HARYANA LEATHER CHEMICALS LIMITED

BOARD OF DIRECTORS
Narendra Kumar Jain, Chairman
Pankaj Jain, Managing Director-cum-Vice Chairman
Vijay Kumar Garg
Harish Kumar Gupta upto18.05.2019
Dr. K.S.V. Menon
Dott. Massimo Medini
Pradeep Behl
Sippy Jain
Marco Medini
Kanishk Gupta w.e.f.18.05.2019

COMPANY SECRETARY
SILU NANDA

AUDITORS
AKR & Associates, Panchkula, Haryana

CORPORATE OFFICE
1405-B, Signature Towers, SouthCity- I,
Gurugram- 122001, Haryana

REGISTERED OFFICE AND WORKS
72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102 (Haryana)

CORPORATE EXECUTIVES
Sukanto Choudhary, CFO
Dr. M.P. Singh, General Manager - Production
Neeraj Bishnoi, General Manager - Marketing
PNR Kurup - Assistant General Manager - Secretarial Affairs

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.

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ISIN for Demat purpose : INE681F01018
CIN : L74999HR1985PLC019905
Script Code:524080

NOTICE

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of the Company M/s Haryana Leather Chemicals Limited will be held on Friday, the 20th day of November, 2020 at 11.30 a.m.at the Registered Office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind - 126 102 to transact with or without modification(s), as may be permissible, the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet of the Company as on 31st March 2020 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, 2020 including Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Cash flow statement for the year ended March 31, 2020 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 appointing a Director in place of Mrs. Sippy Jain (DIN: 03189151), who retires by rotation and being eligible offers herself for re-appointment.
   To consider passing the following resolution as an ordinary resolution:
   "Resolved that pursuant to section 152 of the Companies Act, 2013, Mrs. Sippy Jain (DIN: 03189151), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."
3. To appoint statutory auditors of the Company. The appointment of statutory auditors M/s AKR & Associates, Chartered Accountants, who hold office from the conclusion of the Thirty Second General Meeting until the conclusion of the Thirty Fifth General Meeting to be held in Financial Year 2020, is to be appointed at AGM in accordance with Section 139 & 142 of the Companies Act, 2013. The declaration to the effect that their appointment 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 approves the appointment of M/s. AKR & Associates, Chartered Accountants (Firm Registration No. 021179N) as auditors of the Company subject to approval of shareholder at the AGM and the 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 - 126102.
CIN: L74999HR1985PLC019905
Date : 1st October, 2020
E-mail : info@leatherchem.com
Website : www.leatherchem.com

By order of the Board of Directors of
Haryana Leather ChemicalsLtd.

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) percent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (ten) percent 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.

3. Corporate Members intending to send their authorized 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, authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
4. Members/Proxy holders are requested to bring at the venue of Annual General Meeting their attendance slip duly signed so as to avoid inconvenience.
5. Attendance slip, proxy form and route map of the venue of the meeting are annexed hereto.

6. 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 Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchange are provided in the Corporate Governance Report forming part of the Annual report.
7. Members are requested to bring their attendance slip alongwith 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.
8. The Register of Members and Share Transfer Books of the Company' shall remain closed from Friday the 13.11.2020 to Friday the 20.11.2020 (both days inclusive) to comply with the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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's send its Annual Report, Notice of AGM, and other documents for the financial year ended 31st March, 2020 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 ShareTransfer 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 whenever declared. 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. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 07, 2018 issued by the Ministry of Corporate Affairs, New Delhi.
14. Members are advised to note the ISINNo. INE681F01018 allotted to the Company's shares and those who are interested to dematerialize their shares may do so.
15. In all correspondence with the Company or with its Share Transfer Agent, Members are requested to quote their Client ID Number and their DPID Number if the shares are held in the dematerialized form; in case the shares are held in the physical form, they must quote their Folio Number.
16. Those Members who have not yet en-cashed/ claimed the Dividend of the Company for any/ all of the financial year 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 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 Share holders 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 2012-13 to 2018-19 as on 31st March, 2020 are as under:

Dividend for the year	Unclaimed/Unpaid Dividend as on 31st March, 2020 (Rs.)	Due date of transfer to Investor Education and Protection Fund
2012-13	2,82,993.00	13thSeptember,2020
2013-14	5,38,238.70	26thOctober,2021
2014-15	4,57,098.20	31stOctober,2022
2015-16	3,92,147.20	29thOctober,2023
2016-17	3,63,176.00	29thOctober,2024
2017-18	2,07,892.80	29thOctober,2025
2018-19	1,98,612.00	29thOctober,2026

17. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during the financial year 2018- 19, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer i.e. October 18, 2019. Details of shares transferred to the IEPF Authority are available on the link http://www.iepf.gov.in.
    Members may note that the shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them by visiting site : http://www.iepf.gov.in/IEPFA/refund.html or can contact our RTA for lodging claim for refund of shares and/or dividend from the IEPF Authority.
18. SEBI has mandated submission of Permanent Account Number (PAN) by every Member of the Company. Members holding shares in dematerialized form are requested to submit their PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Registrar and Share Transfer Agent.
19. 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 Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ,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 one-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 Tuesday 17th November, 2020 (10:00 a.m.) and ends on Thursday 19th November, 2020 (05:00 p.m.). During this period share holders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on are solution 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 i.e. end of the day of 12the November, 2020. 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. end of 12th November, 2020 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. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com.
2. Once the home page of e-Voting system is launched, click on the icon "Login "which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e.Cast your vote electronically.
4. Your User ID details will be as per details given below :
   a) **For Members who hold shares in demat account with NSDL:** 8 Character DPID followed by 8 Digit Client ID(For example if your DPID is IN300*** and Client ID is 12******then your user ID is IN300***12******).
   b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is12********** then your user ID is 12**********).
   c) **For Members holding shares in Physical Form :** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
   a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
   c. How to retrieve your 'initial password'?
      i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mail box. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii. If your email ID is not registered, your 'initialpassword' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a. Click on "**Forgot User Details/Password**?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b. **"Physical User Reset Password**?**"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c. If you are still unable to get the password by aforesaid two options, you can send a request at e-voting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the checkbox.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Homepage of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. as sent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the print out of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional share holders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail **(mguptacs@gmail.com)** to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the 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 the "Forgot User Details/

Password?" or "Physical User Reset Password? "option available on www.evoting.nsdl.com to reset the password.

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 there after unblock the votes cast through remote e-voting in the presence of atleast 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:

- 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 share holder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

Incase of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Download s 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 Authorized Agency to provide e-voting facility. The Particulars of e-voting will be sent to the share holders separately.

21. 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 upto the date of the Annual General Meeting of the Company.

Regd. Office: 72-77, HSIIDC Industrial Estate,
HansiRoad,Jind,Haryana-126102.
CIN:L74999HR1985PLC019905
Date: 1st October 2020
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

(ANNEXURE TO NOTICE)
DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPPOINTMENT AT THE FORTH COMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings (SS-2)]

Name of the Director	**Sippy Jain**
DIN	**03189151**
Date of Birth	28.08.1958
Date of first appointment on the Board	10.08.2010
Qualifications	Masters in Literature
Expertise	Designing
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	NIL
Memberships/ Chairmanships of committees across all companies	NIL
Number of Meetings attended during the year	4
Shareholding in the Company	153626

HARYANA
LEATHER CHEMICALS LTD.

DIRECTORS'REPORT

Dear Share holders,

The Directors of Haryana Leather Chemicals Ltd. are pleased to present the 35th Annual Report and Audited Statement of the Company's accounts for the year ended on 31st March, 2020.

FINANCIAL RESULTS

A summary of the financial results for the year 2019-20 is given below:

	2019-20 (Rs. in Lacs)	2018-19 (Rs. in Lacs)
Sales Turnover (Net of Excise)	3502.59	3686.84
Gross Profit	359.03	289.74
Deductions:		
Depreciation	71.44	70.54
Interest	5.01	5.19
Profit before tax	282.58	214.01
Less: Provision for Income Tax for the year	61.49	46.97
Add: Provision for Income Tax written back	0.72	4.69
Less: Previous year's adjustment	-	-
Less/(Add): Deferred tax liability	10.99	(8.45)
Profit after tax and available for appropriation	209.38	153.89
Less: Provision for dividend	0.00	39.27
Less: Provision for dividend tax	0.00	7.99
Less: Transfer to general reserve	0.00	0.00
Profit Carried to Balance Sheet	**209.38**	**106.63**

OPERATIONS

During the year, there is a decrease in sales turnover which stands at Rs.3502.59 lakhs against Rs. 3686.84 lakhs of the previous year. The increase in profit of Rs. 209.38 lakhs as against Rs.106.38 lakhs of the previous year is due to lower material cost and increase of sale of products with high value addition.

COVID-19:

The Pandemic "COVID-19" spread has severely impacted business around the world including India. There has been severe disruption in regular business operations due to lockdown and emergency measures taken by the Government. The Company's management has made initial assessment of adverse impact on business and financial risks on account of COVID-19. It is well appreciated that the situation as well as its assessment is continuously evolving and the way ahead is to avoid living in denial leading to acceptance & pro-active measures. '

The Company management currently believes that the impact is likely to be short term in nature. Given the severity of impact, this financial year is likely to get affected, but also given the measures from Government and inherent resilience in Indian Economy, next year onwards are expected to show normal growth scenarios.

DIVIDEND

Looking at the prevailing market conditions due to Covid-19, the company sales and operations have been hit badly. To secure long term operations of the company, the Board of Directors has decided to skip dividend for the financial year ended March 31, 2020.

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- Dr. K.S.V. Menon (DIN:00920088), Dr. Massimo Medini (DIN: 000926147), Mr. Pradeep Behl (DIN: 00703855), Mr. Marco Medini (DIN: 03709885) and Mr. Kanishk Gupta (DIN: 02243899) are the Directors who are Non-Executive and Independent and are not eligible for retire by rotation. Mrs.Sippy Jain (DIN: 03189151) is liable to be retire by rotation at the forthcoming Annual General Meeting to be held on 20th November, 2020 and being eligible offers herself for re-appointment.

Mr. Pankaj Jain (DIN: 00206564) being the Managing Director of the Company and Mr. N. K. Jain (DIN: 00486730) is the Director cum Chairman of the Company. Mr. Sukanto Choudhury is CFO in the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Independent Directors are in compliance with the Code of Conduct prescribed under Schedule IV of the Companies Act, 2013.

STATUTORY AUDITORS

The members had at the 32nd AGM of the Company appointed AKR & Associates, Chartered Accountants, (Firm Registration No. 021179N) Panchkula as Statutory Auditors of the Company to hold the office from the close of the 32nd AGM till the conclusion of the 35th AGM, subject to their appointment being ratified by the members in every AGM has been appointed for a further term of three years. The members of the Company approved deletion of the requirement of seeking ratification of appointment of Statutory Auditors at every AGM pursuant to amendment brought by the Companies Amendment Act, 2017.

The Auditors' Report for FY 2020 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

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

MEETINGS OF THE BOARD, COMMITTEES & COMPLIANCE TO SECRETARIAL STANDARDS

The Board meets at regular intervals, with gap between two meetings not exceeding 120 days. During the year under review, the Board met four times.

The Board has three Committees namely Audit Committee (AC), Nomination and Remuneration Committee (NRC) and Stake holders Relationship Committee (SRC). A detailed note on the composition of the Board and its Committees (AC, NRC and SRC) is provided in the Corporate Governance Report included in this Annual Report.

The minutes of the meetings are reviewed at every Board meeting.

During the year under the review, the Company has complied with the provisions of Secretarial Standard 1 (relating to meeting of the Board of Directors) and Secretarial Standard 2 (relating to General meeting).

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 monthor 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. Kumar Rishi & Associates, a firm of Company Secretaries in Practice (CP No.14063 to undertake the Secretarial Audit of the Company for the financial year ended 2019-20. The report on the Secretarial Audit carried out for the year 2019-20 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, or any amendment thereof, by a Cost Accountant with in the meaning of the Cost and Works Accountants Act, 1959 as amended thereof.

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 audit or and cost audit for the year 2019-20.

The Company is properly maintaining its cost Record internally.

CORPORATE SOCIAL RESPONSIBILITY

With the enactment of the Companies Act, 2013, India has become the forerunner to mandate spend on Corporate Social Responsibility (CSR) activities through a statutory provision.

The new CSR provisions put formal and greater responsibility on companies in India to set out clear framework and processes to ensure strict compliance. However, what the Companies Act does is bring more companies into the fold and increase the total CSR spend.

Section 135 (1) of Company Act 2013 mandates the CSR expenditure/CSR Applicability for the following companies– Every company having

a) Net worth of Rs.500 crore,

b) Turnover of Rs.1000 crore

c) or net profit of Rs. 5.00 crore where net profit excludes income from overseas branch & divided distributed by company on which this section apply.

