



LAKELAND CHEMICALS (INDIA) LIMITED

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 ST MARCH 2025

PAN : AABCL 0123 F

CIN : U24110MH2004PLC146040

C B MEHTA & ASSOCIATES
CHARTERED ACCOUNTANTS

2, MOTIVILLA, AZAD ROAD
VILE PARLE (EAST), MUMBAI 400 057

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INDEPENDENT AUDITOR'S REPORT

To the Members of LAKELAND CHEMICALS INDIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lakeland Chemicals India Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the financial statement, including a summary of Material Accounting Policy and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2025 and its loss including comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our audit report. We have fulfilled the responsibilities described in the auditor's responsibility section of our report including in relation to these matters. Our opinion is not modified in respect of these matters.

S. N.	Key Audit Matters	Auditors' response
1	In respect of the parties' balances, confirmations were sought from few of the parties at the year end. There are parties who have not sent confirmations. It has been explained that management has the system of reconciling balances with parties from time to time during the year. All the parties are having regular business transactions.	In the absence of external confirmations, we as auditors carried out alternative procedures to verify the balances: • We tested the effectiveness of controls over sale and purchase transactions with the parties and accounting of the same. • The transactions of sale/purchase were verified through external bills and invoices to/from the parties. The payments were cross verified from the bank statements of the company. In view of the high magnitude of such transactions we followed SA 530 "Audit Sampling" of ICAI in this regard.
2	The physical verification of stock is carried out by the management during the year at various locations so as to cover all the locations during the year. The inventory is situated at multiple locations and keeping in view the magnitude, nature and specifications of the inventory, technical expertise is required to physically verify the same.	We have followed the following processes: We carried out checking of the stock records to verify the stock. Keeping in view the magnitude of transactions, the same has been done on a sample selection basis in accordance with SA 530 "Audit Sampling". • The records of the physical verification of stock during the year were verified. • The report of physical verification as on 31.03.2025 from independent approved surveyors in respect of stock lying in the bonded warehouses has been produced for our verification. • Keeping in view the location, magnitude and nature of the inventory consisting of Chemicals in containers of voluminous size at

S. N.	Key Audit Matters	Auditors' response
		the port, and other places, we were not technically competent to • Personally verify the stock physically and relied on the approved surveyor's report. • We also tallied the same with the regular stock records maintained by the company and produced for our verification.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies(Accounting Standards) Rules, 2015, as amended, thereof.

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 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the 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 Companies Act, 2013, 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 control.
- 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For C B Mehta & Associates
Chartered Accountants
FRN: 124978W



C.B. Mehta
Proprietor
MRN: 116543



Place: Mumbai
Dated: May 09, 2025
UDIN: 25116543BMJPLC3629

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 in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting standard) Rules, 2015.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has paid managerial remuneration (if any) as per provision of the said section;
 - 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, 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; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company – not applicable
- iv. (a) The management has represented to us that, to the best of its knowledge and belief, 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 or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 ;and

(c) Based on audit procedure performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.

Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the company as per the statutory requirements for record retention.

For C B Mehta & Associates

Chartered Accountants

FRN: 124978W



C.B. Mehta

Proprietor

MRN: 116543



Place: Mumbai

Dated: May 09, 2025

UDIN: 25116543BMJPLC3629

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under 'Report on other legal and regulatory requirements' section our report to the members of Lakeland Chemicals India Limited of even date)

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
 - b) The Property, plant and equipment were physically verified during the year by the management in accordance with regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
 - d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. In respect of the Company's Inventories:

The inventories (except for goods-in-transit, which have been received subsequent to the year-end), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories procedures performed as applicable, when compared with the books of accounts.

The Company has borrowing from bank or financial institution on the basis of security of current assets of the company. The periodic statements submitted by company to the bank or financial institutions are in agreement with books of accounts of the company.

- iii. According to the information and explanations given to us, the Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LLP or any other parties. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company and hence not commented upon.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to parties covered under Section 185 and 186 of the Act. Therefore, provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. According to the information and explanation given to us, the company has not accepted any deposit from the public.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Profession Tax, Employees' State Insurance, Income Tax, Customs Duty, Goods and Service Tax, Cess and other material statutory dues as applicable to it with the appropriate authorities.
 - b) According to information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Profession Tax, Employees' State Insurance, Income Tax, Duty of customs, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
- viii. In our opinion and according to the record of the Company examined by us and the information and explanation given to us, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax Act, 1961 as income during the year.
- ix.
 - a) The Company has not defaulted in repayment of loan or borrowing or in the payment of interest thereon to any lender during the year.
 - b) According to the information and explanation given to us and on the basis of our examination of the books of account, the Company is not a declared wilful defaulter by any bank or financial institutions or other lender.

c) In our opinion and according to the information and explanations given to us, the company has utilised the money obtained by way of Term Loans during the year for the purposes for which they were obtained.

d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

f) The company has not raised loans during the year on the pledge of securities held in its subsidiary, associate or joint venture. Hence clause 3(ix)(f) of the Order is not applicable.

x. a) According to the information and explanation given to us and on the basis of our examination of the books of account, the Company has not raised money by way of Initial Public Offer or Further Public Offer (including debt instruments) or terms loans and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanation given to us and on the basis of our examination of the books of account, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

b) According to the information and explanations given to us, no report under sub-section (12) of the section 143 of the Companies Act, 2013 was required to be filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanations given to us, there were no whistle blower complaints received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details

of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business, and there is no requirement for the internal audit to the company.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses to the tune of Rs. 151.27 Lacs during the financial year covered by our audit whereas no cash loss were incurred during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, the provision of section 135 (Corporate social responsibility) is not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For C B Mehta & Associates
Chartered Accountants
FRN: 124978W



C.B. Mehta
Proprietor
MRN: 116543



Place: Mumbai
Dated: May 09, 2025
UDIN: 25116543BMJPLC3629

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Lakeland Chemicals India Limited of even date)

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

We have audited the internal financial controls with reference to financial statements of **Lakeland Chemicals India Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to financial statements (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial

statements, 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 judgements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with

reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India.

For C B Mehta & Associates
Chartered Accountants
FRN: 124978W



C B Mehta
Proprietor
MRN: 116543



Place: Mumbai
Dated: May 09, 2025
UDIN: 25116543BMJPLC3629



LAKELAND CHEMICALS (INDIA) LTD.
Chemistry Drives Performance

Balance Sheet as at March 31, 2025
(In Lacs)

Sl. No.	Particulars	Note No.	As at	
			Mar 31, 2025	Mar 31, 2024
	Assets			
1	Non-current Assets			
	(a) Property, Plant and Equipment	2a	5,548.74	3,908.66
	(b) Right-of-use Assets	2b	25.60	42.20
	(c) Capital work-in-progress	2c	62.90	1,093.76
	(d) Financial Assets			
	Others Financial Assets	3	60.05	10.03
	(e) Deferred Tax Assets	4	4,032.32	3,923.13
2	Current Assets			
	(a) Inventories	5	3,086.84	1,455.80
	(b) Financial Assets			
	(i) Trade receivables	6	2,334.70	1,911.32
	(ii) Cash and cash equivalents	7	1.83	0.64
	(iii) Others	8	283.88	170.26
	(c) Current Tax Assets (Net)	9	16.50	8.04
	(d) Other Current Assets	10	654.67	474.10
	Total Assets		16,107.85	12,997.83
	Equity & Liabilities			
1	Equity			
	(a) Equity Share capital	11	1,000.00	1,000.00
	(b) Other Equity	12	2,563.25	3,062.03
	Inter department balance			
2	Liabilities			
	Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	4,022.80	3,041.44
	(ii) Lease Liability	14	10.05	27.24
	(b) Provision	15	10.50	4.99
	(c) Other Non-Current Liabilities		-	-
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	6,013.66	4,372.44
	(ii) Lease Liabilities	17	17.19	15.56
	(iii) Trade payables			
	a) Dues of Micro and Small Enterprises	18	4.31	-
	b) Dues of other than Micro & Small Enterprises		1,734.41	1,268.01
	(iv) Other financial liabilities	19	190.87	168.36
	(b) Other Current Liabilities	20	540.75	37.72
	(c) Provisions	21	0.07	0.04
	Total Equity & Liabilities		16,107.85	12,997.83

Material Accounting Policies
The accompanying notes to the financial statements
As per our report of even date attached

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For C B Mehta & Associates
Chartered Accountants
Firm No. 124978W

