

D P AGARWAL & CO

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of LAKELAND CHEMICALS INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Lakeland Chemicals India Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information .

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian accounting standards ('Ind AS') specified under section 133 of the Act , of the state of affairs of the Company as at March 31, 2023, and its profit including other comprehensive income ,its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.



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Matter of Emphasis

Pursuant to the commencement of the corporate insolvency resolution process ('CIRP') in September 2019, The National Company Law Tribunal vide its order dated 19th September, 2022 had approved the resolution plan submitted by M/S KLI Resources Ltd which was approved by 96.38% of voting share of the members of the Committee of Creditors . Refer Note No . 40 for detailed explanation.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1) Capitalization of property, plant and equipment and change in useful life

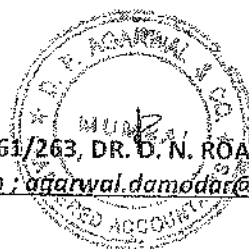
In the earlier years, prior to implementation of the NCLT approved resolution plan, the Company was operating at a lower capacity utilization and overall maintenance activity at the plant was curtailed due to lack of working capital. Consequently, many of the plant and machinery remained idle / non-functional and in most cases the machinery's operating speed was reduced, resulting in lower efficiency and production. During the year ended March 31, 2023, the Company has incurred expenditure of '364 Lakhs', largely related to capex incurred to overhaul the existing plant and machinery in order to improve their efficiency and increase the capacity utilization. Judgement is involved to ensure that the aforesaid expenditure meets the specific recognition criteria under Ind AS 16, 'Property, Plant and Equipment'.

Further, the Company has checked its property, plant and equipment for impairment and decided that no impairment needs to be done with respect to the same . Management has decided to continue the carrying value of property, plant and equipment that existed on the date of Order of NCLT September 19, 2022 as per previous GAAP.

Assessment of useful life of plant and machinery involves management judgment, technical assessment, consideration of historical experiences, anticipated technological changes, etc. Accordingly, the same is considered as a key audit matter. Refer Note 2(a) and 2(b) of the standalone financial statements.

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2) Impairment of Assets and Extinguishment of Liabilities

Refer Note 40 to the standalone financial statements for the details regarding the resolution plan implemented in the Company pursuant to a corporate insolvency resolution process concluded during the year ended 31st March 2023 under Insolvency and Bankruptcy Code, 2016. In respect of de-recognition of operational and financial creditors, difference amounting to '15834.66 Lakhs' between the carrying amount of financial liabilities extinguished and consideration paid, is recognised in statement of profit and loss in accordance with "Ind AS - 109" "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and disclosed as an "Exceptional item". Refer Note 26 of the standalone financial statements. Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users' understanding of the Financial Statements.

3) Contingent Liabilities

Management's judgement regarding recognition and measurement of contingent liabilities as stated in the standalone financial statements :

*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.



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Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management and 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 of the company are also responsible for overseeing the financial reporting process

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

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

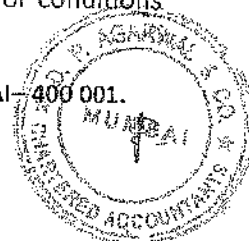
guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS 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 standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the standalone Ind AS 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 standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



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2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting standards) Rules 2015.
- (e) On the basis of written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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 by the management:
 - i. 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,, all the pre existing contingent liabilities have been extinguished together with the associated pending litigations and hence, as per management, there is nothing to be disclosed in its financial statements

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- ii. The Company does not have any material foreseeable losses relating to long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in additional regulatory information to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in additional regulatory information to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures 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) & (b) above, contain any material misstatement.



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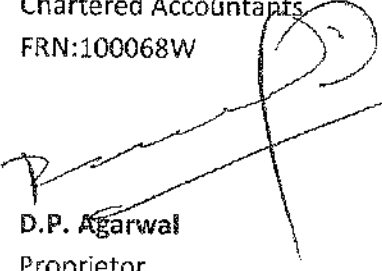
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v. Since the proviso to rule 3(1) of the companies (Accounts) Rules, 2014 is applicable for the company w.e.f. 1st April 2023, therefore, reporting under rule 11(g) is not applicable for the financial year ending on 31st March 2023 in respect of use of accounting software for maintaining books of accounts with requisite audit trail facility.

For D P Agarwal & Co.
Chartered Accountants
FRN:100068W




D.P. Agarwal
Proprietor
M.No: 035500
UDIN: 23035500BGQRJN9262
Place: Mumbai
Date: 24.05.2023

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Annexure A to the Independent Auditor's Report

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- I. (a) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE).
(ii) The Company is maintaining proper records showing full particulars of tangible assets.
 - (b) The Property, Plant and Equipment (PPE) were physically verified during the year by the Management in accordance with regular program of verification, which in our opinion, provides for physical verification of all the PPE at reasonable intervals. 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 by the management, the title deeds of immovable properties disclosed in the financial statements are held in the name of the company.
 - (d) According to the information and explanations given by the management, there is no revaluation of PPE or intangible asset or both during the year. Pursuant to CIRP process, the company has continued the carrying value of its PPE.
 - (e) According to the information and explanations given by the management, no proceedings have been initiated or are pending against the company for holding any benami property under Benami Transaction (Prohibition) Act, 1988 and rules made thereunder.
- II. a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.
 - b) The Company has borrowings from banks or financial institutions on the basis of security of current assets of the company. The quarterly returns / statement filed by the company

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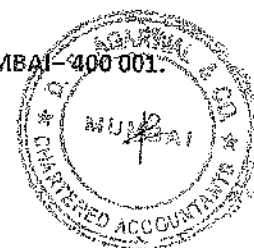
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with such banks /financial institutions are in agreement with the books of accounts of the company. Refer Note No.31 of the standalone financial statements.

- 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. In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any loan, made any investment or provided any guarantees to any person specified under section 185 and section 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.
- V. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- VI. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, for any services rendered by the Company hence paragraph 3(vi) of the Order is not applicable to the Company.
- VII. According to the information and explanations given to us and the records examined by us,
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax and other material statutory dues, were not outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) As stated in Note 32.2 to the standalone financial statements, pursuant to the NCLT approved resolution plan, there are no dues of Income-Tax, Goods and Service Tax, duty of customs etc that has not been deposited on account of any disputes as on 31st March, 2023.
- VIII. According to the information and explanation given to us, company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause 3(viii) of the order is not applicable to the company.
- IX. a) The company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender during the year.

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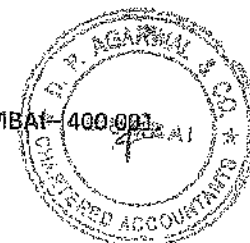
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- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the information and explanations given to us , the company has utilised the 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, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- 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) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company
- (b) During the year, the company has issued optionally convertible debentures of Rs 27.98 crs as per the approved resolution Plan.
- XI. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the management, no fraud by the company or fraud on the company has been noticed or reported during the year. Accordingly, reporting under clause (xi) (a) and (b) of the order is not applicable to the company.
- According to the information & explanations and representation made by the management, no whistle-blower complaints have been received during the year (and upto the date of the report) by the company.
- XII. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable to the Company.
- XIII. According to the information and explanations given to us and based on the documents and records produced before us, the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details thereof have been disclosed in Note No: 29, notes to the financial statements, as required by the applicable accounting standards.

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- XIV. The company has internal audit system which commensurate with its size and nature of the business and there is not requirement of internal auditor on the company
- XV. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of Companies Act, 2013 and hence requirement to report on clause 3(xv) of the order is not applicable to the company.
- XVI. (a) In our opinion and on the basis of information and explanations given to us, the Company is not required to be registered under section 45-IA of the RBI Act, 1934.
- (b) The company has not conducted any non-banking financial or housing financing activities without a valid certificate of registration (CoR) from the RBI as per RBI Act, 1934
- (c) The company is not a core investment company (CIC) as defined in the regulations made by RBI
- XVII. In our opinion and according to the information and explanations provided to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year
- XVIII. There has been no resignation of the statutory auditors during the year, accordingly, provisions of clause (xviii) of the order are 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.



4-B, KINI HOUSE (BILQEES MANSION), 4THFLOOR, 261/263, DR. D. N. ROAD, FORT, MUMBAI- 400 001.

E-MAIL: cadpagarwal@gmail.com ; agarwal.damodar@gmail.com

D P AGARWAL & CO

CHARTERED ACCOUNTANTS

DAMODAR P. AGARWAL
B.COM, LL.B. (Gen.)
F.C.A., F.C.S.

Ph.No: 022-40022785
Fax No:022-2263 6466
Mob. No: 98201 22793

- XX. In our opinion and on the basis of information and explanations given to us, the provision of section 135 (Corporate social responsibility) is not applicable on the company. Accordingly, clause 3(xx) of the order is not applicable to the company.

For D P Agarwal & Co.

Chartered Accountants

FRN:100068W



D.P. Agarwal

Proprietor

M.No: 035500

UDIN: 23035500BGQRJN9262

Place: Mumbai

Date: 24.05.2023

4-B, KINI HOUSE (BILQEES MANSION), 4THFLOOR, 261/263, DR. D. N. ROAD, FORT, MUMBAI-- 400 001.

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"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Lakeland Chemicals India Limited("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management`s Responsibility for Internal Financial Controls

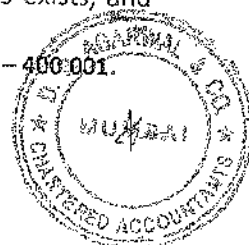
The Company`s management is responsible for establishing and maintaining internal financial controls based on Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India .These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company`s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act,2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company`s internal financial controls over the financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and

4-B, KINI HOUSE (BILQUEES MANSION), 4THFLOOR, 261/263, DR. D. N. ROAD,FORT, MUMBAI- 400 001.
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D P AGARWAL & CO

CHARTERED ACCOUNTANTS

DAMODAR P. AGARWAL
B.COM, LL.B. (Gen.)
F.C.A., F.C.S.