As the Company, Haryana Leather Chemicals Limited doesn't fall under any of the categories as mentioned above, the Company was not required to constitute any CSR policy or to make any expenditure towards CSR funds.

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 Director of the Company.

PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORK PLACE

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013].

TRANSFER OF FUNDS TO INVEST OR EDUCATION AND PROTECTION FUND

The Company is distributing dividend to its shareholders since 2006 on recommendation of the shareholders of the Company. And pursuant to the provisions of sections 124 and 125 of the Companies Act, 2013 and Invest or Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, for the unclaimed dividend for the year 2011-2012 amounting Rs.2,80,178.40, the Board has taken necessary steps to transfer the unpaid/unclaimed dividend of Equity Shareholders for the year 2011-12 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 Companies 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, theN RC 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 share holders 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 Schedulel V of the Act 2013 alongwith 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 wrongdoing 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 in to 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. Up on 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 up on 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, 2020.

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, 2020 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 provision so fall 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.

INTERNAL FINANCIAL CONTROLS

The Company has inplace adequate internal financial controls with reference to Financial Statements. During the year under review, such controls we retested by the Auditors and no reportable material weakness was observed.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed here with in the Annual Report.

QUALITY CONTROL

The Company's quality control set up continues to consolidate its customer cantered approach and QC systems have ensured systematic redressal of quality and feedback from the customer base. ISO 9001:2008 and ISO 14001:2004 systems undergo regular internal and external audits and have ensured very tight quality control. Quality variances to the customer are minimized. The addition of new tests on various sensitive inputs has significantly reduced any chance of quality errors from batch to batch.

The Company continues to update guidelines on Restricted Substances (RS) applicable to leather industry from time to time. Company's "Green -Trek" safety and environmental ethos have been widely recognized by the customers. Under the "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 Company continues to struggle with export growth targets in the backdrop of ongoing pandemic all over the World. Although the Company continues to maintain its dealer and customer base but volumes have declined as most of them are running at much lower capacity. China will still remain the biggest export opportunity and the Company is maintaining its close ties with regular interaction with dealers for future growth. We had significant business with our neighbour in Pakistan but had to pull-out after the trade with India and Pakistan stopped last year which eventually impacted on our export business. Even decline of orders from Bangladesh has stalled company's growth in export operations.

Company's new initiatives in Latin American countries viz Brazil have been successful with significant growth prospects. Exports to Turkey and CIS countries looks promising in the years to come. Company has made sufficient inroads into those markets with sampling and demonstrations and also started getting considerable Export business.

TECHNOLOGY DEVELOPMENT

As per plan worked out in previous financial year, the company undertook intensive evaluation of testing technology to improve stability and shelf life of its fast selling products. An internal team identified various testing instruments in Rheology (flow) and Zeta Potential measurements as these parameters are important to stability and flow behaviour of company s products. A list of product candidates was shortlisted for testing and correction. Working In collaboration

with Anton – Parr experts on rotational Rheometer, the product to product weakness was identified. Besides this evaluation of additives like Nano Clay, gelling agents from BYK Germany was carried out and their suitability ascertained. Based on the initial tests and findings, the company made investments in required R & D equipment and set up a new laboratory to test and correct the products to improve shelf life. This type of analyses are first of its kind and will reinforce the quality and performance across many segments of Company's product range.

The Company also completed development of a new fat liquor to address the market need for gloving and upholstery segment. The key benefit of this product will be much higher softness and lower loading of effluent treatment plants due to much lower COD levels. The product has been produced at pilot scale , sampled and tested by some key customers with very high satisfaction. The development of this "next generation" fat-liquor will place the company in the top league of global producers of performance fat liquors.

DIVIDEND

The Board of Directors has decided to not to declare the dividend to augment its cash flow the financial year ended March 31, 2020.

PERSONNEL & INDUSTRIAL RELATION

The workers of the Company participated actively in various modernization projects. The staffs and workers have enthusiastically adopted various new production technologies and management systems. Company's relations with its workforce continue to enjoy mutual trust and cordiality.

ENVIRONMENT & POLLUTION CONTROL MEASURES

The company's environment and pollution control measures rely on company's legacy of innovation, leadership and action in sustainability. The company remains committed not only to excelling on its products and solutions, but also to its sustainability goals that go beyond statutory regulations by setting a higher bar for social and environmental progress. Company is also implementing CEMS (Continuous Emission/Effluent Monitoring System) to provide continuous information to HSPCB.

The company encourages candid conversations about product safety, safety at workplace, and transparency in operations with its employees, partners, customers and the public in general. Company's environment control strategies revolve around latest trends on Zero Liquid Discharge (ZLD), waste water minimization, highest standard in clean and safe manufacturing practices.

ACKNOWLEDGEMENT

The Directors extend their most sincere thanks to all employees for their support in easy adoption of new production systems and technologies. 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	NARENDRA KUMAR JAIN	PANKAJ JAIN
Date : 1st October, 2020	*Chairman*	*Managing Director-cum-ViceChairman*

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, 2020.

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 2019-20	Previous Year 2018-19
1.	a)	**Power and Fuel Consumption**		
		Electricity Purchased (KWH)	346413	338417
		Total Amount (Rs.)	3356017	3119547
		Rate / Unit (Rs.)	9.69	9.21
	b)	Own Generation		
		Through Diesel Generator	33186	43751
		Unit (KWH)	2.98	3.5
		Units / Ltr. of HSD	22.6	19.2
		Cost / Unit (Rs.)		
		Coal		
		Quantity	-	-
		Total Cost	-	-
		Average Cost	-	-
		Furnace Oil / HSD Oil Quantity (K. Ltrs.)	77.14	98.49
		Oil Quantity (K. Ltrs.)	-	-
		Total Cost (Rs.)	5211713	6654051
		Average Rate (Rs. / K. Ltr.)	67.12	67.56
		Others / Internal Generation		
		Quantity	-	-
		Total Cost	-	-
		Rate Unit	-	-
2.		**Consumption per Unit of Production**		
		Production (MT)	4224	3987
		Electricity (KWH / MT)	89.87	95.85
		Furnace / HSD Oil (Ltr. / MT)	18.26	24.70
		Coal	-	-
		Others	-	-

B) TECHNOLOGY ABSORPTION:

a) Research & Development (R & D)

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

The company undertook research activity in the field of (1) Improving rheological stability and shelf life of products across all segments (2) Next generation of Fat liquor for ultra-soft gloving and upholstery leather As planned, an internal team identified various testing instruments in Rheology (flow) and Zeta Potential measurements as these parameters are important to dispersion stability and flow behaviour. A list of product candidates was shortlisted for testing and correction. Working In collaboration with Anton – Parr experts on rotational Rheometer, the product to product weakness was identified and a strategy to strengthen dispersion network within the product was developed. Besides this, evaluation of additives like Nano Clay, gelling agents from BYK Germany was carried out and their suitability to build stability network was

ascertained. Based on the findings, the company made investments in required test equipment and set up a new laboratory to test and correct the products to improve shelf life. The work is ongoing.

The Company also completed development of a new fat liquor to address the market need for gloving and upholstery segment. The key benefit of this product will be much higher softness and lower loading of effluent treatment plants due to much lower COD levels. The product has been produced at pilot scale , sampled and tested by some key customers with very high satisfaction.

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

This type of dispersion stability analyses are first of its kind and will reinforce the quality and performance across many segments of Company's product range. This will improve product acceptability in those countries where the product is subject to extremely low or high temperatures during storage or transport. The development of "next generation" fat-liquor will place the company in the top league of global producers of performance fat liquors. The key benefit of this product will be much higher softness and lower loading of effluent treatment plants at the customer end due to much lower COD levels.

All these combined improvements combined will improve market share, competitiveness and sales growth and company is "future ready".

3. Future Plan of Action:

The Company's R & D plan for the year 2020-21 revolves around exploring new testing technologies to detect un-reacted ingredients (at trace level) to improve safety and volatile emission at the user's end. Pursuing these goals, two specific R & D projects have been planned as per following brief information:
Detection of free Hydrazine in Polyurethane dispersions using chromatography or spectrophotometric techniques. Based on detection levels, a strategy to neutralise unreacted Hydrazine will also be developed.
Detection of Free Monomer in Acrylic Dispersions and methods to neutralise all unreacted monomer using High Performance Liquid Chromatography (HPLC).
These product improvements will render Company's products even more safe during their usage and will reduce VOC emissions at user end.

4. R&D expenditure

a. Capital	: .	21.99 lacs
b. Recurring	:	44.30 lacs
c. Total	:	66.29
d. Total R&D Expenditure	:	1.89 %

As percentage of total turnover

C) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

a. All previously imported technologies have been fully absorbed and commercialized.
b. The indigenously developed technologies of previous years have been 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.868.14 Lacs.**

b. The expenditure in foreign exchange during the financial year under review is **Rs.108.20 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	NARENDRA KUMAR JAIN	PANKAJ JAIN
Date : 1st October, 2020	*Chairman*	*Managing Director-cum-Vice Chairman*

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

1. Industry Structure:

The Leather Industry in India, having a deep history running through past few centuries, holds a place of prominence in the Indian economy. This sector is known for its potential as an employment intensive sector and its consistency in export earnings. The Leather Chemical Industry structure is deeply dependent on trends of leather tanning and finishing sector. The leather and allied industry has undergone major transformation in past few decades due to stricter environment regulations and advancement in safe chemistry. However the mechanism that drives the market for leather products relates to disposable income on luxury goods like bags,

jackets and furniture. The recent growth in automotive sector has brought new significance to leather industry that was entirely dependent on footwear sector.

On the international map, as per Council of Leather Exports (CLE), India is considered amongst the top three producers of footwear and leather goods competing with China and Brazil. Thus in coming years too, Indian leather industry will remain at the centre-stage of world leather industry previously.

2. Opportunities & Threats:

Opportunities:

The leather sector offers a good potential which Indian entrepreneurs can exploit in US, Germany and other EU 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 canmount a concerted marketing campaign to wrest a share consistent with their inherent strength and potential.

Threats:

Some of the challenges that Indian leather industry face are: (1) Economy of Scope / Economy of Scale: (2) hardly any listed companies as most manufacturers are family owned business lacking a professional management: (3) raw material availability is inelastic: (4) new technologies in production are highly capital intensive. Furthermore, the recent economic slowdown in key western economies due to Covid -19 and consequent slackening of consumer demand has impacted the export performance of most leather producers, including India.

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. Many 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 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, subject to recovery of world economy from the current pandemic .

5. Risks & Concerns:

The short term risk due to current pandemic is the biggest risk to leather and allied industry as no one knows when the world economy will emerge from the shackles of Covid -19. Another major concern is the frequent changes in economic policies like export incentives, drawbacks and procedural amendments from time to time as leather industry depends on exports. Small and medium sector of leather industry is not prompt to respond to quick changes in government policy changes. Besides, forex fluctuation, increase in labour cost due to shortage of labour, lack of strong presence in the global fashion market pose some serious risks to the industry..

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 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.

7. Discussion on financial performance with respect to operational performance

The increase in profit as compared to last year is mainly due to: (a) reduced expenditure in maintenance cost, (b)lower raw material cost and (c) increase of sale of products with higher value addition. The cash flow improvement is attributed to lower inventory holdings, stricter credit controls and faster production cycles and

deliveries. Identification of non-moving and slow moving stocks and their liquidation remained a high priority during the year.

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

The Company's talent pool remains adequate and is concentrating on more specialized knowledge on laboratory practices, ISO Quality systems. The Company has also retained foreign experts as consultants for technology developments. There is no attrition at the level of senior technical and management and professionals. There are no unresolved grievances of workers who have exhibited strict discipline and cordial relations with the management. Increments have remained aligned with market trends across all levels of employees, but some year-end incentives had to be reduced to prepare for unforeseen cash flow problems due to pandemic.

Number of employees as on 31.03.2020 was 85.

Annexure to the Board's Report

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

Form for disclosure of particulars of contracts/arrangements entered into 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 arrangements or transactions	Duration of Silent terms of Contract 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 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			

The schedule of Related Party Transactions is as follows:

		(Rupees in thousands)
Particulars	**Year Ended 31 March, 2020**	**Year Ended 31 March, 2019**
Transactions during the year		
Operating income		
Labotron Instruments Pvt. Ltd.	-	143.39
N. K. Jain Instruments Private Limited	-	183.96
Rent paid		
N. K. Jain Holdings & Finance Pvt. Limited	296.34	264.00
Marketing Expenses		
Mrs. Sippy Jain	1865.00	1945.00

	(Rs. In Thousands)	
Balance outstanding at the year end	**As at 31 March, 2020**	**As at 31 March, 2019**
Balance payable		
N. K. Jain Holdings & Finance Pvt. Limited	92.10	43.20
Mrs. Sippy Jain	Nil	483.50

*Related Parties have been identified by the Management.