C B Mehta
Proprietor
MRN: 116543

Place: Mumbai
Date: May 9, 2025



For & on behalf of Board of Directors

Harshvardhan Bothra
Director

DIN : 08533731

Sanjiv Goyal
Chief Financial Officer

Hemant Jain
Director

DIN : 08878484

Sonam Singh Chauhan
Company Secretary

**LAKELAND CHEMICALS (INDIA) LTD.**

Chemistry Drives Performance

Statement of Cash Flow for the year ended March 31, 2025

(In Lacs)

Sr. No.	Particulars	For the year ended	
		March 31, 2025	March 31, 2024
1	(a) Cash Flow from Operating Activities		
	Net Profit Before Taxation	(607.98)	(128.84)
	Adjustment for non cash items :		
	Depreciation, amortization and impairment	300.36	215.75
	Interest Income	(18.23)	
	Interest & Finance Charges	619.97	386.76
	Operating Profit Before Working Capital Changes	294.12	473.67
	(b) Adjustments for Changes in Operating Assets:		
	(Increase)/ Decreases in Trade receivables	(423.39)	(1,670.72)
	(Increase)/ Decreases in Inventories	(1,631.04)	(1,049.76)
	(Increase)/ Decreases in Other Financial Assets	(163.44)	(148.62)
	(Increase)/ Decreases in Current Tax Assets	(8.45)	(7.78)
	(Increase)/ Decreases in Other Current Assets	(180.57)	(321.86)
	Increase/ (Decrease) in Trade payables	470.70	639.58
	Increase/ (Decrease) in Other Financial Liabilities	22.51	143.01
	Increase/ (Decrease) in Provisions	5.54	0.04
	Increase/ (Decrease) in Other Liabilities	503.03	(6.97)
	Cash Generated from Operations	(1,110.99)	(1,949.43)
	Taxes paid	-	-
	Cash Flow from Operating Activities (A)	(1,110.99)	(1,949.43)
2	Cash from Investment Activities :-		
	Expenditure on Property, Plant & Equipments & Capital work in progress	(893.09)	(2,132.26)
	Interest Received	18.23	-
	Net Cash Generated from / (used in) Investing Activities (B)	(874.86)	(2,132.26)
3	Cash Flow from Financing Activities :-		
	Increase/ (Decrease) in Long Term Borrowings	964.16	647.00
	Increase/ (Decrease) in Short Term Borrowings	1,642.85	3,521.56
	Interest & Finance Charges	(619.97)	(386.76)
	Net Cash Generated from / (used in) Financing Activities (C)	1,987.05	3,781.80
	Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	1.19	(299.89)
	Net Change in cash & Cash equivalents		
	Cash & Cash Equivalent at the beginning of the Year	0.64	300.53
	Cash & Cash Equivalent at the end of year	1.83	0.64
	Components of cash and cash equivalents		
	- Cash and Cheques in Hand	0.76	0.10
	Balance with Scheduled Banks - On Current Account	1.07	0.54

Notes: The above Cash Flow Statement has been prepared under the indirect method set out as per Ind-AS-7 issued by The Institute of Chartered Accountants of India and notified u/s 133 of the Companies Act, 2013.

As per our report of even date attached

For C B Mehta & Associates

Chartered Accountants

Firm No. 124978W

C B Mehta

Proprietor

MRN: 116543

Place: Mumbai

Date: May 9, 2025



For & on behalf of Board of Directors

Harshvardhan Bothra

Director

DIN : 06533731

Hemant Jain

Director

DIN : 08878484

Sanjiv Goyal
Chief Financial Officer

Sonam Singh Chauhan
Company Secretary



LAKELAND CHEMICALS (INDIA) LTD.

Chemistry Drives Performance

Statement of Profit and Loss for the year ended Mar 31, 2025

(in Lacs)

Sl. No.	Particulars	Note No.	For the year ended	
			Mar 31, 2025	Mar 31, 2024
I	Revenue From Operations	22	10,815.98	8,513.02
II	Other Income	23	36.24	39.60
III	Total Income (I + II)		10,852.21	8,552.62
IV	EXPENSES			
	Cost of Materials Consumed	24	3,627.59	785.51
	Cost of Goods Sold	25	6,452.50	7,728.29
	Changes in Inventories of Traded Goods, Finished Goods and Packing Material	26	(530.27)	(785.97)
	Employee benefits Expenses	27	400.52	106.75
	Finance Cost	28	619.97	386.76
	Depreciation and Amortization Expenses	2	300.36	215.75
	Other Expenses	29	591.01	264.37
	Total Expenses (IV)		11,461.68	8,681.46
V	Profit/(loss) before exceptional items and tax (III- IV)		(609.46)	(128.84)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax from continuing operations (V-VI)		(609.46)	(128.84)
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax	4	(109.57)	(3,539.62)
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(499.89)	3,410.78
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XI	Profit/(loss) for the period (IX+X)		(499.89)	3,410.78
XII	Other Comprehensive Income	30	1.11	-
XIII	Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(498.78)	3,410.78
XIV	Earnings per Equity Share:	31		
	(i) Basic		(4.99)	34.11
	(ii) Diluted		(0.71)	9.55

Material Accounting Policies

The accompanying notes to the financial statements

As per our report of even date attached

2-46

For C B Mehta & Associates

Chartered Accountants

Firm No. 124978W

C B Mehta

Proprietor

MRN: 116543

Place: Mumbai

Date: May 9, 2025



For & on behalf of Board of Directors

Harshvardhan Bothra

Harshvardhan Bothra

Director

DIN : 08533731

Hemant Jain

Hemant Jain

Director

DIN : 08878484

Sanjiv Goyal

Sanjiv Goyal

Chief Financial Officer

Sanam Singh Chauhan

Sanam Singh Chauhan

Company Secretary

Lakeland Chemicals (India) Limited

Statement of Changes in Equity as at March 31, 2025

A. Equity Share Capital

(in Lacs)

Particulars	As at March 31, 2025	As at March 31, 2024
As at beginning of the year	1,000.00	1,000.00
Add: Issued fresh equity share capital	-	-
As at end of the year	1,000.00	1,000.00

Note : There is no change in shareholding pattern of the Company during the year under review.

For C B Mehta & Associates

Chartered Accountants

Firm No. 124978W



C B Mehta
Proprietor
MRN: 116543



Place: Mumbai

Date: May 9, 2025

For & on behalf of Board of Directors



Harshvardhan Bothra

Director

DIN : 08533731



Hemant Jain

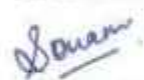
Director

DIN : 08878484



Sanjiv Goyal

Chief Financial Officer



Sunam Singh Chauhan

Company Secretary

Lakeland Chemicals (India) Limited

Statement of Changes in Equity as at March 31, 2025

B. Other Equity

Statement of Changes in Equity for the year ended March 31, 2025

(in Lacs)

Particulars	Equity Component of Optionally Convertible Debentures	Other Comprehensive Income	Reserves and Surplus		Total Amount
			Security Premium	Retained Earnings	
Balance as on April 1, 2024	501.97	-	-	2,560.07	3,062.03
Profit/(Loss) for the year	-	-	-	(499.89)	(499.89)
Add: Movement during the year	-	1.11	-	-	1.11
Total Comprehensive Income for the year	501.97	1.11	-	2,060.18	2,563.25
Balance as on March 31, 2025	501.97	1.11	-	2,060.18	2,563.25

Statement of Changes in Equity for the year ended March 31, 2024

Particulars	Equity Component of Optionally Convertible Debentures	Other Comprehensive Income	Reserves and Surplus		Total Amount
			Security Premium	Retained Earnings	
Balance as at April 01, 2023	514.63	-	-	(761.41)	(246.78)
Profit/(Loss) for the year	-	-	-	3,410.78	3,410.78
Add: Issue and conversion of Optionally Convertible Debentures - Equity Component	(12.67)	-	-	-	(12.67)
Add: Due to reduction in face value of shares	-	-	-	(89.30)	(89.30)
Total Comprehensive Income for the year	501.97	-	-	2,560.07	3,062.03
Balance as on March 31, 2024	501.97	-	-	2,560.07	3,062.03

For C B Mehta & Associates
Chartered Accountants
Firm No. 124978W

C B Mehta
Proprietor
MRN: 116543

Place: Mumbai
Date: May 9, 2025



For & on behalf of Board of Directors

Harshvardhan Bothra

Harshvardhan Bothra
Director

DIN : 08533731

Hemant Jain

Hemant Jain
Director

DIN : 08878484

Sanjiv G...

