HARYANA LEATHER CHEMICALS LIMITED

BOARD OF DIRECTORS
Narendra Kumar Jain, Chairman
Pankaj Jain, Managing Director-cum-Vice Chairman
Vijay Kumar Garg
Harish Kumar Gupta
Lt. Gen. (Retd.) H.C. Dutta
Dr. K.S.V. Menon
Dott. Massimo Medini
Pradeep Behl
Sippy Jain
Marco Medini

COMPANY SECRETARY
SILU NANDA

AUDITORS
S.C. Dewan & Co., Panchkula, Haryana

CORPORATE OFFICE
1405 - B, Signature Towers,
South City - I,
Gurugram - 122 001, Haryana

REGISTERED OFFICE AND WORKS
72 - 77, HSIIDC Industrial Estate,
Hansi Road, Jind - 126 102 (Haryana)

CORPORATE EXECUTIVES
Dr. P. L. Maurya, Chief General Manager - Works
A. K. Gupta, General Manager - Commercial & Operations
Neeraj Bishnoi, General Manager - Marketing

REGISTRAR & SHARE TRANSFER AGENTS
RCMC Share Registry (P) Ltd.
B - 25/1, First Floor, Okhla Industrial Area,
Phase - II, New Delhi - 110 020
Phones : 011 - 26387320, 26387323
Fax : 011 - 26387322

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ISIN for Demat purpose : INE 681F01018
CIN: L74999HR1985PLC019905
Script Code: 524080

HARYANA
LEATHER CHEMICALS LTD.

NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of the Company M/s. Haryana Leather Chemicals Limited will be held on Saturday, the 23rd day of September, 2017 at 11.30 a.m. at the Registered Office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind - 126102 to transact with or without modification(s), as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March 2017 and the Statement of Profit & Loss Account for the Year ended as on that date together with the Reports of Auditors and Directors thereon.

   To consider passing the following resolution as an **ordinary resolution:**

   "Resolved that the Audited Financial Statement of the Company for the year ended March 31, 2017 including Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash flow statement for the year ended March 31, 2017 together with the reports of the Board of Directors and the Auditors of the Company thereon, as circulated to the members and presented to the meeting be are hereby adopted."

2. To consider declaring Final Dividend @ 8.00% on the nominal value of the equity shares of the Company for the Financial Year 2016-17.

   To consider passing the following resolution as an **ordinary resolution:**

   "Resolved that dividend of Rs. 0.80 per equity share of Rs.10/- each on 49,08,470 equity shares, as recommended by the Board of Directors, be and is hereby declared out of the profits of the Company for the year ended March 31, 2017, absorbing an amount of Rs. 45,94,329/- (including dividend distribution tax and cess thereon) and that the said dividend be paid to those shareholders, whose names appear in the Company's register of members as at the end of business hours on September 17, 2017 and in respect of shares in electronic form to those beneficial owners of the shares as at the end of business hours on September 16, 2017 as per the details furnished by the depositories for this purpose."

3. To consider appointing a Director in place of Mr. Pradeep Behl (DIN: 00703855), who retires by rotation and being eligible offers himself for re-appointment.

   To consider passing the following resolution as an **ordinary resolution:**

   "Resolved that Pradeep Behl (DIN: 00703855), who retires by rotation and being eligible for re appointment, be and is hereby re-appointed as a Director of the Company."

4. To consider appointing a Director in place of Mr. Marco Medini (DIN: 06709885), who retires by rotation and being eligible offers himself for re-appointment.

   To consider passing the following resolution as an **ordinary resolution:**

   "Resolved that Mr. Marco Medini (DIN: 06709885), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

5. To consider appointing a Director in place of Mr. Vijay Kumar Garg (DIN: 00236460), who retires by rotation and being eligible offers himself for re-appointment.

   To consider passing the following resolution as an **ordinary resolution:**

   "Resolved that Mr. Vijay Kumar Garg (DIN: 00236460), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

6. To appoint statutory auditors of the Company. The appointment of statutory auditors M/s S.C. Dewan & Co., Chartered Accountants, who hold office from the conclusion of the Twenty Ninth General Meeting until the conclusion of the Thirty Second General Meeting to be held in Financial Year 2017, is subject to the ratification by shareholders at every AGM in accordance with Section 139 & 142 of the Companies Act, 2013. The term of his appointment expired in this Annual General Meeting and M/s. AKR & Associates, Chartered Accountants (Firm Registration No. 021179N) is being appointed in his place. The declaration to the effect that their appointment, if ratified, would be within the limits and that they are free from any disqualification specified in section 141 of the Companies Act, 2013, and the rules made thereunder, has been received from them.

   To consider passing the following resolution as an **ordinary resolution:**

   "Resolved that, pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the Companies (Audit & Auditors Rule, 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to recommendation of Audit Committee of the Board the appointment of M/s. AKR & Associates, Chartered Accountants (Firm Registration No. 021179N) with The Institute of Chartered Accountants of India), as auditors of the Company in place of M/s S. C. Dewan & Co., Chartered Accountants and the new Auditors appointed shall be eligible to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit of the accounts of the Company."

Regd. Office: 72-77, HSIIDC Industrial Estate,
Hansi Road, Jind, Haryana - 126 102.
CIN: L74999HR1985PLC019905
Date: *8th August, 2017*
E-mail: info@leatherchem.com
Website: www.leatherchem.com

By order of the Board of Directors of
Haryana Leather Chemicals Ltd.

SILU NANDA
Company Secretary

Notes:

1. Any Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend the said meeting and vote on her/his behalf, and the proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

   Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder.
2. Corporate Members intending to send their authorised representative to attend the meeting are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
3. Members/Proxy holders are requested to bring at the venue of Annual General Meeting their attendance slip duly signed so as to avoid inconvenience.
4. Brief information of Directors, names of the Companies in which they hold Directorship and membership/ Chairmanship of Board Committees, Shareholdings and relationships between Directors as stipulated under clause 27 of the Listing agreement with the Stock Exchange are provided in the Corporate Governance Report forming part of the Annual report.
5. The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business at item No. 8 and 9 transacted at the meeting is annexed hereto.
6. Members are requested to bring their attendance slip along with their copy of Annual report to the meeting. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday the 18.09.2017 to Saturday the 23.09.2017 (both days inclusive) for determining the names of Members eligible to receive the Dividend declared, if any, on the Equity Shares of the Company to comply with the provisions of Section 154 of the Companies Act, 2013.
8. The dividend on Equity Shares, if declared at the Meeting by the Members at the Annual General Meeting, shall be paid to all those Members whose names appear in the Company's Register of Members as during the register of member is closed, and in respect of the shares held in demat form, to all those Members whose names appear as beneficial owners as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited on the close of business hours as on that date.

   Members holding shares in the physical form are requested to send the advice about any change in their registered address or bank particulars, to the Company's Registrar and Share Transfer Agent, M/s. RCMC Share Registry (P) Ltd., B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 quoting their folio number.
9. Members holding shares in the electronic form must send the advice about any change in their registered address or bank particulars to their respective Depository Participants with whom they are maintain their demat accounts and not to the Company.
10. Pursuant to Section 20 of the Companies Act, 2013, read with Rule 35 of the Companies (Incorporation) Rules, 2014, Companies are allowed to send to their Members notices/documents in the electronic form. To enable the Company send its Annual Report, Notice of AGM, and other documents for the financial year ended 31st March, 2017 electronically, Members are requested to update (in case of change)/register, at the earliest, their email IDs with their Depository Participants in case the shares are held in the electronic form or the Registrar and Share Transfer Agent of the Company, RCMC Share Registry Private Limited, in case the shares are held in the physical form. The Company will continue to send the said documents in the physical form to such Members whose email IDs it does not have and to those who request delivery of the said documents in the physical form.
11. Pursuant to Section 123(5) of the Companies Act, 2013, and the Securities and Exchange Board of India's Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 and the modifications, if any, regarding use of electronic payment modes for making payments to investors, Members are requested to update their bank account and latest address details with their respective Depository Participants (for shares held in the electronic form) along with a photocopy of their cheques to the Company's Registrar and Share Transfer Agent, RCMC Share Registry Private Limited (for shares held in the physical form). Our Registrar and Share Transfer Agent will take due note of the same for payment of Dividend. This obviates problems like loss/fraudulent interception of Dividend warrants during postal transit while also expediting payment.

12. Members desiring any information on the Accounts of the Company are requested to write to the Company at least 10 (ten) days prior to the date of the Annual General Meeting so as to enable the Company keep the information ready.
13. Members are advised to note the ISIN No. INE 681F01018 allotted to the Company's shares and those who are interested to dematerialize their shares may do so.
14. In all correspondence with the Company or with its Share Transfer Agent, Members are requested to quote their Client ID Number and their DP ID Number if the shares are held in the dematerialised form; in case the shares are held in the physical form, they must quote their folio number.
15. Those Members who have not yet en-cashed/claimed the Dividend of the Company for any/all of the financial year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 are requested to en-cash/claim the same immediately. In terms of Section 124 and 125 of the Companies Act, 2013, the Company shall be required to transfer the unclaimed/unpaid Dividend of the Company on the expiry of seven years from the date it became due for payment, to the "Investor Education and Protection Fund" (IEPF) of the Central Government and subsequently, the Shareholders shall not have any right to claim the said Dividend from the Company or from the said Fund.

    The details of the un-encashed/unclaimed Dividend for the Financial Years 2010-11 to 2015-16 as on 31st March, 2017 are as under:

Dividend for the year	Unclaimed/Unpaid Dividend as on 31st March, 2017 (Rs.)	Due date of transfer to Investor Education and Protection Fund
2009-10	2,30,389.80	23rd October, 2017
2010-11	2,71,144.80	18th October, 2018
2011-12	2,80,178.40.40	31st October, 2019
2012-13	2,81,133.00	13th September, 2020
2013-14	5,35,648.70	26th October, 2021
2014-15	4,39,292.30	31st October, 2022
2015-16	3,76,280.80	29th October, 2023

16. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 44 of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting by electronic means along with the Ballot Form and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

    The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

    The Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link **www.evoting.nsdl.com** or (**link of website of Company**).

    The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

    The e-voting period commences on 20th September, 2017 (10:00 a.m.) and ends on 22nd September, 2017 (05:00 p.m.). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

    The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18th September, 2017. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 18th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or (Company/ RTA email id).

    The facility for voting through ballot paper shall be made available at the AGM/EGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

    The procedure to login to e-Voting website is given below:

    1. Open the attached PDF file "**e-Voting.pdf**" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.

2. Launch internet browser by typing the URL **https://www.evoting.nsdl.com/**
3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
7. Select "EVEN" of (Haryana Leather Chemicals Limited). Members can cast their vote online from 20th September, 2017 (10:00 a.m.) and ends on 22nd September, 2017 (05:00 p.m.)
   Note: e-Voting shall not be allowed beyond said time.
8. Now you are ready for "e-Voting" as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer (Manoj Gupta, 72-77, HSIIDC Industrial Estate, Hansi Road, Jind, Haryana - 126 102) through e-mail (Scrutinizer mail ID: mguptacs@gmail.com) with a copy marked to evoting@nsdl.co.in.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

Other information:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the Companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of **https://www.evoting.nsdl.com** or contact NSDL at the following toll free no.: 1800-222-990.

The Company has engaged the services of RCMC Share Registry Private Limited as the Authorised Agency to provide e-voting facility. The Particulars of e-voting will be sent to the shareholders separately.

17. Relevant documents referred to in the accompanying Notice pursuant to provisions of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during office hours on all working days up to the date of the Annual General Meeting of the Company.

Regd. Office:
72-77, HSIIDC Industrial Estate,
Hansi Road, Jind,
Haryana - 126 102.
CIN: L74999HR1985PLC019905
Date: *8th August, 2017*
E-mail: info@leatherchem.com
Website: www.leatherchem.com

By order of the Board of Directors of
Haryana Leather Chemicals Ltd.

SILU NANDA
Company Secretary

HARYANA
LEATHER CHEMICALS LTD.

DIRECTORS' REPORT

Dear Shareholders,

The Directors of Haryana Leather Chemicals Ltd. are pleased to present the 32nd Annual Report and Audited Statement of the Company's accounts for the year ended on 31st March, 2017.

FINANCIAL RESULTS

A summary of the financial results for the year 2016-2017 is given below:

	2016 - 17 (Rs. in Lacs)	2015 - 16 (Rs. in Lacs)
Sales Turnover (Net of Excise)	3905.42	3972.16
Gross Profit	403.26	423.01
Deductions:		
Depreciation	104.80	113.09
Interest	2.88	13.31
Profit before tax	295.58	296.61
Less: Provision for Income Tax for the year	91.86	91.06
Less: Provision for taxation / FBT earlier year	0.00	0.00
Add: Provision for Income Tax written back	1.12	0.95
Less: Previous year's adjustment	2.33	0.23
Less/(Add): Deferred tax liability	4.64	3.18
Profit after tax and available for appropriation	200.28	203.09
Less: Provision for dividend	39.27	39.27
Less: Provision for dividend tax	7.99	6.67
Less: Transfer to general reserve	32.00	35.00
Profit Carried to Balance Sheet	**121.02**	**122.15**

OPERATIONS

The net profit from the operations during the year 2016-17 remain same as last year as compared to previous year's profits. Inspite of recessionary trends in Indian leather industry. Overall sales turnover is lower than last year mainly due to drop in domestic sale.

DIRECTORS

The composition of the Board of Directors of the Company is furnished in the Corporate Governance Report annexed to this report.

Pursuant to the provisions of the Articles of Association of the Company, the Directors - Mr. Pradeep Behl (DIN: 00703855), Mr. Marco Medini (DIN: 06709885) and Mr. Vijay Kumar Garg (DIN: 00236460) retire by rotation at the forthcoming Annual General Meeting to be held on 23rd September, 2017 and being eligible they offer themselves for re-appointment.

STATUTORY AUDITORS

The statutory auditors of the Company M/s S. C. Dewan & Co., Chartered Accountants, Panchkula are retiring at the forthcoming Annual General Meeting and they are not eligible for re-appointment, instead M/s. AKR & Associates, Chartered Accountants (Firm Registration No. 021179N) offers themselves for the appointment as Statutory Auditors of the Company. Their appointment, if made, will be in accordance with section 139 and 142 of the Companies Act, 2013 (hereinafter referred to the "Act").

The Company has received letter from the Statutory Auditors consenting to the appointment and a confirmation to the effect that their appointment, would be within the prescribed limits and that they do not suffer from any disqualifications under Section 141 of the Companies Act, 2013 and the rules made thereunder.

Auditor's report does not need any comments from the Directors.

