

40th Annual Report | 2024-25



*To grow taller...
..we had to go greener*

an Italian joint venture with



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pankaj Jain
Managing Director

Mrs. Sippy Jain
Executive Director

Mr. N K Jain
Non-Executive Director

Mr. Vijay Kumar Garg
Non-Executive Director

Mr. Chinar Goel
Independent Director

Mr. Kanishk Gupta
Independent Director

Mr. Praveen Kumar Verma
Independent Director

Ms. Ritu Atri
Independent Director

VICE PRESIDENT & DIVISION HEAD- PVC ADDITIVES

Ms. Ratnam Jain

CHIEF FINANCIAL OFFICER & CHIEF OPERATING OFFICER

Mr. Sukanto Choudhury

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Yugank

STATUTORY AUDITORS

SC Deewan & Company
Chartered Accountants

SECRETARIAL AUDITORS

Neeraj Gupta
Company Secretaries

AUDIT COMMITTEE

Mr. Chinar Goel, Chairman
Mr. Kanishk Gupta, Member
Mr. Pradeep Kumar, Member
Ms. Ritu Atri, Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Chinar Goel, Chairman
Mr. Kanishk Gupta, Member
Mr. Pradeep Kumar, Member
Ms. Ritu Atri, Member

STAKEHOLDERS' RELATIONSHIP & INVESTORS GRIEVANCE COMMITTEE

Mr. Chinar Goel, Chairman
Mr. Kanishk Gupta, Member
Mr. Pradeep Kumar, Member
Ms. Ritu Atri, Member

REGISTRAR AND SHARE TRANSFER AGENT

RCMC Share Registry Pvt Ltd.
B-25/1, First Floor,
Okhla Industrial Area, Phase
2 New Delhi - 110 020

BANKERS

State Bank of India
ICICI Bank

INTERNAL AUDITORS

M/s. Prince Kumar & Associates
Chartered Accountants

CORPORATE IDENTITY NUMBER

L74999HR1985PLC019905

CORPORATE & REGISTERED OFFICE

1405 B, Signature Towers, South City I,
Gurgaon - 122001, Haryana, India

Tel: (+91)124 - 2739000

E-mail: info@leatherchem.com
Website: www.leatherchem.com

PLANT

72 - 77, HSIIDC Industrial Estate

Hansi Road, Jind - 126102, Haryana,
India

To view this report online, please scan the below QR code:



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Approach to Reporting

Our Integrated Report for FY 2024-25 provides relevant information to our shareholders and other stakeholders about the performance, governance, material risks and opportunities, strategy and future prospects of Haryana Leather Chemicals Limited.

Reporting period and boundary

The report, published annually, provides material information relating to the Company's strategy and business model,

operating context, material risks, stakeholder interests, performance, prospects and governance for the period between April 1, 2024 and March 31, 2025. The reporting boundary includes all offices and facilities.

Financial and non-financial reporting

The Report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

Approach to materiality

The Report focusses on information that is material to our business. It provides a concise overview of the Company's performance, prospects and ability to provide sustainable value for all its stakeholders. The legitimate interests of all stakeholders have been considered and all material information has been included in this Report.

Frameworks, guidelines and standards

This Report aligns with the principles and guidelines of the

- The Companies Act, 2013 (and the rules made thereunder)
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by The Institute of Company Secretaries of India
- Indian Accounting Standards

Our capitals

All organizations depend on various forms of capital for their value creation. Our ability to create long-term value is interlinked and fundamentally dependent on various forms of capitals available to us (inputs), how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).