Sanjiv G...
Chief Financial Officer

Suman Singh Chauhan

Suman Singh Chauhan
Company Secretary



Note 1: Material Accounting Policies for the year ended March 31,2025

1.1. Corporate Information

Lakeland Chemicals India Limited is a Public Company domiciled in India and incorporated under the Companies Act. The company's principal business is trading and manufacturing of Specialty Chemicals.

1.2. Basis of Preparation

a) Statement of compliance

These financial statements are separate financial statements and have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and companies (Indian Accounting Standard) as amendment from time to time.

b) Basis of Measurement

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies which are as follows:

- i. Defined benefit Plan – Gratuity
- ii. Certain financial assets and Liabilities
- iii. Assets held for sale- measured at lower of cost or fair value.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

c) Use of Estimates and Judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Example of such estimates includes estimates of future obligations under employee retirement benefit plans and estimated useful life of Property, Plant and equipment actual result may differ from these estimates.



i. Useful life of Property, Plant and equipment

Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis.

ii. Defined benefit plan

The cost of the defined benefit plan and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate; future salary increases and mortality rate.

Under the projected unit credit method, a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all the active members of the plan. Due to the complexities involved in the valuation and its long-term nature, a defined benefit is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Useful life of Intangible assets

Intangible assets recognized when it is probable it is probable that the future economic benefits that are attributable to the assets will flow to the enterprises and the cost of the asset can be measured reliably.

iv. Expected credit losses on financial assets

The company provides impairment provisions of trade receivable based on assumptions about risk of default and expected timing of collection. The company uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation based on companies' history of collection, customer creditworthiness, and existing market condition as well as forward looking estimates at the end of each recording period.

v. Leases

The Company has adopted Ind AS 116. It has resulted into recognition of Lease Assets Right to Use with a corresponding Lease Liability in the Balance Sheet. The Company, as a lessee, recognizes a right to use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the



identified asset. The cost of the right to use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right to use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Company measures the lease liability at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense.

vi. Impairment of tangible and intangible assets other than goodwill

The Company assesses at each reporting the carrying amounts of its property, plant and equipment, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. The recoverable amount is higher of net selling price of an asset or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the Corporate Information and Significant Accounting Policies.

1.3 Cash and Cash Equivalent

Cash and cash equivalent refers to the line item on the balance sheet that reports the value of a company's assets that are cash and or can be converted into cash immediately. Cash equivalents include bank accounts and marketable securities such as commercial paper and short-term government bonds. Cash equivalents are maturities of 3 months or less.

1.4 Exceptional Items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activity of the company is such that its disclosure improves an understanding of the performance of the company. Such income or expenses classified as exceptional item and accordingly disclosure notes to accounts.

Pursuant to the corporate insolvency resolution process (CIRP) under the insolvency and Bankruptcy Code 2016 which was initiated against company on 23rd September 2019 and in terms of approved resolution plan vide order of national company law



tribunal(NCLT) dated September 19 2022, the liability towards secured and unsecured financial creditors (including interest), trade receivable, other current and non-current assets and liabilities which is long outstanding and reported as opening balance for the year has been transferred to exceptional item.

1.5 Investments

Investment in subsidiaries & Associates

Investment in subsidiaries and associates are accounted for at cost less impairment loss, if any.

Other investment

All other investments are measured at fair value, with value changes recognized statement of other comprehensive income.

1.6 Inventories

Item of inventory are valued at lower of specific cost or net estimated realizable value after providing for obsolescence, if any. Inventory of raw material lying at factory are valued on FIFO basis.

Cost of inventories comprises of cost of purchase, cost of transport, cost of conversion and any other cost including manufacture or other overheads incurred in bringing them to their respective present location and condition. Inter-unit goods transfer is valued at lower of cost or net realizable value.

Non-duty paid goods lying port has been valued without basic custom duty due to uncertainty of quantum of material to be sold against transfer of ownership /duty paid.

1.7 Cash Flow Statement

Cash Flow statement is reported using indirect method whereby Profit/ (Loss) before taxes adjusted for the effect of transactions of non- cash nature and any deferrals or accrual of past or future cash receipts or payment. The cash flow from operating, investment, financing activities of the company is segregated based on available information.

1.8 Property, Plant and Equipment and Depreciation/ Amortization.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs for qualifying assets, if any. All



upgradation/ enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. 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 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 the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss. Depreciation of these assets commences when the assets are ready for their intended use, which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis. Land is not depreciated.

The estimated useful lives of Property, Plant and Equipment of the company are as follows:

The estimated useful lives of assets are as follows:

Particulars	The estimated useful lives of assets
Building	30 years
Office Equipment	5 years
Computer	3 years
Plant Machinery	12 years

Depreciation – Depreciation in property plant and equipment is provided on straight line method whose useful life of assets is as specified in Schedule II of the Companies Act, 2013.

1.9 Investment property

Property that is held for long-term rental yield or for capital appreciation or both and is not occupied by the company, is classified as Investment property. Investment properties are measured at its cost, including related transaction cost and where applicable borrowing cost less depreciation and impairment, if any.

1.10 Intangible Assets and Amortization

Intangible assets are stated at cost of acquisition net of recoverable taxes less activated amortization or depreciation and impairment loss, if any. The cost comprises of purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for intended use.

Cost of items of intangible assets are not ready for intended use as on balance sheet date is disclosed as intangible assets under development.



Intangible assets are amortized is over the useful life. Estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any change in the estimates being accounted for on a prospective basis.

1.11 Impairment of non-financial assets

An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable amount and impairment loss is charged to the statement of profit and loss in the year in which an asset identified has been impaired. At each reporting date the company assesses the estimated amount of impairment loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimates. Is reversed if there has been a change in estimates of the recoverable amount and such losses either no longer exist or have decreased. Reversal of impairment loss is recognizing the statement of profit and loss. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the assets belong.

If the recoverable amount of asset or CGU is estimated to be less than the carrying amount, the carrying amount of asset or CGU is reduced to its recoverable amount. An impairment loss recognized in the statement of profit and loss.

1.12 Revenue Recognition

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Sale of Goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations.

The Company recognizes net revenue from goods sold and services rendered at Transaction Price which is the amount of consideration the Company expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding the amounts collected on behalf of a third party. The Transaction price is net of discounts, sales incentives, rebates granted, returns, sales taxes, GST and duties and any other recoverable taxes.



Generally, in case of domestic sales, performance obligations are satisfied when the goods are dispatched or delivery is handed over to transporter, revenue from export of goods is recognized at the time of Bill of lading or airway bill or any other similar document evidencing delivery thereof.

Interest Income:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other operating Revenue Service charges

The company renders services only incidental to its primary activity, that is trading of goods and sale of manufactured goods. Service charges are accounted for a satisfaction of performance obligation which is treated as satisfied on completion of rendering of services under the contract.

1.13 Employee Benefits

Short term employee benefits – Employee benefits payable only within 12 months of rendering services are classified as short-term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related services is rendered.

The obligation for employee benefits such as leave encashment is accounted for an accrual basis.

Defined Contribution Plan – Contribution to defined schemes such as provident Fund and ESI is recognized during the period in which the employee renders the related service.

Defined Benefit Plan – The gratuity benefit is funded through the group gratuity scheme under the Insurance Corporation of India. Contribution made under the scheme is charged as expense in the statement of profit and Loss.

The liability/ asset in respect of defined benefit plan is the present value of the defined benefit obligation at the end of reporting period less fair value of the planned assets. The defined benefit obligation is calculated annually by actuarial valuer.

Actual gain or losses are recognized in other comprehensive income.



LAKELAND CHEMICALS (INDIA) LTD.

Chemistry Drives Performance

Performance based declared ex-gratia & Accretion thereto is provided in the statement of profit and loss and to be disbursed as per the policy framed by the management.

1.14 Borrowing cost

Borrowing costs that are directly attributed to the acquisition or construction of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs charged to statement of profit and loss account in the year in which they are incurred.

1.15 Functional and presentation currency

Items included in the financial statement are majored using the currency of the primary economic environment in which the company operates (functional currency) the financial statement are presented in Indian rupee which is presentation currency of the company.

Foreign currency transactions:

- a) All foreign currency transactions are translated into functional currency at the rate prevalent on the date of transaction.
- b) Non-monetary items are translated at the rate on the date of initial transaction
- c) Monetary items denominated in foreign currency are translated at the prevailing closing spot rate at each reporting date.
- d) Foreign exchange gain or losses in respect of monetary and non-monetary items is recognized in statement of profit and loss.