Ph.No: 022-40022785
Fax No:022-2263 6466
Mob. No: 98201 22793

testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorities of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

4-B, KINI HOUSE (BILQEES MANSION), 4THFLOOR, 261/263, DR. D. N. ROAD,FORT, MUMBAI-400 001.
E-MAIL: cadpagarwal@gmail.com ; agarwal.damodar@gmail.com



D P AGARWAL & CO

CHARTERED ACCOUNTANTS

DAMODAR P. AGARWAL
B.COM, LL.B. (Gen.)
F.C.A., F.C.S.

Ph.No: 022-40022785
Fax No:022-2263 6466
Mob. No: 98201 22793

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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For DP Agarwal & Co.
Chartered Accountants
FRN:100068W



D.P. Agarwal
Proprietor

MNo: 035500

UDIN: 23035500BGQRJN9262

Place: Mumbai

Date: 24.05.2023

4-B, KINI HOUSE (BILQEES MANSION), 4THFLOOR, 261/263, DR. D. N. ROAD,FORT, MUMBAI- 400 001.

E-MAIL: cadpaagarwal@gmail.com ; agarwal.damodar@gmail.com

**LAKELAND CHEMICALS (INDIA)
LIMITED**

Audited Final Statements

F. Y. 2022-2023

LAKELAND CHEMICALS (INDIA) LIMITED
CIN : U24110MH2004PLC146040
BALANCE SHEET AS AT 31ST MARCH 2023

(Amount in Lakhs)

| Sl. No. | Particulars | Note No. | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|---------|--|----------|-----------------------|-----------------------|----------------------|
| | ASSETS | | | | |
| 1 | Non-current Assets | | | | |
| | (a) Property, Plant and Equipment | 2a | 2,763.93 | 3,338.96 | 3,924.30 |
| | (b) Capital work-in-progress | 2b | 364.08 | - | - |
| | (c) Financial Assets | | | | |
| | (i) Others | 3 | 31.63 | - | - |
| | (d) Deferred tax assets (net) | 4 | 383.51 | 383.51 | 334.96 |
| 2 | Current Assets | | | | |
| | (a) Inventories | 5 | 406.04 | 49.85 | 49.85 |
| | (b) Financial Assets | | | | |
| | (i) Trade receivables | 6 | 240.60 | 56.91 | 443.82 |
| | (ii) Cash and cash equivalents | 7 | 293.51 | 18.55 | 63.84 |
| | (iii) Others | 8 | 0.03 | 13.21 | 16.96 |
| | (c) Current Tax Assets (Net) | | 0.26 | - | - |
| | (d) Other current assets | 9 | 152.24 | 1,026.72 | 1,026.76 |
| | TOTAL ASSETS: | | 4,635.83 | 4,887.70 | 5,860.48 |
| | EQUITY AND LIABILITIES | | | | |
| 1 | Equity | | | | |
| | (a) Equity Share capital | 10 | 1,000.00 | 461.83 | 461.83 |
| | (b) Other Equity | | | | |
| | (i) Reserve and Surplus | 11 | -246.78 | -16,511.76 | -15,820.50 |
| 2 | LIABILITIES | | | | |
| | Non-current Liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Borrowings | 12 | 2,421.69 | 6,094.77 | 6,094.77 |
| | (b) Other non-current liabilities | 13 | 3.92 | - | - |
| | Current Liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Borrowings | 14 | 757.45 | 10,224.61 | 10,224.61 |
| | (ii) Trade payables | 15 | | | |
| | a) dues of micro enterprises and small enterprises | | - | - | - |
| | b) dues of creditors other than micro enterprises and small enterprises | | 567.28 | 3,507.32 | 3,822.71 |
| | (iii) Other financial liabilities (other than those specified in item (c)) | | - | - | - |
| | (b) Other current liabilities | 16 | 132.27 | 1,030.52 | 996.56 |
| | (c) Current Tax Liabilities (Net) | 17 | - | 80.42 | 80.51 |
| | TOTAL EQUITY AND LIABILITIES: | | 4,635.83 | 4,887.70 | 5,860.48 |

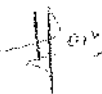
Significant Accounting Policies 1
The accompanying notes to the financial statements 2 to 42

As per our report of even date attached
For D.P. Agarwal & Co.
Chartered Accountants
Firm No. 100068W

D.P. AGARWAL
(Proprietor)
Membership No. 035500
UDIN: 23035003000R262

Place: Mumbai
Date: 24-May-2023

For & on behalf of Board of Directors


Hemant Jain
Director
DIN 08678484


Harshvardhan
Bothra
Director
DIN 08533731


Sanjiv Goyal
Chief Financial Officer

LAKELAND CHEMICALS (INDIA) LIMITED
CIN : U24110MH2004PLC146040
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(Amount in Lakhs)

| Sl. No. | Particulars | Note No. | As at 31st March 2023 | As at 31st March 2022 |
|---------|--|----------|-----------------------|-----------------------|
| I | Revenue From Operations | 18 | 224.97 | -5.71 |
| II | Other Income | 19 | 2.64 | 1.47 |
| III | Total Income (I + II) | | 227.62 | -4.24 |
| IV | EXPENSES | | | |
| | Cost of Materials Consumed | 20 | 10.00 | 25.57 |
| | Purchase of Stock-In-Trade | 21 | 562.60 | - |
| | Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | 22 | -406.04 | - |
| | Employee benefits expense | 23 | 6.81 | 21.68 |
| | Finance costs | 24 | 0.95 | - |
| | Depreciation and amortization expense | 2 | 575.42 | 585.34 |
| | Other expenses | 25 | 24.01 | 102.98 |
| | Total expenses (IV) | | 773.75 | 735.57 |
| V | Profit/(loss) before exceptional items and tax (III-IV) | | -546.14 | -739.81 |
| VI | Exceptional Items | 26 | 15,834.66 | - |
| VII | Profit/(loss) before tax from continuing operations (V-VI) | | 15,288.52 | -739.81 |
| VIII | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) Deferred tax | | - | -48.55 |
| IX | Profit (Loss) for the period from continuing operations (VII-VIII) | | 15,288.52 | -691.26 |
| X | Profit/(loss) from discontinued operations | | - | - |
| XI | Profit/(loss) for the period (IX+X) | | 15,288.52 | -691.26 |
| XII | Other Comprehensive Income | | - | - |
| XIII | Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period) | | 15,288.52 | -691.26 |
| XIV | Earnings per equity share: | | | |
| | (i) Basic | 27 | 221.45 | -14.97 |
| | (ii) Diluted | | 221.45 | -14.97 |

Significant Accounting Policies 1
The accompanying notes to the financial statements 2 to 42

As per our report of even date attached
For D.P. Agarwal & Co.
Chartered Accountants
Firm No.100068W



D.P. AGARWAL
(Proprietor)
Membership No.035500
UDIN:2303500660RJT9262

Place: Mumbai
Date: 24-May-2023

For & on behalf of Board of Directors

[Signature] *[Signature]*

Hemant Jain Harshvardhan
Bothra
Director Director
DIN 08878484 DIN 08533731

[Signature]
Sanjiv Goyal
Chief Financial Officer

LAKELAND CHEMICALS (INDIA) LIMITED
CIN : U24110MH2004PLC146040
Statement of Cash Flow for the year ended 31st March 2023

(Amount in Lakhs)

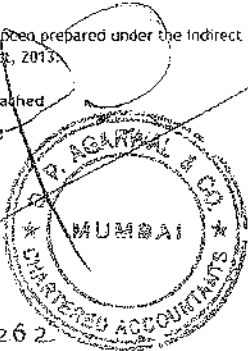
| S.NO. | PARTICULARS | Figures for the year | Figures for the year |
|-------|---|--------------------------|--------------------------|
| | | ended 31st March 2023 | ended 31st March 2022 |
| 1 | (a) Cash Flow from Operating Activities | | |
| | Net Profit Before Taxation | 15,288.52 | -739.81 |
| | Add: Adjustment for non cash items : | | |
| | Depreciation, amortization and impairment | 575.42 | 585.34 |
| | Exceptional Items | -15,834.66 | - |
| | | 29.28 | -154.47 |
| | Add: Adjustment for other items | | |
| | Finance Cost | 0.95 | - |
| | Interest Income | - | -0.90 |
| | Operating Profit Before Working Capital Changes | 30.23 | -155.37 |
| | (b) Adjustments for Changes in Working Capital: | | |
| | Adjustments for (Increase)/Decrease in Operating Assets: | | |
| | Trade Receivables (Current) | -240.60 | 386.91 |
| | Inventories | -395.64 | - |
| | Other Financial Assets | -31.66 | - |
| | Other Current Assets | -176.43 | -44.85 |
| | | -844.33 | 186.69 |
| | (c) Adjustments for (Increase)/Decrease in Operating Liabilities: | | |
| | Trade Payables | 567.28 | -315.39 |
| | Other Current/Non Current Liabilities | 550.57 | 33.96 |
| | Short -Term Borrowings | 2,498.55 | - |
| | Cash Generated from Operations | -3,295.94 | -94.73 |
| | Direct Taxes Paid/Received | - | -48.54 |
| | Cash Flow from Operating Activities (A) | -3,295.94 | -46.19 |
| 2 | Cash from Investment Activities :- | | |
| | Capital Expenditure on Fixed Assets, including Capital Advances | -364.47 | - |
| | Interest Income (Revenue) | - | 8.90 |
| | Net Cash Generated from / (used in) Investing Activities (B) | -364.47 | 8.90 |
| 3 | Cash Flow from Financing Activities :- | | |
| | Proceeds from Issuance of share capital (including share application money) | 1,000.00 | - |
| | Proceeds from Long Term Borrowings | 2,936.32 | - |
| | Finance Cost | -0.95 | - |
| | Net Cash Generated from / (used in) Financing Activities (C) | 3,935.37 | - |
| | Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C) | 274.96 | -45.29 |
| | Net Change in cash & Cash equivalents | 274.96 | -45.29 |
| | Cash & Cash Equivalent at the beginning of the Year | 18.55 | 63.84 |
| | Cash & Cash Equivalent at the end of year | 293.51 | 18.55 |
| | Components of cash and cash equivalents | | |
| | - Cash and Cheques in Hand | - | 0.19 |
| | Balance with Scheduled Banks | | |
| | - On Current Account | 293.51 | 18.35 |

