

INDEPENDENT AUDITOR'S REPORT

To the Members of Lok Cement Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Lok Cement Limited ("the Company"), which comprise of the Balance Sheet as at March 31 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, Company has not paid any amount as managerial remuneration hence reporting is not applicable to the Company.



- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at the Balance Sheet date;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. As the Company had not declared any dividend, reporting on amount required to be transferred to Investor Education and Protection Fund is not applicable to the Company
 - iv. The Management has represented that, to the best of its knowledge and belief:
 - a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding, recorded in writing or otherwise, that the intermediary shall, either directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) No funds have been received by the Company from any person(s) or entity (ies) including foreign entities ("Funding Parties"), with the understanding, recorded in writing or otherwise, that the Company shall, either directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on audit procedures, as considered reasonable and appropriate in the circumstances, performed by us, we report that nothing has come to our notice that has caused us to believe that the representations as above contain any material mis-statement.
 - v. As the Company had not declared dividend, either in current year or earlier year, reporting on compliance with Section 123 is not applicable to the Company.
 - vi. MCA Vide its notification dated 31.03.2023 has extended the requirement of implementation of audit trail software to financial year commencing on or after 1st April 2023, accordingly reporting under Rule 11 (g) of Companies (Audit and Auditors) Amendment Rule 2021 is not applicable.



For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

M L Shukla
Partner
Membership No:051505
UDIN: 23051505BGZEQF2041

Date:05.05.2023

Place: Kolkata

Annexure – A to the Independent Auditor's Report

(Referred to in paragraph 1 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We report that:

- i. In respect of its Property, Plant & Equipment:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment
 - a) (B) The Company does not have any intangible assets hence reporting is not applicable to the Company for this clause.
 - b) Assets are fully depreciated hence 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.
 - d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
 - e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
 - a) The clause related to physical verification of inventory is not applicable as the Company does not own any inventory.
 - b) As per the information and explanation given and verification carried on by us during the year, the company has not been sanctioned working capital limit in excess of Rs. 5 crores, in aggregate, from bank or financial institutions accordingly reporting for 3(ii)(b) of the order is not applicable to the company.
- iii. a) As per the information and explanation given and verification carried by us, the company has not made investment in, provided any guarantees or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, firms, Limited liability partnership or any other parties, accordingly reporting for 3(iii) a to (f) of the order is not applicable to the company.
- iv. As per the information and explanation provided and verification carried out by us the Company has not made any investment, provided loans, guarantees, or security during the year, accordingly reporting for clause 3(iv) of the order is not applicable to the Company.
- v. As per the information and explanation given and verification carried out by us, the Company has not accepted any deposits from the public or amount which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).
- vi. As per the information and explanation given and verification carried out by us, maintenance of Cost Record is not mandated by the Government of India U/s 148 (1) of the Act for the business activities carried out by the Company.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
 - a) The Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Goods & Service Tax, Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues
No undisputed amount payable in respect of above referred act is outstanding as at 31st March 2023, for a period of more than six months from the date they became payable.
 - b) There are no dues of acts referred above which have not been deposited with the appropriate authorities on account of any dispute.



- viii. According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) As the Company has not taken any loan from banks / financial institutions, reporting on clause 3(ix) (a) is not applicable to the Company.
b) On the basis of the information and explanations provided to us, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
c) As the Company has not taken any loan from banks / financial institutions, reporting on clause 3(ix)(c), (d), (e) and (f) is not applicable to the Company.
- x. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
b) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year; accordingly, the clause is not applicable to the Company.
- xi. a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.
b) We have not filed any report in form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rule 2014 with Central Government during the year.
c) The company is not required to institute mechanism of whistle blower, accordingly reporting under clause xi (c) is not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- xiv. a) As the Paid up share capital of the Company is below Rs. Fifty Crore, turnover is below Rs. Two hundred crore, borrowing from bank / financial institutions is below Rs. One hundred crore, and outstanding Deposits is less than Rs.25 Crores, requirement of instituting an internal audit system is not applicable to the Company. Accordingly there is no need to report on Clause (xiv) (a) and (b).
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi) (a) of the Order is not applicable to the Company.
b) As per the information and explanation provided and verification carried out by us, The Company has not carried out any Non-Banking Financial or Housing Finance activities, accordingly the clause no. 3(xvi)(b) of the Order is not applicable.
c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable to the Company.
d) According to the information and explanations given to us, the group does not have any CIC in the Group.



- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses during the financial year covered by our audit as well as in the immediately preceding financial year.
- xviii. There has not been any resignation of Statutory Auditor and accordingly the clause 3(xviii) of the order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. The Company is not required to incur expense towards Corporate Social Responsibility accordingly, reporting under this clause is not applicable to the Company.



Date: 05.05.2023

Place : Kolkata

For Singhi & Co.
Chartered Accountants
Firm Registration number : 302049E

M L Shukla
Partner
Membership no: 051505
UDIN:23051505BGZEQF2041

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2 (f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

1. We have audited the internal financial controls over financial reporting of Lok Cement Limited ('the Company') as of 31st March 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 ('ICAI'). 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 Act.

Auditor's Responsibility

3. 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 the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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 judgment, including the assessment of the risks of material misstatement of the financial Statements, whether due to fraud or error.
5. 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

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



Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. 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 March 31, 2023, 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.



Date: 05.05.2023

Place: Kolkata

For Singhi & Co.

Chartered Accountants

Firm Registration number : 302049E

M L Shukla

Partner

Membership no: 051505

UDIN: 23051505BGZEQF2041

LOK CEMENTS LIMITED
CIN No. U26922MH1995PLC085677
BALANCE SHEET as at 31st March, 2023

	Note		(₹ in thousands)
	No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment		-	-
Financial Assets			
Other Financial Assets	3	10.00	10.00
Non Current Tax assets (net)	4	13.71	14.62
Other Non-Current Assets	5	3,127.98	3,127.98
		3,151.69	3,152.60
CURRENT ASSETS			
Financial Assets			
Cash and Cash Equivalents	6	65.07	2,523.11
Bank balances other than Note 6	7	2,400.00	-
Other Financial Assets	3	123.43	-
Other Current Assets	5	-	-
		2,588.50	2,523.11
Total Assets		5,740.19	5,675.71
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	8	12,507.00	12,507.00
Other Equity	9	(6,790.41)	(6,875.09)
		5,716.59	5,631.91
LIABILITIES			
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		-	-
Trade Payable			
Total outstanding dues of micro enterprises and small enterprises	10	-	-
Total outstanding dues of creditor other than micro enterprises and small enterprises	10	-	-
Other Financial Liabilities	11	-	-
Other Current Liabilities	12	23.60	43.80
		23.60	43.80
Total Equity and Liabilities		5,740.19	5,675.71
Corporate and General Information	1		
Basis of Accounting & Significant Accounting Policies	2		

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
Date: 05/05/2023
UDIN - 23051505BGZEQF2041



M. K. Mehta
(DIN No. : 00085694)

ADITYA SARAOGI
DIN 05336037

ARUN AGARWAL
DIN 01875702

Kolkata
Date: 05/05/2023

LOK CEMENTS LIMITED
CIN No. U26922MH1995PLC085677
STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2023

(₹ in thousands)

	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
INCOME			
Other Income	13	137.72	251.28
Total Income		137.72	251.28
EXPENSES			
Finance Costs	14	-	-
Other Expenses	15	53.04	148.81
Total Expenses		53.04	148.81
Profit before Exceptional Items and Tax		84.68	102.47
Exceptional Items		-	-
Profit/(Loss) before Tax		84.68	102.47
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Income Tax for earlier years		-	-
Profit/(Loss) for the year		84.68	102.47
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		84.68	102.47
Earnings Per Share			
Weighted Average Number of Ordinary Shares outstanding during the year		12,50,700	12,50,700
Basic (Rs.)		0.07	0.08
Diluted (Rs.)		0.07	0.08
Corporate and General Information	1		
Basis of Accounting & Significant Accounting Policies	2		