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, 2020

To
The Members of
M/s. Haryana Leather Chemicals Limited
CIN: L74999HR1985PLC019905
72-77, HSIIDC Industrial Estate, Hansi Road,
Jind-126102 (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 (herein after called "theCompany"). Secretarial Audit was conducted in a manner that provided us are as on able 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 here by report that in our opinion, the Company has, during the financial year commencing from 1st April, 20 19 and ended on 31st March, 2020 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 herein after:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. HARYANA LEATHER CHEMICALS LIMITED ("TheCompany") for the financial year ended on 31st March, 2020, according to the provisions of:
   i. The Companies Act, 2013 (theAct) 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 (FEMA) and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI) and External Commercial Borrowings (ECBs).

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, 2015;
d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Take overs) 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 (Buy back of Securities) Regulations,1998;
d. The Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014;

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. Durig the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards etc. mentioned aboves ubject 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 34th Annual General Meeting held on 25th September, 2019;
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, where ever 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, were port that the company has made all the compliance.
(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 provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the Company.

(c) 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 decisionis 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 Kumar Rishi & Associates
CompanySecretaries

KUMAR RISHI
Proprietor
ACSNo.37292
CP.No.14063
Place:NewDelhi
Date: 15.06.2020
UDIN: A037292B000341134

Annexure-A to Secretarial Audit Report dated June 15, 2020

To
The Members of
M/s. Haryana Leather Chemicals Limited
CIN:L74999HR1985PLC019905
72-77, HSIIDC Industrial Estate, HansiRoad,
Jind-126102(Hr.)

Our Secretarial Audit Report dated June 15, 2020 is to be read alongwith 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 these cretarial 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 Kumar Rishi & Associates
CompanySecretaries

CP. No. 14063

Place: New Delhi
Date: 15.06.2020
UDIN: A037292B000341134

KUMAR RISHI
Proprietor
ACS No. 37292

HARYANA
LEATHER CHEMICALS LTD.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Haryana Leather Chemicals Limited
72-77, HSIDC Industrial Estate
Hansi Road, Jind
Haryana-126102

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Haryana Leather Chemicals Limited having CIN L74999HR1985PLC019905 and having registered office at 72-77, HSIDC Industrial Estate, Hansi Road, Jind, Haryana-126102 and (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kumar Rishi & Associates
Company Secretaries

KUMAR RISHI
Proprietor
ACS No.37292
CP. No.14063
Place: New Delhi
Date: 14.09.2020
UDIN: A037292B000715475

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 31.03.2020
[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) RegistrationDate: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-126102, Haryana
Email id: info@leatherchem.com
Web address: www.leatherchem.com
Phone: (01681)226645
FaxNo.: 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-110020
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	% tototal turnover of the Company
1.	NOUVOLSR	P1349	22.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	ON/GLN	Holding/ Subsidiary/	% of shares Associate	Applicable Section held
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, NewDelhi-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. Share holding Pattern (Equity Share Capital Breakup as percentage of Total Equity) :

(i) Category-wise Share holding

Category of Share holders	No. of Shares held at the beginning of the year 01.04.2019				No.of Shares held at the end of the year 31.03.2020			Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%
A. Promoters									
1) Indian									
a) Individual/HUF	918006	-	918006	18.71	918006	-	918006	18.71	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	195960	19900	215860	4.40	209860	6000	215860	4.40	-
e) Banks FI....	-	-	-	-	-	-	-	-	-
f) Any other (Trust)	-	-	-	-	-	-	-	-	-
Sub-total(A)(1)	1113966	19900	1272056	25.91	1127866	6000	1133866	23.11	-
2) Foreign									
a) NRIs-									
Individuals	-	138190	13819	2.82	-	138190	138190	2.82	-
b) Other-									
Individuals	-	-	-	-	-	-	-	-	-
c) BodiesCorp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	768470	768470	15.66	-	768470	768470	15.66	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	-	906660	906660	18.47	-	906660	906660	18.47	-
Total Share holding of Promoters (A)= (A)(I) + (A)(2)	1113966	926560	2040526	41.58	1127866	912660	2040526	41.58	-
B. Public Share holding									
1) Institutions									
a) Mutual Funds	-	5200	5200	0.11	-	3900	3900	0.08	(0.03)
b) Banks/FI	-	3600	3600	0.07	-	3600	3600	0.07	-
c) Central Govt.	-	2900	2900	0.06	2900	-	2900	0.06	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture capital Funds	-	-	-	-	-	-	-	-	-
i) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	2900	8800	11700	0.24	2900	7500	10400	0.21	(0.03)
2) Non-Institutions									
a) Bodies Corp.	56967	19300	76267	1.55	66006	19100	85106	1.73	0.18
i) Indian									
ii) Overseas									

b) Individuals									
i) Individual Share holders holding nominal share capital upto Rs.2 Lacs	893147	360862	1254009	25.55	899678	315847	1215525	24.76	(0.79)
ii) Individual Share holders holding nominal share capital in excess of Rs.2 Lacs	1260132	-	1260132	25.66	1270228	-	1270228	25.87	0.21
c) Any Other	-	-	-	-	-	-	-	-	-
i) NRI's/OCBs	17389	200	17589	0.36	12232	200	12432	0.25	(0.11
ii) Clearing Members	19230	-	19230	0.39	-	-	-	-	(0.39)
iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
iv) Trusts	-	-	-	-	-	-	-	-	-
v) Foreign Portfolio Investment Corp.	-	-	-	-	-	-	-	-	-
vi) IEPF Account NCFCs registered with RBI	197670 31347	- -	197670 31347	4.03 0.64	242906 31347	- -	242906 31347	4.95 0.64	0.92 -
Sub-total (8) (2)	2475882	380362	2856244	58.18	2522397	335147	2910671	58.21	0.03
Total Public Share holding (B) = (B)(1)+(B)(2)	2478782	389162	2867944	58.42	2525297	342647	2921071	58.42	-
C. Shares held for by Custodian GDRs & ADRs									
GrandTotal (A+B+C)	3592748	1315722	4908470	100	3653163	1255307	4908470	100	-

ii) Share holding of Promoters

Sr. No	Share holder's Name	Share holding at the beginning of the year 01.04.2019			Share holding at the end of the year 31.03.2020			
		No.of Shares	% of total Shares of the company	% of Shares Pledged encumb-ered to total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged encum-bered to total shares	% change in Share holding during the year
1.	ICAPSIRA Chemicals & Polymers SpA	768470	15.66	0	768470	15.66	0	0.00
2.	Pankaj Jain	751780	15.32	0	751780	15.32	0	0.00
3.	Sippy Jain	153626	3.13	0	153626	3.13	0	0.00
4.	Savita Aggarwal	138190	2.82	0	138190	2.82	0	0.00
5.	Munak Holdings Limited	113382	2.31	0	113382	2.31	0	0.00
6.	Munak Engineers Pvt. Ltd.	64743	1.32	0	64743	1.32	0	0.00
7.	Munak Credit & Investment Pvt. Ltd.	16335	0.33	0	16335	0.33	0	0.00
8.	N.K. Jain Holdings & Fin. Pvt. Ltd.	13900	0.28	0	13900	0.28	0	0.00
9.	Vijay Kumar Garg Contractor Pvt. Ltd.	7500	0.15	0	7500	0.15	0	0.00
10.	Manik Jain	7300	0.15	0	7300	0.15	0	0.00
11.	Ratnam Jain	5300	0.11	0	5300	0.11	0	0.00
	Total	2040516	41.58	0	2040516	41.58		0.00

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

Sr. No.	Share holder's Name	Share holding at the beginning of the year		Share holding 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.	NA					
2.	NA					

Share holding Pattern of top ten Share holders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the top 10 share holders		Share holding at the beginning of the year		Cumulative Share holding during the year	
			No.of Shares	% of total Shares of the company	Nho.of Shares	% of total Shares of the company
1.	URMIL MAHASUKH GOPANI					
	At the beginning of the year 01/04/2019		230612	4.7	230612	4.7
	At the end of the year 31/03/2020			230612	4.7	
2	SUBRAMANIAN P					
	At the beginning of the year 01/04/2019		222440	4.53	222440	4.53
	08/11/2019	Transfer	-222440	-4.53	0	0
	At the end of the year 31/03/2020				0	0

3	AVNI SOHIL SANGHVI					
	At the beginning of the year 01/04/2019		200754	4.09	200754	4.09
	At the end of the year 31/03/2020				200754	4.09
4	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS					
	At the beginning of the year 01/04/2019		197670	4.03	197670	4.03
	06/03/2020	Transfer	43916	0.89	241586	4.92
	20/03/2020	Transfer	1320	0.03	242906	4.95
	At the end of the year 31/03/2020				242906	4.95
5	AMIT JAIN					
	At the beginning of the year 01/04/2019		90000	1.83	90000	1.83
	10/05/2019	Transfer	100	0	90100	1.84
	At the end of the year 31/03/2020				90100	1.84
6	CHOKKARAPU ANITHA					
	At the beginning of the year 01/04/2019		61341	1.25	61341	1.25
	At the end of the year 31/03/2020				61341	1.25
7	PARUL SANJAY SHAH					
	At the beginning of the year 01/04/2019		57055	1.16	57055	1.16
	At the end of the year 31/03/2020				57055	1.16
8	PANKJ KUMAR MAGANLAL BABARIYA					
	At the beginning of the year 01/04/2019		56033	1.14	56033	1.14
	At the end of the year 31/03/2020				56033	1.14
9	MANASI DHARMESH BHANUSHALI					
	At the beginning of the year 01/04/2019		55875	1.14	55875	1.14
	At the end of the year 31/03/2020				55875	1.14
10	JASMINE PRAVIN AJMERA					
	At the beginning of the year 01/04/2019		50885	1.04	50885	1.04
	05/04/2019	Transfer	193	0	51078	1.04
	12/07/2019	Transfer	100	0	51178	1.04
	08/11/2019	Transfer	400	0.01	51578	1.05
	22/11/2019	Transfer	130	0	51708	1.05
	03/01/2020	Transfer	400	0.01	52108	1.06
	At the end of the year 31/03/2020				52108	1.06
11	SANGEETHA S					
	At the beginning of the year 01/04/2019		27790	0.57	27790	0.57
	08/11/2019	Transfer	222440	4.53	250230	5.1
	At the end of the year 31/03/2020				250230	5.1

(iv) Share holding of Directors and Key Managerial Personnel:

Sr. No.	Share holder's Name	Share holding at the beginning of the year		Share holding 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.	Narendra Kumar Jain	-	-	-		-
2.	Pankaj Jain	751780	15.32	751780	15.32	-
3.	Sippy Jain	153626	3.13	153626	3.13	-
4.	Kannadiparambil Sankarankutty Velayudha Menon	-	-	-	-	-

5.	Pradeep Behl	-	-	-	-	-
6.	Vijay Kumar Garg	-	-	-	-	-
7.	Massimo Medini	-	-	-	-	-
8.	Harish Kumar Gupta (Resigned wef 18.05.2019)	-	-	-	-	-
9.	Marco Medini	-	-	-	-	-
10	Kanishk Gupta (Appointed wef 18.05.2019)					

(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	6844.18	-	-	6844.18
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	6844.18	-	-	6844.18
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	6388.49	Nil	-	6388.49
Net Change	6388.49	Nil	-	6388.49
Indebtedness at the end of the financial year				
i) Principal Amount	505.69	Nil	-	505.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	505.69	Nil	-	505.69

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 year	Mrs. Sippy Jain whole-time Director In Rs.per year	Ms. Silu Nanda Company Secretary In Rs.per year	
1.	Gross Salary				
a)	Salary as per provisions contained in section17(1) of the Income-tax Act,1961	3660000	-	168216	
b)	Value of perquisites u/s17(2)(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 Sitting Fees (p.a.)	180000 (Medical)	1865,000 (Consultancy)	-	
	Total (A)	3840000	-	168216	
	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 KumarJain	Kannadi Parambil Sankaran kutty Velayudha Menon	Pradeep Behl Garg	Vijay Kumar	Massimo Medini Gupta	Harish Kumar	Kanishk Gupta	Marco Medini	
1.	Independent Directors ◆Fee for attending board/committee meetings ◆Commission ◆Others, please specify	- -	32000 -	32000 -	- -	- -	8000 -	- -	- -	72000 -
	Total (1)	-	32,000	32,000	-	-	8,000	-	-	72,000
2.	Other Non-Executive Directors ◆Fee for attending board/committee meetings ◆Commission ◆Others, please specify Total (2)	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -
	Total (8)= (1+2)	-	32,000	32,000	-	-	8,000	-	-	72,000
	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 : CHIEF FINANCIAL OFFICER

Sr. No.	Particulars of Remuneration	Name of KMP	Total Amount (Rs. in lacs)
1.	Gross salary a) Salary as per provisions contained in section17(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	SUKANTO CHOUDHURY -	8,16,897/- 1,19,000
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission as of profit others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	-	9,35,897/-

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 : 1st October, 2020

CORPORATE GOVERNANCE

Based on Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Limited 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 Your's 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 throu gh 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 it seffectiveness, 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 today 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 stake holders. Therefore, we have adopted various codes and policies to carry out our duties in an 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 applicabl e 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 incompliance 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 Nine Directors, One 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 18.05.2019, 09.08.2019, 13.11.2019, 07.02.2020.