1.16 Tax expenses represent the sum of current tax and defer tax

A. Current Income Tax

- (i) Taxes including current income tax are computed using the applicable tax rates and tax law.
- (ii) The tax rates and tax law used to compute the amount are those that are enacted or substantively enacted, At the reporting date in the countries where the company operate and generate taxable income.
- (iii) Current income tax asset and liabilities for current Prior Periods Amount expected to be recovered from or paid to the taxation authorities

liabilities for additional taxes if any is provided paid as and when assessment are completed.

- (iv) Current tax related to OCI item are recognized in OCI.

B. Deferred tax

- (i) Deferred income tax is recognized using balance sheet approach
- (ii) Deferred income tax asset and liabilities are recognized for temporary differences which is computed using the tax rate and tax law that have been enacted or substantively enacted at the reporting date
- (iii) Deferred income 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.
- (iv) The carrying amount of deferred income tax assets reviewed at each reporting date reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax as said to be utilized
- (v) Deferred tax related to OCI item are recognized in other comprehensive income (OCI).

1.17 Provisions

Provision is recognized when:

- (i) The company has present obligation as a result of a past event and
- (ii) A probable outflow of resources is expected to settle the obligation and
- (iii) A reliable estimate of the amount of the obligation can be made.

Reimbursement of the expenditure required to settle a provision is recognized as a per contract Provisions or when it is virtually certain that reimbursement will be received.

Provisions are reviewed at each balance sheet date.

Discounting of provisions

Provision which expected to be settled beyond 12 months are majorred at the present value by using pre- tax discount rate that reflects The risk specified to the liability the increase in the provision due to the passage of the time is recognized as interest expenses



1.18 Contingent liability and contingent assets

Contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability

1.19 Earnings per share

In determining earning per share the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year. The dilutive Earning per share is same as basic earning per share as there is no dilution involved during the year.

1.20 Fair value measurement

The company measures financial instrument at fair value at each reporting date. 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 participant at the measurement date. The fair value measurement is based on the presumption that transaction to sell the asset or transfer the liability take place either:

1. In the principal market for the assets or liability
2. In the absence of principal market the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the company. The fair value of an asset or liability is measured using the assumption that market participant would use when pricing the asset or liability, assuming that market participant acts in the economic best interest. The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

1.21 Dividend to equity shareholders

Dividend paid/payable shall be recognized in the year in which the related dividend is approved by shareholders or board of directors as appropriate.



1.22 Financial Instruments:

A. Initial recognition and measurement

Financial instruments are recognized at its fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of the financial statements.

B. Subsequent measurement

a. Financial Asset

i. Financial assets at amortized cost

Financial asset shall be measured at amortized cost if it held within business model whose objective is to hold financial asset in order to collect contractual cash flow and the contractual terms of the financial assets gives rise on specified date 2 cash flow that are surely payment of principle and interest on the principle amount outstanding.

ii. Fair value through other comprehensive income

Financial assets classified as at fair value through other comprehensive income if it is held within a business model whose objective is achieved body by collecting contractual cash flow and selling the financial assets, and the contractual of the financial asset gives rise unspecified date to cash flow that are only payment of principal and interest on the principal amount outstanding. The company in respect of equity instrument other than in subsidized associate and joint venture which are not held for trading has made unremovable election to present in other comprehensive income subsequent changes in the fair value of such equity instrument.

iii. Fair value through profit and loss account.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

b. Financial Liabilities

i. Financial Liabilities at amortized cost are initially recognized at fair value and subsequently carried at Amortized cost using the effective interest rate method.

ii. Financial guarantee contracts

Financial guarantee contract are those contract that requires a payment to be made to reimburse the holder For a loss if incurs because the specified data fails to make the payment when due in accordance with term of debt



instrument Financial guaranteed contract are recognized initially as a liability at fair values adjusted for transition cost that are Directly attributed the instance 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 initially recognized less cumulative income recognized in accordance with the principle of Ind AS 115

iii. Derecognition

Financial asset

A financial asset (or where applicable a part of financial asset or part of group of similar financial asset) Is recognized only when the contractual right to the cash flow from the asset expires or it transfer the financial asset and substantially all risk and reward of the ownership of the asset

Financial liability

Financial liability is derecognized when the obligation under the liability is discharged or cancel or expire when an existing financial liability is replaced by another from the same lender on substantially different terms or the term of an existing liability are substantially modified such an exchange or modification is treated as a derecognition of the original liability and the recognition of the new liability and the differences in the respective carrying amount is recognized in the income statement

iv. Impairment of financial assets

The company assesses on forward looking basis the expected credit losses associated with its asset Carried at amortized cost and FVOCI debt instrument The impairment methodology applied depends on whether there has been a significant increase in credit risk note 45 B details how the company determines whether there has been significant increase in credit risk.

For trade receivable only the company's applied a simplified approach permitted by Indian AS 109 financial instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

1.23 Current and non-current

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

An asset is treated as a current when it is –

- a) expected to be realized or intended to be sold or consumed in normal operating cycle



- b) held primarily for the purpose of trading
- c) expected to be realized within 12 month after reporting. Or
- d) cash or cash equivalent unless restricted from being exchange or used to settle a liability for at least 12 months after the Reporting period.

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within 12 month after the reporting or
- d) There is no unconditional right to differ the settlement of the liability for at least 12 months after the reporting period.

The company classifies all other liabilities as a non-current. Deferred Tax Assets and Liabilities are classified as a non-current asset and liabilities.

1.24 Non-current assets or (disposal group) held for sale

Non-current assets or disposal group are classified as an asset held for sale when their carrying amount is to be recovered principally through a Sale transaction and sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in present condition, it is unlikely that the sale will be withdrawn, and sell is expected within one year from the date of classification disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less cost to sell. Property plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

If the criteria stated by Indian AS 5 "Noncurrent assets held for sale and discontinued operations" Are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at lower of

- (i) It's a carrying amount before the asset was classified as held for sale adjusted for depreciation that would have been recognized had that asset not been classified as held for sale and
- (ii) It's a recoverable amount at the date when the disposal group ceases to be classified as held for sale.

1.25 Units of measurement:

All financial information presented in Indian Rupees and all value are rounded to the nearest lakh rupees with two decimal point except where otherwise stated.

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 2(a): Property, Plant and Equipments									
Particulars	Gross Block				Depreciation			Net Block	
	As at Apr 01, 2024	Additions	Sales / Adjustments	As at Mar 31, 2025	As at Apr 01, 2024	For the year	Deduction / Adjustment	As at Mar 31, 2025	As at Mar 31, 2024
Factory Buildings	942.74	14.98	-	957.71	326.52	20.46	-	346.98	616.22
Land & Land Development	1,000.77	140.25	-	1,141.02	-	-	-	1,141.02	1,000.77
Site Development	323.85	-	-	323.85	84.49	7.83	-	92.32	239.36
Plant & Machinery	7,614.53	1,754.86	-	9,369.39	5,618.12	243.91	-	5,862.03	1,996.41
Furniture & Fixtures	66.95	-	-	66.95	37.67	2.87	-	40.54	29.28
Computers & Printers	11.26	1.96	-	13.23	2.61	3.90	-	6.51	8.66
Electrical Fittings	2.07	-	-	2.07	0.13	0.20	-	0.33	1.94
Office Equipments	35.13	11.90	-	47.03	19.21	4.60	-	23.80	15.92
Total	9,997.30	1,923.94	-	11,921.24	6,088.74	283.76	-	6,372.50	3,908.56

Note 2(b): Right-of-use Assets									
Particulars	Gross Block				Depreciation			Net Block	
	As at Apr 01, 2024	Additions	Sales / Adjustments	As at Mar 31, 2025	As at Apr 01, 2024	For the year	Deduction / Adjustment	As at Mar 31, 2025	As at Mar 31, 2024
Factory Buildings	49.85	-	-	49.85	7.64	16.60	-	24.24	42.20
Total	49.85	-	-	49.85	7.64	16.60	-	24.24	42.20

Note 2(c): Capital Work in Progress									
Particulars	Gross Block				Depreciation			Net Block	
	As at Apr 01, 2024	Additions	Sales / Adjustments	As at Mar 31, 2025	As at Apr 01, 2024	For the year	Deduction / Adjustment	As at Mar 31, 2025	As at Mar 31, 2024
Plant & Machinery	1,093.76	37.60	1,068.36	62.90	-	-	-	62.90	1,093.76
Total	1,093.76	37.60	1,068.36	62.90	-	-	-	62.90	1,093.76

Pursuant to the corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 which was initiated against the Company on 23rd September 2019 and in terms of the approved resolution plan vide an Order of the National Company Law Tribunal ("NCLT") dated September 19, 2022, the company has continued the carrying value of all its property, plant and equipments as per previous GAAP and use that carrying value as the deemed cost of such the property, plant and equipments.