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

M. L. SHUKLA

Partner

Membership No. 051505

Kolkata

Date: 05/05/2023

UDIN - 23051505BGZEQF2041



M. K. Mehta

M. K. Mehta
(DIN No. : 00085694)

Aditya Saraogi

ADITYA SARAOGI
DIN 05336037

Arun Agarwal

ARUN AGARWAL
DIN 01875702

Kolkata

Date: 05/05/2023

a) Equity Share Capital

Balance as at 1st April, 2021
Add/(Less): Changes in Equity Share Capital due to prior period errors
Add/(Less): Restated Balance at the beginning of 01-04-2021
Add/(Less): Changes in Equity Share Capital during the year
Balance as at 31st March, 2022
Add/(Less): Changes in Equity Share Capital due to prior period errors
Add/(Less): Restated Balance at the beginning of 01-04-2022
Add/(Less): Changes in Equity Share Capital during the year
Balance as at 31st March, 2023

12,507
-
-
-
12,507
-
-
-
12,507

b) Other Equity

Particulars	Share Application Money Pending for Allotment	Equity Component of compound financial Instruments	Reserves & 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	Remeasurement of Defined Benefit Plans	
Balance as at 1st April, 2021	-	-			5.38	-	(6,982.94)	0	0	0	(6,977.56)
Changes in Accounting Policy or prior period errors											
Restated balance as at 1st April, 2021					5.38		(6,982.94)				(6,977.56)
Profit for the year							102.47				102.47
Total Comprehensive Income for the year	-	-	-	-	-	-	102.47	-	-	-	102.47
			-	-	-	-					
Balance as at 31st March, 2022	-	-	-	-	5.38	-	(6,880.47)	-	-	-	(6,875.09)

Particulars	Share Application Money Pending for Allotment	Equity Component of compound financial Instruments	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	Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2022	-	-	-	-	5.38	-	(6,880.47)	-	-	-	(6,875.09)
Changes in Accounting Policy or prior period errors											
Restated balance as at 1st April, 2022					5.38		(6,880.47)				(6,875.09)
Profit for the year							84.68				84.68
Total Comprehensive Income for the year		-		-	-	-	84.68		-	-	84.68
Balance as at 31st March, 2023	-	-		-	5.38	-	(6,795.79)		-	-	(6,790.41)

For SINGHI & CO.

Chartered Accountants
Firm Registration No. 302049E

M. L. SHUKLA

Partner

Membership No. 051505

Kolkata

Date: 05/05/2023

UDIN - 23051505BGZQF2041

For and on behalf of the Board

Navdeep Datta

M. K. Mehta
(DIN No. : 00085694)

ADITYA SARAOGL
DIN 05336037

Agarwal
ARUN AGARWAL
DIN 01875702

Kolkata
Date: 05/05/2023



LOK CEMENTS LIMITED
CIN U26922MH1995PLC085677
CASH FLOW STATEMENT for the year ended 31st March, 2023

(₹ in thousands)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. Cash Flow from Operating Activities:		
Profit/(Loss) before Tax	84.68	102.47
Adjustments for:		
Interest Income (Accrued)	(137.14)	
Interest Income (Received)		(146.17)
Excess Liabilities and Unclaimed Balances written back	-	(105.11)
Assets written off (no longer recoverable)	-	91.54
Operating Profit before Working Capital changes	(52.46)	(57.27)
Adjustments for:		
Increase/(Decrease) in other financial liabilities		(17.70)
(Increase)/Decrease in Other Current Assets		9.90
Increase/(Decrease) in other Current Liabilities	(20.20)	43.80
Cash generated from operations	(72.66)	(21.27)
Net Refund/ (Payment) of Taxes	0.90	(24.52)
Net Cash from Operating Activities	(71.76)	(45.79)
B. Cash Flow from Investing Activities		
Interest Income Received (on TDS)	13.72	156.00
Fixed Deposit matured	-	2,400.00
Fixed Deposit made with Banks	(2,400.00)	-
Net Cash used in Investing Activities	(2,386.28)	2,556
C. Cash Flow from Financing Activities		
Proceeds from Issue of Shares	-	-
Net Cash used in Financing Activities	-	-
Net increase in Cash and Cash Equivalents	(2,458.04)	2,510.21
Cash and Cash Equivalents as on 01.04.2022 (Opening Balance)	2,523.11	12.90
Cash and Cash Equivalents as on 31.03.2023 (Closing Balance)	65.07	2,523.11