PARTICULARS OF EMPLOYEES u/s 134(3) of the Companies Act, 2013

The information required pursuant to Section 134 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel (KMP) and Employees of the Company are provided as follows:

The Company did not employ any person drawing a remuneration of Rs. 5,00,000.00 or above for one month or part of the month or Rs. 60,00,000.00 or above for one year, whose particulars are required to be mentioned u/s 197 of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s V. Jhawar & Co., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The report on the Secretarial Audit carried out for the year 2016-17 is annexed herewith as '**Annexure-B**'. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDITOR'S COMPLIANCE

The Central Government has directed that a cost audit of the Company should be conducted in the manner specified in MCA order 52/26/CAB-2010 Dt. 24-01-2012, by a Cost Accountant within the meaning of the Cost and Works Accountants Act, 1959.

However, as per Companies (cost records and audit) Rules, 2014 notified by Ministry of Corporate Affairs, cost audit is not applicable to the Company by virtue of its turnover being less than the prescribed limits. Therefore, the Board did not proceed with the appointment of cost auditor and cost audit for the year 2016-17.

The Company is properly maintaining its cost Record internally.

WOMAN DIRECTOR

In terms of Section 149 of the Act 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors, Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to have a woman Director on its Board. Mrs. Sippy Jain is already appointed as the Whole time Director of the Company.

TRANSFER OF FUNDS TO INVESTOR EDUCATION AND PROTECTION FUND

The Company is distributing dividend to its shareholders since 2006 on recommendation of the shareholders of the Company. For the unclaimed dividend for the year 2008-2009 amounting Rs. 2,19,355.00, the Board has taken necessary steps to transfer the unpaid / unclaimed dividend of Equity Shareholders for the year 2008-2009 to the Investor Education and Protection Fund (IEPF) of the Central Government established under section 124 and 125 of the Companies Act, 2013.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee of Directors (NRC) reviews the composition of the Board of Directors of the Company, to ensure that there is an appropriate mix of abilities, qualifications, experience and diversity to serve the interests of all shareholders and the Company.

During the year, in accordance with the requirements under Section 178 of the Act 2013 and relevant clause of Listing Agreement, the NRC formulated a Nomination and Remuneration Policy to govern the terms of nomination / appointment and remuneration of

(i) Directors,

(ii) Key Managerial Personnel (KMPs) and

(iii) Senior Management Personnel (SMPs) of the Company.

(iv) The same was approved The NRC also reviews succession planning of both SMPs and Board. The Company's approach in recent years is to have a greater component of performance linked remuneration for SMPs.

The process of appointing a Director / KMPs / SMPs is, that when a vacancy arises, or is expected, the NRC will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate will bring to the Board / Company, and the balance of skills added to that of which the existing members hold.

The NRC will review the profile of persons and the most suitable person is either recommended for appointment by the Board or is recommended to shareholders for their election. The NRC has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

NRC will ensure that any person(s) who is / are appointed or continues in the employment of the Company as its executive chairman, managing Director, whole-time Director shall comply with the conditions as laid out under Schedule V to the Act 2013.

NRC will ensure that any appointment of a person as an independent Director of the Company will be made in accordance with the provisions of Section 149 read with Schedule IV of the Act 2013 along with any other applicable provisions and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

While every employee's contract of employment stipulates that he will not disclose confidential information about the employer's affairs, in order to bring about accountability and transparency, there should be a mechanism to enable employees to voice their concerns where they discover information which they believe shows serious malpractice, impropriety, abuse or wrong doing within the organization. The employees should be encouraged and assisted to raise concerns without any fear of victimization, subsequent discrimination or disadvantage. If the employee has acted in good faith it does not matter if one is mistaken and the Company shall ensure protection from any harassment or victimization of/against the disclosing employee.

The Company has adopted a Whistle Blower Policy which applies to all permanent employees of the Company including those who are on probation and comes into effect from April 1, 2014, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

1. Policy and Procedure for disclosure, enquiry and disciplinary action

1.1 Concerns which may be raised-illustrative list

A whole variety of issues could fall under malpractice, impropriety, abuse and wrong doing, some of which are listed below:

- Breach of any Policy or Manual or Code adopted by the Company.
- Fraud and corruption (e.g. receiving bribes).
- Health and safety risks, including risks to the public as well as other employees e.g. faulty electrical equipment).
- Any sort of financial malpractice.
- Abuse of power (e.g. Bullying/harassment).
- any unlawful act, including failure to comply with legal or statutory obligation for and on behalf of the Company.
- Any other unethical or improper conduct.

1.2 Concerns - how to raise/whom to disclose

The concern should be disclosed through letter, e-mail, telephone, fax or any other method to any of the following persons, who shall comprise the Corporate Compliance Committee, headed by the Managing Director & Chairman reporting directly to the Audit Committee of the Board.

The Corporate Compliance Committee comprises the Managing Director & Chairman, the Executive Director & Company Secretary, the CEO and the HR.

All relevant information regarding the concern should be disclosed not later than 1 year from the date on which the employee came to know of the concern. Upon receipt of the disclosure, the member of the Compliance Committee receiving the same shall furnish a copy to the Managing Director & Chairman who shall decide which member shall be responsible for the investigation.

1.3 Procedure for investigation

- Obtain full details and clarifications of the complaint.
- Consider the involvement of the Company's Auditors or any other external investigation agency or person.
- Fully investigate into the allegation with the assistance where appropriate of other individuals/bodies.
- Prepare a detailed written report and submit the same to the Compliance Committee not later than 30 days from the date of disclosure of the concern.

Based on the findings in the written report and after conduct of such further investigation as it may deem fit, the Compliance Committee shall take a decision in the matter not later than 30 days from the date of the written report. If the complaint is shown to be justified then they shall invoke disciplinary or other appropriate action against the defaulting employee.

A copy of all decisions of the Compliance Committee shall be placed before the Audit Committee at the meeting held immediately after such final decision.

The employee making the disclosure as well as all other persons involved in the investigation and the members of the Compliance Committee shall not make public the Concern disclosed except with the prior written permission of the Audit Committee, except where the employee is called upon to disclose this by any judicial process.

FIXED DEPOSIT

The Company has not accepted/renewed any fixed deposits during the period under review.

CORPORATE GOVERNANCE

The Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance. A separate statement on Corporate Governance together with a certificate on the compliance of conditions of corporate governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained from the Statutory Auditors of the Company and the same has been given below as Annexure.

DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 134(5) OF THE COMPANIES ACT, 2013.

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 in the preparation of Annual Accounts for the financial year ended on 31st March, 2017.

The Board of Directors of the Company confirms that:

a. During the preparing of the annual accounts, the applicable accounting standards have been followed and no material departure has taken place.

b. The selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give an accurate view of the state of affairs of the Company as on March 31, 2017 and of the profit of the Company for the year ended on that date.

c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities.

d. Annual accounts have been prepared on an ongoing concern basis.

e. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Related Parties which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 is annexure herewith in the Annual Report.

QUALITY CONTROL

The Company's quality control systems have ensured systematic redressal of quality issues and feedback from the customer base to their full satisfaction. ISO 9001:2008 and ISO 14001:2004 system are regularly audited internally and externally and have ensured very tight quality control and variances to the customer are minimized. The addition of new automatic titration platform has significantly reduced laboratory response time of important quality tests.

The Company continues to update guidelines on Restricted Substances (RS) applicable to leather industry from time to time. Company's "Green -Trek" ethos have been widely recognized by the customers. Under "Green -Trek Firewall" concept, internal screening, calibrated with external testing has eliminated any possible inclusion of banned substances listed under REACH (Registration, Evaluation and Authorization of Chemicals).

EXPORT OPERATIONS

The export continues to show downward trends without any significant sign of revival in Company's main export market of China. The Company through sustained contact has ensured maintenance of dealer and customer base, but the volumes have remained sluggish as most customers are running at lower capacities. The Company is maintaining its close ties with dealers to learn from market trends for future growth. The immigrant problem and tension between Russia and Turkey has seriously affected leather trade in this leather belt of Syria –Turkey –Russia which is closely interconnected. Further sales promotion effort in this belt has been suspended due to safety concern of marketing personnel.

African countries business has been stable with improved satisfaction level of the dealers and the users. The Company has also identified few growth prospects in Kenya, Tanzania and Morocco. Exports to neighboring countries, mainly Pakistan and Bangladesh, have also remained stable. In Iran, inspite of a good start last year, the local elections made business deals tougher. But based on new communications from dealers and the users, the prospects for the coming year are promising. The Company is committed to expand its sampling and demonstration exercise in Iran.

To Company successfully maintains 'Star Export Status' granted by the DGFT, Ministry of Commerce & Industry, Govt. of India vide Certificate No. A/1877, as per Foreign Trade Policy, 2015-2020.

TECHNOLOGY DEVELOPMENT

The Company has fully stabilized on new technologies on material handling and storage for liquids resulting in improved safety and process efficiency. During the year various prevailing technologies on powder handling were evaluated for a spill-proof and fully contained transfer of powder raw materials during process and final bagging. Based on discussions and presentations from powder handling Companies, a vacuum based technology has been shortlisted for phase-wise implantation in the year 2017-18.

In the context of powder properties from Spray Dryers, the Company undertook a consulting project on "Computational Fluid Dynamics" (CFD) jointly with IIT –Patna and IIT Mumbai. Senior professors and CFD experts from both these institutes collected base data for evaluation and also visited the plant to evaluate process conditions. Their suggestions supported by CFD analyses report and Scan Electron Microscopic (SEM) Images have shown the direction for optimizing the process conditions of Spray Dried powder products.

DIVIDEND

Though there was drop in sales revenue as compared to last year, but considering the profitability, the Directors are pleased to recommend dividend @8% this year also**.**

PERSONNEL & INDUSTRIAL RELATION

The year saw exemplary collaboration between managers and workers of the Company in adapting variousprocess improvements and modernization projects. There is complete cordiality between management and its workforce based on mutual trust. The practice of rewarding performance bonus has been maintained.

One of the Senior Managers of the Company , Mr. Ramesh Goyal (General Manager -Engineering), was found indulging in tampering of Company's EDP structure and stealing of proprietary technical and commercial data.

The Company has initiated legal proceeding against Mr. Ramesh Goyal for data theft under IT Act - section 66.

ENVIRONMENT & POLLUTION CONTROL MEASURES

The Company has successfully transitioned to ZLD (Zero Liquid Discharge) – a monumental step towards water conservation. The Company is first of its kind in the Indian landscape of Leather Chemical production. This water reclaim system is based on Mechanical Vapor Recompression (MVR) technology using vacuum evaporation and condensation for reclaiming distilled water out of the waste streams.

Environmental Policy outlined under ISO 14001:2004 for improving the working environment continues to yield improvements in housekeeping, safety and security at work place.

ACKNOWLEDGEMENT

The Directors extend their most sincere thanks to all employees for their support in easy adoption of new production systems, technologies and environmental policy. Company's suppliers, dealers, service providers, and technical consultants have continued their whole hearted support and the Directors deeply appreciate their role. The Directors are thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its management.

For and on behalf of the Board of Directors
of Haryana Leather Chemicals Limited

Place : Gurugram
Date : *8th August, 2017*

NARENDRA KUMAR JAIN
Chairman

PANKAJ JAIN
Managing Director-cum-Vice Chairman

ANNEXURE - A

INFORMATION AS PER SECTION 134(3) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2017.

A) CONSERVATION OF ENERGY

Total energy consumption and energy consumption per unit of production as per Form A of the Annexure to this rule is as under:

Form - A

			Current Year 2016 - 17	Previous Year 2015 - 16
1.		**Power and Fuel Consumption**		
	a)	Electricity Purchased (KWH)	344641	359257
		Total Amount (Rs.)	3404515	3635941
		Rate / Unit (Rs.)	9.87	10.12
	b)	Own Generation		
		Through Diesel Generator		
		Unit (KWH)	68186	49523
		Units / Ltr. of Diesel Oil	2.87	2.67
		Cost / Unit (Rs.)	18.12	18.73
		Coal		
		Quantity	–	–
		Total Cost	–	–
		Average Cost	–	–
		Furnace Oil / HSD		
		Oil Quantity (K. Ltrs.)	150.08	137.24
		Total Cost (Rs.)	7804472	6862000
		Average Rate (Rs. / K. Ltr.)	52002.07	50000
		Others / Internal Generation		
		Quantity	–	–
		Total Cost	–	–
		Rate Unit	–	–
2.		**Consumption per Unit of Production**		
		Production (MT)	4730.00	4329.98
		Electricity (KWH / MT)	87.27	94.40
		Furnace / HSD Oil (Ltr. / MT)	31.73	31.69
		Coal	–	–
		Others	–	–

B) TECHNOLOGY ABSORPTION

a) Research & Development (R & D)

1. Specific area in which R & D was carried out:

The Company reviewed various testing methods of incoming and outgoing materials and adopted automated titration and testing of key quality parameters. The new generation auto- titrators were imported from Mettler Switzerland and have been standardized and calibrated for testing of intermediates and final production.

The Company undertook research to automate weighing and filling of packing containers. Based on demonstrations from various vendors, Mettler –India, a global leader in filling system, supplied three filling system (phase-wise) based on their state of the art PLC based controller for a very high accuracy during filling. Three workshops have been equipped and the remaining work will be completed before Dec 2017.

The Company carried out research on PVC additives range in collaboration with a foreign consultant. The research focused on fusion, film casting and extrusion behavior of processing aids and impact modifiers. Some tests were outsourced in India and abroad for comparison of technical parameters with leading brands. Based on the test reports, production formula and parameters were optimized and pilot trials have been concluded satisfactorily.

2. Benefits derived as a result of above R&D.

The Mettler-auto-titrator platform has significantly reduced testing time, improved accuracy and repeatability. The simplicity of the test platform has allowed complete de-skilling of testing that earlier required a qualified chemist. The Company is now able to share test data with customers for quality standardization and complaint investigation.

The automatic filling system has immensely reduced process time during filling and yielded quick turnaround of mix vessels and reactors. The packings are free from any spillage marks that earlier required post – fill cleaning. The operators do not require any special skills now and can be trained within hours that earlier required weeks.

The analyses of fusion behavior of PVC additives on Torque - Rheometer enabled the Company's experts to trace the difference between Company's products and foreign competitors. The iterations of the process and formula that was earlier directionless were made easy; Company's scientists were able to modify target based performance parameters.

3. Future Plan of Action:

The Company plans to automate powder transfer and certain technologies will be tested on pilot scale during the year. It has been felt that in future, powder bag dumping, reactor charging, bagging and palletizing need to be de-skilled sue to shortage of qualified operators for reactors. With the culture of increased safety at workplace and containment of powder spills, modern powder transfer technologies need to be adopted sooner than later.

The Company plans to review the wet scrubbing system for Syntan plant. Instead of a wet scrubber, a dry pulse bag filter technology will be adopted to contain fine dust Generated during the spray drying process in Syntan plant. An initial viability study has proved immense benefit of adopting a pulse bag filter instead of a wet scrubber. This would improve the finished product yield and reduce waste water generation.

A new Disc type Reverse Osmosis water purification technology will be evaluated. This can reduce the amount of waste water assigned for treatment using the MVR evaporation and condensation. With the current momentum in waste water reduction the Disc type RO has immense potential for energy saving in treating waste water.

