCE COST						
	Interest Expenses					3,25,085.00	86,102.00
	Less: Amount Capitalised					3,25,085.00	86,102.00
						3,25,085.00	86,102.00
16	OTHER EXPENSES						
	Selling and Administration Expenses						
	Rent					-	10,000.00
	Auditors' Remuneration					17,250.00	17,175.00
	Other Expenses					4,88,700.00	23,55,950.00
	Consulting charges					24,000.00	11,500.00
	Telephone Expenses					11,494.00	57,388.00
	Travelling Expenses					810.00	1,292.00
	Bank Charges					4,335.00	1,832.00
	Filing Fees					3,683.00	32,477.00
	Misc Expenses					50,000	-
	Site Expenses					6,00,272.00	24,87,614.00
16.1	Auditors' Remuneration						
	Statutory Auditors						
	Audit Fees					17,250.00	17,175.00
						17,250.00	17,175.00



LOK CEMENTS LIMITED
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Notes to Standalone Financial Statements as on and for the year ended 31st March, 2017

(Amount in ₹)

17 Disclosure as required under the micro, small and medium enterprises development act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4th September, 2015

Sl. No.	Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	NIL	NIL	NIL
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL	NIL
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL	NIL
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL	NIL
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL	NIL

18 Related Party Disclosures

18.1 As defined in Indian Accounting Standard-24, the Company has a related party relationship as below:

Name of the Entity	Place of Incorporation	Ownership Interest held by the Company		
		31st March 2017	31st March 2016	1st April 2015
Birla Corporation Ltd	India	100%	100%	100%

18.2 Transactions during the year

Particulars	2016-2017		2015-2016	
Advances taken	607		-	
Loans taken	5,76,835		25,26,257	
Interest Expense on Loan Taken	3,24,735		86,102	

18.3 Balance Outstanding as at the balance sheet date

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Borrowings Received	-	-	-
Subsidiaries			
Loan payable	2,54,50,942	2,47,97,223	2,22,54,431
Interest on Loan payable	2,92,262	77,492	15,959
Associates	-	-	-

19 Transition to Ind AS

19.1 Basis for Preparation

For all period up to and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2017 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

19.2 Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2015 opening balance sheet. In preparing these consolidated financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.



19.3 Optional Exemptions Availed

There has been transfer of the whole amount of pre-operative and preliminary expenses shown under other Non current Assets to Retained earning as per para 10 (b)- Ind As 101 read with Ind AS-16 which states that assets which are not permitted under Ind As shall not be recognized as such.

19.4 Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

1. Reconciliation of material items of Balance sheet as at April 1, 2015 (Transition Date) and as at March 31, 2016
2. Reconciliation of Statement of Profit & Loss for the year ended March 31, 2016
3. Reconciliation of Equity as at April 1, 2015 and as at March 31, 2016
4. Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differ from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

19.4.1 Reconciliation of material items of Balance sheet as at April 1, 2015 (Transition Date) and as at March 31, 2016

(Amount in ₹)

Particulars	Refer Note No.	Previous GAAP* as at 31.03.2016	Effect of Transition to IND AS	As per IND AS Balance Sheet as at 31.03.2016	Previous GAAP* as at 31.03.2015	Effect of Transition to IND AS	As per IND AS Balance Sheet as at 01.04.2015
ASSETS							
Property, Plant and Equipment		-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-
Biological Assets other than bearer plants		-	-	-	-	-	-
Non Current Investments		-	-	-	-	-	-
Current Investments		-	-	-	-	-	-
EQUITY AND LIABILITIES							
Equity Share Capital		1,00,07,000	-	1,00,07,000	1,00,07,000	-	1,00,07,000
Other Equity		(52,90,465)	(2,64,37,507)	(3,17,27,972)	(27,16,749)	(2,64,37,507)	(2,91,54,256)
LIABILITIES							
NON-CURRENT LIABILITIES							
Borrowings		2,47,97,223	-	2,47,97,223	2,22,54,431	-	2,22,54,431
Deferred Tax Liabilities (Net)		-	-	-	-	-	-
Other Non Current Liabilities		-	-	-	-	-	-
CURRENT LIABILITIES							
Provisions		-	-	-	-	-	-

*Regrouped as per Ind AS Compliant Schedule III.

19.4.2 Reconciliation of Statement of Profit & Loss for the year ended 31st March,2016

PARTICULARS	Refer Note No.	Previous GAAP*	Effect of transition to IND AS	Ind AS
INCOME				
Other Income		-	-	-
Total Income		-	-	-
EXPENSES				
Finance Costs		-	86,102	86,102
Other Expenses		25,73,716	(86,102)	24,87,614
Total Expenses		25,73,716	-	25,73,716
Profit before Exceptional Items and Tax		(25,73,716)	-	(25,73,716)
Exceptional Items		-	-	-
Profit before Tax		(25,73,716)	-	(25,73,716)
Tax Expense:				
Current Tax		-	-	-
Deferred Tax		-	-	-
Income Tax for earlier years		-	-	-
Profit for the year		(25,73,716)	-	(25,73,716)
Other Comprehensive Income				
A Items that will not be reclassified to profit or loss				
Income tax relating to these items		-	-	-
B Items that will be reclassified to profit or loss				
Income tax relating to these items		-	-	-
Other Comprehensive Income for the Year (Net of Tax)		-	-	-
Total Comprehensive Income for the period		-25,73,716	-	-25,73,716

* Regrouped as per IND AS compliant Schedule III



(Amount in ₹)