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 D.P. Agarwal & Co.
Chartered Accountants
Firm No.100068W

D.P. AGARWAL
(Proprietor)
Membership No.035500
UDIN:
2303550068W03N9262
Place: Mumbai
Date: 24-May-2023



For & on behalf of Board of Directors

Hemant Jain
Director
DIN 08878484

Harshvardhan Bothra
Director
DIN 08533731

Sanjiv Goyal
Chief Financial Officer

LAKELAND CHEMICALS (INDIA) LIMITED
STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2023

A. EQUITY SHARE CAPITAL

| Particulars | Amount |
|--|--------|
| As at 1st April 2021 | 461.83 |
| Change in equity share capital | - |
| Add: Issued Fresh Equity Share capital | - |
| AS at 31 March 2022 | 461.83 |

| Particulars | Amount |
|---|----------|
| AS at 31 March 2022 | 461.83 |
| Change in equity share capital | - |
| Add: Issued Fresh Equity Share capital | 1,000.00 |
| Less: Extinguishment or Reduction of Share Capital* | -461.83 |
| AS at 31 March 2023 | 1,000.00 |

*Refer Note below

BALANCE AS AT 31st MARCH 2023

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | | Balance at the end of the current reporting period |
|--|--|---|---|---|--|
| | | | Issued Fresh Equity Share capital | *Extinguishment or Reduction of Share Capital | |
| 461.83 | - | - | 1,000.00 | (461.83) | 1,000.00 |

*Refer Note below

BALANCE AS AT 31st MARCH 2022

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 461.83 | - | - | - | 461.83 |

BALANCE AS AT 1st APRIL 2021

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 461.83 | - | - | - | 461.83 |

B. OTHER EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2023

| PARTICULARS | Reserves and Surplus | | | Total Amount |
|---|----------------------|-----------------|-------------------|--------------|
| | Security Premium | Capital Reserve | Retained Earnings | |
| Balance as at 01st April 2022 | 988.96 | - | -17,500.72 | -16,511.76 |
| Profit/(Loss) for the year | - | - | 15,288.52 | 15,288.52 |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Add: Amount Transfer to Capital Reserve | -988.96 | 988.96 | - | - |
| Add: Amount Transfer to Optional Convertible Debenture (Equity) | - | - | 514.63 | 514.63 |
| Add: Due to reduction in face value of shares | - | 461.83 | - | 461.83 |
| Restated balance at the beginning of the reporting period | - | - | - | - |
| Total Comprehensive Income for the year | - | 1,450.79 | -1,697.57 | -246.78 |
| Dividends | - | - | - | - |
| Transfer to retained earnings | - | - | - | - |
| Balance as on 31st March 2023 | - | 1,450.79 | -1,697.57 | -246.78 |



STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2022

| PARTICULARS | Reserves and Surplus | | Total |
|---|----------------------|-------------------|------------|
| | Security Premium | Retained Earnings | |
| Balance as at 01st April 2021 | 988.96 | -16,809.46 | -15,820.50 |
| Profit/(Loss) for the year | - | -691.26 | -691.26 |
| Changes in accounting policy or prior period errors | - | - | - |
| Restated balance at the beginning of the reporting period | - | - | - |
| Total Comprehensive income for the year | 988.96 | -17,500.72 | -16,511.76 |
| Dividends | - | - | - |
| Transfer to retained earnings | - | - | - |
| Balance as on 31st March 2022 | 988.96 | -17,500.72 | -16,511.76 |

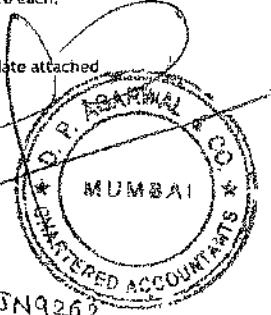
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1ST APRIL 2021

| PARTICULARS | Reserves and Surplus | | Total |
|---|----------------------|-------------------|------------|
| | Security Premium | Retained Earnings | |
| Balance as at 01st April 2020 | 988.96 | -15,893.81 | -14,904.85 |
| Profit/(Loss) for the year | - | -931.95 | -931.95 |
| Changes in accounting policy or prior period errors | - | 16.31 | 16.31 |
| Restated balance at the beginning of the reporting period | - | - | - |
| Total Comprehensive Income for the year | 988.96 | -16,809.46 | -15,820.50 |
| Dividends | - | - | - |
| Transfer to retained earnings | - | - | - |
| Balance as on 31st March 2021 | 988.96 | -16,809.46 | -15,820.50 |

"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 equity share capital of the erstwhile promoters have been extinguished and fresh equity capital of Rs 10,00,00,000 has been introduced consists of 1,00,00,000 equity share capital of Rs. 10 each.

As per our report of even date attached
For D.P. Agarwal & Co.
Chartered Accountants
Firm No. 100068W

D.P. AGARWAL
(Proprietor)
Membership No. 035500
UDIN:
2302500860R3N9262
Place: Mumbai
Date: 24-May-2023



For & on behalf of Board of Directors

Hemant Jain
Hemant Jain
Director
DIN 08878484

Harshvardhan Bothra
Harshvardhan Bothra
Director
DIN 08533731

Sanjiv Goyal
Sanjiv Goyal
Chief Financial Officer

LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Corporate Information

Lakeland Chemicals India Limited is a Public Company domiciled in India and incorporated under the Company's Act. The Company's principle business is 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 standards) as amendment from time to time.

b) Basis of Measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis except for the following which have been valued at Fair value as required under Ind-AS instead of historical cost.

- 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 assets or liability, the company takes into account the characteristics of the assets or liability if market participants would take those characteristics into account when pricing the assets or liability at the measurement date.

c) Use of Estimates and Judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates include estimates of future obligations under employee retirement benefit plans and estimated useful life of property, plant and equipment actual results may differ from these estimates.

- i. **Useful life of Property, Plant and equipment (PPE):** The company depreciates PPE on a Written Down Value (WDV) over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as changes in technology. The estimated useful life is reviewed at least annually.
- ii. **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Under the projected unit credit (PUC) 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 active members of the plan. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- iii. **Useful life of Intangible assets:** Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset will flow to the enterprise and the cost of the asset can be measured reliably.

The Company amortizes intangible assets on a Written Down Value (WDV) over estimated useful lives of the assets. The useful life is Estimated based on a number of factors including the effects of obsolescence, demand, competition and other economic factors such as the stability of the industry and known technological advances and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. The estimated useful life is reviewed at the end of each annual reporting period.

- iv. **Expected credit losses on financial assets:** The company provides for impairment provisions of trade receivables based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

- v. **Leases:**
Ind AS 116 defines a lease term as the noncancelable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

- vi. **Impairment of tangible and intangible assets other than goodwill:** As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, Investment property Investments and Intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property, Investments and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognised in the period in which the results are known /materialize.

1.3 Cash and Cash Equivalent

Cash and cash equivalents refers to the line item on the balance sheet that reports the value of a company's assets that are cash 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 have maturities of three 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 activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the Notes to Accounts.

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 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 made transferred to Exceptional Item.

1.5 Investments

1) Investments in Subsidiaries & Associates

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

2) Other Investments

All other investments are measured at fair value, with value changes recognized in Statement of Other Comprehensive Income.

1.6 Inventories

Items of inventories are valued at lower of specific cost or net estimated realizable value after providing for obsolescence, if any. Inventory of raw materials lying at factory are valued on FIFO Basis.

Cost of inventories comprises of cost of purchase, cost of transport, cost of conversion and other costs including manufacturing /other overheads incurred in bringing them to their respective present location and condition. Inter-unit goods transfers are valued at lower of cost/ net estimated realizable value.

Non duty paid goods lying at port has been valued without Basic Custom Duty due to uncertainty of quantum of material to be sold against transfer of ownership/ duty paid.



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

1.7 Cash Flow Statement

Cash flow statement is reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

1.8 Property, Plant and Equipment and Depreciation / Amortization

- a) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of asset includes the following:

- i. Cost directly attributable to the acquisition of the assets
 - ii. Incidental expenditure during the construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is directly related to construction or is incidental thereto.
 - iii. Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.
- b) Cost of replacement, major inspection, repair of significant parts and borrowing costs for long-term construction projects are capitalised if the recognition criteria are met.
- c) Upon sale of assets cost and accumulated depreciation are eliminated from the financial statements and the resultant gains or losses are recognized in the statement of profit and loss.
- d) Amounts paid towards the acquisition of property, plant and equipment that is yet to be delivered by the supplier / vendor at the reporting date is classified as capital advance; and
- e) Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.
- (f) The estimated useful lives of assets are as follows :

| Particular | The estimated useful lives of assets |
|--------------------------------------|--------------------------------------|
| Factory Buildings & Site Development | 60 |
| Plant and Machinery | 12 |
| Furniture & Fixture | 10 |
| Office Equipments | 5 |
| Computers Equipments | 3 |

Depreciation



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

Depreciation on Property, plant and Equipment is provided on Written Down Value (WDV) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2021, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

1.9 Investment Property

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

1.10 Intangible Assets and Amortisation

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

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

Intangible assets are amortized over the estimated useful life. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any change in the estimate 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 assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. At each reporting date company assesses the estimate amount of impairment loss. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

1.12 Revenue Recognition



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

The Company derives revenues primarily from sale of traded goods, manufactured goods and related services.

Effective 01 April 2021, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'.

There is no effect on adoption of Ind-AS 115. Revenue is recognized on satisfaction of performance obligation which is treated as satisfied upon transfer of control of promised products or services to customers on output method in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

On each reporting date expected credit loss on receivables is measured and accounted for as per Ind-AS 109.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money. Revenue from sale of products and services are recognized at a time on which the performance obligation is satisfied.

Other operating revenue – Service Charges

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

Dividend income is recognized as and when received.

Claims: All sorts of claims by or against the company are recognized as and when acknowledged / accepted / settled / received.

1.13 Employee Benefits.

Short-term employee benefits- Employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss for the year in which the related service is rendered.