4. R &D expenditure

a. Capital	:	0.00
b. Recurring	:	87.69
c. Total	:	87.69
d. Total R&D Expenditure	:	12.24%
As percentage of total turnover		

C) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

(As per form B of annexure to this rule)

a. The indigenously developed technology for Polyurethane Dispersions (PUD) for leather sector and PVC additives for plastic industry have been commercialized. The technology of "Polymeric Fatliquor" isyet to be commercialized and the Company wishes to restrict to marketing of small lots using the pilot plant as Indian markets are not responding well to this technology due to cost constraints.

b. All previously imported technologies have been fully absorbed and commercialized.

D) FOREIGN EXCHANGE EARNINGS & OUTGO

a. The Company's foreign exchange earnings from the exports (Inclusive of foreign exchange fluctuations) were Rs.1314.83 Lacs.

b. The expenditure in foreign exchange during the financial year under review is Rs. 155.51 Lacs. This is related to payment towards raw materials, import of capital goods, payment of overseas travel of Directors & Employees.

For and on behalf of the Board of Directors
of Haryana Leather Chemicals Limited

Place : Gurugram
Date : *8th August, 2017*

NARENDRA KUMAR JAIN
Chairman

PANKAJ JAIN
Managing Director-cum-Vice Chairman

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

1. Industry Structure:

The Indian leather industry is spread in different segments, namely, tanning & finishing, footwear & footwear components, leather garments, leather goods including saddlery & harness, etc.

The leather industry occupies a place of prominence in the Indian economy in view of its massive potential for employment, growth and exports. There has been an increasing emphasis on its planned development, aimed at optimum utilization of available raw materials for maximizing the returns, particularly from exports. Indian leather industry today has attained well merited recognition in international markets besides occupying a prominent place among the top foreign exchange earners of the country.

2. Opportunities & Threats:

Opportunities:

The leather sector offers a good potential which Indian entrepreneurs can exploit in Germany and other EU and US markets characterized by ever growing competitiveness in terms of price and quality on one hand, and the environmental considerations on the other. With a strong foothold that the Indian leather industry has had for long in these markets, and its advantage of raw material and labour resources, Indian leather exporters can, mount a concerted marketing campaign to wrest a share consistent with their inherent strength and potential.

Threats:

There are some structural aspects of Indian economy and business ecosystem which pose a long term threat to Indian leather industry. The major part of the industry is unorganized ; there is Limited scope for mobilizing funds through private placements and public issues (many businesses are family-owned); the tanneries often report difficulty in obtaining bank loans resulting in high cost of private borrowing; there are stricter international standards on banned substances and environmental and safety regulations. In addition, some new political overtures on slaughtering, and cattle sale can disrupt the industry seriously.

3. Segment-wise or product-wise performance:

Product-wise, the Company continues to maintain its market share in high performance wet-end products (Fatliquor). The competition in Synthetic Tanning Agents, being a commodity item, has kept the margins very tight inspite of increase in energy and manpower cost. Any effort to increase prices in this segment results in losing some market share. However due to high quality, the foreign customers have no issue with the prices. In the Finishing Chemical segment, Company's PUD s and compacts are being recognized well and there is increase in demand as well. These products have a high value addition and the Company will continue to invest in their promotion, in domestic and international markets. About 15 new high value added products have been released to target imports, and Company hopes to gain market share in this segment.

The sales in domestic sector are stable inspite of recession in the industry. The sales can grow further but Company s tight credit control will need to be loosened. The export operations of the Company are not growing due to lower capacity utilization in China market.

4. Outlook:

The leather industry has undergone a dramatic transformation from a mere exporter of raw materials to that of value added finished products. Policy initiatives taken by the Government have been instrumental to such a transformation. In the wake of globalization of Indian economy supported with liberalized economic and trade policies, the industry is poised for further growth to achieve greater share in the global trade.

5. Risks & Concerns

Taking a broader and long term view, here are some risks that Indian leather industry and political leadership needs to address. A major concern is disruptive economic policies like demonetization, tax rationalization and amendments from time to time. Small and medium sector of leather industry is not prompt to respond to quick changes in government policy changes. Besides, forex fluctuation, increase in laborcost due to inflationary trend, lack of strong presence in the global fashion market pose some serious risks to the industry..

There is a serious concern, unless the State Govt. or local body take initiatives to improve Industrial infrastructure at Jind Jind region that lacks good roads and connectivity. Availability of technically trained personnel is becoming a challenge. These factors in very long term could destabilize the Chemical industry in Haryana.

6. Internal control systems and their adequacy

Company's internal control focused on reliable financial reporting, and compliance with laws, regulations and policies. The accounting and auditing assured achievement of in operational effectiveness and efficiency. Management information systems demand forecast, purchase and production planning are integrated with SAP based system with transparency for key personnel. The data security has been tightened online or offline.

Regular reconciliation of stocks and receivables resulted in improved cash flow, timely payment to creditors. Stricter cost control measures, monitoring of financial transactions and logistics cost resulted in significant savings.

HARYANA
LEATHER CHEMICALS LTD.

7. Discussion on financial performance with respect to operational performance

The profit for the current year has been maintained at same level as that of previous year (2015-16) inspite of drop in sales revenue. This was possible due to: (a) reduced expenditure in maintenance, R & D and marketing cost, (b) lower raw material cost and (c) increase of miscellaneous income. The cash flow improvement is attributed to lower inventory holdings, stricter credit controls and faster production cycles and deliveries.

8. Material developments in Human Resources / Industrial Relation front, including number of People employed

The Company's talent pool remains adequate. There are no unresolved grievances of workers who have exhibited strict discipline and cordial relations with the management. Bonuses and increments have remained aligned with market trends across all levels of employees.

Number of employees as on 31.03.2017 was 89.

Annexure to the Board's Report
Form No. AOC-2
Pursuant to sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rule, 2014

Form for disclosure of particulars of contracts/arrangements entered in to by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm length transactions under third provision thereto.

1. Details of Contracts or arrangements or transactions not at arm's length basis:

Name of the related party and nature of relationship	Nature of Contracts or arrangements or transactions	Duration of Silent terms of Contracts or arrangements or transactions	Silent terms of Contracts or arrangements or transactions including value, if any	Justification for entering into such Silent terms of Contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances	Date on which the special resolution passed in general meeting as required under section 188
Not Applicable							

2. Details of Contracts or arrangements or transactions at arm's length basis:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Related Parties which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

Name(s) of the related party and nature of relationship	Nature of Contracts or arrangements or transactions	Duration of Contracts or arrangements or transactions	Silent terms of Contracts or arrangements or transactions including value, if any
1. **Labotron Instruments Pvt. Ltd.** Flat No. 6, Gauri Apartments, 3-4, Rajesh Pilot Lane, New Delhi-110011	Sale of Materials	On-going	In the normal course of business and in line with market parameters
2. **N K Jain Instruments Pvt. Ltd.** 2A, Tribune Colony, Ambala Cantt. Ambala-133001, Haryana	-do-	-do-	-do-
3. **Labotech Microscopes India Pvt. Ltd.** Flat No. 6, Gauri Apartments, 3-4, Rajesh Pilot Lane, New Delhi-110011			
4. **N K Jain Holdings & Finance Pvt. Ltd.** D-142, Anand Niketan, New Delhi-110021			

Annexure to the Board's Report

Form MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

To
The Members of
M/s. Haryana Leather Chemicals Limited
CIN: L74999HR1985PLC019905
72-77, HSIIDC Industrial Estate,
Hansi Road, Jind - 126 102 (Hr.)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **HARYANA LEATHER CHEMICALS LIMITED** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year commencing from 1st April, 2016 and ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **HARYANA LEATHER CHEMICALS LIMITED** ("The Company") for the financial year ended on 31st March, 2017, according to the provisions of:
   - i. The Companies Act, 2013 (the Act) and the rules made thereunder
   - i. The Companies Act, 2013 (the Act) and the rules made thereunder
   - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
   - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings.
   - v. The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
     - a. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
     - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
     - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
     - d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company during the financial year under report:
   - a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
   - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
   - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
3. We have also examined compliance with the applicable clauses of the following:
   - i. Secretarial Standards issued by The Institute of Company Secretaries of India, (effective from July 1, 2015)
   - ii. The New Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited;
   - iii. Employee State Insurance Act 1948 and Employee Provident Funds and Miscellaneous Provision Act 1952.

4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:
   (a) Maintenance of various statutory registers and documents and making necessary entries therein;
   (b) Closure of the Register of Members/Debenture holders;
   (c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
   (d) Service of documents by the Company on its Members, Debenture holders, Debenture Trustees, Auditors and the Registrar of Companies;
   (e) Notice of Board meetings and Committee meetings of Directors;
   (f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation, if any;
   (g) The 31st Annual General Meeting held on 23th September, 2016;
   (h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
   (i) Approvals of the Members, the Board of Directors, the Committees of Directors and the Government authorities, wherever required;
   (j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
   (k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors;
   (l) Appointment and remuneration of Auditors and the appointment of Cost Auditors was not applicable.
   (m) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
   (n) Payment of interest on debentures and redemption of debentures-Not Applicable.
   (o) Declaration and payment of dividends;
   (p) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
   (q) Borrowings and registration, modification and satisfaction of charges wherever applicable;
   (r) Investment of the Company's funds including inter-corporate loans and investments and loans to others;
   (s) Giving guarantees in connection with loans taken by subsidiaries;
   (t) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
   (u) Allotment of equity shares of the Company.
   (v) Directors' report;
   (w) Contracts, common seal, registered office and publication of name of the Company;

OBSERVATIONS :

(a) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the Company.

(b) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ ADRs or any Commercial Instrument under the financial year under report.

5. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.

6. We further report that:

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.

(b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.

(c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

7. We further report that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For V JHAWAR & CO.
Company Secretaries

Vikram Jhawar
(Partner)
ACS NO. 30623
CP.NO. 11204
Place : New Delhi
Date : 30.06.2017

Annexure-A to Secretarial Audit Report dated June 30, 2017

To
The Members of
M/s. Haryana Leather Chemicals Limited
CIN: L74999HR1985PLC019905
72-77, HSIIDC Industrial Estate,
Hansi Road, Jind - 126 102 (Hr.)

Our Secretarial Audit Report dated June 30, 2017 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
4. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V JHAWAR & CO.
Company Secretaries

Vikram Jhawar
(Partner)
ACS NO. 30623
CP.NO. 11204
Place : New Delhi
Date : 30.06.2017

HARYANA
LEATHER CHEMICALS LTD.

Annexure to the Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- L74999HR1985PLC019905

ii) Registration Date: 22.01.1985

iii) Name of the Company: HARYANA LEATHER CHEMICALS LIMITED

iv) PAN: AAACH3955N

v) Category / Sub-Category of the Company: Company Limited by Shares

vi) Address of the Registered office and contact details:

72-77, HSIIDC Industrial Estate
Hansi Road, Jind - 126 102, Haryana
Email id.: info@leatherchem.com
Web address: www.leatherchem.com
Phone: (01681) 226645
Fax No.: 01681-225101

vii) Whether listed Company Yes/No: Yes

viii) Name, Address and Contact details of Registrar and Transfer Agent, if any

Mr. Rakesh Adhana
M/s. RCMC Share Registry Pvt. Ltd.,
B-25/1, First Floor, Okhla Industrial Area,
Phase-II, New Delhi - 110 020
Phones: 011-26387320, 26387323
Fax: 011-26387322

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	NOUVOL SR	P1349	28.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	ON/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Labotron Instruments Pvt. Ltd. Flat No. 6, Gauri Apartments, 3-4, Rajesh Pilot Lane, New Delhi-110011	U74899DL1991PTC045520	Associate	Nil	2(76)
2.	N.K. Jain Instruments Pvt. Ltd. 2A, Tribune Colony, Ambala Cantt.-133001, Haryana	U85110HR1997PTC033697	Associate	Nil	2(76)
3.	Labotech Microscopes India Pvt. Ltd. Flat No. 6, Gauri Apartments, 3-4, Rajesh Pilot Lane, New Delhi-110011	U36999DL1997PTC084940	Associate	Nil	2(76)
4.	N.K. Jain Holdings & Finance Pvt. Ltd. D-142, Anand Niketan, New Delhi-110021	U74899DL1994PTC056969	Associate	0.28	2(76)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%
A. Promoters									
(1) Indian									
a) Individual/HUF	965541	138190	1103731	22.49	917696	138190	1055886	21.50	(-0.99)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	147315	19900	167215	3.41	195960	19900	215860	4.40	(0.99)
e) Banks' FI	-	-	-	-	-	-	-	-	-
f) Any other (Trust)	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	1112856	158090	1270946	25.90	1113656	158090	1271746	25.90	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	768470	768470	15.66	-	768470	768470	15.66	-
e) Any Other ...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	768470	768470	15.66	-	768470	768470	15.66	-
Total Shareholding of Promoters (A) = (A)(l)+(A)(2)	1112856	926560	2039416	41.56	1113656	926560	2040216	41.56	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	5200	5200	0.11	-	5200	5200	0.11	-
b) Banks/ FI	-	4900	4900	0.10	-	4900	4900	0.10	-
c) Central Govt.	-	-	-	-	-	-	-	-	
d) State Govt.	-	-	-	-	-	-	-	-	
e) Venture capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture capital Funds	-	-	-	-	-	-	-	-	
i) Others (Specify)	-	-	-	-	-	-	-	-	
Sub-total (B) (1)	-	10100	10100	0.21	-	10100	10100	0.21	-

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%
(2) Non-Institutions									
a) Bodies Corp.	92377	72300	164677	3.35	82748	72300	155048	3.16	(-0.19)
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 2 Lacs	883038	583137	1466175	29.87	855228	571932	1427160	29.08	(-0.79)
ii) Individual Shareholders holding nominal share capital in excess of Rs. 2 Lacs	1187860	-	1187869	24.20	1200481	-	1200481	24.46	0.26
c) Any Other	-	-	-	-	-	-	-	-	-
i) NRI's/ OCBs	33341	-	33341	0.68	44363	200	44563	0.91	0.23
ii) Clearing Members	6901	-	6901	0,14	30902	-	30902	0.63	0.49
iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
iv) Trusts	-	-	-	-	-	-	-	-	-
v) Foreign Portfolio Investment Corporation	-	-	-	-	-	-	-	-	-
Sub-total (8) (2)	2203317	655637	2858954	58.25	2213722	644432	2858154	58.24	(-0.01)
Total Public Shareholding (B) = (B)(1)+(B)(2)	2203317	665737	2869054	58.45	2213722	654532	2868254	58.45	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	3316173	1592297	4908470	100	3327378	1581092	4908470	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged encumbered to total shares	% change in share-holding during the year
1.	ICAP SIRA Chemicals & Polymers SpA	768470	15.66	0	768470	15.66	0	0
2.	Munak Holdings Limited	113382	2.31	0	113382	2.31	0	0
3.	Manik Jain	7300	0.15	0	7300	0.15	0	0
4.	Munak Credit & Investment	16335	0.33	0	16335	0.33	0	0
5.	Munak Engineers Pvt. Ltd.	16098	0.33	0	64743	1.32	0	0.99
6.	NK Jain Holding & Fin. Pvt. Ltd.	13900	0.28	0	13900	0.28	0	0
7.	Narendra Kumar Jain	297060	6.05	0	297060	6.05	0	0
8.	Pankaj Jain	453910	9.25	0	454710	9.26	0	0.01
9.	Ratnam Jain	5300	0.11	0	5300	0.11	0	0
10.	Savita Aggarwal	138190	2.82	0	138190	2.82	0	0
11.	Sippy Jain	153326	3.12	0	153326	3.12	0	0
12.	Vijay Kumar Garg	48645	0.99	0	48645	0.99	0	0
13.	Vijay Kumar Garg Contractor Private Ltd.	7500	0.15	0	7500	0.15	0	0
	Total	2039416	41.55	0	20402166	42.55		1.00