Notes:

a Reconciliation of Liabilities arising from financing activities

Particulars	Opening	Proceeds	Repayments	Written back
Long Term Borrowings (Including current maturity) as on 31-03-23	-	-	-	-
Long Term Borrowings (Including current maturity) as on 31-03-22	-	-	-	-

- b The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
c The composition of Cash & Cash Equivalent has been determined based on the Accounting Policy.
d Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
e Figures for the previous year have been re-grouped wherever considered necessary.

The Notes are an integral part of the Financial Statements

As per our Report annexed.

For SINGHI & CO.

Chartered Accountants

M. L. SHUKLA

Partner

Membership No. 051505

Kolkata

Date: 05/05/2023

UDIN - 23051505BGZEQF2041



M. K. Mehta

M. K. Mehta
(DIN No. : 00085694)

For and on behalf of the Board

Aditya Saraogi
ADITYA SARAOGI
DIN 05336037

Arun Agarwal
ARUN AGARWAL
DIN 01875702

Kolkata

Date: 05/05/2023

Lok Cements Limited
CIN :U26922MH1995PLC085677

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2023

1. CORPORATE AND GENERAL INFORMATION

Lok Cements Limited is a company of M. P. Birla Group. It was incorporated as Public Limited Company in the year 1995. The Company was formed to Carry business as manufacturers and dealers in Grey Cement, white 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 PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), other relevant provisions of the Act as applicable.

The financial statements of the Company for the year ended 31st March, 2023 have been approved by the Board of Directors in their meeting held on 05/05/2023.

2.2 Basis of Measurement

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

- Financial assets and liabilities (including Derivative Instruments) are measured at Fair value/ Amortised cost;

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR or ₹.), which is also the Company's functional currency. All financial information presented in INR has been rounded off to the nearest thousand as per the requirements of Schedule III, unless otherwise stated. Wherever the amount represented '0.00' (Zero) construes value less than Rupees One hundred.

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 be 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. However, for the purpose of the Cash Flow Statement the same is net of outstanding bank overdrafts.

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. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

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), except freehold land where the Company had opted revaluation model, and the same is stated in the Balance Sheet at revalued amount less 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 present value of 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.
- Material items such as spare parts, stand-by equipment and service equipment are classified as property, plant and equipment when they meet the definition of property, plant and equipment.

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 is the systematic allocation of the depreciable amount of property, plant and equipment over its useful lives and is provided on straight line basis at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act, though these lives in certain cases are different from the lives prescribed in Schedule II.
- In case the cost of part of property, plant and equipment 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.
- Such classes of assets and their estimated useful lives are as under:

Class of Assets	Useful Lives
Freehold Land	Freehold land is not depreciated
Building including Roads	5 to 60 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 off).



- 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

The Company follows Ind AS 115 "Revenue from Contracts with Customers" in respect of recognition of revenue from contracts with customers which provides a control-based revenue recognition model and a five step application approach for revenue recognition as under:

- Identification of the contract(s) with customers;
- Identification of the performance obligations;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations;
- Recognition of the revenue when or as the Company satisfies performance obligation.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue excludes collected on behalf of third parties.

3.4.1. Sale of Goods

Revenue from the sale of goods is recognized when the Company satisfies a performance obligation at a point in time by transferring the goods to customers, i.e., when customers obtain control of the goods. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration i.e. discounts, rebates, sales claim etc. offered by the Company as part of the contract.

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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

➤ 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. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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. If the effect of the time value of money is material, 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. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

3.8.3. Contingent Assets

Contingent assets are not recognized in Financial Statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

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.