The obligations for employee benefit such as Leave encashment is accounted for on 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 Life Insurance Corporation of India. Contribution made under the scheme is charged as expense in the Statement of Profit & 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.

Actuarial gains or losses are recognized in Other Comprehensive Income.



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

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 Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets 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 are 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 statements are measured using the currency of the primary economic environment in which the Company operates. (Functional Currency) The financial statements are presented in Indian rupees, which is the presentation currency of 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 recognised in statement of profit and loss.

1.16 Tax expenses represents the sum of current tax and deferred tax

a Current Income Tax

- i. Taxes including current income-tax are computed using the applicable tax rates and tax laws.
- ii. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
- iii. Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities Liability for additional taxes, if any, is provided / paid as and when assessments are completed.
- iv. Current tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

b Deferred tax

- i. Deferred income tax is recognized using balance sheet approach.



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

- ii. Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- iii. Deferred income tax asset 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 is reviewed at each reporting date and 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 asset 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 a 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 recognised as 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 measured at the present value by using pre-tax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

1.18 Contingent Liabilities and contingent Assets

- a) Contingent Liabilities are disclosed in either of the following cases:
 - i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
 - ii) A reliable estimate of the present obligation cannot be made; or
 - iii) A possible obligation, unless the probability of outflow of resource is remote.
- b) Contingent assets is disclosed where an inflow of economic benefits is probable.
- c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
- d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

1.19 Earnings Per Share

In determining earnings per share, the Company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings 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

Company measures financial instruments 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 participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company uses valuation techniques 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 holders

Dividend paid/payable shall be recognised in the year in which the related dividends are 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 costs that are directly attributable to the acquisition or issue of the financial instruments.

b) Subsequent measurement

A. FINANCIAL ASSETS

i. Financial Assets At Amortized Cost

A financial asset shall be measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Fair value through Other Comprehensive Income.

A financial asset is classified as at the FVTOCI if it is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

other comprehensive income subsequent changes in the fair value of such equity instruments.

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

a) Financial liabilities at Amortized Cost

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

b) Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

c) Financial Guarantee Contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss if incurs because the specified debtors fails to make the payments when due in accordance with term of debt instrument financial guarantee contract are recognized initially as liability at fair value, adjusted for transition cost that are directly attributed the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind As 109 and the amount initially recognized less cumulative income recognized in accordance with principal of Ind AS115.

d) Derecognition

Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms 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 a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

e) Impairment of financial assets:

The company assesses on forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. 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.



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

For trade receivables only, the companies applied a simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of 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 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 twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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 twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.24 Non-current Assets (or disposal groups) held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs 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 IND AS 5 "Non-current 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 the lower of

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



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to the Financial Statements
For the year ended March 31, 2023

1.25 Units of Measurement:

All financial information presented in Indian rupees and all values are rounded to the nearest lakhs rupees with two decimal points except where otherwise stated.



LAKELAND CHEMICALS (INDIA) LIMITED
Notes to Standalone Financial Statements as at 31st March, 2023

| Particulars | 2 (a) PROPERTY, PLANT AND EQUIPMENT | | | | | | | | | | (Rupees in Lakhs) | | | |
|-------------------------|-------------------------------------|-----------|---------------------|-----------------|-----------------|---------------|------------------------|------------------|---------------|------------------------|----------------------|-----------------|----------------|-----------------|
| | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | | | |
| | As at 01.04.21 | Additions | Sales / Adjustments | As at 31.03.22 | As at 01.04.21 | For the year | Deduction / Adjustment | As at 31.03.2022 | For the year | Deduction / Adjustment | Total As At 31.03.23 | As at 31.03.23 | As at 31.03.22 | As at 01.04.21 |
| Factory Buildings | 848.45 | - | - | 848.45 | 251.78 | 28.37 | - | 280.15 | 27.73 | - | 307.88 | 541.57 | 569.30 | 597.67 |
| Land & Land Development | 88.13 | - | - | 88.13 | - | - | - | - | - | - | - | 98.13 | 98.13 | 99.13 |
| Site Development | 323.65 | - | - | 323.65 | 53.19 | 10.82 | - | 64.01 | 12.86 | - | 76.86 | 247.19 | 259.84 | 270.66 |
| Plant & Machinery | 7,312.99 | - | - | 7,312.99 | 4,369.89 | 542.52 | - | 4,912.51 | 530.32 | - | 5,442.83 | 1,870.16 | 2,400.48 | 2,943.10 |
| Furniture & Fixtures | 39.21 | - | - | 39.21 | 33.71 | 2.48 | - | 36.19 | 0.78 | - | 36.97 | 2.24 | 3.02 | 5.50 |
| Computers & Printers | 59.60 | - | - | 59.60 | 0.39 | - | - | - | 0.25 | - | 0.25 | 0.14 | - | - |
| Office Equipments | 20.54 | - | - | 20.54 | 11.30 | 1.05 | - | 12.35 | 3.68 | - | 16.04 | 4.50 | 8.19 | 9.24 |
| Total | 8,703.17 | - | - | 8,844.17 | 4,719.87 | 585.34 | - | 5,305.21 | 575.42 | - | 5,880.63 | 2,763.93 | 3,339 | 3,924.30 |

| Particulars | 2 (b) CAPITAL WORK IN PROGRESS | | | | | | | | | | (Rupees in Lakhs) | | | |
|-------------------|--------------------------------|-----------|---------------------|----------------|----------------|--------------|------------------------|------------------|--------------|------------------------|----------------------|----------------|----------------|----------------|
| | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | | | |
| | As at 01.04.21 | Additions | Sales / Adjustments | As at 31.03.22 | As at 01.04.21 | For the year | Deduction / Adjustment | As at 31.03.2022 | For the year | Deduction / Adjustment | Total As At 31.03.23 | As at 31.03.23 | As at 31.03.22 | As at 01.04.21 |
| Plant & Machinery | - | - | - | - | - | - | - | - | - | - | - | 364 | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - | 364 | - | - |

* Refer para no. 38' Agents of CWP

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 2018 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 THE BALANCE SHEET AS AT 31ST MARCH 2023

Note: 3 OTHER NON CURRENT FINANCIAL ASSETS
(Unsecured, considered good)

(Amount in Lakhs)

| Particulars | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|---|-----------------------|-----------------------|----------------------|
| Security Deposit (Maharashtra State Electricity Distribution Co.) | 10.03 | - | - |
| Bank deposits with more than 12 months maturity | 21.60 | - | - |
| Total | 31.63 | - | - |

Note: 4 DEFERRED TAX ASSETS

| Particulars | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|--|-----------------------|-----------------------|----------------------|
| Opening Balance | 383.51 | 334.98 | 301.33 |
| Add: Charge/(Credit) to Statement of Profit and Loss | - | 48.55 | 33.63 |
| Add: Charge/(Credit) to Other Comprehensive Income | - | - | - |
| Total | 383.51 | 383.51 | 334.96 |

*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, Earlier, DTA on Previous losses has not been considered in view of virtual uncertainty under Income Tax Act for recognition of deferred tax assets as required under AS 22. 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. Hence deferred tax assets will made accordingly in future.

Unused tax losses, Unabsorbed depreciation and temporary differences on which no deferred tax assets recognised in balance sheet

| Particular | As at 31-Mar-22 | |
|--------------------------------|------------------|-----------------|
| | Base Amount | Deferred Tax* |
| Unused Tax Losses | 16,063.67 | 4,177 |
| Unabsorbed depreciation | 2,587.39 | 673 |
| Total | 18,651.07 | 4,849.28 |
| Opening Deferred Tax assets | | 383.51 |
| Net Deferred Tax Assets | | 4,465.77 |

*Deferred Tax Assets created on C/f losses and unabsorbed depreciation and Effective rate of tax-26%

Details of Unused Tax losses (Business)

| Particular | Base Amount | Expiry (Assessment Year) |
|--------------|---------------|--------------------------|
| AY 2017-18 | 822.50 | 2025-26 |
| AY 2018-19 | 1,543.14 | 2026-27 |
| AY 2019-20 | 11,824.08 | 2027-28 |
| AY 2020-21 | 498.31 | 2028-29 |
| AY 2021-22 | 822.55 | 2029-30 |
| AY 2022-23 | 553.09 | 2030-31 |
| Total | 16,064 | |

Details of Unabsorbed depreciation

| Particular | Base Amount |
|--------------|--------------|
| AY 2017-18 | 436.34 |
| AY 2018-19 | 572.98 |
| AY 2019-20 | 635.42 |
| AY 2020-21 | 544.10 |
| AY 2021-22 | 398.63 |
| Total | 2,587 |

1) Unabsorbed depreciation doesnot have any expiry period under the Income Tax Act 1961

(2) No deferred tax benefit is recognised in the absence of reasonable certainty that taxable income will be generated by the company to offset the losses except balances as at 31-Mar-22 of Rs. 383.51 lakhs

Note: 5 Inventories

| Particular | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|---------------------------------------|-----------------------|-----------------------|----------------------|
| Stock In Trade | 406.04 | - | - |
| Raw Materials | - | 19.92 | 19.92 |
| Work-in-process | - | 16.91 | 16.91 |
| Finished Goods | - | 11.61 | 11.61 |
| Packing Materials and Stores & Spares | - | 1.40 | 1.40 |
| Total | 406.04 | 49.85 | 49.85 |

Valuation of inventories are done as per point no. 1.6 of significant accounting policies.