(iii) Change in Promoters' Shareholding (Please Specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the Company	% change in share-holding during the year
1.	Munak Engineers Pvt. Ltd.	16098	0.33	64743	1.32	0.99
2.	Pankaj Jain	453910	9.25	454710	9.26	0.01

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	**Urmil Mahasukh Gopani**					
	At the beginning of the year 01.04.2016		211364	4.31	211364	4.31
	06/05/2016	Transfer	1285	0.03	212649	4.33
	13/05/2016	Transfer	1783	0.04	214432	4.37
	03/06/2016	Transfer	1187	0.02	215619	4.39
	01/07/2016	Transfer	2286	0.05	217905	4.44
	08/07/2016	Transfer	92	0	217997	4.44
	30/09/2016	Transfer	500	0.01	218497	4.45
	13/01/2017	Transfer	-450	-0.01	218047	4.44
	20/01/2017	Transfer	450	0.01	218497	4.45
	31/03/2017	Transfer	160	0	218657	4.45
	At the end of the year 31/03/2017				218657	4.45

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Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	**Avni Sohil Sanghvi**					
	At the beginning of the year 01/04/2016		192320	3.92	192320	3.92
	27/05/2016	Transfer	7934	0.16	200254	4.08
	At the end of the year 31/03/2017				200254	4.08
3	**S Sathya**					
	At the beginning of the year 01/04/2016		153340	3.12	153340	3.12
	14/10/2016	Transfer	-153340	-3.12	0	0
	At the end of the year 31/03/2017				0	0
4	**Sangeetha S**					
	At the beginning of the year 01/04/2016		103660	2.11	103660	2.11
	14/10/2016	Transfer	-73660	-1.5	30000	0.61
	At the end of the year 31/03/2017				30000	0.61
5	**Amit Jain**					
	At the beginning of the year 01/04/2016		86082	1.75	86082	1.75
	22/04/2016	Transfer	500	0.01	86582	1.76
	10/06/2016	Transfer	963	0.02	87545	1.78
	17/06/2016	Transfer	92	0	87637	1.79
	08/07/2016	Transfer	2500	0.05	90137	1.84
	15/07/2016	Transfer	123	0	90260	1.84
	22/07/2016	Transfer	680	0.01	90940	1.85
	14/10/2016	Transfer	-940	-0.02	90000	1.83
	At the end of the year 31/03/2017				90000	1.83
6	**Pankaj Kumar Maganlal Babariya**					
	At the beginning of the year 01/04/2016		71033	1.45	71033	1.45
	At the end of the year 31/03/2017				71033	1.45
7	**Parul Sanjay Shah**					
	At the beginning of the year 01/04/2016		57055	1.16	57055	1.16
	At the end of the year 31/03/2017				57055	1.16
8	**Jasmine Pravin Ajmera**					
	At the beginning of the year 01/04/2016		50008	1.02	50008	1.02
	At the end of the year 31/03/2017				50008	1.02
9	**Rajendra Dhirajlal Gandhi**					
	At the beginning of the year 01/04/2016		49200	1	49200	1
	07/10/2016	Transfer	800	0.02	50000	1.02
	21/10/2016	Transfer	-125	0	49875	1.02
	16/12/2016	Transfer	-675	-0.01	49200	1
	03/02/2017	Transfer	400	0.01	49600	1.01
	17/03/2017	Transfer	-400	-0.01	49200	1
	At the end of the year 31/03/2017				49200	1
10	**Sunil Kumar Gupta**					
	At the beginning of the year 01/04/2016	40000	0.81	40000	0.81	
	06/01/2017	Transfer	-500	-0.01	39500	0.8
	At the end of the year 31/03/2017				39500	0.8
11	**Subramanian P**					
	At the beginning of the year 01/04/2016		0	0	0	0
	14/10/2016	Transfer	227000	4.62	227000	4.62
	13/01/2017	Transfer	-4109	-0.08	222891	4.54
	At the end of the year 31/03/2017				222891	4.54

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
12	**Bhavika Jayendra Mody**					
	At the beginning of the year 01/04/2016		43500	0.89	43500	0.89
	05/08/2016	Transfer	-5510	-0.11	37990	0.77
	12/08/2016	Transfer	-517	-0.01	37473	0.76
	09/09/2016	Transfer	-2003	-0.04	35470	0.72
	07/10/2016	Transfer	-1000	-0.02	34470	0.7
	14/10/2016	Transfer	-2000	-0.04	32470	0.66
	09/12/2016	Transfer	-12000	-0.24	20470	0.42
	16/12/2016	Transfer	-5000	-0.1	15470	0.32
	30/12/2016	Transfer	-894	-0.02	14576	0.3
	06/01/2017	Transfer	-3000	-0.06	11576	0.24
	13/01/2017	Transfer	-6000	-0.12	5576	0.11
	10/03/2017	Transfer	36424	0.74	42000	0.86
	31/03/2017	Transfer	-200	0	41800	0.85
	At the end of the year 31/03/2017				41800	0.85
13	**Marwadi Shares and Finance Ltd.**					
	At the beginning of the year 01/04/2016		1337	0.03	1337	0.03
	01/04/2016	Transfer	34124	0.7	35461	0.72
	08/04/2016	Transfer	-225	0	35236	0.72
	22/04/2016	Transfer	25	0	35261	0.72
	29/04/2016	Transfer	-1	0	35260	0.72
	06/05/2016	Transfer	-1	0	35259	0.72
	13/05/2016	Transfer	-189	0	35070	0.71
	20/05/2016	Transfer	-1497	-0.03	33573	0.68
	27/05/2016	Transfer	500	0.01	34073	0.69
	03/06/2016	Transfer	-375	-0.01	33698	0.69
	10/06/2016	Transfer	50	0	33748	0.69
	01/07/2016	Transfer	276	0.01	34024	0.69
	15/07/2016	Transfer	1551	0.03	35575	0.72
	22/07/2016	Transfer	1310	0.03	36885	0.75
	29/07/2016	Transfer	1352	0.03	38237	0.78
	05/08/2016	Transfer	8100	0.17	46337	0.94
	12/08/2016	Transfer	-7544	-0.15	38793	0.79
	19/08/2016	Transfer	-112	0	38681	0.79
	23/09/2016	Transfer	500	0.01	39181	0.8
	30/09/2016	Transfer	-500	-0.01	38681	0.79
	07/10/2016	Transfer	2100	0.04	40781	0.83
	21/10/2016	Transfer	-1000	-0.02	39781	0.81
	28/10/2016	Transfer	200	0	39981	0.81
	04/11/2016	Transfer	480	0.01	40461	0.82
	11/11/2016	Transfer	670	0.01	41131	0.84
	02/12/2016	Transfer	-100	0	41031	0.84
	09/12/2016	Transfer	10000	0.2	51031	1.04
	16/12/2016	Transfer	-10790	-0.22	40241	0.82
	23/12/2016	Transfer	250	0.01	40491	0.82
	06/01/2017	Transfer	2144	0.04	42635	0.87
	13/01/2017	Transfer	-1700	-0.03	40935	0.83
	17/02/2017	Transfer	600	0.01	41535	0.85
	24/02/2017	Transfer	-460	-0.01	41075	0.84
	03/03/2017	Transfer	-3979	-0.08	37096	0.76
	10/03/2017	Transfer	-36424	-0.74	672	0.01
	31/03/2017	Transfer	678	0.01	1350	0.03
	At the end of the year 31/03/2017				1350	0.03

(iv) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	%change in shareholding during the year
1.	Narendra Kumar Jain	297060	6.05	297060	6.05	0.00
2.	Pankaj Jain	453910	9.25	454710	9.26	0.01
3.	Sippy Jain	153326	3.12	153326	3.12	0.00
4.	Kannadiparambil Sankarankutty Velayudha Menon	-	-	-	-	-
5.	Pradeep Behl	-	-	-	-	-
6.	Vijay Kumar Garg	48645	0.99	48645	0.99	0.00
7.	Massimo Medini	-	-	-	-	-
8.	Harish Chandra Dutta	-	-	-	-	-
9.	Harish Kumar Gupta	-	-	-	-	-
10.	Marco Medini	-	-	-	-	-

(v) Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs. in thousands)
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	2296.69	-	2296.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	Nil	2296.69	-	2296.69
Change in Indebtedness during the financial year				
Addition	Nil	Nil	-	Nil
Reduction	Nil	2296.69	-	2296.69
Net Change	Nil	Nil	-	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	-	Nil
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	Nil	Nil	-	Nil

(vi) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, whole-time Directors and/or Managers:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (in Rs.)
		Mr. Pankaj Jain Managing Director In Rs. per month	Mrs. Sippy Jain whole time Director In Rs. per month	Ms. Silu Nanda Company Secretary In Rs. per month	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2736000 - -	340000 - -	156000 - -	- -
2.	Stock Option	-	-	-	-
3.	Sweat Equity				
4.	Commission - as of profit others, specify ...	-	-	-	
5.	Others, please specify Sitting Fees (p.a.)	204410	72600	-	
	Total (A)	2940410	412600	156000	
	Ceiling as per the Act (Sec. 197)	Within ceiling limit			

B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors								Total Amount (Rs.)
		Narendra Kumar Jain	Kannadi Parambil Sankara-nkutty Velayudha Menon	Pradeep Behl	Vijay Kumar Garg	Massimo Medini	Harish Chandra Dutta	Harish Kumar Gupta	Marco Medini	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	- -	32,000 -	24,000 -	- -	32,000 -	- -	- -	 -	88000 -
	Total (1)	-	32,000	24,000	-	32,000	-	-		88,000
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	- -	- -	- -	- -	- -	- -	- -		
	Total (2)	-	-	-	-	-	-	-		
	Total (8)=(1+2)	-	32,000	24,000	-	-	32,000	-		88,000
	Total Managerial Remuneration	-								
	Overall Ceiling as per the Act	Within ceiling limit								

C. Remuneration to Key Managerial Personnel other than Managing Director, whole-time Directors and/or Managers:

Sr. No.	Particulars of Remuneration	Name of KMP	Total Amount (Rs. in lacs)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission as of profit others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	-	-

(vii) Penalties/punishment/compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT-I Court)	Appeal made, if any (give details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

The Board of Directors,
Haryana Leather Chemicals Ltd.
72-77, Industrial Estate, Hansi Road,
Jind - 126102, Haryana.

Place : Gurugram
Date : *8th August, 2017*

CORPORATE GOVERNANCE

Based on clause 27 of the Listing Agreement with BSE (Bombay Stock Exchange Limited) and some of the best policies followed on Corporate Governance, the report containing the details of Corporate Governance systems and processes at Haryana Leather Chemicals is as follows:

1. Company's Philosophy on Corporate Governance

Good Governance ensures adoption of best business practices, and accountability of the person's in-charge of the Company's operations. The Directors of Yours Company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the Company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations.

Our belief in good corporate citizenship enshrined in the Company's Code of Conduct, its policies, compliance with law and robust internal control systems, which are subjected to regular assessment drives its effectiveness, reinforces integrity of management and fairness in dealing with all the stakeholders. This meets with all statutory and regulatory compliance including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Fairness to shareholders and common bodies, transparency, disclosures and accountability has been the guiding philosophy on Company's day to day and long term operational goals.

Company Policies:

At Haryana Leather Chemicals Limited, the Company strive to conduct its business and strengthen its relationship in a manner that is distinctive, dignified and responsible. The Company adheres to the ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in and ethical manner. Some of these codes and policies are as follows:

- Code of Board of Directors and Board Committees.
- Code of conduct for prohibition of insider trading.
- Code of business conduct and Ethics for management personnel.
- Code of business policies.
- Values and commitments.
- Health, safety and Environment policies.
- Code of Financial Reporting, Disclosure & Transparency.

2. Role of Company Secretary in overall governance process:

The Company Secretary plays a key role in ensuring that the Board and Committee procedures are followed and reviewed regularly. The Company Secretary is primarily responsible for assisting and advising the Board in conducting the affairs of the Company and to ensure the compliances with applicable statutory requirements, to provide guidance to Directors and to facilitate convening of Meetings. The Company Secretary ensures that the management of the Company should get the proper and relevant information and details for the proper functioning of the Company.

3. Board of Directors

The Board of Directors of the Company are constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and in accordance with the best practices of Corporate Governance. The Board of Directors consists of ten Directors, two executive Director and eight non-executive Directors. Out of the eight non- executive Directors, two are nominees of the collaborators i.e., ICAP Sira Chemicals & Polymers SpA, Italy. The Board normally meets once in every quarter. During the year the Board of Directors met four times on 27.05.2016, 04.08.2016, 11.11.2016, 07.02.2017.

The Composition of the Board of Directors and attendance record is as follows:

Director	Category	Other Director-ships held	Memberships in Committees of Board	No. of Board meeting attended	Whether attended AGM held on 28.09.2016
Pankaj Jain	Executive	3	-	4	Yes
Sippy Jain	Executive	-	-	3	Yes
N.K. Jain	Non - Executive	4	-	-	No
V.K. Garg	Non - Executive	3	-	-	No
H.K. Gupta	Independent	5	3	-	No
K.S.V. Menon	Independent	-	3	4	No
H.C. Dutta	Independent	-	3	4	No
Massimo Medini*	Independent	-	-	-	No
Marco Medini*	Independent	-	-	-	No
Pradeep Behl	Independent	-	3	3	No

*Represents collaborator M/s. ICAP Sira Chemicals & Polymers SpA, Italy.