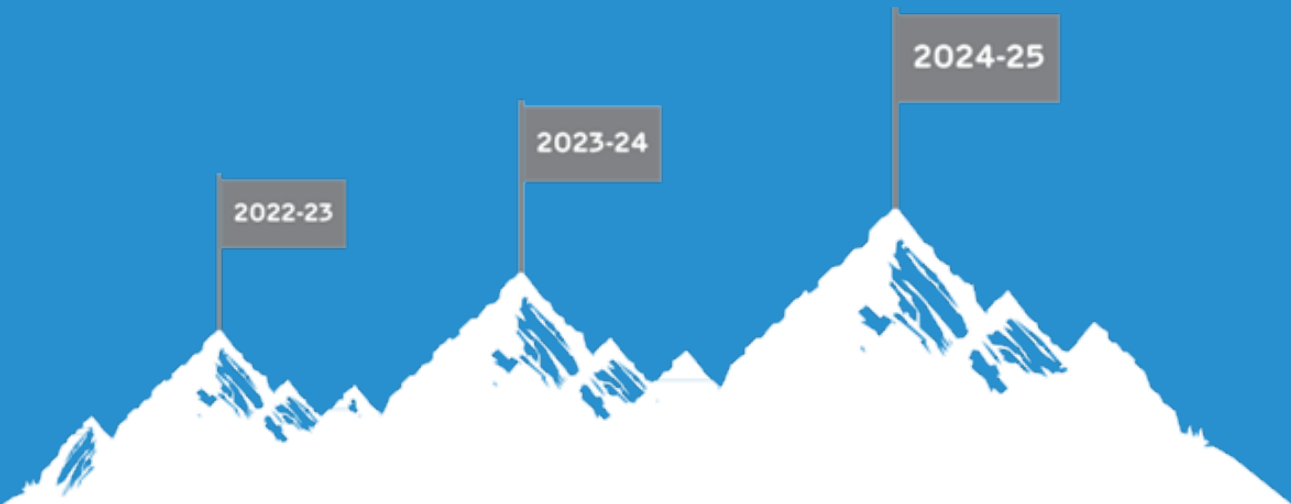
Forward-looking statements

Certain statements in this document constitute 'forward-looking statements', which involve known and unknown risks and opportunities, other uncertainties and important factors that could turn out to be materially different following the publication of actual results. These forward-looking statements speak only as of the date of this document. The Company undertakes no obligation to update publicly, or release any revisions, to these forward-looking statements, to reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated event

Global Presence



Monumental Success is not merely about reaching a new heights but shattering previous boundaries and redefining what is possible .It embodies the epitome of human potential, where individuals or entitites transcend conventional limites to achieve extraordinary feats . Such achievemnet become landmarks in history, inspiring generations and setting new benchmarks for excellence.



MD Message



**Mr. Pankaj Jain,
Managing Director,**

Dear Valued Stakeholders,

It is with great satisfaction that I present to you the Annual Report of Haryana Leather Chemicals Limited for the financial year 2024-25. This year has been one of steady progress, strategic realignment, and focused execution, all aimed at reinforcing our position as a trusted name in the leather chemicals industry.

Despite a challenging global environment, our company has demonstrated robust growth and operational strength. We successfully stabilized our production capacities, expanded our product portfolio, and entered new markets—reinforcing our position as a reliable and forward-thinking player in the specialty chemicals sector.

At Haryana Leather Chemicals, we remain committed to our core values of innovation, quality, and sustainability. Over the past year, we have made significant strides in stabilizing our production capacities, optimizing operational efficiencies, and expanding our product offerings to meet evolving market demands. These efforts have allowed us to achieve meaningful growth while maintaining strong relationships with our customers, suppliers, and partners.

One of our key achievements this year has been the successful introduction and market acceptance of new-generation leather chemical formulations that are more eco-friendly and performance-driven. This reflects our long-standing commitment to responsible manufacturing and aligns with global trends toward sustainable leather processing.

Our dedicated team, supported by our state-of-the-art R&D and technical service capabilities, has played a pivotal role in meeting the challenges of a dynamic marketplace. I would also like to acknowledge and appreciate the trust and support of our stakeholders—our employees, clients, shareholders, and business associates—who continue to be the foundation of our growth.

As we look forward, our strategic priorities will focus on expanding our domestic and export reach, enhancing technological capabilities, and strengthening partnerships across the value chain. We remain confident that with continued resilience and innovation, Haryana Leather Chemicals will continue to deliver value and contribute meaningfully to the industry.

Thank you for your continued trust in us.

Warm regards,

Pankaj Jain

Vice - President Message



Ratnam Jain

(Vice President & Division Head – PVC Additives)

Dear Stakeholders,

With Akrelon series, we are driven by a singular vision—to provide high-performance specialty chemicals that empower the PVC industry in India and beyond. The launch of our new PV C additives in 2024 marks a new chapter in our **commitment to innovation, quality, and customer-centric solutions**.

The year 2024-25 has been a landmark period for the PVC Additives Division, marked by significant achievements in product innovation, scale up, and market penetration. Through focused R&D and continuous process optimization, we successfully developed and commercialized a range of advanced additives—engineered to meet the high-performance demands of PVC processing industries. A key milestone this year was the successful stabilization of our manufacturing capacities, ensuring consistent output and high product quality across all batches.

Our products were strategically introduced into the market and have been well-received, competing effectively with leading foreign brands on both performance and cost-efficiency. This encouraging response from customers reflects our ability to deliver globally competitive solutions from an indigenous platform. The division's achievements are a testament to the dedication of our technical and commercial teams, and to the company's commitment to technological self-reliance.

Looking ahead, we see strong growth potential driven by rising demand of PVC Additives across infrastructure, construction, electrical, and packaging sectors. Our roadmap includes further capacity expansion, deepening customer engagements, and exploring export opportunities. With innovation at the core and sustainability as our guiding principle, the PVC Additives Division is poised to play a pivotal role in the company's growth trajectory in the years to come.

Warm regards,

Ratnam Jain

Notice of 40th Annual General Meeting Haryana Leather Chemicals Limited

CIN: L74999HR1985PLC019905

Registered Office: 72-77, HSIDC Industrial Estate Hansi Road Jind,
Haryana, Haryana, India, 126102

Phone: (01681) 225662

Corporate Office: 1405 B, Signature Towers, South City I,
Gurgaon – 122001, Haryana, India

Phone: (+91) 0124 426 4825

Website: www.leatherchem.com

Notice

Notice is hereby given that the **Fortieth Annual General Meeting (AGM)** of the members of Haryana Leather Chemicals Limited ('the Company') will be held on **Saturday, September 13, 2025**, at 1:00 pm IST through video conferencing (VC) and/or other audio-visual means (OAVM), without in-person presence of shareholders.