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 3: Other Non Current Financial Assets

(in Lacs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
(Unsecured, considered good)		
Security Deposit	10.95	10.03
Bank deposits with more than 12 months maturity	49.10	-
Total	60.05	10.03

Note 4: Deferred Tax Assets

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Opening Deferred Tax (Asset)/ Liability	3,923.13	383.51
Add: Charge/ (Credit) in relation to Fixed Assets	(64.50)	(34.36)
Add: Charge/ (Credit) in relation to Gratuity	1.39	1.27
Add: Charge/ (Credit) in relation to Leases	0.26	0.15
Add: Charge/ (Credit) in relation to Losses	172.04	3,572.57
Total	4,032.32	3,923.13

Deferred tax assets are recognized for unused tax losses and unabsorbed depreciation to the extent that it is probable that taxable profit will be available against which losses can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

*Deferred Tax Assets created on c/f losses and unabsorbed depreciation and effective rate of tax is 25.17%

Note 5: Inventories

(in Lacs)

Particular	As at Mar 31, 2025	As at Mar 31, 2024
Stock-in-trade (incl stock-in-transit)	1,051.28	961.64
Raw Materials (incl stock-in-transit)	1,364.55	263.79
Work in Progress	61.69	-
Finished Goods	591.22	219.62
Packing Materials, Consumables and Stores & Spares	18.09	10.76
Total	3,086.84	1,455.80

Valuation of inventories are done as per note no. 1.6 of material accounting policies

Note 5.1: In-transit Inventories

Particular	As at Mar 31, 2025	As at Mar 31, 2024
Stock-in-trade (incl stock-in-transit)	-	143.57
Raw Materials	-	29.47
Total	-	173.04

Note 6: Trade Receivables

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Unsecured, considered good	2,334.70	1,911.32
Trade Receivables which have significant increase in credit risk	-	-
Total	2,334.70	1,911.32

Refer note no. 39 for Trade Receivables Ageing

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 7: Cash and Cash equivalents

(In Lacs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Cash on hand	0.76	0.10
Balances with Banks	1.07	0.54
Total	1.83	0.64

Note 8: Other Current Financial Assets

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Fixed Deposits (Maturity less than 12 months)	281.00	168.82
Accrued Interest on Bank Deposits	2.68	1.44
Total	283.68	170.26

Note 9: Current Tax Assets (Net)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Advance Tax & TDS	16.50	8.04
Total	16.50	8.04

Note 10: Other Current Assets

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Balance with Government Authorities	543.07	336.17
Staff Loan	4.25	-
Other Claims Receivable	0.27	0.49
Advance paid to Vendors	95.59	116.47
Prepaid Expenses	11.50	20.98
Total	654.67	474.10

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 11: Equity Share capital

(in Lacs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
1,50,00,000 Authorised share capital Equity shares of Rs. 10 each	1,500.00	1,500.00
	1,500.00	1,500.00
Issued/Subscribed and Paid up Capital		
1,00,00,000 Equity shares of Rs. 10 each	1,000.00	1,000.00
	1,000.00	1,000.00

11.1 Details of shareholder holding more than 5% in the company

Name of the shareholder	As at Mar 31, 2025		As at Mar 31, 2024	
	No. in Shares	% holding in the class	No. in Shares	% holding in the class
Equity shares of Rs. 10/- each fully paid KLJ Resources Limited	99,99,994	99.99%	99,99,994	99.99%
Total	99,99,994	99.99%	99,99,994	99.99%

11.2 Rights, Preferences and Restrictions attaching to shares

Equity Shares: The Company has one class of Equity Shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

11.3 Reconciliation of the number of equity shares and share capital

Name of the shareholder	As at Mar 31, 2025		As at Mar 31, 2024	
	No in Shares	Amount	No in Shares	Amount
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	1,00,00,000	1,000	1,00,00,000	1,000
Add: Shares Issued during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	1,00,00,000	1,000	1,00,00,000	1,000

11.4 The aggregate shareholding of the promoters and promoter group as at March 31, 2025

Name of the Promoters	No. of Shares Held	Percentage of Holding
KLJ Resources Ltd.	99,99,994	99.990%
Shri. Hemant Jain	1	0.00%
Shri. Kamal Jain	1	0.00%
Shri. Pushp Jain	1	0.00%
Smt. Sushila Jain	1	0.00%
Smt. Neetu Jain	1	0.00%
Smt. Sonali Jain	1	0.00%

Note 12: Other Equity

(in Lacs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Reserves and Surplus		
Retained Earnings	2,060.18	2,560.07
Securities Premium Account	-	-
Other Comprehensive Income	1.11	-
Equity Component of Compulsorily Convertible Debentures	501.97	501.97
Total	2,563.25	3,062.03

Note 12.1

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Retained Earnings		
As per last Balance Sheet	2,560.07	(761.41)
Add: Profit after Tax	(499.89)	3,410.78
Less: Adjustment of Debenture Interest	-	(89.30)
	2,060.18	2,560.07
As per last Balance Sheet	-	-
Add: Movement during the year	1.11	-
	1.11	-
Equity Component of Compulsorily Convertible Debentures		
As per last Balance Sheet	501.97	514.83
Add: Adjustment of Optionally Convertible Debenture (Equity)	-	(12.67)
	501.97	501.97
Total	2,563.25	3,062.03

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 13: Borrowings - Non Current

(in Lacs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
<u>Secured</u>		
Term Loans	1,794.02	669.98
Less: Current Maturity of Long Term Borrowings	464.96	148.89
	1,329.06	521.10
<u>Unsecured</u>		
Debentures - At Amortised Cost (2% (Cumulative) Optionally Convertible Debentures at Face Value of Rs. 10 of Rs. 27,98,00,000	2,693.74	2,520.34
Total	4,022.80	3,041.44

Secured Term Loans from HDFC Bank referred above of Rs.1794.02 lacs (previous year 669.98 lacs) are secured by way of exclusive charge on present and future movable fixed assets of the company, collaterally secured by factory land and building at Raigad, Maharashtra, present and future book debts and stock of the company and personal guarantee of Director, Mr. Hemant Jain. The loans carries interest rate in the range of 8.95% to 9.30% p.a. and 8.75% Linked to 3M Tbill with a tenor of 5 years 6 months with quarterly repayments (6 months moratorium period).

Note 14: Lease Liability - Non Current

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Lease Liability	10.05	27.24
Total	10.05	27.24

During the financial Year 2023-24, LCIL had adopted Ind AS 116 Leases

Particulars of right-to-use assets and lease liabilities.

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
i) Rights to use assets		
Particulars		
Opening ROU Recognised	42.20	-
Add: Additions during the year	-	49.85
Less: Depreciation during the year	16.60	7.64
Less: Deletion during the year	-	-
Closing ROU Recognised	25.60	42.20

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
ii) Lease Liability		
Opening Lease Liability	42.80	-
Add: Additions during the year	-	49.85
Add: Interest Accrued during the year	3.59	1.74
Less: Payment	19.15	8.78
Less: Deletion during the year	-	-
Closing Lease Liability	27.24	42.80

Current Lease liability as on 31st March, 2025 (Refer note no. 18)

Non Current Lease liability as on 31st March, 2025

17.19	15.56
10.05	27.24

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 15: Provision - Non Current

(in Lacs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Provision for Gratuity	10.50	4.99
Total	10.50	4.99

Note 16: Borrowings - Current

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
<u>Secured</u>		
Buyer's credit (Foreign Currency Loan)	1,244.80	-
Current Maturity of Long Term Borrowings	464.96	148.89
Cash Credit	964.06	1,525.05
Overdraft Facility	395.43	-
(Refer note no. 34)		
<u>Unsecured</u>		
Borrowings from Holding Co. (KLJ Resources Ltd)	2,944.41	2,698.51
Total	6,013.66	4,372.44

1. Inter-corporate deposits carry interest at the rate of 8%

2. Buyer's credit is a loan facility extended by bank against import and carries interest rates linked to 3 month SOFR + 0.60% p.a for a tenor of 90 days.

3. Overdraft facilities taken from HDFC bank has a tenure of 3years with equal quarterly drops and carry an interest rate of 8.75% linked to 3M T bills.

4. Cash credit facilities from HDFC bank are repayable on demand and carry interest rates during the year ranging from 8.47 % p.a. to 9.07 % p.a.