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The detailed list of Company names in which the Directors hold Directorship, Membership/Chairmanship of Board Committees are as follows:

PANKAJ JAIN (DIN: 00206564)

S.No.	CIN/LLPIN	Name of the Company/LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	04.02.2016	22.04.1985
2.	U85110HR1997PTC033697	N.K. Jain Instruments Pvt. Limited	29.08.1997	29.08.1997
3.	U36999DL1997PTC084940	Labotech Microscopes India Private Limited	30.09.2000	30.09.2000
4.	U74899DL1994PTC056969	N.K. Jain Holdings & Finance Private Limited	16.11.2009	16.11.2009

VIJAY KUMAR GARG (DIN: 00236460)

S.No.	CIN/LLPIN	Name of the Company/LLP	Date of appointment at current designation	Original date of appointment
1.	U45201CH1979PTC003954	Vijay Kumar Garg Contractor Pvt. Limited	30.03.1979	30.03.1979
2.	U29219CH1983PTC005493	Munak Credit & Investments Pvt. Ltd.	06.07.1983	06.07.1983
3.	U67120CH1986PLC006688	Munak Holdings Limited	06.12.1993	06.12.1993
4.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	22.07.2003	22.07.2003

NARENDRA KUMAR JAIN (DIN: 00486730)

S.No.	CIN/LLPIN	Name of the Company/LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	22.04.1985	22.04.1985
2.	U74899DL1991PTC045520	Labotron Instruments Pvt. Limited	18.01.1994	18.01.1994
3.	U74899DL1994PTC056969	N.K. Jain Holdings & Finance Pvt. Limited	18.01.1994	18.01.1994
4.	U85110HR1997PTC033697	N.K. Jain Instruments Pvt Ltd.	29.08.1997	29.08.1997
5.	U36999DL1997PTC084940	Labotech Microscopes India Pvt. Limited	30.09.2000	30.09.2000

PRADEEP BEHL (DIN: 00703855)

S.No.	CIN/LLPIN	Name of the Company/LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	23.08.2006	23.08.2006

Apart from the Directorship in the Company Mr. Pradeep Behl is also the Member of the following Board Committees in Haryana Leather Chemicals Limited.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship Committee

HARISH CHANDRA DUTTA (DIN: 00920009)

S.No.	CIN/LLPIN	Name of the Company/LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	22.09.1988	22.09.1988

Apart from the Directorship in the Company Mr. H. C. Dutta is also the Member of the following Board Committees in Haryana Leather Chemicals Limited.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship Committee

DR. K. S. V. MENON (DIN: 00920088)

S.No.	CIN/LLPIN	Name of the Company/LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	30.10.1988	30.10.1988

Apart from the Directorship in the Company Dr. Menon is also the Chairman of the following Board Committees in Haryana Leather Chemicals Limited:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship Committee

MASSIMO MEDINI (DIN: 00926147)

S.No.	CIN/LLPIN	Name of the Company/LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	24.03.1993	24.03.1993

HARISH KUMAR GUPTA (DIN: 01203136)

S.No.	CIN/LLPIN	Name of the Company/LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	31.05.1985	31.05.1985
2.	U14103HR1995PTC032654	Alfa Spinner Pvt. Limited	01.10.2005	01.10.2005
3.	U24233HR2008PTC038480	Liberty Life Sciences Private Limited	03.11.2008	03.11.2008

Apart from the Directorship in the Company Mr. Harish Kumar Gupta is also the Member of the following Board Committees in Haryana Leather Chemicals Limited:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship Committee

SIPPY JAIN (DIN: 03189151)

S.No.	CIN/LLPIN	Name of the Company/LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	04.08.2016	10.08.2010

MARCO MEDINI (DIN: 06709885)

S.No.	CIN/LLPIN	Name of the Company/LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	08.02.2013	08.02.2013

4. Audit Committee

The Company has an independent Audit Committee. The composition, procedure, Role/Function of the committee complies with the requirements of the Companies Act, 2013 as well as those of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The brief terms of reference of the Audit Committee includes the following:

- Over seeing the Company's financial report process and the disclosure of its financial informations.
- To review quarterly, half yearly and Annual Financial results before submission to the Board.
- To review the statement of significant related party transactions submitted by the management.
- To review the adequacy of internal control systems with the management, external & internal auditors.
- Discussion with external auditors about the nature and scope of audit including their observation.
- To investigate into any matter referred by the Board.

The Audit Committee of the Company has the following members:

1. Dr. KSV Menon - Chairman
2. Lt. Gen. (Retd.) H C Dutta - Member
3. Mr. H.K. Gupta - Member
4. Mr. Pradeep Behl - Member

The composition, Role, Function of the Committee complies with the requirements of the Companies Act, 2013 as well as those of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

The brief terms of reference are as required under Listing Agreement.

During the year the committee met on 27.05.2016, 04.08.2016, 11.11.2016, 07.02.2017.

The attendance of the members of the committee is as follows:

Name of Director	Details of Attendance
Dr. K.S.V. Menon	27.05.2016, 04.08.2016, 11.11.2016, 07.02.2017.
Lt. Gen. (Retd.) H.C. Dutta	27.05.2016, 04.08.2016, 11.11.2016, 07.02.2017.
Mr. Harish K. Gupta	Nil
Mr. Pradeep Behl	27.05.2016, 04.08.2016 and 07.02.2017.

5. Nomination and Remuneration Committee:

The Company has constituted Nomination and Remuneration committee consisting of four independent Directors, Dr. KSV Menon (Chairman), Lt. Gen. (Retd.) HC Dutta and Harish K. Gupta and Mr. Pradeep Behl. The brief terms of reference of the committee are:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment for modification, as may be applicable.

All Directors except Mr. Pankaj Jain, Managing Director and Sippy Jain, Whole-Time Director, receive only sitting fee.

The Remuneration package of Mr. Pankaj Jain, Managing Director for the year 2016-17 is given below.

All elements of remuneration	Rs. 29.40 Lacs*
Fixed Portion	Rs. 29.40 Lacs
Performance Incentive	Nil
Criteria of performance incentive	N/A
Period of appointment	Re-appointed on 04.02.2016 for three years
Notice Period	Nil
Severance Fees	Nil
Stock Option	Nil

The remuneration package of Mrs. Sippy Jain, whole time Director for the year 2015-16 is given below:

All elements of remuneration	Rs. 4.12 Lacs*
Fixed Portion	Rs. 4.12 Lacs
Performance Incentive	75,000
Criteria of performance incentive	N/A
Period of appointment	Re-appointed on 04.08.2016 for three years
Notice Period	Nil
Severance Fees	Nil
Stock Option	Nil

*Other than the fixed portion of remuneration the Managing Director is entitled for contribution to provident fund & leave encashment at the end of the tenure.

6. Stakeholder Relationship Committee

The Board has constituted Stakeholder Relationship Committee in accordance with provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016.

The committee has been looking to the transfer of Equity Shares/transmission of Equity Shares/issuance of duplicate Equity Share certificates, complaints received from the shareholders of the Company and other allied connected matters.

The Composition of the Committee is as follows:

Name of non-executive Director heading the committee	Dr. K.S.V. Menon
Compliance Officer	Ms. Silu Nanda, Company Secretary
No. of complaints received during the year 2016-17	Shareholders : Nil Stock exchange : Nil SEBI : Nil NSDL : Nil CDSL : Nil
Complaints not solved to the satisfaction of shareholders	Nil
Complaints pending on 31.03.2017	Nil

7. Risk Management Committee:

The Company has constituted a Risk Management committee consisting of four independent Directors, Dr. KSV Menon (Chairman), Lt. Gen. (Retd.) HC Dutta and Mr, Harish K. Gupta and Mr. Pradeep Behl.

The Risk Management Committee meeting is conducted at the start of the year and as and when required to check all the compliances and other related system of internal control.

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8. General Body Meetings

Location, time and date of last three Annual General Meetings are:

Date	Time	Location
23.09.2016	11.30 a.m.	72 - 77, HSIIDC Industrial Estate, Hansi Road, Jind - 126 102, Haryana.
28.09.2015	11.30 a.m.	- do -
20.09.2014	11.30 a.m.	- do -

9. Disclosures

a. There were no material transactions with Directors or the Management or their relatives having potential conflicts with the interest of the Company at large.

b. There has not been any type of penalties or strictures were imposed on the Company by stock exchange or SEBI or any statutory authority on any matters related to the capital market during the last year.

c. The Company Secretary records minutes of proceedings of each Board and Committee meeting. Drafts minutes are circulated to the Board / Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusions of the meeting.

10. Means of Communication

The Company adopts the quarterly financial results as per the format prescribed by the stock exchange and is immediately sent to Bombay Stock Exchange, Mumbai. The quarterly results are also published in newspapers – Financial Express – Mumbai and Ajit Samachar (Jalandhar) and are also available in Company's website.

The Management Discussion and Analysis Report is part of the Annual Report.

11. General Shareholder Information

a. Annual General Meeting (AGM): The Company's AGM will be held on 23.09.2017 at 11.30 am at the Registered Office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102 (Haryana).

b. Financial Calendar: April to March.

c. Date of Book Closure: 19.09.2017 to 23.09.2017 (both days inclusive).

d. Dividend Pay-out dates: 27.09.2017.

e. Listing of Stock Exchanges: Mumbai Stock Exchange Limited.

f. Stock Code: BSE 524080.

g. Market Price Data: The shares of the Company quoted at Bombay Stock Exchange between Rs. 28.25 to Rs. 49.85 during the year 2016-17.

h. Registrar and Transfer Agents: RCMC Share Registry (P) Ltd., B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi-110020.

The share Transfer System: Company's Registrar & Share Transfer Agents is handling the both physical and electronic share transfer related job.

i. Depository Participants; National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Distribution of Shareholdings:

Distribution of Shareholdings as on 31.03.2017

Shareholding of Value of Rs.	No. of Share Holders	% of Share holders to Total	No. of shares held	Amount Rs.	% to Total
0 - 5000	3454	87.02	635246	6352460	12.94
5001 - 10000	260	6.55	213421	2134210	4.35
10001 - 20000	102	2.57	154023	1540230	3.14
20001 - 30000	45	1.13	116115	1161150	2.37
30001 - 40000	16	0.40	54801	548010	1.12
40001 - 50000	25	0.63	115815	1158150	2.36
50001 - 100000	31	0.78	227036	2270360	4.63
100001 and above	36	0.91	3392013	33920130	69.11
Total	**3969**	**100**	**4908470**	**49084700**	**100**

Shareholding Pattern as on 31.03.2017

Category	No. of shareholders	No. of shares	Percentage
Promoters (including Foreign Collaborator)	13	20,40,216	42.55
Public	3956	28,68,254	57.45
Total		**49,08,470**	**100.00**

Shareholding Pattern of the Promoters and Promoters Group as on 31.03.2017

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Share holding at the end of the year 31.03.2017			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged encumbered to total shares	% change in share-holding during the year
1	ICAP SIRA Chemicals & Polymers SpA	768470	15.66	0	768470	15.66	0	0
2	Munak Holdings Limited	113382	2.31	0	113382	2.31	0	0
3	Manik Jain	7300	0.15	0	7300	0.15	0	0
4	Munak Credit & Investment	16335	0.33	0	16335	0.33	0	0
5	Munak Engineers Private Limited	16098	0.33	0	64743	1.32	0	0.99
6	NK Jain Holding & Fin. Private Limited	13900	0.28	0	13900	0.28	0	0
7	Narendra Kumar Jain	297060	6.05	0	297060	6.05	0	0
8	Pankaj Jain	453910	9.25	0	454710	9.26	0	0.01
9	Ratnam Jain	5300	0.11	0	5300	0.11	0	0
10	Savita Aggarwal	138190	2.82	0	138190	2.82	0	0
11	Sippy Jain	153326	3.12	0	153326	3.12	0	0
12	Vijay Kumar Garg	48645	0.99	0	48645	0.99	0	0
13	Vijay Kumar Garg Contractor Private Limited	7500	0.15	0	7500	0.15	0	0
	Total	2039416	41.55	0	20402166	42.55		1.00

Shareholding Pattern as on 31.03.2017

Category	No. of shareholders	No. of shares	Percentage
Mutual Funds	2	5200	0.11
Financial Institutions/Banks	4	4900	0.10
Body Corporates	67	155048	3.16
Clearing Members	19	30902	0.63
Non Residents	19	44563	0.91
Individuals holding shares upto Rs. 1 Lakh	3822	1362460	27.76
Individuals holding shares above Rs. 1 Lakh	22	1265181	25.78
Total	**3955**	**2868254**	**58.45**

Dematerialisation and Liquidity: The shares of the Company is dematerialised and the ISIN for demat is: INE681F01018.
Registered Office and Plant Location: Plot No. 72-77, HSIIDC Industrial Estate, Hansi Road, Jind, Haryana - 126102.
Corp. Office: 1405-B, Signature Towers, South City-I, Gurugram - 122001.

CODE OF CONDUCT

The Company has adopted code of conduct for members of the Board and Senior Management personnel of the Company. The Code lays down, in details, the standard of business conduct, ethics and governance. The Compliance of the same has been affirmed and a declaration by the Management to this effect is given below.

DECLARATION

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management personnel have affirmed compliance the Company's Code of conduct for the year ended 31st March, 2017.

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The Board of Directors,
Haryana Leather Chemicals Ltd.
72-77 Industrial Estate, Hansi Road,
Jind - 126 102, Haryana.

8th August, 2017

Re: CEO Certification

As stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2017 and that to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

  (ii) these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended on 31st March, 2017 which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee

  (i) significant changes, if any, in internal control over financial reporting during the year;

  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and

  (iii) instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Haryana Leather Chemicals Ltd.

PANKAJ JAIN
Managing Director-cum-Vice Chairman

CODE OF CONDUCT
DIRECTORS AND SENIOR MANAGEMENT

Applicable to all Directors and Senior Management of the Company i.e. all Board members including Managing Director and Senior Management who are members of the core management team i.e., all executives who are one level below the Directors including all functional heads.

The Board after finalizing the Code of Conduct and after approval shall arrange to get it posted on the website of the Company.

All Board Members and Senior Management Executives shall affirm the compliance of the Code of Conduct on an annual basis. Annual Report of the Company shall contain this fact signed by the CEO.

General Policy

The Company's philosophy of Corporate Governance is reflected in the commitment of management, which objectively works, realizing and accepting its responsibilities towards shareholders, society and the country. The management's endeavor is to maintain transparency, optimize operational efficiency and retain high level of credibility with the shareholders, creditors and the government.

This Code of Conduct is intended to provide guidance and help to all Directors & Senior Management Executives in recognizing their responsibility and dealing with the issues in such manner as to achieve the objective of the corporate in an ethical way and to help to foster a culture of honesty in the performance of one's duties and accountability.

Each person should act with competence and diligence to bring honour and respect for the Company and comply with all the relevant laws governing the operations of the Company's business in accordance with the principles laid down in the Code. A Director of the Company is to act in the fiduciary capacity and every Senior Management Executive is to act as a most disciplined, sincere and loyal worker to protect the interest of the Company and to make efforts for achievement and promotion of the corporate objectives, inter alia relating to financial, social, cultural and ethical areas.