3.10 Leases

" Effective April 1, 2019, the Company has applied Ind AS 116 'Leases' which establishes the criteria to determine the contracts having lease component within them. Ind AS 116 replaces Ind AS 17 'Leases'.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as non-cancellable period of a lease, together with both the periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The company revises the lease term if there is a change in the non-cancellable period of a lease."

3.11 Earning per shares

Basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders is divided by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.12 Standards Issued/amended but not yet effective

Ministry of Corporate Affairs ("MCA"), vide notification dated 31st March 2023, has made the following amendments to the existing standards which are effective from 1st April 2023:

- (a) **Ind AS 1 Presentation of Financial Statements:** The amendments requires the companies to disclose their material accounting policies rather than their significant accounting policies.
- (b) **Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors:** The amendment has introduced a definition of "accounting estimates" to help entities to distinguish changes in accounting policies from changes in accounting estimates.
- (c) **Ind AS 12 Income Taxes:** This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

Based on preliminary assessment, the Company does not expect significant impact of these changes on its financial statements.



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.
- **Leases:** The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.



LOK CEMENTS LIMITED
CIN No. U26922MH1995PLC085677
Notes to Financial Statements as on and for the year ended 31st March, 2023

(₹ in thousands)

Refer Note No.	Non current		Current	
	As at	As at	As at	As at
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
3 OTHERS FINANCIAL ASSETS				
Interest Accrued on Deposit	-	-	123.43	-
Security Deposits				
Secured, considered good	-	-	-	-
Unsecured, considered good	10.00	10.00	-	-
Doubtful	-	-	-	-
	10.00	10.00	123.43	-
Provision for doubtful security deposit	-	-	-	-
	10.00	10.00	123.43	-
4 Non Current Tax assets (net)				
Advance Tax and TDS (Net of provisions)	13.71	14.62	-	-
	13.71	14.62	-	-
5 OTHER ASSETS				
Advances other than Capital Advances				
Advance against supply of Goods and Services	-	-	-	-
Balances with Government & Statutory Authorities	3,127.98	3,127.98	-	-
Total Other Assets	3,127.98	3,127.98	-	-

Refer Note No.	As at	As at
	31st March 2023	31st March 2022
6 CASH AND CASH EQUIVALENTS		
Balances With Banks :		
In Current Account	65.07	2,520.19
Cash in Hand	-	2.92
	65.07	2,523.11
7 BANK BALANCES (OTHER THAN NOTE: 6)		
Other Fixed Deposit with Banks - having maturity of less than twelve months	2,400.00	-
	2,400.00	-

Refer Note No.	As at 31 st March 2023		As at 31 st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
8 EQUITY SHARE CAPITAL				
8.1 Authorised Share Capital				
Ordinary Shares of ₹10/- each	1,00,00,000	1,00,000	1,00,00,000	1,00,000
	1,00,00,000	1,00,000	1,00,00,000	1,00,000
8.2 Issued Share Capital				
Ordinary Shares of ₹10/- each	12,50,700	12,507	12,50,700	12,507
	12,50,700	12,507	12,50,700	12,507
8.3 Subscribed and Paid-up Share Capital				
Ordinary Shares of ₹10/- each fully paid-up	12,50,700	12,507	12,50,700	12,507
	12,50,700	12,507	12,50,700	12,507

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

The Company has not issued any Share during the current year (Previous Year NIL).

8.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e., Ordinary Shares having par value of Rs. 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.

8.6 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.

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

8.8 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.

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

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



Notes to Financial Statements as on and for the year ended 31st March, 2023

8.11 Details of Equity Shareholders holding more than 5% shares in the Company.

Name of Shareholders	As at 31st March 2023		As at 31st March 2022	
	No of Shares	% Holding	No of Shares	% Holding
Birla Corporation Limited	12,50,700	100	12,50,700	100
	12,50,700	100	12,50,700	100

8.12 Disclosure of Promoters shareholding

Shares held by promoters at the end of the year							
Sl. No.	Promoter Name	As at 31st March 2023			As at 31st March 2022		
		No of Shares	% of Total Shares	% of change during	No of Shares	% of Total Shares	% of change
1	Birla Corporation Limited	12,50,700	100	-	12,50,700	100	-
	Total	12,50,700	100	-	12,50,700	100	-

9 OTHER EQUITY (Refer Statement of Changes in Equity)

The Description of the nature and purpose of each reserve within equity is as follows:

General Reserve : The general reserve is used from time to time to transfer profits from retained earnings after appropriation purposes.