Note 17: Lease Liabilities - Current

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Current Lease Liability	17.19	15.56
(Refer note no. 14)		
Total	17.19	15.56

Note 18: Trade payables

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
a) Dues of Micro and Small Enterprises	4.31	-
b) Dues of creditors other than Micro and Small Enterprises		
- Related Parties	1,090.52	687.18
- Others	643.88	580.84
Total	1,738.71	1,268.01

Refer note no. 40 for Trade payable Ageing

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 19: Other financial liabilities

(in Lacs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Retention Money	30.89	37.92
Interest Payable	74.44	55.21
Outstanding Expenses	85.54	75.23
Total	190.87	168.36

Note 20: Other Current Liabilities

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Statutory Liabilities	37.99	32.64
Others payable and deposits	-	1.25
Advance from Customers	502.76	3.84
Total	540.75	37.72

Note 21: Provisions - Current

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Provision for Gratuity	0.07	0.04
Total	0.07	0.04

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 22: Revenue From Operations

(in Lacs)

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
Sale of Traded Goods	6,763.90	7,884.99
Sale of Manufactured Goods	4,047.30	627.85
Other Operating Revenue	4.78	0.18
Total	10,815.98	8,513.02

Note 23: Other Income

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
Rent	-	11.75
Interest Income	18.23	11.90
Sale of Scrap	16.40	15.39
Other Income	1.61	0.56
Total	36.24	39.60

Note 24: Cost of Materials Consumed

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
Opening Stock	263.79	-
Add : Purchases	4,728.35	1,029.30
	4,992.14	1,029.30
Less: Closing Stock	1,364.55	263.79
Total	3,627.59	765.51

Note 25: Cost of Goods Sold

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
Purchase of Traded Goods	5,859.81	7,121.41
Import Expenses	530.39	595.74
Foreign Exchange Fluctuation Effect	62.31	11.15
Total	6,452.50	7,728.29

Note 26: Changes in Inventories of Traded Goods, Finished Goods and Packing Material

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
Opening Stock		
Traded Goods	961.64	393.31
Finished Goods	219.62	-
Packing Material	10.76	12.73
	1,192.01	406.04
Less : Closing Stock		
Traded Goods	1,051.28	961.64
Finished Goods	591.22	219.62
Work In Progress	61.69	-
Packing Material	18.09	10.76
	1,722.29	1,192.01
Total	530.27	785.97

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 27: Employee benefits Expenses

(in Lacs)

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
Salaries & Wages	346.14	76.87
Contribution to Provident and other funds	39.54	9.06
Staff Welfare Expenses	14.85	20.82
Total	400.52	106.75

Note 28: Finance Cost

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
Interest paid	358.54	141.77
Interest on Debenture	229.35	214.89
Interest Expense on Lease Liability	3.59	1.74
Bank Charges & Commission	28.49	28.37
Total	619.97	386.76

Note 29: Other Expenses

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
Boiler operating Expense	30.41	20.76
Brokerage & Commission	0.65	0.50
Business Promotion Expense	5.25	1.45
Donation	0.72	2.67
Export Expenses	10.47	2.49
Freight Expenses & Loading Unloading Charges	192.99	116.43
Insurance Expenses	18.03	4.68
Lab and Testing Expense	5.31	4.46
Legal & Professional Fees	60.34	3.15
Miscellaneous Expense	6.31	5.52
Payments to auditors		
- Audit Fees	1.50	1.50
Power and fuel	108.37	21.41
Printing, Stationery & Computer expenses	5.88	8.20
Rates & Taxes	14.41	3.91
Rent & Other Hire Charges	50.67	28.93
Repairs & Maintenance	34.89	10.14
Security Guard Expense	16.31	5.94
Telephone & Postage Expense	3.53	1.81
Travelling and Conveyance	24.97	20.44
Total	591.01	264.37

Note 30: Other Comprehensive Income

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
Items that will not be reclassified to Profit and Loss		
Remeasurement of Defined Benefit Plan	1.48	-
Tax expense on above	(0.37)	
Items that will be reclassified to Profit and Loss		
	-	-
Total	1.11	-

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 31: Earnings per Equity Share:

(in Lacs except EPS which is in INR)

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
Basic EPS		
From continuing operation	(4.99)	34.11
From discontinuing operation	-	-
Diluted EPS		
From continuing operation	(0.71)	9.55
From discontinuing operation	-	-

Note 31.1: Basic Earning per Share

The earnings and weighted average number of equity shares used in calculation of basic EPS:-

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
<u>Profit attributable to equity holders of the company:</u>		
Continuing operations	(498.78)	3,410.78
Discontinuing operations	-	-
Earnings used in calculation of Basic EPS	(498.78)	3,410.78

Weighted average no. of shares for the purpose of basic EPS	1,00,00,000	1,00,00,000
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Note 31.2: Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of diluted EPS:-

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
<u>Profit attributable to equity holders of the company:</u>		
Continuing operations	(270.54)	3,625.67
Discontinuing operations	-	-
Earnings used in calculation of diluted EPS from continuing operations	(270.54)	3,625.67

The weighted number of equity shares for the purpose of diluted EPS reconciles to the weighted average number of equity shares used in calculation of basic EPS as follows:

Particulars	For the year ended	
	Mar 31, 2025	Mar 31, 2024
Weighted average number of Equity shares used in calculation of basic EPS	1,00,00,000	1,00,00,000
<u>Effect of dilution:</u>		
Optionally Convertible Debentures	2,79,80,000	2,79,80,000
Weighted average number of Equity shares used in calculation of diluted EPS	3,79,80,000	3,79,80,000

Note 32: Financial Viability

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets and liabilities, and based on the internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts, has concluded that no adjustments are required to be made in the financial results.

The management believes that it has considered all the possible impact of known events arising in the preparation of financial results. Further company is of the opinion that there is certainty that company will be able to meet its all-financial commitments due in next one year.

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 33: Capital Work-in Progress (CWIP)

For Capital-work-in progress, following ageing schedule as on 31st Mar 2025

(in Lacs)

CWIP	Amount in CWIP under development for a period of				
	Less than 1 year	1-2 year	2-3 Year	More than 3 Year	Total
Projects in progress	37.50	25.40	-	-	62.90
Total	37.50	25.40	-	-	62.90

For Capital-work-in progress, following ageing schedule as on 31st Mar 2024

(in Lacs)

CWIP	Amount in CWIP under development for a period of				
	Less than 1 year	1-2 year	2-3 Year	More than 3 Year	Total
Projects in progress	841.74	252.02	-	-	1,093.76
Total	841.74	252.02	-	-	1,093.76

Note 34: Borrowing from Banks

The Company has borrowings from banks or financial institutions on the basis of security of current assets, the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account.

Borrowings from bank are secured by company's stock and book-debts, factory land and building and personal guarantee of Mr. Hemant Jain, Director of the company.

As at March 31, 2025

(in Lacs)

Name of the Bank	Limit			Charge Amount
	Fund Based	Non Fund Based	Total	
HDFC Bank	4,500.00	6,100.00	10,600.00	9,600.00

Out of the total non funded limits, no charge has been created on an amount of Rs 1,000 Lacs sanctioned towards Hedging of Foreign currency.

As at March 31, 2024

(in Lacs)

Name of the Bank	Limit			Charge Amount
	Fund Based	Non Fund Based	Total	
HDFC Bank	3,000.00	6,100.00	9,100.00	9,100.00

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 35: Disclosures in respect of Indian Accounting Standard (Ind AS-24) 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended):

Note 35.1: Key Management Personnel:

Mr. Hemant Jain, Director
Mr. Harshvardhan bothra, Director
Mr. Hanuman Jain, Director
Mr. Sanjiv Goyal, Chief Financial Officer

Note 35.2: Entities Over Which KMP Have Control Or Significant Influence

Others (Group Concern):

KLJ Plasticizers Limited,
KLJ Petroplast Limited,
Sidhe Petrochemicals Pvt Ltd

Note 35.3: Holding Company

KLJ Resources Limited (Share: 100%)

Note 35.4: Disclosure of transactions with related parties:

(In Lacs)