The Best – of results can be achieved by adopting the best practices as under:

DIRECTORS

– Every Director to:

- Make reasonable efforts to attend Board and Committee meetings regularly
- Dedicate sufficient time, energy and attention to the affairs of the Company to ensure diligent performance of his duties, including preparing for meetings and decision making by viewing in advance any Agenda / material distributed and making reasonable enquiries
- Seek to comply with all Corporate Policies
- Act in the best interest of, and fulfill his fiduciary obligations to the Company's shareholders
- Conduct himself in a professional, courteous and respectful manner
- Comply with all applicable laws, rules and regulations
- Act in a manner to enhance and maintain the reputation of the Company
- Disclose potential conflicts of interest that he may have regarding any matters that may come before the Board, and abstain from discussion and voting on any matter in which the Director has or may have a conflict of interest
- Make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operation of the Company and its Board of Directors
- Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, except when authorized or legally required to disclose such information
- Restrain from the use of confidential information acquired in the course of their service as Directors to his personal advantage
- Notify the other Directors of his material personal interest and must not vote on the matter
- Bring an open and independent mind to Board or Committee meetings and should not make a decision about a matter before attending and participating in the deliberations of the meeting

SENIOR MANAGEMENT EXECUTIVES

- Every Senior Executive to:
- Attend to the duties regularly
- Dedicate sufficient time, energy and attention to the affairs of the Company and ensure diligent performance of his duties, including preparing for each meetings and decision making by viewing in advance any Agenda / material distributed and making reasonable inquiries

- Seek to comply with all Corporate Policies
- Make available to and share with seniors information as may be appropriate to ensure proper conduct and sound operation of the Company and its Board of Directors
- Respect the confidentiality of information relating to the affairs of the Company acquired in the course of his service as Sr. Executive, except when authorized or legally required to disclose such information
- Notify his personal material interest to his seniors and not to participate in the discussions and decision making in the concerned matters
- Protect Company's assets / funds / properties and ensure its efficient use. Theft, carelessness, waste, etc. of the assets / properties which have a direct impact on the Company's profitability
- Consult the Legal Department of the Company if he is unfamiliar / uncertain about the legal rules involving Company's business before taking any action that may jeopardize the Company or that individual
- To obtain prior approval of the Managing Director of the Company before accepting employment or a position of responsibility (such as Consultant / Director) with any other Company nor provide 'freelance' services to anyone

General

- All persons should avoid conflicts of interest with the Company. Any situation that involves or may reasonably expected to involve, a conflict of interest should be disclosed properly to the Chairman / Director-in-charge.
- All persons should act and conduct free from fraud and deception. Their conduct shall conform to the best efforts.
- All persons owe a duty for not taking themselves personally, opportunities that are discovered during the use of the Company's property, information or position, and they have duty towards the Company to advance its objectives and interest.
- All persons not to compete directly or indirectly with the Company and not to disclose the confidential and crucial information gathered by the individuals during the tenure of their position in this Company even after resignation from the Directorship or leaving the services of the Company.
- All persons or their family members shall not accept any gift from persons or firms who deal with the Company where such gifts can be construed as a force to influence their actions and decisions in conflict with the interest of the Company.
- All persons shall deal fairly with employees of the Company. They shall not take any unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation or other unfair dealing-practices.
- All persons shall not indulge in the activity of subscribing or buying or selling the Securities of the Company, which may be in contravention of the policies prescribed by SEBI in the matter of Insider Trading. Such persons shall not misuse any unpublished price sensitive information about the Company with others.
- All persons shall give full cooperation to their seniors, share the information with them, if required, in the best interest of the Company or for compliance of the requirement of the good corporate governance.
- All persons must adopt proactive practices to promote the progressive and ethical behavior at all levels of the management and among other members of the team in the organization.
- All persons must ensure that none of their actions obstruct other person who is performing his duty as assigned to him.
- All persons ought to report variation of any type in policy Code to their seniors and all of them should give patient hearing to those who want to discuss and criticize any of the issues pertaining to any transaction assuming the same is in the interest of the Company. In case a person feels uncomfortable in discussion of such matters then the person desiring to convey his feeling should contact the Chairman of the Company.
- All persons must disclose if any of their relatives or any Company or firm in which they have interest is entering into employment or any business transaction with the Company. Such disclosure of interest should be given from time to time or periodically to the Managing Director / Company Secretary.
- Only Board of Directors have the right to make any waiver / modification in any part of this Code of Conduct.

For Haryana Leather Chemicals Ltd.

PANKAJ JAIN
Managing Director-cum-Vice Chairman

Auditor's Certificate on Compliance of Conditions of Corporate Governance Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have examined the compliance of conditions of Corporate Governance by **M/s. Haryana Leather Chemicals Ltd.** for the year ended on 31st March, 2017 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the said Company with Stock Exchange(s). The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company, we certify that the Company complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement with the Stock Exchanges.

For S.C. DEWAN & CO.
Chartered Accountants
FRN 000934N

Place : Chandigarh
Date : *22nd May, 2017*

S.C. DEWAN
Partner

INDEPENDENT AUDITOR'S REPORT

To the Members of **Haryana Leather Chemicals Limited**

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Haryana Leather Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at **31st March, 2017,** the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure A,** a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. 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 purpose 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 financial statements dealt with by this report are in agreement with the books of account;

    d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. on the basis of the written representations received from the directors as on **31st March, 2017** and taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2017** from being appointed as a director in terms of Section 164(2) of the Act;

    f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**;

    g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company does not have any pending litigations which would impact its financial position;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

        iv. the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 which are in accordance with the books of accounts maintained by the company.

Place : Gurugram
Date : *22nd May, 2017*

For **S. C. Dewan & Co.**
Chartered Accountants
ICAI FRN: 000934N

CA S. C. Dewan
(Partner)
Mem. No.: 015678

Annexure A to the Independent Auditor's Report of even date to the members of HARYANA LEATHER CHEMICALS LIMITED, on the financial statements for the year ended 31st March, 2017

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) 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, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the said Order are not applicable to the company.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, , service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government or debenture holders.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud/ material fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Place : Gurugram
Date : *22nd May, 2017*

For **S. C. Dewan & Co.**
Chartered Accountants
ICAI FRN: 000934N

CA S. C. Dewan
(Partner)
Mem. No.: 015678

Annexure B to the Independent Auditor's Report of even date on the financial statements of HARYANA LEATHER CHEMICALS LIMITED

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

To the Members of **Haryana Leather Chemicals Limited**

We have audited the internal financial controls over financial reporting of **Haryana Leather Chemicals Limited** ("the Company") as of **31st March, 2017** 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 the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March, 2017,** based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of **Haryana Leather Chemicals Limited,** which comprise the Balance Sheet as at **31st March, 2017,** and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 22nd May, 2017 expressed an unqualified opinion.

Place : Gurugram
Date : *22nd May, 2017*

For **S. C. Dewan & Co.**
Chartered Accountants
ICAI FRN: 000934N

CA S. C. Dewan
(Partner)
Mem. No.: 015678

HARYANA
LEATHER CHEMICALS LTD.

BALANCE SHEET AS AT 31st March, 2017

₹ in Thousand

	Notes	March 31, 2017	March 31, 2016
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds :			
Share Capital	**1**	49,084.70	49,084.70
Reserves and Surplus	**2**	226,216.56	210,914.19
2) Non Current Liabilities			
Long Term Borrowings	**3**	-	-
Deferred Tax Liability (Net)	**4**	15,749.57	15,285.42
Long Term Provisions	**5**	485.99	479.48
3) Current Liabilities			
Short Term Borrowings	**6**	1,583.00	2,296.69
Trade Payables	**7**	64,047.64	46,249.73
Other Current Liabilities	**8**	11,316.14	11,357.29
Short Term Provisions	**9**	3,830.04	4,209.67
TOTAL		**372,313.64**	**339,877.17**
II. ASSETS			
1) Non Current Assets			
a) Fixed Assets	**10**		
Tangible Assets		299,024.18	292,461.89
		299,024.18	292,461.89
Less : Depreciation		154,214.78	143,734.59
Net Block		**144,809.40**	**148,727.30**
Capital Work in Progress		2,204.06	936.75
		147,013.46	**149,664.05**
b) Long Term Loans and Advances	**11**	12,302.88	12,403.52
2) Current Assets			
Inventories	**12**	35,362.71	37,453.30
Trade Receivables	**13**	87,661.92	79,088.60
Cash and Bank Balances	**14**	82,524.52	53,744.59
Short Term Loan & Advances	**15**	7,448.15	7,523.11
TOTAL		**372,313.64**	**339,877.17**
Significant Accounting Policies	**27**		–
Notes to Financial Statement	**1-27**		–

As per our report of even date

For S.C. DEWAN & CO.
Chartered Accountants
(FRN.: 000934N)

S.C. DEWAN
Partner
M. No. 015678

For and on behalf of the Board of Directors
of Haryana Leather Chemicals Limited

PANKAJ JAIN
Managing Director-cum-Vice Chairman

N.K. JAIN
Chairman

Place : GURUGRAM
Date : *22nd May, 2017*

SILU NANDA
Company Secretary

Statement of Profit and Loss Account for the year ended 31st March, 2017

₹ in Thousand

		Notes	March 31, 2017	March 31, 2016
	INCOME			
I.	**Revenue from Operations**	**16**	390,541.92	397,215.96
II.	**Other Income**			
	Other Misc. Income	**17**	9,253.94	4,990.19
	Foreign Exchange Fluctuation (Gains)		934.53	2,291.99
	Profit on Sale of Assets			
III.	**TOTAL REVENUE (I + II)**		**400,730.39**	**404,498.14**
IV.	**EXPENSES**			
	Cost of Material Consumed	**18**	255,213.69	262,943.79
	Decrease/(Increase) in Stocks	**19**	(2,489.46)	1,573.68
	Employees' Benefits Expenses	**20**	33,236.37	30,914.98
	Financial Expenses	**21**	834.51	1,955.92
	Depreciation/Amortization	**10**	10,480.20	11,309.22
	Other Expenses	**22**	73,897.36	66,139.23
	TOTAL EXPENSES		**371,172.67**	**374,836.82**
V.	**Profit before Exceptional Items**		29,557.72	29,661.32
VI.	**Exceptional Items**			
	Prior Period Income		233.24	-
	Prior Period Expenses		-	23.06
	Profit before Tax		29,790.96	29,638.26
VII.	**LESS : Tax Expenses**			
	Current Tax Provision		9,186.21	9,106.05
	Tax for earlier Year		112.05	(94.81)
	Deferred Tax Liability		464.15	317.89
	Total Taxes		**9,762.41**	**9,329.13**
VIII.	**Profit Carried to Balance Sheet**		**20,028.55**	**20,309.13**
	Earnings per Equity Share	**23**		
	Basic (Nominal value of shares Rs. 10 each)		4.08	4.14
	Diluted (Nominal value of shares Rs. 10 each)		4.08	4.14
	Significant Accounting Policies			
	Notes to Financial Statement	**1-27**		

As per our report of even date

For S.C. DEWAN & CO.
Chartered Accountants
(FRN.: 000934N)

S.C. DEWAN
Partner
M. No. 015678

Place : GURUGRAM
Date : *22nd May, 2017*

For and on behalf of the Board of Directors
of Haryana Leather Chemicals Limited

PANKAJ JAIN
Managing Director-cum-Vice Chairman

N.K. JAIN
Chairman

SILU NANDA
Company Secretary

HARYANA
LEATHER CHEMICALS LTD.

CASH FLOW STATEMENT

₹ in Thousand

		March 31, 2017	March 31, 2016
A.	**Cash Flow from Operating Activities**		
	Net Profit before Tax and Extraordinary Items	29,790.96	29,638.26
	Adjustments for -		
	Depreciation	10,480.19	11,309.22
	Interest	287.77	1,331.41
		40,558.92	42,278.89
	Operating Profit before Working Capital Changes		
	Adjustments for -		
	Trade and other Receivables	(8,573.32)	18,609.88
	Inventories	2,090.60	16,839.75
	Trade and other payables	17,756.76	(20,136.98)
	Cash Generated from Operations	51,832.96	57,591.54
	Direct Taxes Paid	(9,298.26)	(8,477.44)
	Dividend Paid	(3,926.78)	0.00
	Dividend Distribution Tax Paid	(799.40)	-
	Provision for Direct Tax	0.00	(533.38)
	Cash Flow before Extraordinary Items	37,808.52	48,580.72
	Extraordinary items	-	-
	Net Cash from Operating Activities	**37,808.52**	**48,580.72**
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed / Long Term Assets	(7,829.61)	(3,640.83)
	Sale/Reduction of Fixed Assets	-	-
	profit on sale of asset	-	-
	Net Cash used in Investing Activities	**(7,829.61)**	**(3,640.83)**
C.	**Cash Flow from Financing Activities**		
	(increase)/decrease in long term borrowings	(2,296.69)	(3,580.05)
	proceeds from long term provisions/short term provisions	(373.12)	(2,603.22)
	changes in working capital loans/short term borrowings	1,583.00	(9,114.99)
	(increase)/decrease in long term loan and advances borrowings	175.59	13,323.37
	interest paid	(287.77)	(1,331.41)
	Net Cash used in Financing Activities	**(1,198.99)**	**(3,306.30)**
	Net Increase/(Decrease) in Cash and Cash Equivalent	28,779.93	41,633.59
	Cash and Cash Equivalents (Opening Balances)	53,744.59	12,111.00
	Cash and Cash Equivalents (Closing Balances)	**82,524.52**	**53,744.59**

Notes :

1. The above statement has been prepared in indirect method.
2. Cash and Cash Equivalents represent Cash and Bank Balances Only.
3. Additions to Fixed / Long Term Assets are stated include movements of Capital Work in Progress during the year.
4. Previous year's figures have been regrouped / reclassified wherever applicable.

AUDITORS' CERTIFICATE

We have verified the above statement with the books and records maintained by M/s. Haryana Leather Chemicals Limited and certify that in our opinion and according to the information and explanations given, the above statement is in accordance therewith.

For S.C. DEWAN & CO.
Chartered Accountants
(FRN.: 000934N)

S.C. DEWAN
Partner
M. No. 015678

Place : GURUGRAM
Date : *22nd May, 2017*

For and on behalf of the Board of Directors
of Haryana Leather Chemicals Limited

PANKAJ JAIN
Managing Director-cum-Vice Chairman

N.K. JAIN
Chairman

SILU NANDA
Company Secretary

Notes on Financial Statement for the year ended 31st March, 2017

NOTE 1

₹ in Thousand

	March 31, 2017	March 31, 2016
Share Capital		
Authorised Capital		
6,000,000 Equity Shares of Rs. 10/- each	60,000.00	60,000.00
Optionally convertible, cumulative or non-cumulative		
Issued, Subscribed and Paid Up Capital		
4,908,470 Equity Shares of Rs. 10/- each	49,084.70	49,084.70
TOTAL	**49,084.70**	**49,084.70**

Shares out of the issued, subscribed and paid up Share Capital were allotted as Bonus Shares in the last five years by capitalization of Securities Premium Reserves - Nil.