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

ii) Penalties/ punishment/ compounding of offences:

Director	Category	Other Director -ships held	Memberships in Committees of Board	No. of Board meeting attended	Whether attended AGM held on 25.09.2018
Pankaj Jain	Executive	3	-	4	Yes
Sippy Jain	Non-Executive	-	-	4	Yes
N. K. Jain	Non-Executive	4	-	-	No
V. K. Garg	Non-Executive	3	-	-	No
H. K. Gupta*	Independent	3	3	1	No
K. S. V. Menon	Independent	-	3	4	No
Massimo Medini**	Independent	-	-	-	No
Marco Medini**	Independent	-	-	-	No
Pradeep Behl	Independent	-	3	4	No
Kanishk Gupta*	Independent	2	3	-	No

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

*Mr. H.K. Gupta Resigned on 18.05.2019.

*Mr. Kanishk Gupta was appointed on 18.05.2019.

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

PANKAJ JAIN (DIN: 00206564)

Sl. No	CIN/ LLPIN	Name of the Company /LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	04.02.2017	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	30.09.2017	16.11.2009

VIJAY KUMAR GARG (DIN: 00236460)

Sl. 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)

Sl. 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)

Sl. 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

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

Sl. 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)

Sl. 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) – (Resigned w.e.f. 18.05.2019)**

Sl. 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	U14294TN2010PTC077222	Trio Granites Private Limited	03.09.2010	03.09.2010
3.	U52110HR2008PTC03850254	Smart Life Style Retailing Pvt. Limited	12.11.2008	12.11.2008
4.	U99999HR2000PLC034590	Liberty Garments Limited	29.12.2000	29.12.2000

Apart from the Directorship in the Company Mr. Harish Kumar Gupta was 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)

Sl. No	CIN/ LLPIN	Name of the Company /LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	17.09.2010	17.09.2010

MARCO MEDINI (DIN: 06709885)

Sl. 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

***KANISHK GUPTA (DIN:02243899) – (Appointed w.e.f.18. 05.2019)**

Sl. No	CIN/ LLPIN	Name of the Company /LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	18.05.2019	18.05.2019
2.	U24233HR2008PTC038480	Liberty Life Sciences Private Limited	03.11.2008	03.11.2008
3.	U52110HR2008PTC038502	Smart Life Style Retailing Pvt.Limited	12.11.2008	12.11.2008

Apart from the Directorship in the Company Mr. Kanishk 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

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:

- Overseeing 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. K S V Menon - Chairman
2. Mr. Harish K.Gupta - Member – (Resigned w.e.f. 18.05.2019)
3. Mr. Pradeep Behl - Member
4. Mr. Kanishk Gupta - Member – (Appointed w.e.f 18.05.2019)

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 areas required under Listing Agreement.

During the year the committee met on 18.05.2019, 09.08.2019, 13.11.2019, 07.02.2020

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

Name of Director	Details of Attendance
Dr. K. S. V. Menon	18.05.2019, 09.08.2019, 13.11.2019, 07.02.2020
Mr. Kanishk Gupta	Nil
Mr. Harish K. Gupta	18.05.2019
Mr. Pradeep Behl	18.05.2019, 09.08.2019, 13.11.2019, 07.02.2020

5. Nomination and Remuneration Committee:

The Company has constituted Nomination and Remuneration committee consisting of three independent Directors. The Nomination and Remuneration Committee of the Company has the following members:

1. Dr. K S V Menon - Chairman
2. Mr. Harish K. Gupta - Member – (Resigned w.e.f.18.05.2019)
3. Mr. Pradeep Behl - Member
4. Mr. Kanishk Gupta - Member – (Appointed w.e.f18.05.2019)

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 2019-20 is given below:

All elements of remuneration	Rs.38.40Lacs*
Fixed Portion	Rs.36.60Lacs
Performance Incentive	Nil
Criteria of performance incentive	N/A
Period of appointment	Re-appointed on 04.02.2019 for three years
Notice Period	Nil
Severance Fees	Nil
Stock Option	Nil

The remuneration package of Mrs. Sippy Jain, wholetime Director for the year 2019-20 is given below:

All elements of remuneration	Nil
Fixed Portion	Nil
Performance Incentive	Nil
Criteria of performance incentive	N/A
Period of appointment	N/A
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.

During the year the committee met on 18.05.2019, 09.08.2019, 13.11.2019, 07.02.2020

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

Name of Director	**Details of Attendance**
Dr. K. S. V. Menon	18.05.2019, 09.08.2019, 13.11.2019, 07.02.2020
Mr. Kanishk Gupta	Nil
Mr. Harish K. Gupta	18.05.2019
Mr. Pradeep Behl	18.05.2019, 09.08.2019, 13.11.2019, 07.02.2020

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, 2015.

The Stakeholder Relationship Committee of the Company has the following members:

1. Dr.K S V Menon	Chairman
2. Mr.Harish K.Gupta	Member– (Resigned w.e.f. 18.05.2019)
3. Mr.Pradeep Behl	Member
4. Mr. Kanishk Gupta	Member– (Appointed w.e.f 18.05.2019)

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. During the year the committee met on 18.05.2019, 09.08.2019, 13.11.2019, 07.02.2020
The attendance of the members of the committee is as follows:

Name of Director	Details of Attendance
Dr. K. S. V. Menon	18.05.2019, 09.08.2019, 13.11.2019, 07.02.2020
Mr. Kanishk Gupta	Nil
Mr. Harish K. Gupta	18.05.2019
Mr. Pradeep Behl	18.05.2019, 09.08.2019, 13.11.2019, 07.02.2020

7. 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 2019-20	Shareholders:	Nil
	Stock exchange:	Nil
	SEBI:	Nil
	NSDL:	Nil
	CDSL:	Nil
Complaints not solved to the satisfaction of shareholders		Not Applicable
Complaints pending on 31.03.2020		Nil

8. General Body Meetings

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

Date	Time	Location
25.09.2019	11.30 a.m.	72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102, Haryana.
25.09.2018	11.30 a.m.	72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102, Haryana.
23.09.2017	11.30 a.m.	72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102, Haryana.

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 Jansatta, Chandigarh 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 20.11.2020 at 11.30 a.m. 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: 13.11.2020 to 20.11.2020 (both days inclusive).
d. Dividend Pay-out dates: Not Applicable
e. Listing of Stock Exchanges: Mumbai Stock Exchange Limited.
f. Stock Code: BSE524080.
g. Market Price Data: The shares of the Company quoted at Bombay Stock Exchange between Rs. 27.80 to Rs.19.80 during the year 2019-20.
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 Share holdings:

Distribution of Share holdings as on 31.03.2020

Share holding of Value of Rs.	No. of Share Holders	% of Share holders to	No. of shares held Total	Amount Rs.	% toTotal
0-5000	2245	84.08	413654	4136540	8.43
5001-10000	191	7.15	155866	1558660	3.18
10001-20000	91	3.41	135588	1355880	2.76
20001-30000	34	1.27	84100	841000	1.71
30001-40000	21	0.79	72261	722610	1.47
40001-50000	22	0.82	103530	1035300	2.11
50001-100000	28	1.05	209644	2096440	4.27
100001&above	38	1.42	3733807	37338070	76.07
Total	**2670**	**100**	**4908470**	**49084700**	**100**

Shareholding Pattern as on 31.03.2020

Category	No. of shareholders	No. of shares	Percentage
Promoters (including Foreign Collaborator)	11	20,40,526	41.58
Public	2657	28,67,944	58.42
Total		**49,08,470**	**100.00**

Share holding Pattern of the Promoters and Promoters Group as on 31.03.2020

Sr. No.	Share holder's Name	Share holding at the beginning of the year 01.04.2019			Share holding at the end of the year 31.03.2020			
		No.of Shares	% of total Shares of the company	% of Shares Pledged encumb-ered to total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged encum-bered to total shares	% change in Share holding during the year
1.	ICAPSIRA Chemicals & Polymers SpA	768470	15.66	0	768470	15.66	0	0
2.	Munak Holdings Ltd.	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 Private Limited	16335	0.33	0	16335	0.33	0	0
5.	Munak Engineers Pvt. Ltd.	64743	1.32	0	64743	1.32	0	0
6.	N. K. Jain Holdings & Finance Pvt. Ltd.	13900	0.28	0	13900	0.28	0	0
7.	Pankaj Jain	751780	15.32	0	751780	15.32	0	0
8.	N. K. Jain	0	0	0	0	0	0	0
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	153626	3.13	0	153626	3.13	0	0
12.	Vijay Kumar Garg Contractor Pvt. Ltd.	7500	0.15	0	7500	0.15	0	0
	Total	**2040526**	**41.58**	**0**	**2040526**	**41.58**	**(0.00)**	

Share holding Pattern as on 31.03.2020

Category	No. of share holders	No. of shares	Percentage
Mutual Funds	2	3900	0.08
Financial Institutions/Banks	2	3600	0.07
Central/State Government	1	2900	0.06
Body Corporates	41	85106	1.73
Clearing Members	0	0	0
Non Residents	14	12432	0.25
Individuals holding shares upto Rs.2 Lakhs	2578	1215525	24.76
Individuals holding shares above Rs.2 Lakhs	17	1270228	25.89
NBFCs registered with RBI	1	31347	0.64
IEPF Account	1	242906	4.95
Total	**2657**	**2867944**	**58.42**

Dematerialisation and Liquidity: The shares of the Company is dematerialised and the ISIN for demat is: INE681F01018.
Registered Office and Plant Location: PlotNo.72-77, HSIIDC Industrial Estate, Hansi Road, Jind, Haryana - 126102.
Corp. Office: 1405-B, Signature Towers, South City - I, Gurugram - 122001, Haryana.

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 Member sandSenior Management personnel have affirmed compliance the Company's Code of conduct for the year ended 31st March, 2020.

HARYANA
LEATHER CHEMICALS LTD.

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

1st October, 2020

Re : CEO Certification

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

a) We have reviewed financial statements and the cashflow statement for the year ended on 31st March, 2020 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) the sestatements 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, 2020 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 anemployee 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 sufficientt 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 senior's 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 any one.

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 any one 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 n one 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 as suming the same is in the interest of the Company. Incase 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 in to employment or any business transaction with the Company. Such disclosure of interests hould 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

HARYANA
LEATHER CHEMICALS LTD.

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
HARYANA LEATHER CHEMICALS LIMITED

1. We, AKR & Associates, Chartered Accountants, the Statutory Auditors of HARYANA LEATHER CHEMICALS LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Gurugram
Date: 27.06.2020

For **AKR & Associates**
Chartered Accountants
ICAI FRN: 021179N

CA Kailash Kumar
(Partner)
Mem. No.: 505972

INDEPENDENT AUDITOR'S REPORT

To the Members of HARYANA LEATHER CHEMICALS LIMITED
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of HARYANA LEATHER CHEMICALS LIMITED ("the company"), which comprise the Balance Sheet as at 31st March 2020, and the statement of Profit and Lose (including other comprehensive income/Loss), the Cash Flow statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explantory information.

In our opinion and to the best of our information and according to the explainations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, ("the Act") 2013 , in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read the Companies (Indian Accounting Standards) Rule, 2015, as amended, ("Ind AS") and other accountinmg principles generally accepted in India, of the state of affairs of the company as at 31 March 2020, and its profit, total comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standard Auditing specified under Section 143(10) of the Act (5As). Out responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the institute of Chartered Accountants of India (ICAI) togerther with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the rules made therein under, and we have fulfilled our other ethical responsibilties in accordance with these requirments and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion in the Standalone Financial Statements.