Retained Earnings: Retained Earnings represents the undistributed profit of the Company.

Refer Note
No.

Current	
As at 31st March 2023	As at 31st March 2022

10 TRADE PAYABLES

16

Trade Payables for goods and services
-Total outstanding dues of creditors to micro enterprises and small enterprises.
-Total outstanding dues of creditors to other than micro enterprises and small enterprises.

-	-
-	-
-	-

Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment As at 31st March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-
ii. Others	-	-	-	-	-
iii. Disputed Dues - MSME	-	-	-	-	-
iii. Disputed Dues - Others	-	-	-	-	-
Total	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment As at 31st March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-
ii. Others	-	-	-	-	-
iii. Disputed Dues - MSME	-	-	-	-	-
iii. Disputed Dues - Others	-	-	-	-	-
Total	-	-	-	-	-

Refer Note No.	Non-Current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022

11 OTHER FINANCIAL LIABILITIES

OTHER PAYABLES

Other Payable

-	-	-	-
-	-	-	-

12 OTHER CURRENT LIABILITIES

Other Liabilities

Statutory Dues

As at 31st March 2023	As at 31st March 2022
23.60	41.30
-	2.50
23.60	43.80



LOK CEMENTS LIMITED

CIN No. U26922MH1995PLC085677

Notes to Financial Statements as on and for the year ended 31st March, 2023



16 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 2023	As at 31st March 2022
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	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
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
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	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

17 Related Party Disclosures

17.1 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 Holding Company	
		31st March 2023	31st March 2022
Birla Corporation Ltd	India	100%	100%

17.2 Transaction during the year

Particulars	2022-23	2021-22
Issue of Shares	-	-
Reimbursement of Expenses	1.82	3.32

17.3 Balance Outstanding as at the balance sheet date

Particulars	As at 31st March 2023	As at 31st March 2022
Loan payable	-	-
Interest on Loan payable	-	-

18 Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. In the absence of reasonable certainty of future taxable profits, supported by convincing evidence, the net deferred tax assets of Rs. 1421.26 (P.Y. Rs. 1442.57) on carried forward losses have not been recognised in these financial results.

19 Fair value of Financial Assets and Financial Liabilities (Non Current and Current)

Particulars	31st March 2023			31st March 2022		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Other Financial Assets	-	-	10.00	-	-	10.00
Cash and Cash Equivalents	-	-	65.07	-	-	2,523.11
Bank Balance other than note 6	-	-	2,400	-	-	-
Total Financial Assets	-	-	2,475.07	-	-	2,533.11
Financial Liabilities						
Other Financial Liabilities	-	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-	-

19.1 Fair Values of Financial Assets & Liabilities

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 2023		31st March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Other Financial Assets	10.00	10.00	10.00	10.00
Cash and Cash Equivalents	65.07	65.07	2,523.11	2,523.11
Bank Balance other than note 6	2,400.00	2,400.00	-	-
Total Financial Assets	2,475.07	2,475.07	2,533.11	2,533.11
Financial Liabilities				
Other Financial Liabilities	-	-	-	-
Total Financial Liabilities	-	-	-	-

19.2 The management assessed that the fair values of cash and cash equivalents, Other Financial Assets and Bank Balance approximates their carrying amounts largely due to the short-term maturities of these instruments.

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

19.4 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.