19.4.3 Reconciliation of Total Equity

Particulars	Refer Note No.	As at 31st March, 2016	As at 1st April, 2015
Equity under Previous Indian GAAP		47,16,535	72,90,251
Other IND AS adjustments		(2,64,37,507)	(2,64,37,507)
Reversal of Proposed Dividend incl. CDT		-	-
Items reclassified to OCI		-	-
Impact of Tax		(2,64,37,507)	(2,64,37,507)
Total adjustment to equity		(2,17,20,972)	(1,91,47,256)
Total equity under Ind AS			

19.4.4 Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31 March 2016

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating Activities		-2521880	24568	-2497312
Net cash flow from Investing Activities		2542791	-24568	2518223
Net cash flow from Financing Activities				
		20,911.00	-	20,911.00
Net increase/(decrease) in cash and cash equivalents		17652		17652
Cash and cash equivalents as at 1 April 2015		38563		38563
Cash and cash equivalents as at 31 March 2016				

19.4.5 Explanation to the material adjustments made in the process of IND AS transition from previous GAAP.

a Pre-incorporation expenditure written off

Under the previous GAAP, amount of Pre-operative Expenses and Miscellaneous Expenditure were shown under Other Non Current Assets. As per Ind AS 16, Pre-incorporation expenditure does not fulfill the criteria of Property, Plant & Equipment, hence should be charged to retained earnings on the date of transition. This decreased the retained earnings by INR 26437507 as at 31 March 2016 (1 April 2015 - INR 26437507).
Consequent to the above, the total equity as at 31 March 2016 decreased by INR 26437507 (1 April 2015 - INR 26437507).

b Retained Earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

20 Fair value of Financial Assets and Financial Liabilities (Non Current and Current)
As at 31st March 2017 and 31st March 2016

Particulars	31st March 2017			31st March 2016		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Other Financial Assets			10,000.00			10,000.00
Cash and Cash Equivalents			32,062.00			38,563.00
Total Financial Assets	-	-	42,062.00	-	-	48,563.00
Financial Liabilities						
Borrowings			2,54,50,942.00			2,47,97,223.00
Other Financial Liabilities			4,48,060.00			2,33,215.00
Total Financial Liabilities	-	-	2,58,99,002.00	-	-	2,50,30,438.00

As at 1st April 2015

Particulars	FVTPL	FVOCI	Amortized Cost
Financial Assets			
Other Financial Assets			10,000.00
Cash and Cash Equivalents			17,652.00
Total Financial Assets	-	-	27,652.00
Financial Liabilities			
Borrowings			2,22,54,431.00
Other Financial Liabilities			1,88,217.00
Total Financial Liabilities	-	-	2,24,42,648.00



21 Fair Values of Financial Assets & Liabilities

21.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

Particulars	31st March 2017		31st March 2016		1st April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets						
Other Financial Assets	10,000	10,000	10,000	10,000	10,000	10,000
Cash and Cash Equivalents	32,062	32,062	38,563	38,563	17,652	17,652
Total Financial Assets	42,062	42,062	48,563	48,563	27,652	27,652
Financial Liabilities						
Borrowings	2,54,50,942	2,54,50,942	2,47,97,223	2,47,97,223	2,22,54,431	2,22,54,431
Other Financial Liabilities	4,48,060	4,48,060	2,33,215	2,33,215	1,88,217	1,88,217
Total Financial Liabilities	2,58,99,002	2,58,99,002	2,50,30,438	2,50,30,438	2,24,42,648	2,24,42,648

21.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

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

21.4 The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

22 Assets and Liabilities measured at Fair Value - recurring fair value measurements-NIL

22.1 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed

As at 31st March 2017 and 31st March 2016

Particulars	31st March 2017			31st March 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Other Financial Assets			10000			10000
Cash and Cash Equivalents			32062			38563
Total Financial Assets	-	-	42062	0	0	48563
Financial Liabilities						
Borrowings			25450942			24797223
Other Financial Liabilities			448060			233215
Total Financial Liabilities	-	-	25899002	0	0	25030438

As at 1st April 2015

Particulars	Level 1	Level 2	Level 3
Financial Assets			
Other Financial Assets			10000
Cash and Cash Equivalents			17652
Total Financial Assets	-	-	27652
Financial Liabilities			
Borrowings			22254431
Other Financial Liabilities			188217
Total Financial Liabilities	-	-	22442648

22.2 During the year ended March 31, 2017 and March 31, 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.



23 The following are the remaining contractual maturities of financial liabilities as at 31st March 2017.

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Borrowings	25450942					
Other financial liabilities	448060					

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2016.

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Borrowings	24797223					
Other financial liabilities	233215					

c The following are the remaining contractual maturities of financial liabilities as at 1st April 2015.

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Borrowings	22254431					
Other financial liabilities	188217					


24 Details of Specified Bank Notes held and transacted during the period 8th November 2016 to 30th December 2016 are provided as below:

Particulars	SBNs	Other	Total
Closing cash in hand as on 8th November 2016	-	1,924	1,924
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30th December 2016	-	1,924	1,924

25 Comparative financial information (i.e. the amounts and other disclosure for the preceding year) presented above, is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

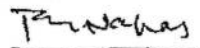


As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E


M. L. SHUKLA
Partner
Membership No 051505
Kolkata.

24th May, 2017

For and on behalf of the Board



B. R. NAMAR
DIN 00049895



VIROD KUMAR HAMIRWASIA
DIN 00149104