Key Audit Matters

Key Audit matters are those matters that in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the corrent period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole , and in forming our opinion thereon, and we do not provide a seperate opinion on these matters, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue recognition as per Ind AS 115 "revenue from contracts with customers" (new revenue accounting standard) See note 3.3 to the standalone financial statements. The application of the new revenue accounting standard involves certain key judgemenrts relating to identification of distinct performance obligations determination of transaction price of the identified performance obligations the appropriateness of the basis used to measure revenue recognized over a period. Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations, the performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured at fair value of the consideration received or receivable after deduction of any trade discounts volume rebates and any taxes or dutires collected on behalf of the government such as goods and services tax etc. revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.	In view of the significance of the matter we applied the following audit procedure in this area among others to obtain to obtain sufficient appropriate audit evidence: ◆ We assesed theappropriateness of the revenue recognition accounting p[olicies as comparing with applicable accounting standard. ◆ We evaluated the design of internal control relating to implementation of the new revenue accounting standard in addition tested material contracts on samples basis in respect of revenue recorded and evaluated the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price . We carried out a combination of procedures involving inquiry and observation re-performance and inspection of evidence in respect of operation of these controls. ◆ We selected asample of continuing and new contracts and read the distinct performance obligations assessing the company's revenue recognition policies with reference to the requirementsof theapplicable accounting standard. We performed substantive testing by selecting samples of revenue transaction recorded during the year by verifying the underlying documents which included goods despatch notes and shipping documents.

We identified revenue recognition as a key audit matter because the company and its external stakeholders focus on revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognised before control has been transferred additionally the application and transition to the accounting standard is complex and is an area of focus in the audit.	◆ We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation which included goods dispatch notes and shipping documents to assess whether the revenue was recoganized in the correct period. ◆ We assessed manual journals posted to revenue to identify unsual items.

Information Other Than the Auditor's Report Thereon Financial Statements

- The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The company's Bopard of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equty of the company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safegaurding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintinance of adecuate internal financial controls, that were operating effectively for ensuring the accuracy amnd completeness of the accounting records, relevent to the preparation and presentation of the standalone financial statement that gave a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with SA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the standalone financial statements,whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal control.
- Obtain an understanding of internal financial control relevent to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainity exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainity exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor;s report. However, future events or conditions may cause the Company to cease as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in the manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; (ii) to evaluate the effects of any identified misstatements in the standalone financial statements
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant discrepencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevent ethical requirements regarding independence, and to communicate with them all relationships and other matters that they reasonably be thought to bear on our independence, and where applicable, related safegaurds.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precluded public disclosure about the matter or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirments

1. As required by section 143(3) of the Act, based oin our audit we report that :
   a) We have sought and obtained all the information and explainations which to the best of our knowledge and belief were nuccessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by the law have been kept by the company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Cash Flow Statement of changes in Equity dealt with by this report are in agreement with the relevent books of account.
   d) in our opinion, the afoiresaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
   e) On the basis of written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 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 seperate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and opertaing effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's report in accordance with the requirments of section 197(16) of the Act, as amended.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explainations given to us:
      i) The compnay 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.
2. As required by the companies (Auditor's Report) Order, 2016 ("the order") issued by the central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the order.

For **AKA & Associates**
Chartered Accountants
Firm's registration No.: 021179N

CA **Kailash Kumar**
Partner
Membership No. 505972
Place : Gurugram
Date : 27.06.2020
UDIN : 20505972AAAADC8791

Annexure A to independent Auditor's Report

Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HARYANA LEATHER CHEMICALS LIMITED of even date

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

1. We have audited the internal financial controls over financial reporting of HARYANA LEATHER CHEMICALS LIMITED ("the Company") as of March 31, 2020 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintainance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding its assets, the prevention and detection of frauds and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial control over financial reporting (the "Guidance Notes") and the standards on auditing deemed to be prescribed under section 143(10) of the act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by ICAI. Those standards and guidance notes require that we comply with ethical requirments and planned and performed the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls system over financial report included obtaining an understanding of internal financial controls systems over financial reporting, assessing the risks that material weakness exists, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatements of the Standalone Financial Statements, whether due to fraud or error.
5. We beleive that the audit evidence that we have obtained in our audits is sufficient and appropriate to provide a basis forour audit opinion on the company's internal financial controls system over financial reporting.

Annexure A to Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirments' section of our report to the Members of HARYANA LEATHER CHEMICALS LIMITED of even date)

Meaning of Internal Financial Controls over Financial Reporting

6. Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliabilty of financial reporting and the preparation of Standalone Financial Statements for external purposees in accordance with generally accepted accounting principals. A company's internal financial controls over financial reporting includes those policies and procedures that (1) Pertaining to the maintenance

of records that, in reasonable detail, accurately and fairly reflects the transactions and dispositions of the assets of the company. (2) Provide reasonable assurance that transactions are recorded as necessary to permit zpreparation of Standalone Financial Statements in accordance with generally accepted accounting principals, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of the comoany. and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st , 2020 based on on the internal financial controls 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.

For **AKA & Associates**
Chartered Accountants
Firm's registration No.: 021179N

CA **Kailash Kumar**
Partner
Membership No. 505972
Place : Gurugram
Date : 27.06.2020

Annexure B to the independent Auditor's Report of even date to the members of HARYANA LEATHER CHEMICALS LIMITED, on the Standalone Financial Statements for the year ended 31st March 2020

Based on the audit procedure performed for the purpose of reporting a true and fair view on the standalone financial statements of the company and taking into consideration the information and explainations 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 company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year according to the information and explainations given to us, no material discrepencies were noticed on such verification.

c) According to the information and explainations given to us, the records examined by us and based on the examination of the conveyance deeds/registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the balance sheet date.

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 explaination given to us, the Company had not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section189 of the Companies Act, 2013. Accordingly, the provisions of clause3(iii)(a), (b0 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 explaination given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and section 186 of the Companies Act 2013 are applicable and hence commented upon.

v) The company has not accepted any deposits within .the meaning of Section 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 poducts of the company.

vii)a) The company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fuund, 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 explainations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty,value added tax, cess which has 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 Standalone Financial Statements and according to information and explainations 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 debenturte holders or government or debenture holder.

ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to information and explainations given by the management, the company has not raised any money by way of initial public offer / further public offer / debt instrumentsand term loans. Hence, reporting under clause (ix) is not applicable to the company and hence not commented upon.

x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to information and explainations 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 Standalone Financial Statements and according to information and explainations 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 nidhi company. Therefore, the provisions of clause 3(xii) of the order are not commented upon.

xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to information and explainations 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 Standalone Financial Statements, as required by the applicable accounting standards.

xiv) According to the information and explaination given to us and on an overall examination of the balance sheet, the company has not made any preferencial allotment or private placement of shares or fullyt 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 Standalone Financial Statements and according to information and explainations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them.

xvi) According to the information and explainations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the company.

For **AKA & Associates**
Chartered Accountants
Firm's registration No.: 021179N

CA Kailash Kumar
Partner
Membership No. 505972
Place : Gurugram
Date : 27.06.2020

STANDALONE BALANCE SHEET AT 31 MARCH, 2020

₹ in thousands

	Notes	As at 31 March, 2020	As at 31 March, 2019
ASSETS			
A. Non-Current Assets			
(a) Property, plant and equipment	5 (i)(a)	145,081.31	145,247.93
(b) Capital work-in-progress	5 (i)(b)	-	-
(c) Goodwill		-	-
(d) Other intangible assets		-	-
(e) Intangible assets under development		-	-
(f) Financial assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Other financial assets	5 (ii)(a)	770.25	-
(g) Deferred tax assets (Net)		-	-
(h) Non-current tax assets (Net)		-	-
(i) Other non-current assets	5 (iii)(a)	12,445.95	12,172.88
Total Non-Current Assets (A)		**158,297.51**	**157,420.81**
B. Current Assets			
(a) Inventories	5 (iv)	31,693.85	28,809.29
(b) Financial assets			
(i) Other investments	-	-	
(i) Trade receivables	5 (v)	92,300.25	91,133.12
(ii) Cash and cash equivalents	5 (vi)	119,177.97	94,006.19
(iii) Other financial assets	5 (ii)(b)	6,635.59	4,632.85
(c) Other current assets	5 (iii)(b)	3,163.00	11,284.35
Total Current Assets (B)		**252,970.66**	**229,865.80**
Total Assets (A+B)		**411,268.17**	**387,286.61**
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	5 (vii)	49,084.70	49,084.70
(b) Other equity	5 (viii)	272,522.90	256,311.14
Total Equity (A)		**321,607.60**	**305,395.84**
LIABILITIES			
B. Liabilities			
I Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	5(ix)(a)	55.00	179.85
(ii) Other financial liabilities		-	-
(b) Deferred Tax Liabilities (Net)	5 (x)	10,607.00	9,508.25
(c) Provisions	5 (xi)(a)	479.38	419.39
Total Non-Current Liabilities (I)		**11,141.38**	**10,107.49**
II Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	5(ix)(b)	505.69	6,844.18
(ii) Trade payables	5 (xii)	64,684.49	51,374.31
(iii) Other financial liabilities	5 (xiii)	2440.16	2,524.09
(b) Provisions	5 (xi)(b)	2,533.06	2,976.35
(c) Other current liabilities	5 (xiv)	8,355.79	8,064.35
Total Current Liabilities (II)		**78,519.19**	**71,783.28**
Total Liabilities (I+II)		**89,660.57**	**81,890.77**
Total Equity And Liabilities (A+B)		**411,268.17**	**387,286.61**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached.

For **AKR & ASSOCIATES**
Chartered Accountants
ICAI FRN: 021179N

CA. KAILASH KUMAR
Partner
ICAI MRN: 505972
DIN: 00206564

Place : Gurugram
Date : 27.06.2020

FOR **AND ON BEHALF OF BOARD OF DIRECTORS**
HARYANA LEATHER CHEMICALS LIMITED

PANKAJ JAIN
Managing Director-cum-
Vice Chairman

N.K. JAIN
Chairman

SUKANTO CHOUDHARY
CFO

SILU NANDA
Company Secretary
Membership No.: 12872

HARYANA
LEATHER CHEMICALS LTD.

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in thousands)

		Notes	Year Ended 31 March, 2020	Year Ended 31 March, 2019
I	Revenue from operations	5 (xv)	350,258.96	368,684.35
II	Other income	5 (xvi)	14,424.86	13,207.24
III	**TOTAL INCOME (I+II)**		**364,683.82**	**381,891.59**
IV	**EXPENSES**			
(i)	Cost of materials consumed	5 (xvii)	230,632.51	249,383.16
(ii)	Changes in inventories of finished goods, stock in process and stock in trade	5 (xviii)	(2,365.12)	11,016.98
(iii)	Employee benefits expense	5 (xix)	36,235.23	36,120.87
(iv)	Finance costs	5 (xx)	921.34	1,096.84
(v)	Depreciation and amortisation expense	5 (i)(a)	7,144.33	7,054.06
(vi)	Other expenses	5 (xxi)	63,857.46	55,818.14
	TOTAL EXPENSES (IV)		**336,425.75**	**360,490.05**
V	**PROFIT BEFORE TAX (III-IV)**		**28,258.07**	**21,401.54**
VI	**TAX EXPENSE**			
(i)	Current tax provision		6,149.16	4,697.35
(ii)	Tax for earlier year		72.23	469.70
(ii)	Deferred tax charge / (credit)	5 (xxii)	1,098.74	845.07
			7,320.13	**6,012.11**
VII	**PROFIT FOR THE YEAR (VII-VIII)**			
	OTHER COMPREHENSIVE INCOME		**20,937.94**	**15,389.43**
(i)	Items that will not be reclassified to profit or loss			
	(a) Remeasurement of post employment benefit obligations		-	-
(ii)	Income tax relating to items that will not be reclassified to profit or loss		-	-
VIII	**TOTAL OTHER COMPREHENSIVE INCOME**		**-**	**-**
IX	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX+X)**		**20,937.94**	**15,389.43**
	Earnings per equity share:			
(i)	Basic (in Rs.)	5 (xxiii)	4.27	3.14
(ii)	Diluted (in Rs.)	5 (xxiii)	4.27	3.14

See accompanying notes forming part of the financial statements In terms of our report attached.