Transaction During the year	Name of Related Parties	Relationship	March 31, 2025	March 31, 2024
Purchase	KLJ Resources Limited	Refer note no-35.3	640.15	282.83
	KLJ Petroplast Limited.	Refer note no-35.2	1,831.86	1,104.68
	KLJ Plasticizers Limited	Refer note no-35.2	182.22	300.57
	Sidhe Petrochemicals Pvt Ltd	Refer note no-35.2	40.19	-
Purchase of Fixed Assets	KLJ Resources Limited	Refer note no-35.3	-	36.80
Reimbursement of Expense	KLJ Resources Limited	Refer note no-35.3	633.10	225.38
Interest Expense	KLJ Resources Limited	Refer note no-35.3	218.08	208.80
Sales	KLJ Resources Limited	Refer note no-35.3	62.86	726.31
	Sidhe Petrochemicals Pvt Ltd	Refer note no-35.2	3.52	1.37
Rent Income	KLJ Resources Limited	Refer note no-35.3	-	13.86
Sale of Fixed Asset	Sidhe Petrochemicals Pvt Ltd	Refer note no-35.2	1.51	1.37
Borrowing	KLJ Resources Limited	Refer note no-35.3	100.00	1,818.87

Outstanding Balances

(In Lacs)

Particulars	Name of Related Parties	Relationship	March 31, 2025	March 31, 2024
Trade Payable	KLJ Resources Limited	Refer note no-35.3	326.99	60.85
	KLJ Petroplast Limited.	Refer note no-35.2	640.65	527.42
	KLJ Plasticizer Limited	Refer note no-35.2	97.36	28.54
	Sidhe Petrochemicals Pvt Ltd	Refer note no-35.2	25.52	-
Trade Receivable	KLJ Resources Limited	Refer note no-35.3	-	1.00
Expense payable	KLJ Resources Limited	Refer note no-35.3	50.36	50.36
Borrowing	KLJ Resources Limited	Refer note no-35.3	5,638.15	5,496.51

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 36: Commitments, Contingent Liabilities and Contingent Assets

Note 36.1: Capital Commitments : As at 31st March, 2025 - NIL and 31st March, 2024 - Rs. 39.00 lacs

Note 36.2: Contingent Liabilities & Contingent Asset

i) Contingent Liabilities and Contingent Assets, as defined in Ind AS 37 on "Provisions on Contingent Liabilities and Contingent Assets", are disclosed below.

Provision is made, if it becomes probable that an outflow of future economic benefits will be required for the item previously dealt with as Contingent Liability.

*As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) prior to Sep19, 2022 ("Effective Date") stand extinguished. Furthermore, the Resolution Plan, among other matters, provide that except to the extent of the amount payable to the relevant Operational Creditors in accordance with the Resolution Plan, all liabilities of the Company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Operational Creditors and Other Creditors to invoke or enforce the same stands waived off.

It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished.

Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished.

Further, the Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

Particulars	As at 31st March 2025	As at 31st March 2024
Bank Guarantees	7.00	6.00

Note 37: There are no delays in payments to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

The information has been determined to the extent such parties have been identified on the basis of information available with the company.

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 38: Employee Benefit Obligation

The company obtained reports as required under Ind AS 19 (Employee Benefits) based on which disclosures have been made in the financial statement for the year ended March, 31 2025. The disclosures as required by the Ind AS 19 are as below:

Assets / Liabilities

Particulars	March 31, 2025	March 31, 2024
Present value of obligation	10.57	5.03
Fair value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	10.57	5.03

Movement in the present value of the defined benefit obligation are as follows

Particulars	March 31, 2025	March 31, 2024
Opening Defined benefit obligation	5.03	-
Interest Cost	0.36	0.52
Current service cost	6.66	4.51
Benefit Paid	-1.48	-
Actuarial Gain/(Loss) on obligation	-	-
Present value of obligation as at the year end	10.57	5.03

Component of amount recognized in profit and loss and other comprehensive income are as under:

Particulars	March 31, 2025	March 31, 2024
Current service cost	6.66	4.51
Interest Cost	0.36	0.52
Amount recognized in profit and loss	7.02	5.03

Actuarial (Gain)/ Loss

a) arising from changes in financial assumptions	0.19	-
b) arising from experience adjustment	-1.67	-
Amount recognised in Other Comprehensive Income	-1.48	-

Actuarial Assumptions

Particulars	March 31, 2025	March 31, 2024
Discount Rate	6.93%	7.25%
Expected rate of salary increase	7.00%	7.00%
employee attrition rate	5.00%	5.00%
Mortality	IALM (2012 - 14)	IALM (2012 - 14)

Sensitivity Analysis of the Defined Benefit Obligation

Particulars	March 31, 2025	March 31, 2024
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	10.57	5.03
a) Impact due to increase of 0.50%	-0.38	-0.20
b) Impact due to decrease of 0.50%	0.41	0.22
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	10.57	5.03
a) Impact due to increase of 0.50%	0.40	0.22
b) Impact due to decrease of 0.50%	-0.38	-0.20

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 39: Ageing for Trade Receivables outstanding as at 31st March 2025 is as follows

(in Lacs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	2,331.42	3.28	-	-	-	2,334.70
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Ageing for Trade Receivables outstanding as at 31st March 2024 is as follows

(in Lacs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,911.32	-	-	-	-	1,911.32
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Note 40: Ageing for Trade Payables outstanding as at 31st March 2025 is as follows

(in Lacs)

Particular	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 year	2-3 Year	More than 3 Year	Total
MSME	4.31	-	-	-	4.31
Others	1,734.28	0.13	-	-	1,734.41
Disputed dues MSME	-	-	-	-	-
Disputed dues Others	-	-	-	-	-

Ageing for Trade Payables outstanding as at 31st March 2024 is as follows

(in Lacs)

Particular	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 year	2-3 Year	More than 3 Year	Total
MSME	-	-	-	-	-
Others	1,268.01	-	-	-	1,268.01
Disputed dues MSME	-	-	-	-	-
Disputed dues Others	-	-	-	-	-

Note 41: Capital management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholder through optimization of the debt and equity balance. The capital structure of the company comprises of debt and total equity of the company.

Particulars	As at 31st March 2025	As at 31st March 2024
Borrowing (Note No. 13 & 16)	10,036.46	7,413.88
Short term debt	10,036.46	7,413.88
Equity (Note No.10)	1,000.00	1,000.00
Other equity (Note No.11)	2,563.25	3,062.03
Total equity	3,563.25	4,062.03
Debt equity Ratio	2.82	1.83

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 42: Fair Value measurements

i) Financial Instruments by Category

(in Lacs)

Particulars	As at 31st March, 2025			As at 31st March, 2024		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investment	-	-	-	-	-	-
Trade Receivables	-	-	2,334.70	-	-	1,911.32
Loans	-	-	-	-	-	-
Cash and Cash Equivalents	-	-	1.83	-	-	0.64
Others	-	-	343.73	-	-	180.29
Total Financial Assets	-	-	2,680.26	-	-	2,092.25
Financial Liabilities						
Borrowings	-	-	10,036.46	-	-	7,413.88
Trade Payables	-	-	1,738.71	-	-	1,268.01
Lease liabilities	-	-	27.24	-	-	42.80
Others	-	-	190.87	-	-	168.38
Total Financial Liabilities	-	-	11,993.28	-	-	8,893.06

i) The carrying amounts of trade receivables, trade payable, cash and cash equivalents and other short-term receivables and payables which are due to be settled within 12 months are considered to the same as their fair values, due to short term nature.

ii) Borrowings - Current are evaluated by company on parameters such as interest rates, specific country risk factors (if any) and other risk factors. Based on this evaluation the fair value of such payables is not materially different from their carrying amount. As the amount is immaterial, no fair valuation is required.

iii) Non-Current Loans given, and Security Deposit have been continued at carrying value as measurement implication are immaterial.

iv) All investments other than subsidiary and associates are measured at fair value, with value changes recognized in Statement of Other Comprehensive Income. Investments in subsidiaries and associates have been carried at cost less impairment loss (if any), through Other Comprehensive Income.

Note: Pursuant to the corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 which was initiated against the Company on 23rd September 2019 and in terms of the approved resolution plan vide an Order of the National Company Law Tribunal ("NCLT") dated September 19, 2022, the company issued 2% Optional Convertible Debenture of Rs. 2798 Lacs face value of INR 10 (Indian Rupees 10) each and the company recognised Optional Convertible Debenture (Debt portion) at Fair Value of Amortised Cost of Rs. 2520.34 lacs and Optional Convertible Debenture (Equity portion) of Rs. 501.97 lacs in Retained Earning as per Ind AS 32, Ind AS 107, Financial Instrument.

In the opinion of Board of Directors, The Optional Convertible Debenture will be either redeemable or convertible in to equity shares within period of 3 year.

(ii) Fair Value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived form prices)

Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The financial assets and financial liabilities are valued at Amortised Cost, since no fair valuation technique is being used hence, fair value hierarchy is not required.