20 Assets and Liabilities measured at Fair Value.

(₹ in thousands)

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

Particulars	31st March 2023			31st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Other Financial Assets	-	-	10.00	-	-	10.00
Cash and Cash Equivalents	-	-	65.07	-	-	2,523.11
Bank Balance other than note 6	-	-	2,400.00	-	-	-
Total Financial Assets	-	-	2,475.07	-	-	2,533.11
Financial Liabilities						
Other Financial Liabilities	-	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-	-

20.2 During the year ended March 31, 2023 and March 31, 2022, 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.

20.3 The following are the remaining contractual maturities of financial liabilities as at 31st March 2023

a

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

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2022

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

21 Ratio Analysis and its elements

Ratios

Ratio	Numerator	Denominator	Current Period 2022-23	Previous Period 2021-22	% Variance	Reason for variance
Current Ratio (in times)	Current Assets	Current Liabilities	109.68	57.61	90.38	Due to decrease in current liabilities and increase in accrued interest.
Debt-Equity Ratio (in times)	Non-Current Borrowings plus Current maturities of Non-Current Borrowings	Equity (excluding Revaluation Surplus and Capital Reserve)	-	-	-	Not Applicable
Debt Service Coverage Ratio (in times)	Earnings before Interest, Tax and Depreciation	Interest Expense plus Principal Payment for Non-Current Borrowings during the year	-	-	-	Not Applicable
Return on equity ratio	Profit after Tax	Equity (excluding Revaluation Surplus and Capital Reserve)	1.48	1.82	(18.68)	Since the variance is below the level of 25%, providing reason is not madatory, hence not provided
Inventory turnover ratio (in times)	Sale of Products & Services	Average Inventory	-	-	-	Not Applicable
Trade receivables turnover ratio	Sale of Products & Services	Average Debtors	-	-	-	Not Applicable
Trade payables turnover ratio (in times)	Purchases	Average Creditors	-	-	-	Not Applicable
Net capital turnover ratio	Sale of Products & Services	Closing Working Capital	-	-	-	Not Applicable
Net profit ratio	Profit after Tax	Sale of Products & Services	-	-	-	Not Applicable
Return on capital employed	Earnings before Interest and Tax	Capital Employed (Tangible net worth plus total debt plus deferred tax liability)	1.48	1.82	(18.68)	Since the variance is below the level of 25%, providing reason is not madatory, hence not provided
Return on investment	Return on Investments and Fixed Deposits	Average Investments and Fixed Deposits	-	-	-	Not Applicable



22 There were no contingent liabilities as on 31st March 2023 and 31st March 2022.

23 **Capital and other commitment:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance CY Rs. Nil, PY Rs. Nil) Cy Rs. Nil, PY Rs. Nil.

24 On adoption of IND AS on 01.04.2016 (the transition date) certain items of Property, Plant & Equipment were brought forward at NIL value, being the deemed cost. The said items are still in use. But as these do not carry any value, no separate note of PPE has been prepared in the Financial Statements.

25 The Company does not have any Benami property. Further, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami property transactions Act 1988 and rules made thereunder.

26 The Company does not have any transactions with struck off companies during the year ended 31st March, 2023 and also for the year ended 31st March, 2022.

27 The Company has not traded or invested in crypto currency or virtual currency during the year ended 31st March, 2023 and also for the year ended 31st March, 2022. Besides, the Company has not received deposits or advances from any person for the purpose of trading or investing in crypto/virtual currency.

28 The Company does not have any such transaction which is not recorded in the books of Accounts that has been surrendered or disclosed as income during the year in the tax assessment under Income tax Act, 1961. Besides, The company does not have any previously unrecorded income and related assets.

29 **Utilisation of Borrowed Funds and Share Premium**

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities including foreign entities (intermediaries) with the understanding that the Intermediaries shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or provided any guarantee, security or the like or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provided any guarantee, security or the like or on behalf of the Ultimate Beneficiaries.

30 **Compliance with number of layers of companies:**

The Company has complied with the number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.

31 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

Date: 05/05/2023

UDIN - 230515058GZEQF2041



For and on behalf of the Board



ADITYA SARAOGI
DIN-05336037



M. K. Mehta
(DIN No. : 00085694)



ARUN AGARWAL
DIN 01875702

Kolkata
Date: 05/05/2023