LAKELAND CHEMICALS (INDIA) LIMITED
NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2023

Note: 6 TRADE RECEIVABLES

(Unsecured, considered good)

(Amount in Lakhs)

| Particular | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|---------------|-----------------------|-----------------------|----------------------|
| Related Party | - | - | - |
| Others | 240.60 | 56.91 | 443.82 |
| Total | 240.60 | 56.91 | 443.82 |

For trade receivables outstanding as on 31st March 2023, following ageing schedule shall be given:

(Rupees in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables --- considered good | 240.60 | - | - | - | - | 240.60 |
| (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 : 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, Other current assets which is long outstanding and reported as opening balance for the year has been made transferred to Exceptional Item. Refer Note no 26 "Exceptional Item". Hence No trade receivable ageing as on 31-Mar-22 is given

Note: 7 Cash and Cash equivalents

| Particular | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|---------------------|-----------------------|-----------------------|----------------------|
| Balances with Banks | - | - | - |
| Cash on hand | - | 0.19 | 0.20 |
| Balances with Banks | 293.51 | 18.35 | 63.63 |
| Total | 293.51 | 18.55 | 63.84 |

Note: 8 OTHER CURRENT FINANCIAL ASSETS

| Particular | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|---|-----------------------|-----------------------|----------------------|
| Advances (Recoverable in cash or in kind or for value to be received) | - | 2.71 | 6.46 |
| Security Deposits | - | 10.50 | 10.50 |
| Accrued Interest on FDR's | 0.03 | - | - |
| Total | 0.03 | 13.21 | 16.96 |

Note: 9 Other Current Assets

| Particular | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|-------------------|-----------------------|-----------------------|----------------------|
| Balance of GST | 93.26 | - | - |
| Claims Receivable | - | 1,000.00 | 1,000.00 |
| Other Advances | 58.97 | 26.72 | 26.76 |
| Total | 152.24 | 1,026.72 | 1,026.76 |

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, Other current assets which is long outstanding and reported as opening balance for the year has been made transferred to Exceptional Item. Refer Note no 26 "Exceptional Item"



LAKELAND CHEMICALS (INDIA) LIMITED
NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2023

Note: 10 Equity Share capital

| Particulars | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|--|-----------------------|-----------------------|----------------------|
| 1,50,00,000 Authorised share capital Equity shares of Rs. 10 each (Previous year 50,00,000 Equity Shares of Rs. 10 each) | 1,500.00 | 500.00 | 500.00 |
| | 1,500.00 | 500.00 | 500.00 |
| Issued/subscribed and Paid up Capital | | | |
| 1,00,00,000 Equity shares of Rs.10 each (Previous year 46,18,300 Equity Shares of Rs. 10 each) | 1,000.00 | 461.83 | 461.83 |
| | 1,000.00 | 461.83 | 461.83 |

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

| Name of the shareholder | As at 31st March 2023 | | As at 31st March 2022 | | As at 1st April 2021 | |
|--|-----------------------|------------------------|-----------------------|------------------------|----------------------|------------------------|
| | No in Shares | % holding in the class | 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 | 99,99,994.00 | 99.99% | | | | |
| Vijay Athaiye | | | 27,81,050 | 60.22% | 27,81,050 | 60.22% |
| Deepak Tikekar | | | 5,80,000 | 12.59% | 5,80,000 | 12.59% |
| Lakeland Laboratories | | | 11,79,250 | 25.33% | 11,79,250 | 25.33% |
| Total | 99,99,994.00 | 99.99% | 45,40,300 | 98.14% | 45,40,300 | 98.14% |

10.2 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. The dividend proposed by Board of Directors is subject to approval of the shareholder in the ensuing Annual General Meeting, except in case on Interim dividend. 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.

10.3 Reconciliation of the number of equity shares and share capital

| Particulars | As at 31st March 2023 | | As at 31st March 2022 | | As at 1st April 2021 | |
|---|-----------------------|----------|-----------------------|--------|----------------------|--------|
| | No in Shares | Amount | No in Shares | Amount | No in Shares | Amount |
| Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year | | | 46,18,300 | 461.83 | 46,18,300 | 461.83 |
| Add: Shares issued during the year | 1,00,00,000 | 1,000.00 | | | | |
| Issued/Subscribed and Paid up equity Capital outstanding at the end of the year | 1,00,00,000 | 1,000.00 | 46,18,300 | 461.83 | 46,18,300 | 461.83 |

10.4 The aggregate shareholding of the promoters and promoter group as at 31.03.23

| Name of the Promoters | No. of Shares Held | Percentage of Holding | % Change during the year |
|-----------------------|--------------------|-----------------------|--------------------------|
| KLJ Resources Ltd. | 99,99,994 | 99.99% | 100% |
| Sh. Hemant Jain | 1 | 0.00 | 100% |
| Sh. Kamal Jain | 1 | 0.00 | 100% |
| Sh. Pushp Jain | 1 | 0.00 | 100% |
| Smt. Sushila Jain | 1 | 0.00 | 100% |
| Smt. Neetu Jain | 1 | 0.00 | 100% |
| Smt. Sonali Jain | 1 | 0.00 | 100% |

*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 equity share capital of the erstwhile promoters have been extinguished and fresh equity capital of Rs 10,00,00,000 has been introduced consists of 1,00,00,000 equity share capital of Rs. 10 each as per resolution plan.

Note: 11 Other Equity

| Particulars | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|-------------------------------------|-----------------------|-----------------------|----------------------|
| Retained Earnings (Refer Note 11.1) | -246.78 | -17,500.72 | -16,809.46 |
| Securities Premium | | 988.96 | 988.96 |
| | -246.78 | -16,511.76 | -15,820.50 |

Note: 11.1

| Particulars | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|---|-----------------------|-----------------------|----------------------|
| Retained Earnings | | | |
| As per last Balance Sheet | -17,500.72 | -16,809.46 | -15,893.81 |
| Add: Profit after Tax | 15,288.52 | -691.26 | 931.95 |
| Add: Adjustment due to prior period error | | | 16.31 |
| Add: Due to reduction in face value of shares | 461.83 | | |
| Add: Amount Transfer to Optional Convertible Debenture (Equity) | 514.63 | | |
| Add: Amount Transfer from Security Premium to Capital Reserve account | 988.96 | | |
| | -246.78 | -17,500.72 | -16,809.46 |
| Securities Premium Account | | | |
| As per last Balance Sheet | 988.96 | 988.96 | 988.96 |
| Less: Transfer from Capital Reduction Account | -988.96 | | |
| Items of Other comprehensive Income recognised directly in retained earnings | | | |
| Remeasurements of defined benefits plans, net of tax | -246.78 | -16,511.76 | -15,820.50 |

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 amount arising on account of the assets reduced or write off or the balances of operational and financial creditors and other liabilities extinguished represent in the Exceptional Item in Profit and Loss account.



LAKELAND CHEMICALS (INDIA) LIMITED
NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2023

Note: 12 BORROWINGS-NON-CURRENT

| Particular | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|---|-----------------------|-----------------------|----------------------|
| Secured | | | |
| HDFC Term Loan | 153.69 | | |
| Bank of Baroda Term Loan | | 3,909.93 | 3,909.93 |
| Less Current Maturity of Long Term Borrowings | 15.37 | - | - |
| | 138.32 | 3,909.93 | 3,909.93 |
| Unsecured | | | |
| Debentures - At Amortised Cost (2% (Cumulative) Optionally Convertible Debentures at Face Value of Rs. 10 of Rs. 27,98,00,000) | 2,283.37 | | |
| From Share holders & Others | | 2,184.84 | 2,184.84 |
| Total | 2,421.69 | 6,094.77 | 6,094.77 |

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 liability towards Secured and Unsecured financial creditors (including interest) stands extinguished except the amount as mentioned and paid in the Resolution Plan by the Resolution applicant.

Note: 13 Other non-current liabilities

| Particular | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|------------------|-----------------------|-----------------------|----------------------|
| Security Deposit | 3.92 | - | - |
| Total | 3.92 | - | - |

Note: 14 BORROWINGS-CURRENT

| Particular | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|---|-----------------------|-----------------------|----------------------|
| Secured | | | |
| (i) Cash Credit and Foreign Bills Discounting from Bank of Baroda | - | 9,128.76 | 9,146.55 |
| Hypothecation of stocks of raw materials, work-in-process, finished goods, packing materials and Book Debts | - | | |
| (ii) Packing Credit from Bank of Baroda | - | 1,078.05 | 1,078.05 |
| (iii) Advances from BOB towards CIRP | - | 17.80 | - |
| (iv) HDFC Term Loan - Current Maturity of Long Term Borrowings | 15.37 | | |
| Unsecured | | | |
| Borrowings from Holding Co. (KLJ Resources Ltd) | 742.08 | | |
| Total | 757.45 | 10,224.61 | 10,224.61 |

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 liability towards Secured and Unsecured financial creditors (including interest) stands extinguished except the amount as mentioned and paid in the Resolution Plan by the Resolution applicant.

Note: 15 TRADE PAYABLES

| Particular | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|---|-----------------------|-----------------------|----------------------|
| a) dues of micro enterprises and small enterprises | - | - | - |
| b) dues of creditors other than micro enterprises and small enterprises | - | - | - |
| Related Parties | 567.28 | - | - |
| Others | - | 3,507.32 | 3,822.71 |
| c) disputed | - | - | - |
| dues of micro enterprises and small enterprises | - | - | - |
| Others | - | - | - |
| Total | 567.28 | 3,507.32 | 3,822.71 |

*Refer note no. 34 for MSME Disclosure

*Refer note no. 35 for Trade Payable Aging

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 liability towards Secured and Unsecured financial creditors (including interest) stands extinguished except the amount as mentioned and paid in the Resolution Plan by the Resolution applicant.

Note: 16 Other Current Liabilities

| Particular | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|-----------------------------|-----------------------|-----------------------|----------------------|
| Statutory Liabilities | 7.95 | 245.53 | 259.38 |
| Advances From Customers | - | 242.33 | 236.75 |
| Others payable and deposits | 124.32 | 542.66 | 500.42 |
| Total | 132.27 | 1,030.52 | 996.56 |

Note: 17 Current Tax Liability (Net)

| Particular | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|-------------------------|-----------------------|-----------------------|----------------------|
| Current Tax Liability | - | - | - |
| Direct Tax Payable | - | 85.26 | 85.26 |
| Less: Advance Tax & TDS | 0.26 | 4.84 | 4.75 |
| Total | -0.26 | 80.42 | 80.51 |

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 liability towards Secured and Unsecured financial creditors (including interest) stands extinguished except the amount as mentioned and paid in the Resolution Plan by the Resolution applicant.