FOR **AKR & ASSOCIATES**
Chartered Accountants
ICAI FRN: 021179N

FOR **AND ON BEHALF OF BOARD OF DIRECTORS**
HARYANA LEATHER CHEMICALS LIMITED

CA. KAILASH KUMAR
Partner
ICAI MRN: 505972
DIN: 00206564

PANKAJ JAIN
Managing Director-cum-Vice Chairman

N.K. JAIN
Chairman

Place : Gurugram
Date : 27.06.2020

SUKANTO CHOUDHARY
CFO

SILU NANDA
Company Secretary
Membership No.: 12872

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in thousands)

	Notes	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Cash flows from operating activities			
Profit Before Tax		**28,258.07**	**21,401.54**
Adjustments for :			
Finance costs recognised in profit or loss		-	-
Finance costs recognised in profit or loss		500.78	519.39
Dividend paid during the year		(4,726.18)	(4,726.18)
Dividend income recognised in profit or loss		-	-
Other non-operating income (net of directly attributable expenses)		-	-
Profit on disposal of property, plant and equipment		(189.26)	(584.15)
Impairment loss recognised on trade receivables		-	-
Bad debts and sundry balances written off		-	-
Provision for doubtful advances		-	-
Depreciation and amortisation of non-current assets (continuing and discontinued operations)		7,144.33	7,054.06
Impairment of property, plant and equipment		-	-
Provision for contingencies		-	-
		30,987.74	**23,664.66**
Movements in working capital:			
(Increase)/Decrease in trade and other receivables		(1,167.13)	4,179.23
(Increase)/Decrease in inventories		(2,884.56)	13,768.51
(Increase)/Decrease in other assets		5,075.29	(5,585.51)
Increase/ (Decrease) in trade payables		13,310.18	(21,353.66)
Increase/ (Decrease) in provisions		(383.30)	2,012.82
Increase/ (Decrease) in other liabilities		207.51	1,079.32
Cash (used in)/generated from operations		**45,145.73**	**17,765.37**
Income taxes paid		(6,221.39)	(5,167.04)
Net cash (used in)/generated by operating activities		**38,924.34**	**12,598.33**
Cash flows from investing activities			
Profit on redemption of mutual funds		-	-
Interest received		-	-
Other dividends received		-	-
Proceeds against land held for sale		-	-
Proceeds from sale of property, plant and equipment		288.00	3,223.00
Payments for property, plant and equipment		(7,076.43)	(9,499.05)
Profit on disposal of property, plant and equipment		-	-
Net cash outflow on acquisition of subsidiaries		-	-
Net cash (used in)/generated by investing activities		**(6,788.43)**	**(6,276.05)**
Cash flows from financing activities			
Proceeds from issue of convertible non-participating preference shares		-	-
Proceeds from borrowings		-	6,499.96
Repayment of borrowings		(6463.34)	-
Interest paid		(500.78)	(519.39)
Net cash (used in)/generated financing activities		**(6,964.12)**	**5,980.57**
Net increase in cash and cash equivalents		**25,171.79**	**12,302.85**
Cash and cash equivalents at the beginning of the year	5 (vi)	94,006.19	81,703.34
Cash and cash equivalents at the end of the year	5 (vi)	119,177.97	94,006.19

In terms of our report attached.

For **AKR & ASSOCIATES**
Chartered Accountants
ICAI FRN: 021179N
CA. KAILASH KUMAR
Partner
ICAI MRN : 505972

Place : Gurugram
Date : 27.06.2020

For **AND ON BEHALF OF BOARD OF DIRECTORS**
HARYANA LEATHER CHEMICALS LIMITED

PANKAJ JAIN
Managing Director-cum-Vice Chairman
DIN: 00206564

N.K. JAIN
Chairman

SILU NANDA
Company Secretary
Membership No.: 12872

Sukanto Choudhary
CFO

HARYANA
LEATHER CHEMICALS LTD.

STANDALONE STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

(Rupees in Thousands)

	Amount
A. Equity share capital	
(i) Balance at 1st April, 2018	**49,084.70**
(ii) Changes in equity share capital during the year	-
(iii) Balance at 31 March, 2019	**49,084.70**
(iv) Changes in equity share capital during the year	-
(v) Balance at 31 March, 2020	**49,084.70**

B. Other equity

	Reserve and surplus		
PARTICULARS	**General Reserve**	**Retained earnings**	**Total**
(a) Balance at 01 April, 2018	**47,167.72**	**198,480.17**	**245,647.89**
(i) Profit / (Loss) for the year	-	15,389.43	15,389.43
(ii) Intra Head Transfers	-	-	-
(iii) Dividend Paid	-	(3,926.78)	(3,926.78)
(iv) Dividend Distribution Tax	-	(799.40)	(799.40)
(v) Other comprehensive income for the year, net of income tax	-	-	-
(b) Total comprehensive income for the year ended 31 March, 2019	**47,167.72**	**209,143.42**	**256,311.14**
(vi) Profit / (Loss) for the year	-	20,937.94	20,937.94
(vii) Intra Head Transfers	-		-
(viii) Dividend Paid	-	(3,926.78)	(3,926.78)
(ix) Dividend Distribution Tax	-	(799.40)	(799.40)
(x) Other comprehensive income for the year, net of income tax	-	-	-
(c) Total comprehensive income for the year ended 31 March, 2020	**47,167.72**	**225,355.18**	**272,522.90**

See accompanying notes forming part of the financial statements 1-29

In terms of our report attached.

For **AKR & ASSOCIATES**
Chartered Accountants
ICAI FRN: 021179N

CA. KAILASH KUMAR
Partner
ICAI MRN: 505972

For **AND ON BEHALF OF BOARD OF DIRECTORS**
HARYANA LEATHER CHEMICALS LIMITED

PANKAJ JAIN
Managing Director-cum-Vice Chairman
DIN: 00206564

N.K. JAIN
Chairman

Place : Gurugram
Date : 27.06.2020

SILU NANDA
Company Secretary
Membership No.: 12872

SUKANTO CHOUDHARY
CFO

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5 (i)(a) Property, plant and equipment

(Rupees in Thousands)

Particulars	Land	Building	Plant & Machinery	Furniture, Fixture & Equipments	Vehicles	Total
Gross Block						
As at 31 March, 2018	**13,613.06**	**86,384.62**	**170,988.51**	**23,950.71**	**12,379.63**	**307,316.53**
Additions	186.37		3,732.37	164.01	5,548.39	**9,631.14**
Disposals	2,172.17				2,276.31	**4,448.47**
As at 31 March, 2019	**11,627.26**	**86,384.62**	**174,720.88**	**24,114.72**	**15,651.72**	**312,499.20**
Additions			5,664.29	255.40	1,156.74	**7,076.43**
Disposals	-				814.22	**814.22**
As at 31 March, 2020	**11,627.26**	**86,384.62**	**180,385.17**	**24,370.12**	**15,994.24**	**318,761.41**
Depreciation						
As at 31 March, 2018	**-**	**24,560.96**	**108,152.71**	**18,296.46**	**10,996.72**	**162,006.85**
Charge for the year	-	1,186.38	4,251.10	993.87	622.70	**7,054.06**
Disposals	-				1,809.62	**1,809.62**
As at 31 March, 2019	**-**	**25,747.34**	**112,403.81**	**19,290.33**	**9,809.79**	**167,251.27**
Charge for the year	**-**	1,233.43	4,205.88	897.67	807.36	**7,144.33**
Disposals					715.48	**715.48**
As at 31 March, 2020	**-**	**26,980.77**	**116,609.69**	**20,188.00**	**9,901.67**	**173,680.12**
Net Block						
As at 31 March, 2018	**13,613.06**	**61,823.66**	**62,835.80**	**5,654.25**	**1,382.91**	**145,309.68**
As at 31 March, 2019	**11,627.26**	**60,637.28**	**62,317.07**	**4,824.39**	**5,841.93**	**145,247.93**
As at 31 March, 2020	**11,627.26**	**59,403.86**	**63,775.48**	**4,182.13**	**6,092.58**	**145,081.31**

Notes:

1) The company has used deemed cost exemption under Ind AS 101 as on the date of transition to Ind AS.

5 (i)(b) Capital work-in-progress

Capital work in progress as at 31 March, 2020 is NIL (as at 31 March, 2019 Rupees NIL)

HARYANA LEATHER CHEMICALS LTD.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rupees in Thousands)

		As at 31 March, 2020	As at 31 March, 2019
5(ii)	**Other Financial Assets**		
5(ii)	**(a) Non-Current**		
	Current measured at amortised cost		
	Unsecured, considered good		
	Advance for Capital Assest	770.25	-
		770.25	**-**
5(ii)	**(b) Current**		
	Current measured at amortised cost		
	Unsecured, considered good		
	(a) Interest accrued but not due on loans and deposits	5,708.24	3,811.50
	(b) Staff Advance	538.35	703.40
	(c) Advances recoverable in cash or in kind	389.00	117.95
		6,635.59	**4,632.85**
5(iii)	**Other Assets**		
5(iii)	**(a) Non-Current**		
	Unsecured, considered good		
	(a) Security Deposits	721.41	443.35
	(b) Deposit for Flat	11,511.92	11,511.92
	(c) Other Deposits	212.62	217.62
		12,445.95	**12,172.88**
5(iii)	**(b) Current**		
	Unsecured, considered good		
	(a) Advance Income Tax (net of Provision)	55.95	1,269.65
	(b) Income Tax Refundable	1,269.64	637.76
	(c) Advance to Vendors	870.25	352.49
	(d) Prepaid Expenses	967.16	914.46
		3,163.00	**11,284.35**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rupees in Thousands)

		As at 31 March, 2020	As at 31 March, 2019
5 (iv)	**Inventories (valued at lower of cost and net realisable value)**		
	(a) Raw Material	18,041.98	17,603.94
	(b) Stores & Spares	350.00	414.08
	(c) Packing Material	1,452.35	1,306.88
	(d) Work in Progress	-	-
	(e) Finished Goods	11,849.52	9,484.40
		31,693.85	**28,809.29**

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.

5(v)	**Trade Receivables**		
	Current		
	(a) Unsecured, considered good	86,705.13	90,438.55
	(b) Doubtful	5,595.12	694.58
	(c) Allowance for doubtful debts (expected credit loss allowance)	-	-
		92,300.25	**91,133.12**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. There are customers who represents more than 5% of the total balance of trade receivable. The risk of non-payment from these customers is considered low as most of these balances relates to Government bodies / Goverment enterprises for which the default risk is considered low.

The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period. The provision matrix used to compute the expected credit loss allowance for different categories of trade receivables is as follows.

Ageing	Expected Credit Allowance %
0 - 1 year	0% - 50%
1 - 2 year	15% - 100%
2 - 3 year	40% - 100%
More than 3 years	70% - 100%

5 (vi) CASH AND CASH EQUIVALENTS

For the purposes of the standalone statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the standalone statement of cash flows can be reconciled to the related items in the standalone balance sheet as follows:

(a)	Balances with Banks		
	(i) on current accounts	9,844.18	702.08
	(ii) on dividend accounts	2,440.16	2,524.09
	(iii) Fixed Deposit / Margin Money Account	106,047.12	90,745.96
(b)	Cheques on hand	803.47	-
(c)	Cash on hand	43.04	34.06
Cash and cash equivalents as per balance sheet		**119,177.97**	**94,006.19**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rupees in Thousands)

	As at 31 March, 2020	As at 31 March, 2019
5 (vii) Share capital		
Authorised Shares Capital:		
6,000,000 Equity shares of Rs. 10 each (6,000,000 as at 31 March, 2017 and 6,000,000 as at 01 April, 2016)	60,000.00	60,000.00
Total authorised share capital	**60,000.00**	**60,000.00**
Issued, subscribed and fully paid up shares:		
4,908,470 Equity shares of Rs. 10 each (4,908,470 as at 31 March, 2017 and 4,908,470 as at 01 April, 2016)	49,084.70	49,084.70
Total issued, subscribed and fully paid up share capital	**49,084.70**	**49,084.70**

Notes :

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Ordinary Shares

Particulars	Year ended 31 March, 2020		Year ended 31 March, 2019	
	Number	Rupees in Thousands	Number	Rupees in Thousands
At the beginning of the year	4,908,470	-	4,908,470	-
Issued during the year	-	-	-	-
Outstanding at the end of the year	**4,908,470**	**-**	**4,908,470**	**-**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rupees 10 per share. Each holder of equity shares is entitled to one vote per share. Where dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the current and previous year, there has been no dividend proposed by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Equity Shares

Name of Shareholder	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pankaj Jain	751,780	15.32	751,780	15.32
ICAP SIRA Chemicals & Polymers SpA	768,470	15.66	768,470	15.66

As per records of the Company, including its register of share holders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Agreegate number of shares issued for consideration other than cash during the period of 5 years immediately proceeding the reporting date.