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

(iv) Financial risk management

The Company's principal financial liabilities comprise of Borrowings, Trade Payables, Lease Liabilities and others. The main purpose of these financial liabilities is to finance the company's operations. The Company's principal financial assets include Trade Receivables, Loans, cash and cash equivalents and other bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's financial risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the company's policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risk, which are summarised below: -

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Interest rate risk and foreign currency risk.

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. Company is not exposed to significant interest rate risk as all the financial instruments which are subject to interest risk are due to be settled within 12 months and carry fixed rate of interest.

ii) Foreign Currency Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupees.

The following table shows foreign currency exposures in US Dollar, Euro, JPY on financial instruments at the end of the reporting period. The exposure to all other foreign currencies are not material.

(in Lacs)						
Particulars	As at 31st March, 2025			As at 31st March, 2024		
	EURO	USD	JPY	EURO	USD	JPY
Trade Payables	-	1.08	-	-	3.29	-
Buyer's credit (Foreign Currency Loan) (Incl. Int)	-	14.66	-	-	-	-
Total	-	15.74	-	-	3.29	-

b) Credit risk

i) Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set periodically reviewed on the basis of such information.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company has used a practical expedient by way of computing the expected credit loss for trade receivables based on provision matrix. The matrix also takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and rates as given in the provision matrix.

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

The provision matrix at the year-end is as follows:

Ageing	Expected Credit loss (Percentage)	
	FY 2024-25	FY 2023-24
1- 30 days	0.00%	0.00%
30 days to 12 months	0.00%	0.00%
More than 12 months	0.00%	0.00%

Particulars	As at March 31, 2024		As at March 31, 2024	
	Receivables	Expected Credit loss	Receivables	Expected Credit loss
1- 30 days	-	-	-	-
30 days to 12 months	2,331.42	-	1,911.32	-
More than 12 months	-	-	-	-

Provision for expected credit loss made in accordance with Ind AS 109 due to which there is change in Trade Receivable.

Note: Pursuant to the corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 which was initiated against the Company on 23rd September 2019 and in terms of the approved resolution plan vide an Order of the National Company Law Tribunal ("NCLT") dated September 19, 2022, Trade Receivable and other current assets which is long outstanding and reported as opening balance for the year has been made transferred to Exceptional Item in the FY 2022-23.

ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the company's policy. Investment of surplus are made only with approved with counterparty on the basis of the financial quotes received from the counterparty.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the company's reputation.

The company's principal sources of liquidity are cash and cash equivalents, cash flow that is generated from operations and the borrowings from Holding Company and Banks. The company believes that the working capital is sufficient to meet its current requirements. Any short-term surplus cash generated, over and above the amount require for working capital management and operational requirements, are given as interest bearing loans repayable on demand.

As at 31st March 2025 the company had working capital of Rs. -2,123.03 lacs including cash and bank Balances of Rs. 1.83 lacs.

As at 31st March 2024 the company had working capital of Rs. -2,010.80 lacs including cash and bank Balances of Rs. 0.84 lacs.

Note 43: Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year.

a) Fair valuation measurement and valuation process

Financial instruments are measured initially at fair value and subsequently at amortised cost on the basis of materiality. As on Balance Sheet date, Financial Asset and Liabilities are immaterial and hence no fair valuation is required

b) Taxes

Deferred tax assets are recognized for unused tax losses and unabsorbed depreciation to the extent that it is probable that taxable profit will be available against which losses can be utilised significant management judgment is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 44: Financial Ratios

The details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations:

Sl. No.	Ratio Type	Numerator	Denominator	Unit	2024-25	2023-24	Variation
1	Current Ratio	Current Assets	Current Liabilities	Times	0.75	0.69	9.40%
2	Debt-equity ratio ¹	Debt	Equity	Times	1.13	0.75	50.78%
3	Debt service coverage ratio ²	Net Profit before tax+Depreciation +Interest on long term loans	Total amount of interest & principal of long term loan payable or paid during the year	Times	0.07	0.15	-52.06%
4	Return on equity ratio ³	Net Profit after taxes	Equity Shareholder funds	Percentage	-14.03%	83.97%	-116.71%
5	Inventory turnover ratio ³	Sales	Inventory	Times	3.50	5.85	-40.08%
6	Trade receivables turnover ratio	Net Credit Sales	Accounts Receivables	Times	4.63	4.45	4.01%
7	Trade payables turnover ratio ³	Net Credit Purchases	Accounts Payables	Times	3.72	6.09	-38.96%
8	Net capital turnover ratio ³	Sales	Working Capital	Times	-5.09	-4.62	10.23%
9	Net profit ratio ²	Net Profit after taxes	Sales	Percentage	-4.62%	40.07%	-111.54%
10	Return on capital employed ²	Earning before Interest & Tax	Capital Employed	Percentage	-0.24%	3.23%	-107.34%

Reason for variance greater than 25%:

1. The increase in debt equity ratio is primarily attributable to additional borrowings during the year, undertaken to support business operations and future growth opportunities.
2. The variances in debt service coverage ratio is on account of increase in borrowings and loss during the year.
3. There are wide variances in Return on Equity Ratio, Net Profit Ratio and Return on Capital Employed on account of losses in current year
4. Trade payable turnover ratio is improved due to company's commitment to timely settlement of dues, reflecting enhanced supplier relationship management and operational discipline.
5. Inventory turnover ratio has shown positive movement, driven by an increase in sales and efficient inventory management practices, indicating improved demand forecasting and optimized stock control.

Note 45: Others

1) Based on the petition filed by a operational creditor, the Hon'ble NCLT, passed the order for initiation of CIRP under section 7 of the Insolvency and Bankruptcy Code, 2016 (As amended and hereinafter referred to as "the Code") dated 23rd September 2019 appointing Mr. Rajeev Nandkishore Bhatia was appointed as the Interim Resolution Professional (IRP). Subsequently, the appointment of Mr. Rajeev Nandkishore Bhatia was confirmed as the Resolution Professional (RP). Thereafter, in the meeting of the Committee of Creditors (COC), the COC resolved to replace the RP from Mr. Rajeev Nandkishore Bhatia with Mr. Brijendra Kumar Mishra. Further, the erstwhile RP had invited expression of Interest (EoI) from Prospective Resolution Applicants (PRAs) to submit the Resolution Plan for the Company. Final plans received were placed, put to vote in the CoC meeting. The resolution plan submitted by KLJ Resources Limited was approved by CoC. The application for Plan approval was filed with Hon'ble National Company Law Tribunal (NCLT) and subsequently has been approved/allowed by the Hon'ble NCLT vide Order dated September 19, 2022.

2) With the approval of the Resolution Plan by the Hon'ble National Company Law Tribunal (NCLT) vide Order dated 19th September 2022, the CIRP of the Company has concluded and Brijendra Kumar Mishra ceased to be the resolution professional of the Company. The said Resolution plan has been implemented by the Monitoring Committee and the management of the Company has been handed over to the RA by the Monitoring Committee w.e.f. 1st October 2022.

3) Pursuant to the Resolution Plan submitted by KLJ Resources Limited (referred to as the "Resolution Applicants") and its approval by the Hon'ble National Company Law Tribunal, vide their Order dated 19th September 2022 for the Corporate Insolvency of the Company, the following consequential impacts have been given in accordance with approved resolution plan / Accounting Standards: -

- The existing directors of the Company as on the date of Order stand replaced by the new Board of Directors with effect from 27-Oct-2022. As on date, the Board consists of 3 directors (Mr Hemant Jain, Mr Harshvardhan Bothra and Mr. Hanuman Jain)
- The equity share capital of the erstwhile promoters have been extinguished and fresh equity capital of Rs 10,00,00,000 has been introduced
- In respect of extinguishment of balances of operational and financial creditors, post payment as per the resolution plan, the same is recognised in exceptional item in accordance with "Ind AS" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as in "Exceptional items."

Lakeland Chemicals (India) Limited

Notes forming part of Financial Statements for the year ended March 31, 2025

Note 46: Approval of financial statement

The financial statements were approved for issue by the Board of Directors on May 9, 2025

The accompanying notes to financial statements

For C B Mehta & Associates

Chartered Accountants

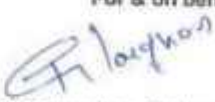
Firm No. 124978W

C B Mehta
Proprietor
MRN: 116543

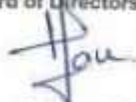
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Date: May 9, 2025

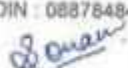


For & on behalf of Board of Directors


Harshvardhan Bothra
Director
DIN : 08533731


Sanjiv Goyal
Chief Financial Officer


Hemant Jain
Director
DIN : 08878484


Sonam Singh Chauhan
Company Secretary