Shares out of the issued, subscribed and paid up Share Capital were allotted in the last five years pursuant to the various scheme of amalgamation without payment being received in cash - Nil.

Shares out of the issued, subscribed and paid up Share Capital held by subsidiaries do not have Voting Rights and are not eligible for Bonus Shares - Nil.

The details of Shareholders holding more than 5% shares.

Name of the Share Holder	March 31, 2017		March 31, 2016	
	No. of Shares	% held	No. of Shares	% held
Narendra Kumar Jain	297,060	6.05	297,060	6.05
Pankaj Jain	453,910	9.25	453,910	9.25
ICAP SIRA Chemicals & Polymers SpA	768,470	15.66	768,470	15.66

The reconciliation of number of shares outstanding is set out below:

Particulars	March 31, 2017 No. of Shares	March 31, 2016 No. of Shares
Equity Shares at the beginning of the year	4,908,470	4,908,470
Add : Shares issued	–	–
Less: Shares cancelled	–	–
Equity Shares at the end of the year	**4,908,470**	**4,908,470**

NOTE 2

	March 31, 2017	March 31, 2016
Reserve & Surplus		
General Reserve		
As per Last Balance Sheet	41,367.72	37,867.72
Add: Transfer from Profit & Loss	3,200.00	3,500.00
Less: Adjustment of Fixed Assets	-	-
Closing Balance	44,567.72	41,367.72
Profit and Loss account (Carried over from P & L)		
As per Last Balance Sheet	169,546.46	152,737.34
Add: Profit for the year	20,028.55	20,309.13
Less: Appropriations		
Transfer to General Reserve	3,200.00	3,500.00
Divided Paid	3,926.78	
Dividend Distribution Tax	799.40	
Closing Balance	181,648.83	169,546.47
TOTAL	**226,216.56**	**210,914.19**

HARYANA
LEATHER CHEMICALS LTD.

Notes on Financial Statement for the year ended 31st March, 2017

NOTE 3 ₹ in Thousand

LONG TERM BORROWINGS	March 31, 2017			March 31, 2016		
	Current	Non Current		Current	Non Current	
UNSECURED						
- From NBFC						
Magma Fincorp Limited	-	-	-	2,296.69	-	-
TOTAL	-		-	**2,296.69**		-

Note:
Maturity Profile of Secured Term Loans are as below:

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
Term Loans from Other - Current Year	-	-	-	-	-
Previous Year	2,296.69	-	-	-	-

NOTE 4

	March 31, 2017	March 31, 2016
Deferred Tax Liability		
Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	15,285.42	14,967.53
Gross Deferred Tax Liabilities	15,285.42	14,967.53
Deferred Tax (Assets)/Liability		
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	464.15	317.89
Gross Deferred Tax Liability	464.15	317.89
Net Deferred Tax Liability	**15,749.57**	**15,285.42**

In compliance with AS 22 on Accounting for the Taxes on Income, a Sum of Rs. 669.85 Thousand has been considered as deferred tax liability in respect of timing difference on account of depreciation on Fixed Assets as per Income Tax books and as per Financial books and Rs. 205.70 Thousand has been considered as deferred tax asset in respect of Expenditure debited to Profit and Loss account in the current year but allowed for tax purposes in the following years. Therefore Net Deferred Tax Liability of Rs. 464.15 has been charged to profit & Loss account.

NOTE 5

	March 31, 2017	March 31, 2016
Long Term Provisions		
Provision for Leave Encashment	485.99	479.48
Total	**485.99**	**479.48**

During the Year Company has made a provision of Rs. 634.08 Thousand for accrued liability on account of leave encashment on the basis of actuarial valuation based on projected unit method as required by AS 15 (Revised 2005). Out of Rs. 634.08 Thousand, Rs. 485.99 is Long term provision for Leave Encashment and balance Rs. 148.09 Thousand is Short Term Provision for Leave Encashment.

Notes on Financial Statement for the year ended 31st March, 2017

NOTE 6 ₹ in Thousand

		March 31, 2017		March 31, 2016
Short Term Borrowings				
(Secured)				
- Working Capital Loans				
- From Banks		1,583.00		-
CC (Stock) SBI Delhi	1,583.00			
- From Others		-		-
(Unsecured)				
- From NBFC		-		2,296.69
Magma Fincorp Limited	-		2,296.69	
		1,583.00		**2,296.69**

Note :
Working Capital sanction Limits Rs. 26000 Thousand from Banks are secured / to be secured by First charge on stocks of Raw materials, Semi-finished goods, Finished goods, Consumable stores, hypothecation of book debts. The Limits are further secured by Equalibale Mortgage of Factory Land of the company. All secured and unsecured loans are further secured by personal guarantee of Managing Director of the Company.

NOTE 7

Trade Payables	**March 31, 2017**	**March 31, 2016**
- Micro, Small and Medium Enterprises	14,270.82	9,259.02
- Others	49,776.82	36,990.71
Total	**64,047.64**	**46,249.73**

Debit and Credit Balances in the accounts of suppliers and others are subject to confirmation and reconciliations.

Detail of amounts outstanding to Micro and Small Enterprises (as define under Micro, Small and Medium Enterprises the Development Act, 2006) based on available information with the Company is as under:

Particulars		
Principal amount due and remaining unpaid	**14,270.82**	**9,259.02**
Interest due on above and the unpaid interest	–	–
Interest Paid	–	–
Payment made beyond the appointed day during the year	–	–
Interest due and payable for the period of delay	–	–
Interest accrued and remaining unpaid	–	–
Amount of further interest remaining due and payable in succeeding years	–	–

NOTE 8

Other Current Liabilities		
Duties & Taxes	810.34	874.16
Unclaim Dividend	2,414.07	2,260.01
Security from Customers	736.29	720.42
Advance from Suppliers	1,944.37	2,280.19
Other Payables (incl. Salary, Bonus, PF, ESI payables)	5,411.07	5,222.51
Total	**11,316.14**	**11,357.29**

NOTE 9

Short Term Provisions		
Provision for Leave Encashment	148.09	131.50
Accur Liab Royalty	–	1,300.00
Provision for Excise on Finished Goods	1,897.03	1,575.44
Provision for Income Tax	–	533.38
Accur Liab Other	1,784.92	669.35
Total	**3,830.04**	**4,209.67**

The Board of Directors have recommended, subject to approval of shareholders, dividend of Rs. 0.80 per fully paid up equity shares of Rs. 10/- each, aggregating to Rs. 4594.33 Thousands including dividend distribution tax.

Notes on Financial Statement for the year ended 31st March, 2017

NOTE 10

Fixed Assets

₹ in Thousand

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.04.2016	Additions	Deletions/ Adjustments	As at 31.03.2017	As at 01.04.2016	For the Year	Deletions/ Adjustments	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017
Tangible Assets :										
Land	13,392.12	-	-	**13,392.12**	-	-	-	**-**	**13,392.12**	13,392.12
Building	86,150.32	234.30	-	**86,384.62**	19,372.81	2,600.22	-	**21,973.03**	**66,777.51**	64.411.59
Plant & Machinery	157,830.72	5,100.43	-	**162,931.15**	97,730.91	6,038.22	-	**103,769.13**	**60,099.81**	59,162.02
Furniture, Fixture & Equipments	21,652.62	1,227.57	-	**22,880.19**	16,006.88	1,145.02	-	**17,151.90**	5645.74	5,728.29
Vehicles	13,436.11	-	-	**13,436.11**	10,623.99	696.74	-	**11,320.73**	**2,812.12**	2,115.38
TOTAL	**292,461.89**	**6,562.30**	**-**	**299,024.18**	**143,734.59**	**10,480.20**	**-**	**154,214.78**	**148,727.30**	**144,809.40**
Previous Year	289,437.92	3,023.97	-	292,461.89	132,425.37	11,309.22	-	143,734.59	157,012.55	148,727.30
Capital work in Progress	936.75	2,204.06	936.75	2,204.06	-	-	-	-	936.75	2,204.06

Note 10

(i) Pursuant to applicability of Schedule II, of Companies Act 2013, with effect from 1st April, 2014. The Depreciation on fixed assets is provided on straight line method in accordance with applicable Schedule of the Companies Act, 2013.

(ii) Residual values of assets have been considered at 5% of the original cost of the assets.

(iii) The depreciation calculation is based on the balance useful lives of assets and shift working. Depreciation on assets used on double shift basis have been increase by 50% for that period and Depreciation on assets used in triple shift basis have be calculated on the basis of 100% for that period, Except for assets in respect of which no extra shift depreciation is permitted (indicated by NESD in Part C of the schedule).

(iv) Capital work in progress includes advances to machinery suppliers.

Notes on Financial Statement for the year ended 31st March, 2017

NOTE 11 ₹ in Thousand

Long Term Loans and Advances	**March 31, 2017**	**March 31, 2016**
(Unsecured - considered goods except to the extent provided for)		
Security Deposits	448.34	448.34
Deposit for Flat	11,511.92	11,511.92
Other Deposits	342.62	443.26
Total	**12,302.88**	**12,403.52**

NOTE 12

Inventories		
Raw Material	14,210.15	18,204.50
Stores & Spares	498.68	408.60
Packing Material	2,282.16	2,957.94
Work in Progress	1,298.45	1,703.35
Finished Goods	17,073.27	14,178.91
Total	**35,362.71**	**37,453.30**

(a) Raw materials have been valued at cost on FIFO Method.
(b) Stores & Spares and Packing Material have been valued at cost on FIFO Method.
(c) Work in process have been valued at Raw material cost plus proportionate of conversion cost.
(d) Finished goods lying at factory have been valued at Raw material cost plus conversion cost including excise duty payable.

NOTE 13

Trade Receivables		
(Unsecured)		
Debts Outstanding for a period exceeding six months	1,016.37	3,015.34
Other Debts	86,762.96	78,479.25
Total Trade receivables	87,779.33	81,494.59
Less: Bad Debts during the period	117.41	2,405.99
Net trade receivables unsecured considered good	**87,661.92**	**79,088.60**

NOTE 14

Cash and Bank Balances		
(a) Cash in Hand	10.03	78.98
(b) Balances with Scheduled Banks on :		
- in current accounts	2,230.80	15,515.62
- in dividend accounts	2,414.07	2,260.01
- Fixed Deposit / Margin Money Account	77,869.62	35,809.59
(c) Cheques in Hand	-	80.39
Total	**82,524.52**	**53,744.59**

Fixed Deposit/Margin Money Account include Rs. 1621.46 Thousand pledged against margin money (previous year Rs. 1581.61 Thousand).

NOTE 15

Short Term Loans and Advances		
(Unsecured - considered good except to the extent provided for)		
Advances Recoverable in Cash or in Kind (Short Term)	55.70	130.30
Prepaid Expenses	605.39	816.01
Claim Receivable	10.44	-
Staff Advances	539.76	487.09
Balance With Excise Dept.	4,227.74	3,896.05
Advances to Suppliers	815.91	1,126.56
Income Tax Refundable	710.31	-
VAT/CST/CENVAT Recoverable	444.46	767.10
Other Deposits	-	300.00
Interest Accrued But Not Due	38.45	-
Total	**7,448.15**	**7,523.11**

Detail of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the table below:- **(Amount in Rs.)**

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1000*326=326000	28900	354900
(+) Permitted receipts	-	335000	335000
(-) Permitted payments	-	355120	355120
(-) Amount deposited in Banks	1000*326=326000	-	326000
Closing cash in hand as on 30.12.2016	-	8780	8780

HARYANA
LEATHER CHEMICALS LTD.

Notes on Financial Statement for the year ended 31st March, 2017

NOTE 16 ₹ in Thousand

SALES		**March 31, 2017**	**March 31, 2016**
DOMESTIC SALES:	Manufactured Products	292,901.20	309,274.80
	Less: Excise Duty	33,843.20	37,337.84
	Net Domestic Sales	**259.058.00**	**271,936.96**
EXPORT SALES:	Manufactured Products	131,483.91	125,279.00
Total		**390,541.92**	**397,215.96**

The company is in the business of manufacturing Polymer Dispersions, Fatliquors, Synthetic Tanning Agents, Finishing Chemicals and these are considered as Leather Chemicals. These products are also sold for applications in Shoes, textiles and plastic Industry. As such there is no other segment according to the provisions of the accounting standard 17 on segment reporting as issued by Institute of chartered accountants of India. The company is in the business of manufacturing of Polymers, Dispersions, Fatliquors, Finishing Chemicals and these all are considered as Leather finishing chemicals. As such, there is no other segment according to the provisions of the Accounting Standard 17 on "Segment reporting" as issued by the Institute of Chartered Accountants of India.

Earnings in Foreign Exchange	**March 31, 2017**	**March 31, 2016**
Sale of goods	131,483.91	125,279.00

NOTE 17

Other Income:				
Interest Income		4,003.59		714.72
Interest from Bank	4,003.59		714.72	
Balances Written Back / off (Net)		1,636.15		106.85
Miscellaneous Income:				4,168.62
Scrap Sale	1,604.73		1,445.17	
Misc. Income	2,009.47	3614.20	2,723.45	
Total		**9,253.94**		**4,990.19**

Gross interest received from Bank Rs. 4003.59 Thousand (TDS deducted by bank amounted to Rs. 396.51 Thousand on interest accrued and due amounting to Rs.3965.14 Thousand, has been adjusted against income tax liability for the current year. Interest Accrued but not due amounts to Rs. 38.45 Thousand.)

NOTE 18

	%age of Consumption	**March 31, 2017**	**%age of Consumption**	**March 31, 2016**
Cost of Material Consumed				
Imported	5.99	15,291.95	13.63	35,841.25
Indigenous	94.01	239.921.74	86.37	227,102.54
Total	**100.00**	**255,213.69**	**100.00**	**262,943.79**

Value of Imports on CIF Basis in respect of:	**March 31, 2017**	**March 31, 2016**
Raw material	11,568.52	14,294.54
Components & Spare Parts	210.40	-
Capital goods (including CWIP)	661.71	-
Total	**12,440.63**	**14,294.54**

NOTE 19

	March 31, 2017	**March 31, 2016**
Change in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade		
Opening Stocks:		
F.G.	14,178.92	15,406.01
Stock-in-process	1,703.34	2,049.93
Closing Stocks:		
F.G.	17,073.27	14,178.92
Stock-in-process	1,298.45	1,703.34
Net Change in Stock	**(2,489.46)**	**1,573.68**

Notes on Financial Statement for the year ended 31st March, 2017

NOTE 20

₹ in Thousand

	March 31, 2017	March 31, 2016
Employees' Benefits Expenses		
Salaries, Wages, Bonus & Incentives etc. (Net)	29,781.74	27604.77
Contribution to Provident and Other Funds	1,430.10	1,410.32
Workmen and Staff Welfare Expenses	1,459.69	1775.91
Gratuity	553.77	122.58
Recruitment & Training Expenses	11.07	1.40
Total	**33,236.37**	**30,914.98**

The Company has taken Group Gratuity Policy from LIC and the fund Value as on 31.03.2017 was Rs.8789.13 Thousand.
The Company has made provision for Leave Encashment in its books of accounts on actuarial valuation basis. As per the actuarial valuation report the provision for leave encashment as on 31st March 2017 has been determined Rs. 634.08 Thousand using the Projected Unit Credit acturial method.
Contribution to Provident Fund are made in accordance with the provisions of Employees Provident Fund and Misc. Provisions Act, 1952 and charged to revenue every year and this is Conformity as per the requirements of AS 15.