No shares issued during the period of 5 years immediately proceeding the reporting date.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rupees in Thousands)

	As at 31 March, 2020	As at 31 March, 2019
5 (viii) Other equity		
i) Reserve and Surplus		
(A) General Reserve		
Opening balance	47,167.72	47,167.72
Add : Transfer from Statement of Profit & Loss	-	-
Closing balance	**47,167.72**	**47,167.72**
(B) (Deficit)/Surplus in the statement of profit and loss		
Opening balance	209,143.42	198,480.17
Profit for the year ended	20,937.94	15,389.43
Transfer to General Reserve	-	-
Dividend Paid	(3,926.78)	(3,926.78)
Dividend Distribution Tax	(799.40)	(799.40)
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-
Net surplus in the statement of profit and loss	**225,355.18**	**209,143.42**
Total (A+B)	**272,522.90**	**256,311.14**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rupees in Thousands)

5 (ix) Deferred tax balances (Net)

	31 March, 2020	As at 31 March, 2019	As at 01 April, 2018	As at
(a) Deferred tax assets		-	-	-
(b) Deferred tax liabilities		10,607.00	9,508.25	8,663.18
		(10,607.00)	**(9,508.25)**	**(8,663.18)**

The following is the analysis of deferred tax assets/(liabilities)

Recognised in profit and loss account and other comprehensive income

Deferred tax assets/ (liabilities) in relation to:	As at 31 March, 2019	Credit / (Charge) to Profit or loss	Credit / (Charge) to Other Comprehensive Income	As at 31 March, 2020
Property, plant and equipment	(9,686.27)	(1,117.83)	-	(10,804.11)
Employee benefits	178.02	19.09	-	197.11
	(9,508.25)	**(1,098.74)**	**-**	**(10,607.00)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rupees in Thousands)

	As at 31 March, 2020	As at 31 March, 2019
5(x) (a) Non-Current Borrowings		
Term Loan		
- ICICI Bank Ltd. (car loan)	55.00	179.85
	55.00	**179.85**
5(x) (b) Current Borrowings		
Secured measured at amortised cost		
Working Capital Loans from Banks		
- CC (Stock) State Bank of India, New Delhi	380.84	2,807.62
	380.84	**2,807.62**
Current Portion of Term Loan		
- Sbi Loan	-	3,923.47
- ICICI Bank Ltd. (car loan)	124.85	113.09
	124.85	**4,036.56**
	505.69	**6,844.18**
5(xi) (a) Provisions-Non-Current		
Provision for Leave Encashment	479.38	419.39
	479.38	**419.39**
5(xi) (b) Provisions-Current		
(a) Provision for Leave Encashment	229.15	220.52
(b) Accrued Liability - Royalty	1,300.00	-
(c) Provision for Excise on Finished Goods	-	-
(d) Accrued Liability - Others	1,003.91	2,755.84
	2,533.06	**2,976.35**
5(xii) Trade Payable		
Current measured at amortised cost		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 18)	4,985.44	8,509.71
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	59,699.05	42,864.61
	64,684.49	**51,374.31**
Debit and Credit Balances in the accounts of suppliers and others are subject to confirmation and reconciliations.		
5(xiii) Other financial liabilities		
Current measured at amortised cost		
(a) Unclaimed Dividend	2,440.16	2,524.09
	2,440.16	**2,524.09**
5(xiv) Other Current Liabilities		
(a) Duties and Taxes	1,621.75	1,243.50
(b) Security from Customers	791.09	771.54
(c) Advance from Customers	3,615.69	909.54
(d) Other Payables (including Salary, Bonus, PF, ESI, Insurance payables)	2,327.26	5,139.77
	8,355.79	**8,064.35**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	(Rupees in Thousands) As at 31 March, 2020	As at 31 March, 2019
5 (xv) Revenue From Operations		
Sale of Manufactured Products		
Domestic Sales	263,444.69	277,485.07
Export Sales	86,814.27	91,199.28
	350,258.96	**368,684.35**
Earnings in Foreign Exchange		
Sale of Manufactured Products	86,814.27	91,199.28
5(xvi) Other Income		
(a) Interest income on deposits with Bank	7,051.04	6,043.37
(b) Balances written bank / off (Net)	109.97	45.42
(c) Profit on sale of assets (Net of Loss)	189.26	584.15
(d) Foreign Exchange Fluctuations (Gains)	1,069.43	2,398.62
(e) Scrap Sales	2,066.84	1,501.13
(f) Miscellaneous income	3,938.32	2,634.56
	14,424.86	**13,207.24**
5(xvii) Cost of Material Consumed		
(a) Imported	9,740.92	16,007.21
(b) Indigenous	220,891.60	233,375.95
	230,632.51	**249,383.16**
Value of Imports on CIF Basis in respect of :		
Raw Material	6,744.55	13,906.82
Components & Spare Parts	250.90	188.63
Capital Goods (including CWIP)	1,573.20	2,233.93
	8,568.65	16,329.38
5(xviii) Increase / Decrease In Inventories		
(a) Inventory at the beginning of the year		
Finished Goods	9,484.40	17,832.46
Stock in Process	-	2,668.92
Total A	9,484.40	20,501.38
(b) Inventory at the end of the year		
Finished Goods	11,849.52	9,484.40
Stock in Process	-	-
Total B	11,849.52	9,484.40
Net Change in Inventories (A-B)	**(2,365.12)**	**11,016.98**
5(xix) Employee Benefits Expense		
(a) Salaries, wages, bonus & incentives etc. (Net)	32,158.81	31,772.37
(b) Contribution to provident and other funds	1,393.02	1,604.38
(c) Workmen and Staff Welfare Expenses	1,757.03	1,604.92
(d) Gratuity	873.17	1,106.09
(e) Recruitment & Training Expenses	53.20	33.11
	36,235.23	**36,120.87**
5(xx) Finance Costs		
(a) Interest expense		
- on working capital loan	392.55	354.65
- on others	108.23	164.74
(b) Finance charges	420.56	577.45
	921.34	**1,096.84**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rupees in Thousands)

	As at 31 March, 2020	As at 31 March, 2019
5(xxi) OTHER EXPENSES		
(a) Power, fuel and water expenses	8,554.87	11,174.56
(b) Auditors' remuneration (See note (i) below)	378.34	377.74
(c) Damaged Material Written off	18.25	540.08
(d) Other debit balances W/off	2,938.50	75.48
(e) Director Sitting Fees.	78.40	64.00
(f) Insurance Expenses	945.74	1,145.09
(g) Postage & Telephone Expenses	1,491.44	1,420.75
(h) Printing Stationary Expenses	1,871.70	1,223.10
(i) Professional Charges	2,814.54	1,101.11
(j) Property Tax Expenses	96.97	187.21
(k) Research & Development Expenses	4,429.95	3,724.58
(l) Rent - Building / Other	1,126.84	1,301.73
(m) Repair & Maintanence Expenses	10,288.10	6,100.39
(n) Royalty Expenses	1,308.80	1,317.11
(o) Technical Services	990.00	1,023.75
(p) Marketing Expenses	16,504.50	15,903.83
(q) Miscellaneous Expenses *	167.38	270.26
(r) Travelling Expenses	4,443.10	2,962.69
(s) Vehicle Expenses	1,264.88	858.12
(t) Gardening Expenses	362.35	234.60
(u) Prior Period Item	67.45	217.87
(v) Offic Upkeep Expenses	1,442.73	955.86
(w) Loss by Fire	-	3,384.51
(x) Fire Fighting Expenses	1,830.20	-
(y) Corona safety Expenses	34.01	-
(z) Water Treatment Expenses	138.42	204.99
(aa) Licences & Renewals	270.00	48.75
	63,857.46	**55,818.14**

*Includes Donation Rs. 39.20 (P.Y. 37.30)

Note:

(i) Auditors' remuneration comprises (GST and Service Tax being Cenvatable, hence not included)		
(a) Statutory audit fee	330.00	330.00
(b) Certification and other services	20.00	10.00
(c) Expenses reimbursement	28.34	37.74
	378.34	**377.74**
(ii) Expenditure in Foreign Currency		
Travel, boarding and lodging		
- Directors	1,490.77	738.84
- Employees	761.38	715.92
	2,252.15	**1,454.76**
5(xxii) Income Tax Recognised In Profit And Loss		
Deferred tax charge / (credit)		
(a) In respect of the current year	1,098.74	845.07
	1,098.74	**845.07**
5(xxiii) Earnings per share (EPS)		
Basic		
Net Profit as per profit and loss account	20,937.94	15,389.43
Weighted average number of equity shares outstanding during the year	4,908.47	4,908.47
Earning per Share- Basic	**4.27**	**3.14**
Diluted		
Net Profit as per profit and loss account	20,937.94	15,389.43
Weighted average number of equity shares outstanding during the year	4,908.47	4,908.47
Earning per Share- Diluted	**4.27**	**3.14**
Nominal Value of Equity Share	**10**	**10**

HARYANA LEATHER CHEMICALS LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1) Nature of operations

Haryana Leather Chemicals Limited (the 'Company') was incorporated on 22nd January, 1985 as a Indo-Italian Joint Venture with ICAP-SIRA, Italy focusing on bringing leading product technology from technical alliances in Italy and Spain, resulting in an extensive range of chemicals, coatings and dispersions.

The registered office of the Company is located in HSIIDC Industrial Estate, Hansi Road, Jind-126102, Haryana and the corporate office of the Company is located at Signature Towers, South City – I,Gurugram-122001, Haryana.

2) Application of new and revised Ind ASs

On 16 February, 2015, the Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Rules, 2015. The rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and set out dates of applicability. Haryana Leather Chemicals Limited, to whom Ind AS is applicable from 01 April, 2017 as defined in the said notification, is required to apply the standards as specified in Companies (Indian Accounting Standards) Rules 2015 and accordingly the Company has adopted Ind AS from 01 April, 2017 with transition dates as on 01 April, 2016.

As at the date of authorisation of the financial statements, the Company has not applied the following revisions to the Ind AS that have been issued by MCA but are not yet effective:

Ind AS 102 (Amendment) Measurement of cash settled awards, modification of cash settled awards and equity settled awards that includes a 'net settlement' feature Ind AS 7 (Amendment)Disclosure of changes in liabilities on account of financing activities.

The directors of the Company do not expect that the adoption of the amendments to the standards will have an impact on the financial statements of the Company.

3) Significant accounting policies

3.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

3.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis.

Historical Cost is generally based on the fair value of the consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3.3 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, trade allowances for deduction, rebates, goods & service tax and amounts collected on behalf of third parties.

Operating Income

Revenue from sale of manufactured products is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects Goods & Service Tax (GST) and other taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest income

Interest income is recognized on accrual basis.

3.4 Foreign currencies

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 Ind AS 21 "The Effects of Changes in Foreign Exchange Rates."

3.5 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.6 Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and such grants can reasonably have a value placed upon them.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

3.7 Employee benefits

i) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans like provident fund and Employee State Insurance, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense' and "Finance Cost" respectively. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the company can no longer withdraw the offer of the termination benefit and when the company recognizes any related restructuring costs.

ii) **Short-term and other long-term employee benefits:**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional

amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and liability is determined using the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

iii) Contributions to provident fund

The Company makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined benefit scheme the contribution of which is being deposited with "Employees Provident Fund Organisation"; such contribution to the organisation additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall, if any has to be provided for as at the balance sheet date.

3.8 Taxation

i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

ii) **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing other evidence that sufficient taxable profit will be available. At the end of each reporting period, the company reassess unrecognized deferred tax assets and, the company recognizes a previously unrecognized Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable company and the same taxation authority.

iii) Current and deferred tax for the year

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

3.9 Property, plant and equipment (PPE)

For transition to Ind AS, The Company has elected to continue with the carrying value of all of its PPE recognized as of 01 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Land and Building held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold Land is not depreciated

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Components of costs

The cost of an asset includes the purchase cost including import duties and non-refundable taxes, borrowing costs if capitalization criteria are met and any directly attributable costs of bringing an asset to the location and condition of its intended use.

Subsequent expenditure related to an item of PPE is added to its carrying value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

The carrying amount of a PPE is de-recognized upon disposal of PPE or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Depreciation commences when the assets are ready for their intended use. Pursuant to the applicability of Schedule II of the Companies Act, 2013, depreciation on all PPE except land are provided on a straight line method based on the estimated useful life of PPE.

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

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 been increase by 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).

The useful life of PPE are reviewed at the end of each reporting period if the expected useful life of the asset changes significantly from previous estimates, the effect of such change in estimates are accounted for prospectively.

3.10 Inventories

Raw materials have been valued at cost on FIFO method.

Stores & Spares and Packing material have been valued at cost on FIFO method.

Work in Process has been valued at Raw material cost plus proportionate conversion cost.

Finished Goods lying at factory have been valued at Raw material cost plus conversion cost.

3.11 Provision

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the

present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.12 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.13 Segment Reporting

The Company is in the business of manufacturing of leather chemicals which is the only reportable business segment as per Ind AS 108 'Operating Segments'.