LAKELAND CHEMICALS (INDIA) LIMITED

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Note: 18 Revenue from Operations

| Particulars | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|----------------------------------|--------------------------|--------------------------|
| Sale of products (Trading) | 201.69 | - |
| Sale of products (Manufacturing) | - | - |
| Sales Return | - | -5.71 |
| Other Operating Revenue | 23.28 | - |
| Total | 224.97 | -5.71 |

Note: 19 Other Income

| Particulars | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|--------------------|--------------------------|--------------------------|
| Rent | 2.61 | - |
| Interest Income | 0.03 | 0.90 |
| Bad debts Recovery | - | 0.20 |
| other Income | - | 0.37 |
| Total | 2.64 | 1.47 |

Note: 20 Cost of Material Consumed

| Particulars | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|-----------------------|--------------------------|--------------------------|
| Opening Stock | 19.92 | 19.92 |
| Less: Inventory w/off | 9.92 | - |
| | 10.00 | 19.92 |
| Add : Purchases | - | 25.57 |
| | 10.00 | 45.49 |
| Less: Closing Stock | - | 19.92 |
| Total | 10.00 | 25.57 |

Note: 21 PURCHASE OF STOCK-IN-TRADE

| Particulars | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|--------------------------|--------------------------|--------------------------|
| Purchase of Traded Goods | 560.48 | - |
| Other direct expense | 2.13 | - |
| Total | 562.60 | - |

Note: 22 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-TRADE

| Particulars | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|----------------------|--------------------------|--------------------------|
| Opening Stock | | |
| Traded Goods | - | - |
| Finished Goods | - | 11.61 |
| Work in Process | - | 16.91 |
| | - | 28.53 |
| Less : Closing Stock | | |
| Traded Goods | 406.04 | - |
| Finished Goods | - | 11.61 |
| Work in Process | - | 16.91 |
| | 406.04 | 28.53 |
| Total | -406.04 | - |



Note: 23 Employee Benefit Expense

| Particulars | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|---|--------------------------|--------------------------|
| Salaries & Wages | 6.52 | 18.12 |
| Contribution to Provident and other funds | 0.23 | 3.56 |
| Staff Welfare Expenses | 0.07 | - |
| Total | 6.81 | 21.68 |

Note: 24 Finance Costs

| Particulars | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|---------------------------|--------------------------|--------------------------|
| Interest Paid | - | - |
| Bank Charges & Commission | 0.95 | - |
| Total | 0.95 | - |

Note: 25 Other Expense

| Particulars | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|--|--------------------------|--------------------------|
| Rent | 2.19 | 2.25 |
| Rates & Taxes / Fees | 11.04 | - |
| Repairs & Maintenance | - | 0.16 |
| Insurance Expenses | - | 17.62 |
| Power, Electricity & Water | 4.26 | 1.56 |
| Telephone & Mobile | 0.03 | 0.09 |
| Printing, Stationery & Computer expenses | 1.54 | 0.14 |
| Travelling and Conveyance | 0.60 | 0.01 |
| Donation | 0.25 | - |
| Business Promotion | - | 0.17 |
| Freight Expenses | 2.94 | 0.06 |
| Consultancy, Legal & Professional Fees | 0.04 | -17.78 |
| CIRP Charges | - | 71.77 |
| Miscellaneous Expense | 0.12 | 24.44 |
| Auditor Remuneration | 1.00 | 2.50 |
| Consumable Stores, Spares Parts Consumed | - | - |
| Total | 24.01 | 102.98 |

26. Exceptional items

| Particulars | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|--|--------------------------|--------------------------|
| Extinguishment of Operational and Financial Creditors (as per the terms of Approved Resolution Plan) | 3,726.37 | - |
| Extinguishment of Other Current and Non-Current Liability | 13,233.36 | - |
| Impairment of Other Current and Non-Current Assets | -1,125.07 | - |
| Total | 15,834.66 | - |

*Refer Note no 40



Note 27. Earnings per Share:

| Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|------------------------------|------------------------------------|------------------------------------|
| | (Rs. per share) | (Rs. per share) |
| Basic EPS | | |
| From continuing operation | 221.45 | -14.97 |
| From discontinuing operation | - | - |
| Diluted EPS | | |
| From continuing operation | 221.45 | -14.97 |
| From discontinuing operation | - | - |

27.1 Basic Earning per Share

The earnings and weighted average number of equity shares used in calculation of basic earning per share:-

| Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---|---|------------------------------------|
| | Profit attributable to equity holders of the company: | |
| Continuing operations | 15,288.52 | -691.26 |
| Discontinuing operations | - | - |
| Earnings used in calculation of Basic Earning Per Share | 15,288.52 | -691.26 |
| Weighted average number of shares for the purpose of basic earnings per share | 69,03,679 | 46,18,300 |

27.2 Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-

| Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|--|---|------------------------------------|
| | Profit attributable to equity holders of the company: | |
| Continuing operations | 15,288.52 | -691.26 |
| Discontinuing operations | - | - |
| Earnings used in calculation of diluted Earning Per Share from continuing operations | 15,288.52 | -691.26 |

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

| Particulars | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|--|---|------------------------------------|
| | Weighted average number of Equity shares used in calculation of basic | 69,03,679 |
| Effect of dilution: | | |
| Share Options | - | - |
| Weighted average number of Equity shares used in calculation of diluted earnings per share | 69,03,679 | 46,18,300 |

28 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.

Note 29. Related Party disclosures as required by Ind-AS 24 "Related party Disclosure"

29.1 Key Management Personnel:

Mr. Hemant Jain, Director
Mr. Harshvardhan bothra, Director
Mr. Hanuman Jain, Director

29.2 Other related parties with whom the company had transactions:-

Others (Group Concern):
KLJ Plasticizers Limited.



29.3 Holding Company

KLJ Resources Limited (Share: 100%)

29.4 Disclosure of transactions with related parties:

(Amount in Lakhs)

| Transaction During the year | Name of Related Parties | Relationship | 31st March, 2023 | 31st March, 2022 (Refer Note below*) |
|--|--------------------------|-----------------|------------------|--------------------------------------|
| Purchase | KLJ Resources Limited | Holding Company | 335.06 | - |
| Purchase | KLJ Plasticizers Limited | Group Concern | 221.69 | - |
| Reimbursement of Expense | KLJ Resources Limited | Holding Company | 2.46 | - |
| Interest Expense | KLJ Resources Limited | Holding Company | 33.01 | - |
| Rent Income | KLJ Resources Limited | Holding Company | 3.08 | - |
| Security Deposit received | KLJ Resources Limited | Holding Company | 3.92 | - |
| Borrowing | KLJ Resources Limited | Holding Company | 3,540.08 | - |
| Outstanding Balance as at 31st March 2023 | | | | |
| Trade Payable | KLJ Resources Limited | Holding Company | 337.48 | - |
| Trade Payable | KLJ Plasticizer Limited | Group Concern | 221.69 | - |
| Expense payable | KLJ Resources Limited | Holding Company | 21.53 | - |
| Security Deposit | KLJ Resources Limited | Holding Company | 3.92 | - |
| Borrowing | KLJ Resources Limited | Holding Company | 3,540.08 | - |

*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, previous year balances stand extinguished

Note 30. Capital-Work-in Progress (CWIP)

For Capital-work-in progress, following ageing schedule as on 31st Mar 2023

(Rupees in Lakhs)

| CWIP | Amount in CWIP under development for a period of | | | | Total |
|----------------------|--|----------|----------|------------------|---------------|
| | Less than 1 year | 1-2 year | 2-3 Year | More than 3 Year | |
| Projects in progress | 364.08 | - | - | - | 364.08 |
| Total | 364.08 | - | - | - | 364.08 |

Note 31. 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

| Name of the Bank | Limit | | | Charge Amount |
|------------------|------------|----------------|-------|---------------|
| | Fund Based | Non Fund Based | Total | |
| HDFC Bank | 30.00 | 61.00 | 91.00 | 91.00 |

Note 32. Commitments, Contingent Liabilities and Contingent Assets

32.1 Capital Commitments : As at 31st March, 2023 Rs. 413.27 and 31st March, 2022 Rs.Nil

32.2 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 and 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 2023 | As at 31st March 2022 |
|-----------------|-----------------------|-----------------------|
| Bank Guarantees | 6.00 | - |



Note 33. Lease Arrangements

Company has lease of term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The company has entered short term lease arrangement during the year.

Note 34. 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.

Note 35. Trade Payable Ageing

For trade payable outstanding as on 31st March 2023, following ageing schedule shall be given:

(Rupees in Lakhs)

| Particular | Outstanding for following periods from due date | | | | Total |
|----------------------|---|----------|----------|------------------|--------|
| | Less than 1 Year | 1-2 year | 2-3 Year | More than 3 Year | |
| MSME | - | - | - | - | - |
| Others | 567.28 | - | - | - | 567.28 |
| Disputed dues MSME | - | - | - | - | - |
| Disputed dues Others | - | - | - | - | - |

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 liability towards Secured and Unsecured financial creditors (including interest) stands extinguished except the amount as mentioned and paid in the Resolution Plan by the Resolution applicant. Hence No Trade payable Ageing as on 31-Mar-22 has been given.