NOTE 21

Financial Expenses	March 31, 2017	March 31, 2016
Interest to Bank		
- on Working Capital Loan	46.39	489.37
Interest Others	241.38	842.04
Finance Charges	546.74	624.51
Total	**834.51**	**1,955.92**

NOTE 22

Auditors Remuneration	381.40	308.14
Damaged Material Written off	20.99	-
Bad debts W/off	117.41	2,405.99
Insurance Claim Rejected	-	11.72
Other debit balances W/off	587.19	-
Director Sitting Fees	88.00	112.00
Insurance Expenses	932.11	1,555.64
Postage & Telephone Expenses	1,722.78	1,811.26
Printing Stationary Expenses	1,351.02	1,211.78
Professional Charges	2,093.70	1,953.68
Property Tax Expenses	62.91	93.35
R & D Expenses	8,769.46	6,862.94
Rent - Building / Other	1,125.75	1,021.19
Repair & Maintenance Expenses	14,336.27	12,482.25
Royalty Expenses	27.99	1,313.06
Technical Services	845.00	520.00
Marketing Expenses	20,596.48	16,570.63
Miscellaneous Expenses	508.77	633.94
Travelling Expenses	4,741.12	3,929.50
Power, Fuel and Water Expenses	14,014.91	11,914.64
Vehicle Expenses	682.19	552.97
Gardening Expenses	196.20	272.20
Office Upkeep Expenses	695.71	602.35
Total	**73,897.36**	**66,139.23**

Remuneration to auditors		
Statutory audit	300.00	271.65
Certification Charges	7.50	7.50
Expenses reimbursement	73.90	28.99
Total	**381.40**	**308.14**

Service Tax being Cenvatable, hence not included.

Notes on Financial Statement for the year ended 31st March, 2017

Expenditure in foreign currency **₹ in Thousand**

		March 31, 2017		March 31, 2016
Travel, boarding and lodging				
- Directors	1,978.19		886.30	
- Employees	1,131.47	3,109.66	1,073.08	1,959.38
Total		**3,109.66**		**1959.38**

NOTE 23

	March 31, 2017	March 31, 2016
Earnings per share (EPS)		
Basic		
Net profit as per profit and loss account	20,028.55	20,309.13
Weighted average number of equity shares outstanding during the year	49,084.70	49084.70
Earning per share - Basic	**4.08**	**4.14**
Diluted		
Net profit as per profit and loss account	20,028.55	20,309.13
Weighted average number of equity shares outstanding during the year	49,084.70	49084.70
Earning per share - Diluted	**4.08**	**4.14**
Nominal value of equity share	**10**	**10**

NOTE 24

Related Party Disclosure

As per the Accounting Standard 18, issued by the ICAI, these disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

List of Related Parties:

Name of Related Party	Relationship
Mr. Pankaj Jain	Key Managerial Person
Mr. N.K. Jain	Relative of Key Managerial Person
N.K. Jain Instruments Pvt. Ltd.	Associated Company
Labotron Instruments Ltd.	Associated Company
Labotech Microscopes India Pvt. Ltd.	Associated Company
N.K. Jain Holding Pvt. Ltd.	Associated Company
Mrs. Sippy Jain	Key Managerial Person

Transactions with Related Parties:

Related Party	Nature of Transaction	March 31, 2017	Transaction	March 31, 2016
Key Managerial Person	Managerial Remuneration	-	3353.01	-
Relative of Key Managerial Person	Sitting Fee	-	-	-
Key Managerial Person	Sitting Fee	-	-	-
Associated Company	Sale of Material	-	1020.85	92.62

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Notes on Financial Statement for the year ended 31st March, 2017

NOTE 25

₹ in Thousand

	March 31, 2017	March 31, 2016
a) Managing Director Remuneration:		
Salary and Allowances	2,736.00	2,736.00
Perquisites and Provident Fund	204.41	298.73
Total	**2,940.41**	**3,034.73**
b) Whole Time Director Remuneration:		
Salary and Allowances	340.00	351.00
Perquisites and Provident Fund	72.60	115.50
Total	**412.60**	**466.50**

NOTE 26

CONTINGENT LIABILITIES NOT PROVIDED FOR ON ACCOUNT OF:	March 31, 2017	March 31, 2016
a) Letter of Credit Outstanding for Import / Purchase of Raw Materials, Spares and Plant and Machinery	315.22	1,711.31
b) Estimated amount of Contracts remaining to be executed on account of capital account and not provided for (net of advances)	1,845.00	-

Detail of Provisions as per AS-29.

	Employee Benefit (Earned Leave)	Excise duty on Finished Goods lying in stock	Dividend & Dividend Tax	Income Tax
Balance as at 1st April, 2016	610.98	1,575.44	-	-
Provision made during the year	634.08	1,897.03	-	9,186.21
Provision written off / back / paid during the period	610.98	1,575.44	-	9,186.21
Balance as at 31st March, 2017	634.08	1,897.03	-	-

NOTE 27

SIGNIFICANT ACCOUNTING POLICIES

i) Accounting Convention

The financial statements are prepared and presented in the format prescribed in the schedule III of the Companies Act, 2013 ("the Act"). The disclosure requirements are presented as per the Companies (Accounting Standards) rules 2006, read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013.

ii) Fixed Assets

Fixed assets are stated at cost (net of CENVAT) less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

iii) Depreciation / Amortization

i) Pursuant to applicability of Schedule II of Companies Act 2013, with effect from 1st April, 2014. The Depreciation on fixed assets is provided on straight line method in accordance with applicable Schedule of the Companies Act, 2013.

ii) Residual values of assets have been considered at 5% of the original cost of the assets.

iii) The depreciation calculation is based on the balance useful lives of assets and shift working. Depreciation on assets used on double shift basis have been increase by 50% for that period and Depreciation on assets used in triple shift basis have to be calculated on the basis of 100% for that period, Except for assets in respect of which no extra shift depreciation is permitted (indicated by NESD in Part C of the schedule).

iv) Inventories

a) Raw materials have been valued at cost on FIFO method.
b) Stores & Spares and Packing material have been valued at cost on FIFO method.
c) Work in Process has been valued at Raw material cost plus proportionate conversion cost.
d) Finished Goods lying at factory have been valued at Raw material cost plus conversion cost including Excise duty payable.

v) Transactions in Foreign Currency

Foreign Currency transactions are recorded at the exchange rate prevailing at the date of transaction and monetary items denominated in foreign currency are restated at rates prevailing on the date of balance sheet. The exchange fluctuation arising is shown as "Foreign Exchange Fluctuation Gain / (Loss)" in the statement of profit and loss as per the requirement of AS 11.

vi) Employee Benefits

The Company has various schemes of retirement benefits such as provident fund, gratuity and leave encashment, which is dealt with as under:-

A) The Company has taken Group Gratuity Policy from LIC and the fund value as on 31.03.2017 was Rs. 8789.13 Thousand.

B) The provision for Leave Encashment has been taken on the basis of acturial valuation. As per the acturial valuation report the provision for leave encashment has been determined as Rs. 634.08 Thousand as on 31.03.2017.

C) Contribution to Provident Fund are made in accordance with the provisions of Employee Provident Fund and Misc. Provisions Act, 1952 and charged to revenue every year and this is in conformity as per the requirement of AS 15.

vii) CENVAT

The balance in the Service Tax and CENVAT account is shown under the note "Short Term Loans and Advances".

viii) Revenue Recognition

A) Revenue is recognised upon the sale of goods i.e. It is recognised at the time of transfer of significant risks and rewards of ownership to the buyer.

B) Interest from bank is recognised on accrual basis.

ix) Recognition of Expenses

Expenses are recognised on accrual basis and provisions are made for all known losses and liabilities.

x) Accounting for Taxes on Income

Provision for taxation for the year is ascertained on the baisis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between the taxable income and the accounting income that originates in one period and are capable of reversal in one or more subsequent periods. In respect of carry forward of losses and unabsorbed depreciation, deferred tax assets are recognised based on virtual certainity that sufficient future taxable income will be available against which such deferred tax asset can be realized.

xi) Provision involving substantial degree of estimate in measurement are recognised when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the notes to the financial statements.

As per our report of even date

For S.C. DEWAN & CO.
Chartered Accountants
(FRN.: 000934N)

S.C. DEWAN
Partner
M. No. 015678

Place : GURUGRAM
Date : *22nd May, 2017*

For and on behalf of the Board of Directors
of Haryana Leather Chemicals Limited

PANKAJ JAIN
Managing Director-cum-Vice Chairman

N.K. JAIN
Chairman

SILU NANDA
Company Secretary

HARYANA LEATHER CHEMICALS LIMITED

Corporate Identity Number (CIN): L74999HR1985PLC019905
Registered Office: 72-77, HSIIDC Industrial Estate, Hansi Road, Jind - 126 102 (Hr.)
Telephone No.: +91-01681-226645; Fax No.: +91-01681-225101
Website: www.leatherchem.com, Email ID: info@leatherchem.com

32nd Annual General Meeting on Saturday, 23rd September, 2017

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L74999HR1985PLC019905
Name of the Company : Haryana Leather Chemicals Limited
Registered office : 72-77, HSIIDC Industrial Estate, Hansi Road, Jind - 126 102 (Hr.)

Name of Member(s): .....
Registered address: .....
Email ID: .....
Folio No./Client ID: .....
DP ID: .....

I/We, being the Member(s) holding ..... shares of the above named Company, hereby appoint

1. Name: .....
   Address: .....
   Email ID: .....
   Signature:…….....……, or failing him/ her
2. Name:
   Address: .....
   Email ID: .....
   Signature:…….....……, or failing him/ her
3. Name:
   Address: .....
   Email ID: .....
   Signature:…….....……

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Second Annual General Meeting of the Company to be held on 23rd day of September, 2017 at 11.30 a.m. at the Registered Office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind - 126 102, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2017 and the Statement of Profit and Loss for the year ended as on that date, and the Directors' Report and the Auditors' Report thereon. (Ordinary Resolution)
2. To declare Dividend on the Equity Shares for the year ended on 31st March, 2017. (Ordinary Resolution)
3. To consider appointing a Director in place of Mr. Pradeep Behl (DIN: 00703855), who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)
4. To consider appointing a Director in place of Mr. Marco Medini (DIN: 06709885), who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)

HARYANA
LEATHER CHEMICALS LTD.

5. To consider appointing a Director in place of Mr. Vijay Kumar Garg (DIN: 00236460), who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)
6. To appoint M/s. AKR & Associates, Chartered Accountants (Firm Registration No. 021179N) as Auditors and to fix their remuneration. (Ordinary Resolution)

Signed this..... day of....., 2017

Affix Revenue Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 32nd Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

HARYANA LEATHER CHEMICALS LIMITED

Corporate Identity Number (CIN): L74999HR1985PLC019905
Registered Office: 72-77, HSIIDC Industrial Estate, Hansi Road, Jind - 126 102 (Hr.)
Telephone No.: +91-01681-226645; Fax No.: +91-01681-225101
Website: www.leatherchem.com, Email ID: info@leatherchem.com

ATTENDANCE SLIP

Regd. Folio/DP ID & Client ID	
Number of shares	
Name and Address of the Member	

I hereby record my presence at the Thirty Second Annual General Meeting of the Company held on Saturday, the 23rd day of September, 2017 at 11.30 a.m. at the Registered Office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind - 126 102, Haryana.

....

Name of the Member/Proxy (in block letters)

Member's/Proxy's Signature

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copy of the Annual Report to the meeting.

HARYANA LEATHER CHEMICALS LIMITED

Corporate Identity Number (CIN): L74999HR1985PLC019905
Registered Office: 72-77, HSIIDC Industrial Estate, Hansi Road, Jind - 126 102 (Hr.)
Telephone No.: +91-01681-226645; Fax No.: +91-01681-225101
Website: www.leatherchem.com, Email ID: info@leatherchem.com

Dear Shareholder

Re: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent Circular No.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices / documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment.

This is also a golden opportunity for every shareholder of the Company Haryana Leather Chemicals Limited to contribute to Green Initiative of the Ministry of Corporate Affairs. All you need to do is to register your e-mail address in the format given below.

1. If you are holding shares in demat form, register your e-mail with the Depository Participant (DP) with whom you are maintaining your demat account.
2. a. If you are holding shares in physical form, you are requested to provide e-mail address by completing the **'E-communication Registration Form'** attached hereto and return the same to **our REGISTRAR & SHARE TRANSFER AGENTS:**

   RCMC Share Registry (P) Ltd.
   B-25/1, First Floor, Okhla Industrial Area,
   Phase-II, New Delhi-110020
   Phones: 011-26387320, 26387323, Fax: 011-26387322

   b. It is also desirable that the equity shares held by you in physical form are converted into demat form. In case, you do not have demat account, we request you to approach any DP and complete the process of opening a demat account and thereafter submit the physical shares to the said DP for crediting the said equity shares in your demat account in due course.

We shall treat the e-mail ID as your registered e-mail ID and use it for sending documents / notices electronically.

Also you can change your registered e-mail ID from time to time, as explained above.

Please note that as a Member, you are always entitled to receive on request, a copy of the said documents, free of cost, in accordance with the provisions of the Companies Act, 2013.

Best regards,

Regd. Office:
72-77, HSIIDC Industrial Estate,
Hansi Road, Jind, **Haryana - 126 102.**
CIN: L74999HR1985PLC019905
Dated: *8th August, 2017*
E-mail: info@leatherchem.com
Website: www.leatherchem.com

By order of the Board of Directors of
Haryana Leather Chemicals Limited

SILU NANDA
Company Secretary

E-Communication Registration Form

Dear Sir,

Sub. : Registration of my e-mail address - Green Initiative in Corporate Governance

I agree to receive the documents as referred in letter dated 8th August, 2017, in electronic mode. Please register my e-mail address in your records, being my consent towards the same.

Folio No. _____ E-mail ID _____

Name of First / Sole Holder _____

Bank Account Detail (copy of cancelled cheque) OPTIONAL

Name of the Bank _____ Type of Account _____

Bank Branch _____ IFSE Code _____

Signature of the First & Jt. Holder(s) _____
(as per specimen Registered)

This will reduce the chances of non receipt of Balance Sheet, dividend warrants and any other documents for which you are eligible.