3.14 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares. For the purposes of calculating basic EPS, shares allotted to ESOP trust pursuant to employee share based payment plan are not included in the shares outstanding till the employees have exercised their rights to obtain shares after fulfilling the requisite vesting conditions. Till such time, the shares are allotted are considered as dilutive potential equity shares for the purposes of calculating diluted EPS.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

3.15 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.16 Financial Instrument

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair Value Through Profit & Loss (FVTPL).

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company,

and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognized in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Cash and cash equivalents (for the purpose of Cash Flow Statement)

Cash and cash equivalents in Cash Flow Statement comprise cash at bank and in hand and fixed deposits with banks, which are subject to an insignificant risk of changes in value.

5) Related party disclosures

Names of related parties and related party relationship

Key Managerial Personnel ('KMP')	(a) Mr. Pankaj Jain (Managing Director-cum-Vice Chairman)
	(b) Mr. N.K. Jain (Chairman)
Relatives of KMP	(c) Mrs. Sippy Jain
Enterprises owned or significantly influenced by key management personnel ('KMP') or their relatives (with whom transactions have been taken place)	(a) N.K. Jain Instruments Private Limited
	(b) Labotron Instruments Ltd.
	(c) Labotech Microscopes India Pvt. Ltd.
	(d) N.K. Jain Holdings & Finance Pvt. Limited

The schedule of Related Party Transactions is as follows:

		(Rupees in thousands)
Particulars	**Year Ended 31 March, 2020**	**Year Ended 31 March, 2019**
Transactions during the year		
Operating income		
Labotron Instruments Ltd.	-	143.39
N.K. Jain Instruments Private Limited	-	183.96
Rent paid		
N.K. Jain Holdings & Finance Pvt. Limited	296.34	264.00
Marketing Expenses		
Mrs. Sippy Jain	1865.00	1945.00

		(Rupees in thousands)
Balance outstanding at the year end	**Year Ended 31 March, 2020**	**Year Ended 31 March, 2019**
Balance payable		
N.K. Jain Holdings & Finance Pvt. Limited	92.10	43.20
Mrs. Sippy Jain	Nil	483.50

* Related Parties have been identified by the management.

Notes:

The above outstanding are unsecured and will be settled in cash. No expenses has been recognized in the current or prior years for bad or doubtful debt in respect of the amounts owned by related party.

6) Borrowings

i) Secured Loans

Short term borrowings **(Rupees in thousands)**

Particulars	Note	31 March, 2020	31 March, 2019
Working Capital Loan from SBI	(i)	380.84	2807.62
SBI Loan A/c	(ii)	NIL	3923.47
ICICI Bank Ltd	(iii)	124.85	113.09
Total		**505.69**	**6844.18**

a) Working Capital sanction limits is Rs 24000 thousand (P.Y. 34000 thousand) in current year from Banks are secured by First charge on stocks of Raw Materials, Semi-finished goods, Finished goods, Consumable stores,(Last year secured by First charge on stocks of Raw Materials, Semi-finished goods, Finished goods, Consumable stores and hypothecation of book debts). The Limits are further secured by Equitable Mortgage of Factory Land of the company. All secured & unsecured loans are further secured by personal guarantee of Managing Director of the Company.

7) Commitments:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Estimated amount of contracts remaining to be executed on capital account [net of advances]	Nil	Nil

8) Contingent liabilities (not provided for) in respect of:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Letter of Credit Outstanding for Import/Purchase of Raw Material, Spares, and Plant & Machinery	13.33	16.99

9) Employee Benefits Plan:

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

i) The Company has taken Group gratuity Policy from LIC and the fund value as on 31.03.2020 was Rs.9267.95 in thousands.

ii) The provision for Leave Encashment has been taken on the basis of actuarial valuation. As per the actuarial valuation report the provision for leave encashment has been determined as Rs. 708.52 thousands as on 31.03.2020.

iii) Contribution to provident fund are made in accordance with the provisions of Employee Provident Fund & Misc. Provisions Act, 1952 and charges to revenue every year and this is in conformity as per the requirements of Ind AS

10) Financial Instruments

i) Capital Management

The Company manages its capital to ensure that the company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net cash & bank balances (borrowings as detailed in notes 5(xviii), 5(xix) and 5(xiv) offset by cash and bank balances) and total equity of the company. The company is not subject to any externally imposed capital requirements.

ii) Categories of financial instruments

Financial assets	As at 31 March, 2020	As at 31 March, 2019
Measured at amortised cost		
(a)Cash and bank balances	119177.97	94006.19
(b) Trade Receivables	92300.25	91133.12
(c) Other Financial assets	7405.84	4632.85
Total	**218884.06**	**189772.16**

Financial liabilities	As at 31 March, 2020	As at 31 March, 2019
Measured at amortised cost		
(a) Borrowings	560.69	7024.03
(b) Trade payables	64684.49	51374.31
Total	**65245.18**	**58398.34**

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the company's maximum exposure to credit risk for such financial assets.

i) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets including market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Audit & Risk Committee manages the financial risk of the company through internal risk reports which analyse exposure by magnitude of risk.

Market Risk

The company's activities majorly do not expose to the financial risks of changes in interest rates and foreign currency exchange rates.

a) Interest rate risk management

The company is not exposed to interest rate risk because company borrow funds only at fixed interest rates and company also does not have any borrowings except working capital loan.

b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company takes due care while extending any credit as per the approval matrix approved by ECRM.

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note given below sets out details of additional undrawn facilities that the company has at its disposal to further reduce liquidity risk.

11) Earnings per share

	As at 31 March, 2020	As at 31 March, 2019
Basic/ Diluted earnings per share	**4.27**	**3.14**
Profit as per statement of profit and loss	20937.94	15389.43
Earning used in calculation of basic earnings per share	**20937.94**	**15389.43**
Weighted average number of equity shares in calculating Basic EPS	4908.47	4908.47

12) Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

(Rs. in Thousands)

Particulars	31 March, 2020	31 March, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
-Principal amount due to micro and small enterprises	4985.44	8509.71
-Interest due on above	-	-

The above information regarding dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. The management has confirmed

that none of the suppliers have confirmed that they are registered under the provision of the Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements. This has been relied upon by the auditors.

13) Exceptional Item:

Exceptional Item NIL (previous year Loss Rs. 33.84 thousand due to fire)

14) Previous year figures

Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

FOR AKR & ASSOCIATES
Chartered Accountants
ICAI FRN: 021179N

CA. KAILASH KUMAR
Partner
ICAI MRN: 505972
Place : Gurugram
Date : 27.06.2020

For and on behalf of the Board of Directors

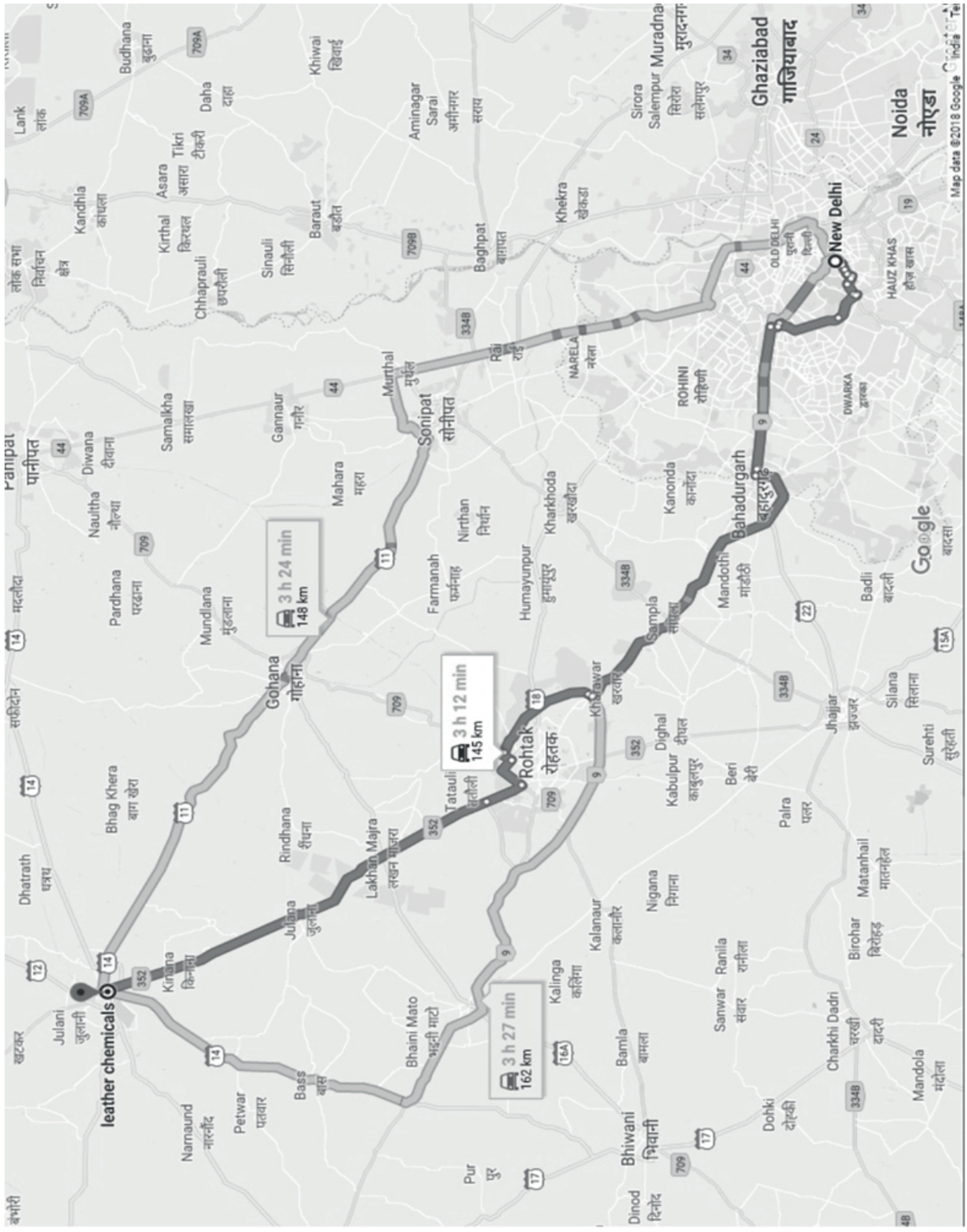
PANKAJ JAIN
MANAGING DIRECTOR
DIN: 00206564

N.K. JAIN
CHAIRMAN

SILU NANDA
Company Secretary
Membership No. 12872

Sukanto Choudhary
CFO

HARYANA
LEATHER CHEMICALS LTD.



HARYANA
LEATHER CHEMICALS LTD.

HARYANA LEATHER CHEMICALS LIMITED

Corporate Identity Number (CIN): L74999HR1985PLC019905
Registered Office: 72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102 (Hr.)
Telephone No.: +91-01681-226645; Fax No.: +91-01681-225101
Website: www.leatherchem.com. Email ID: info@leatherchem.com

35th Annual General Meeting on Friday, 20th November, 2020

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-126102 (HR.)

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

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 : ----------
   EmailID : ----------
   Signature:……....……,or failing him/her
3. Name : ----------
   Address : ----------
   Email ID : ----------
   Signature:……....…….

as my/our proxy to attendand vote (on a poll) for me/us and on my/our behalf at the Thirty Fifth Annual General Meeting of the Company to be held on Friday the 20th day of November, 2020 at 11.30 a.m. at the Registered Office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions

1. To consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2020 and the Statement of Profit & Loss Account for the Year ended as on that date together with the Reports of Auditors and Directors thereon.
2. To consider appointing a Director in place of Mrs Sippy Jain (DIN:03189151), who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Statutory Auditors of the Company.

Signed this.....day of....., 2020

Affix Revenue Stamp

Signature of Shareholder : .....

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 35th 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. Incase aproxy 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 LTD.

HARYANA LEATHER CHEMICALS LIMITED

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Registered Office: 72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102 (Hr.)
Telephone No.: +91-01681-226645; Fax No.: +91-01681-225101
Website: www.leatherchem.com. Email ID: info@leatherchem.com

ATTENDANCE SLIP

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

I hereby record my presence at the Thirty Fifth Annual General Meeting of the Company to be held on Friday the 20th day of November, 2020 at 11.30 a.m. at the Registered Office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102, 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
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Website: www.leatherchem.com. Email ID: info@leatherchem.com

Dear Share holder

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 share holders through electronic mode, to the registered email addresses of the share holders.

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 green environment.

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. If you are holding shares in physical form, you are requested to provide e-mail address by completing the 'E-communication Registration Form' attached here to and return the same to the Company

You can send the details to mguptacs@gmail.com

or

pnrajan@leatherchem.com

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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 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 : .....

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