LAKELAND CHEMICALS (INDIA) LIMITED

Note 36. 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 | 2022-23 | 2021-22 | Variation (In %) |
|---------|----------------------------------|---|--|------------|----------|-----------|------------------|
| 1 | Current Ratio | Current Assets | Current Liabilities | Times | 0.75 | 0.08 | 855.29% |
| 2 | Debt-equity ratio | Debt | Equity | Times | 4.22 | -1.02 | -515.10% |
| 3 | Debt service coverage ratio | 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 | 6.56 | -0.03 | -26001.24% |
| 4 | Return on equity ratio | Net Profit after taxes | Equity Shareholder funds | Percentage | 2029.75% | 4.31% | 47027.24% |
| 5 | Inventory turnover ratio | Sales | Inventory | Times | 0.55 | -0.11 | -584.06% |
| 6 | Trade receivables turnover ratio | Net Credit Sales | Accounts Receivables | Times | 0.94 | -0.10 | -1032.70% |
| 7 | Trade payables turnover ratio | Net Credit Purchases | Accounts Payables | Times | 0.99 | 0.01 | 13504.82% |
| 8 | Net capital turnover ratio | Sales | Working Capital | Times | -0.62 | 0.00 | -148133.29% |
| 9 | Net profit ratio | Net Profit after taxes | Sales | Percentage | 6795.74% | 12115.75% | -43.91% |
| 10 | Return on capital employed | Earning before Interest & Tax | Capital Employed | Percentage | 481.54% | 7.43% | 6379.81% |
| 11 | Return on investment | Return/ Profit/ Earnings | Weighted Average Investment | Percentage | 0.00% | 0.00% | 0.00% |

Reason for variance: There are wide variances in the ratios, as the figures for the Financial Year 2021-22 are after implementation of the approved Resolution Plan, pursuant to which operational & financial liabilities stand extinguished and receivables have been made transferred to Exceptional Item. Refer Note no 26 "Exceptional Item"



LAKELAND CHEMICALS (INDIA) LIMITED

Note 37. 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.

Debt Equity Ratio

(Rupees in Lakhs)

| Particulars | As at 31st March 2023 | As at 31st March 2022 | As at 1st April 2021 |
|------------------------------|-----------------------|-----------------------|----------------------|
| Borrowing (Note No. 12 & 14) | 3,179.14 | 16,319.38 | 16,319.38 |
| Short term debt | 3,179.14 | 16,319.38 | 16,319.38 |
| Equity (Note No. 10) | 1,000.00 | 461.83 | 461.83 |
| Other equity (Note No. 11) | (246.78) | (16,511.76) | (15,820.50) |
| Total equity | 753.22 | (16,049.93) | (15,358.67) |
| Debt equity Ratio | 4.1777 | -1.160 | -1.116 |

Note 38. Fair Value measurements

(i) Financial Instruments by Category

(Rupees in Lakhs)

| Particulars | As at 31st March, 2023 | | | As at 31st March, 2022 | | | As at 1st April 2021 | | |
|------------------------------------|------------------------|--------|-----------------|------------------------|--------|------------------|----------------------|--------|-----------------|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| Financial Assets | | | | | | | | | |
| Trade Receivables | - | - | 240.60 | - | - | 56.91 | - | - | 443.82 |
| Cash and Cash Equivalents | - | - | 293.51 | - | - | 18.55 | - | - | 63.84 |
| Others | - | - | 31.66 | - | - | 13.21 | - | - | 16.96 |
| Total Financial Assets | - | - | 566.77 | - | - | 88.67 | - | - | 624.61 |
| Financial Liabilities | | | | | | | | | |
| Borrowings | - | - | 2,421.69 | - | - | 16,319.38 | - | - | 6,094.77 |
| Trade Payables | - | - | - | - | - | - | - | - | - |
| Total Financial Liabilities | - | - | 2,421.69 | - | - | 16,319.38 | - | - | 6,094.77 |

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 be 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 and other risk factors. Based on this evaluation the fair value of such payables are 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 18, 2022, The company issued 2% Optional Convertible Debenture of Rs. 2798 lakhs 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. 2263.37 lakhs and Optional Convertible Debenture (Equity portion) of Rs 514.63 lakhs in Retained Earning as per IndAS 32, IndAS 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 from 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.

(iv) Financial risk management

The Company's principal financial liabilities comprise of Borrowings, Trade Payables 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's is expose to market risk, credit risk and liquidity risk. The company financial risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the companies 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

There are no foreign exchange transactions undertaken by the company hence, company is not exposed to foreign currency risk.



b) Credit risk

b) 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 is 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.

The provision matrix at the year end is as follows.

| Particulars | Expected Credit loss (Percentage) |
|----------------------|-----------------------------------|
| Ageing | FY 22-23 |
| 1- 30 days | 0.00% |
| 30 days to 12 months | 0.00% |
| More than 12 months | 0.00% |

| Particulars | As at 31st March, 23 | |
|----------------------|----------------------|----------------------|
| | Receivables | Expected Credit loss |
| 1- 30 days | - | - |
| 30 days to 12 months | 240.60 | - |
| More than 12 months | - | - |

Provision for expected credit loss made in accordance with Ind AS 108 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. Refer Note no 26 "Exceptional Item"

l) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the companies policy. Investment of surplus are made only with approved with

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 2023 the company had working capital of Rs. -364.32 Lakhs including cash and bank Balances of Rs.293.51 Lakhs.

As at 31st March 2022 the company had working capital of Rs. -13,677.63 Lakhs including cash and bank Balances of Rs. 18.55 Lakhs.

Note 39 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.

Note 40: 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 19th September 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 Applicant") and its approval by the Hon'able 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 Harshvardhanbothra 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 "IndAS" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as in "Exceptional items".



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Note 41. First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2023, are the first the company has prepared in accordance with Ind-AS. For periods up to and including the year 31 March 2022, the company prepared its financial statements in accordance with the Indian GAAP, including accounting standards notified under the companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly the company has prepared financial statements which comply with Ind-AS applicable for the periods on or after the 31 March 2022, together with the comparative period data as at and for the year ended 31 March 2022, as described in the summary of the significant accounting policies. In preparing these financial statements, the company opening balance sheet was prepared as at 1 April 2021, the company date of transition to Ind-AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2021 and the financial statements as at and for the year ended 31 March 2022.

Exemptions applied

Ind-AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind-AS. Company has applied the following exemptions:-

1- Estimates

The estimates at 1 April 2021 and at 31 March 2022 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS, reflect conditions at 1 April 2021, the date of transition to Ind-AS and as of 31 March 2022.

2- Deemed Costs

Since there is no change in functional currency, the company has elected to continue with the previous GAAP carrying value of Property, Plant and Equipment as recognized in the previous GAAP financials as deemed cost at the transition date.

3- Classification and measurement of financial assets

Financial assets are classified and measured on the basis of the conditions existing on the date of the transition to Ind-AS

4- Investments in subsidiaries and associates

Since company recognised its investment in subsidiaries and associates at cost in separate financial statements, company has elected to continue with the previous GAAP carrying amount as deemed cost at transition date.

Reconciliation of Balance sheet on 1st April 2021 (at the date of Transition)

| (Amount in Lakhs) | | | | |
|---|------------|-----------------|--------------|-----------------|
| Particulars | Foot Notes | INDIAN (GAAP) | Adjustments | IND AS |
| I. ASSETS | | | | |
| 1 Non-current assets | | | | |
| (a) Property, Plant and equipment | 1,3 | 3,907.99 | 16.31 | 3,924.30 |
| (b) Capital work-in-progress | | - | - | - |
| (c) Investment Property | | - | - | - |
| (d) Goodwill | | - | - | - |
| (e) Other Intangible assets | | - | - | - |
| (f) Intangible assets under development | | - | - | - |
| (g) Financial Assets | | | | |
| (i) Investments | | - | - | - |
| (ii) Trade Receivable | | - | - | - |
| (iii) Loans | | - | - | - |
| (iv) Others | | - | - | - |
| (h) Deferred tax assets (Net) | 4,3 | - | 334.96 | 334.96 |
| (i) Other non-current assets | 6 | - | - | - |
| | | 3,907.99 | 351.27 | 4,259.26 |
| 2 Current assets | | | | |
| (a) Inventories | | 49.85 | - | 49.85 |
| (b) Financial Assets | | | | |
| (i) Investments | | - | - | - |
| (ii) Trade Receivables | 3,5 | 443.82 | (0.00) | 443.82 |
| (iii) Cash and cash equivalents | 3 | 63.84 | (0.00) | 63.84 |
| (iv) Bank Balances other than (iii) above | | - | - | - |
| (v) Loans | 3 | 48.03 | (48.03) | - |
| (vi) Others | 3 | - | 16.96 | 16.96 |
| (c) Current Tax Assets (Net) | | - | - | - |
| (d) Other current assets | 3,5 | 1,286.38 | (259.62) | 1,026.76 |
| | | 1,891.91 | (290.69) | 1,601.22 |
| Total Assets | | 5,799.90 | 60.58 | 5,860.48 |



| II. EQUITY AND LIABILITIES | | | | |
|----------------------------|---|-----------------|--------------|-----------------|
| 1 | Equity | | | |
| | (a) Equity Share Capital | 461.83 | - | 461.83 |
| | (b) Other Equity | - | - | - |
| | (i) Reserve and Surplus | (15,836.81) | 16.31 | (15,820.50) |
| | | (15,374.98) | 16.31 | (15,358.67) |
| 2 | Liabilities | | | |
| | Non-current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowing | 6,094.77 | - | 6,094.77 |
| | (ii) Trade Payable | - | - | - |
| | (iii) Other financial liabilities (other than those specified in item (b), to be specified) Borrowing | - | - | - |
| | (b) Provisions | - | - | - |
| | (c) Deferred tax liabilities (Net) | - | - | - |
| | (b) Other non-current liabilities | - | - | - |
| | | 6,094.77 | - | 6,094.77 |
| | Current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowing | 10,224.61 | (0.00) | 10,224.61 |
| | (ii) Trade payables | 3,822.71 | (0.00) | 3,822.71 |
| | (iii) Other financial liabilities (other than those specified in item (C)) | - | - | - |
| | (b) Other current liabilities | 665.93 | 130.63 | 996.56 |
| | (c) Provisions | 166.86 | (166.86) | - |
| | (d) Current Tax liability (Net) | - | 80.51 | 80.51 |
| | | 15,080.10 | 44.27 | 15,124.38 |
| | Total Equity and Liabilities | 5,799.90 | 60.58 | 5,860.48 |



LAKELAND CHEMICALS (INDIA) LIMITED

Reconciliation of Balance sheet on 31st March 2022

(Amount in Lakhs)

| | Particulars | Foot Notes | INDIAN (GAAP) | Adjustments | IND AS |
|-----|---|------------|-----------------|--------------|-----------------|
| I. | ASSETS | | | | |
| 1 | Non-current assets | | | | |
| | (a) Property, Plant and equipment | 1,3 | 3,338.96 | - | 3,338.96 |
| | (b) Capital work-in-progress | | - | - | - |
| | (c) Investment Property | | - | - | - |
| | (d) Goodwill | | - | - | - |
| | (e) Other Intangible assets | | - | - | - |
| | (f) Intangible assets under development | | - | - | - |
| | (g) Financial Assets | | | | |
| | (i) Investments | | - | - | - |
| | (ii) Trade Receivable | | - | - | - |
| | (iii) Loans | | - | - | - |
| | (iv) Others | | - | - | - |
| | (h) Deferred tax assets (Net) | 4,3 | - | 383.51 | 383.51 |
| | (i) Other non-current assets | 6 | - | - | - |
| | | | 3,338.96 | 383.51 | 3,722.47 |
| 2 | Current assets | | | | |
| | (a) Inventories | | 49.85 | - | 49.85 |
| | (b) Financial Assets | | | | |
| | (i) Investments | | - | - | - |
| | (ii) Trade Receivables | 3,5 | 56.91 | 0.00 | 56.91 |
| | (iii) Cash and cash equivalents | 3 | 18.55 | (0.00) | 18.55 |
| | (iv) Bank Balances other than (iii) above | | - | - | - |
| | (v) Loans | 3 | 44.12 | (44.12) | - |
| | (vi) Others | 3 | - | 13.21 | 13.21 |
| | (c) Current Tax Assets (Net) | | - | - | - |
| | (d) Other current assets | 3,5 | 1,335.14 | (308.42) | 1,026.72 |
| | | | 1,504.56 | (339.33) | 1,165.23 |
| | Total Assets | | 4,843.52 | 44.18 | 4,887.70 |
| II. | EQUITY AND LIABILITIES | | | | |
| 1 | Equity | | | | |
| | (a) Equity Share Capital | | 461.83 | - | 461.83 |
| | (b) Other Equity | | | | |
| | (i) Reserve and Surplus | 1,3 | (16,511.76) | (0.00) | (16,511.76) |
| | | | (16,049.93) | (0.00) | (16,049.93) |
| 2 | Liabilities | | | | |
| | Non-current liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Borrowing | | 6,094.77 | - | 6,094.77 |
| | (ii) Trade Payable | | - | - | - |
| | (iii) Other financial liabilities (other than | | - | - | - |
| | (b) Provisions | | - | - | - |
| | (c) Deferred tax liabilities (Net) | | - | - | - |
| | (b) Other non-current liabilities | | - | - | - |
| | | | 6,094.77 | - | 6,094.77 |
| | Current liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Borrowing | 3 | 10,224.61 | (0.00) | 10,224.61 |
| | (ii) Trade payables | 3 | 3,507.32 | 0.00 | 3,507.32 |
| | (iii) Other financial liabilities (other than | | - | - | - |
| | (b) Other current liabilities | 3,7 | 895.39 | 135.13 | 1,030.52 |
| | (c) Provisions | 3,7 | 171.36 | (171.36) | - |
| | (d) Current Tax liability (Net) | 3,7 | - | 80.42 | 80.42 |
| | | | 14,798.68 | 44.18 | 14,842.86 |
| | Total Equity and Liabilities | | 4,843.52 | 44.18 | 4,887.70 |



LAKELAND CHEMICALS (INDIA) LIMITED

Reconciliation of Statement of Profit and Loss for the year ended 31st March 2022

(Rupees in Lakhs)

| | Particulars | Foot Notes | INDIAN (GAAP) | Adjustments | IND AS |
|-------|--|------------|-----------------|-------------|-----------------|
| i. | Revenue : | | | | |
| | Revenue from operations | | (5.71) | - | (5.71) |
| ii. | Other income | | 1.47 | - | 1.47 |
| iii. | Total Income (i + ii) | | (4.24) | - | (4.24) |
| iv. | Expenses: | | | | |
| | Cost of Material Consumed | | 25.57 | - | 25.57 |
| | Purchase of Stock-in-Trade | | - | - | - |
| | Changes in Inventories of Finished Goods & Stock in Trade | | - | - | - |
| | Employee Benefits Expenses | | 21.68 | - | 21.68 |
| | Finance Costs | | - | - | - |
| | Depreciation and Amortization Expense | | 585.34 | - | 585.34 |
| | Other Expenses | | 102.98 | - | 102.98 |
| | Total Expenses (iv). | | 735.57 | - | 735.57 |
| v. | Profit/Loss Before exceptional items and Tax (i - iv) | | (739.81) | - | (739.81) |
| vi. | Exceptional items | | - | - | - |
| vii. | Profit/(Loss) before tax (v - vi) | | (739.81) | - | (739.81) |
| viii. | Tax expense: | | | | |
| | Current tax | | - | - | - |
| | Deferred tax (net) | | (48.55) | - | (48.55) |
| | CSR Expenses | | - | - | - |
| | Short/(Excess) Provision for Earlier Year | | - | - | - |
| ix. | Profit/(loss) for the period from continuing operation (vii - viii) | | (691.26) | - | (691.26) |
| x. | Profit/(loss) from discontinued operations | | - | - | - |
| xi. | Tax Expense of discontinued operations | | - | - | - |
| xii. | Profit/(loss) from discontinued operations (after tax) (x-xi) | | - | - | - |
| xiii. | Profit/(loss) for the period (ix+xii) | | (691.26) | - | (691.26) |
| xiv. | Other Comprehensive Income | | | | |
| | Items that will not be reclassified to profit and loss | | | | |
| | A (i) Items that will not be reclassified to Profit or Loss | | - | - | - |
| | (ii) Income tax relating to items that will not be reclassified to Profit or Loss | | - | - | - |
| | B (i) Items that will be reclassified to Profit or Loss | | - | - | - |
| | (ii) Income tax relating to items that will be reclassified to Profit or Loss | | - | - | - |
| | Total Comprehensive Income for the period (xiii + xiv) (Comprehensive profit and other comprehensive income for the period) | | (691.26) | - | (691.26) |
| xv. | Earnings Per Equity Share (for Discontinued & Continuing Operations): | | | | |
| | Basic | | (14.97) | - | (14.97) |
| | Diluted | | (14.97) | - | (14.97) |



LAKELAND CHEMICALS (INDIA) LIMITED

Reconciliation of Total Equity as at 31st March 2022 and 1st April 2021

(Rupees in Lakhs)

| Particulars | Foot Notes | 31st March 2022 | 1st April 2021 |
|---|------------|--------------------|--------------------|
| Total Equity (Shareholder's fund) as per previous GAAP | | (16,049.93) | (15,374.98) |
| Adjustments: Change due to adjustment of prior year in Plant, Property and Equipment | | - | 16.31 |
| Total Equity (Shareholder's fund) as per Ind AS | | (16,049.93) | (15,358.67) |

Reconciliation of Total Comprehensive Income as at 31st March 2022

(Rupees in Lakhs)

| Particulars | Foot Notes | 31st March 2022 |
|---------------------------------------|------------|-----------------|
| Profit After Tax as per previous GAAP | | (691.26) |
| Profit After Tax as per Ind AS | | (691.26) |

Impact of Ind AS on the cash flow for the year ended 31st March 2022

(Rupees in Lakhs)

| Particulars | Foot Notes | INDIAN GAAP | Adjustments | Ind AS |
|--|------------|--------------|-------------|--------------|
| Net Cash from Operating Activities | 8 | 49.56 | - | 49.56 |
| Net Cash from Investing Activities | 8 | 1.12 | - | 1.12 |
| Net Cash from Financing Activities | 8 | (1.00) | - | (1.00) |
| Net (Decrease)/ Increase in Cash & Cash Equivalents | | 49.68 | - | 49.68 |
| Cash & Cash Equivalents as at 1st April 2021 | | 14.16 | - | 14.16 |
| Cash & Cash Equivalents as at 31st March 2022 | | 63.84 | - | 63.84 |



LAKELAND CHEMICALS (INDIA) LIMITED

Foot Notes:-

1. Plant Property and Equipment

Plant Property and Equipments are recognised as per Ind AS 16. Any Change due to prior period errors is adjusted through Reserve and Surplus

2. Non- Current Investments

Equity investments other than investments in subsidiaries and joint ventures are recognised at Fair Value through Other Comprehensive Income as per Ind AS 109.

3. Regrouping and Re-classification

The previous GAAP figures have been regrouped and reclassified to conform to Ind-AS presentation requirements.

4. Deferred Tax Asset

Deferred Tax Assets and Liability are regrouped and reclassified from Other Current Assets and Other Current Liability. Deferred Tax Assets are recognised on net basis

5. Trade Receivable

Trade Receivable made in accordance with Ind AS 109 hence, there is no change in Trade Receivable.

6. Other Current Assets & Short Term Loan and Advances

Change is due to regrouping and reclassified of Other Current Assets & Short Term Loan and Advances to Other Current Assets and Current Taxes

7. Other Current Liability & Short Term Provision

Change is due to regrouping and reclassified of Short term Provisions and Other Current Liability to Other Current liability and Current Taxes

8- Cash Flow Statement

There is no difference in net cash flow during the financial year 2021-22 as per GAAP and Ind AS, difference arising in operating, investing and financing activities due to reclassification of balance sheet items from GAAP to Ind AS.

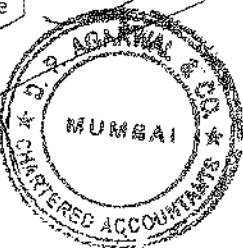
Note 42. Approval of financial statement

The financial statements were approved for issue by the Board of Directors on 24-May-2023

The accompanying notes to the standalone financial statements

As per our report of even date
For D.P.Agarwal & Co.
Chartered Accountants
Firm No.100068W

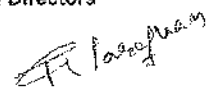
D.P. AGARWAL
(Proprietor)
Membership No.035500
UDIN:
2303500BQRJN9262.



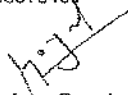
For & on behalf of the Board of Directors



Hemant Jain
Director
DIN 08878484



Harshvardhan bothra
Director
DIN 08533731



Sanjeev Goyal
Chief Financial Officer

Place: Mumbai
Date: 24-May-2023