In view of the circulars issued by the Ministry of Corporate Affairs (MCA) dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022, September 25, 2023 and September 9, 2024 (hereinafter referred to as the circulars), companies are permitted to conduct the AGM through VC/OAVM, subject to compliance of various conditions mentioned therein. In keeping with the circulars, the Board of Directors has approved holding of the 40th AGM through VC and/or OAVM.

Notice is hereby given that the following business will be transacted at the AGM:

Ordinary Business

1. ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt:

The Audited Financial Statements of the Company for the year ended March 31, 2025, together with the reports of the Board of Directors and the auditors thereon, and

"RESOLVED THAT pursuant to the provisions of Section 134, 137 and other allied provisions of the Companies act 2013 and amended thereof from time to time from being enforced, the Audited Financial statements of the Company for the Financial year ended March 31st, 2025 and Report of Board of Directors and Auditors thereon laid before this meeting be and are hereby considered and adopted."

2. DECLARATION OF DIVIDEND

To declare final dividend on equity shares of Rs. 1 per equity share and to approve and confirm the declaration and payment of dividend share for the year ended March 31, 2025.

"RESOLVED THAT dividend at the rate of Rs. 1/- (Rupees one only) per equity share of Rs. 10/- each (on fully paid up equity shares and partly paid-up equity shares in proportion to their share in the paid-up equity share capital), as recommended by the Board of Directors, be and is hereby declared for the financial year ended 31st March 2025."

3. RETIREMENT BY ROTATION OF MR. PANKAJ JAIN (DIN: 00206564).

To approve re-appointment of Mr. Pankaj Jain who retires by rotation and being eligible, offers herself for re-appointment, and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Pankaj Jain (DIN: 00206564), who retires by rotation at this meeting and being eligible for reappointment, be and is hereby re-appointed as Director of the Company."

4. TO APPROVE THE RE-APPOINTMENT OF THE MRS. SIPPY JAIN (DIN: 03189151) AS A WHOLE TIME DIRECTOR

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 203, Schedule V and other applicable provisions if any, of the Companies Act, 2013 ("the Act") and the rules framed thereunder and applicable provisions of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), on the basis of the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors, the approval of the members be and is hereby accorded for the re-appointment of Mrs. Sippy Jain (DIN : 03189151) as a Whole-time Director of the Company for an another period of five (5) year with effect from **July 30, 2025 to July 29, 2030** whose period of office shall be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board or any committee of the Board of the Company thereof be and is hereby further authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion consider necessary, expedient or desirable and to settle any question or difficulties or doubts that may arise in relation thereto and to authorize one or more representatives of the Company to carry out any or all of the activities that the Board is authorized to do for the purpose of giving effect to this Resolution."

SPECIAL BUSINESS:

5. APPOINTMENT OF SECRETARIAL AUDITORS

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, **M/s Neeraj Gupta & Associates** a firm of Practicing Company Secretaries (CP No. 4006 & Membership. No- F-5720), be and is hereby appointed as the Secretarial Auditors of the Company, for a term of five consecutive financial years commencing from April 1, 2025 till March 31, 2030, at such remuneration as may be determined by the Board of Directors of the Company (including its Committee thereof) in consultation with the Secretarial Auditors.

"RESOLVED FURTHER THAT the Board of Directors & Company Secretary of the Company (including its Committee thereof), be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution".

6. CONTINUATION OF MR. VIJAY KUMAR GARG (00236460) AS A NON- EXECUTIVE DIRECTOR OF THE COMPANY

To consider, and if thought fit, to pass the following resolution as an **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and based on the recommendation made by the Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution), approval of the Members of the Company be and is hereby accorded for continuation of Mr. Vijay Kumar Garg (DIN: 00236460), who has attained the age of 75 (Seventy Five) years, as a Non-executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board

For Haryana Leather Chemicals Limited

Date: 30th July, 2025

Place: Gurugram

Yugank

**Company Secretary & Compliance Officer
ACS 70463**

NOTES

For joining the AGM through VC/OAVM:

1. Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold EGM/AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, AGM shall be conducted through VC / OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.leathercchem.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time .

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Wednesday, 10th September, 2025 at 9.00 A.M and ends on Friday, 12th September, 2025 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date i.e. Saturday, 6th September, 2025 cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Saturday, 6th September, 2025 .

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual

shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. - Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

Your User ID is:

- a) For Members who hold shares in demat account with NSDL.
8 Character DP ID followed by 8 Digit Client ID
For example, if your DP ID 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 is 12***** 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. Password details for shareholders other than Individual shareholders 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 to 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 mailbox. 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
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 evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - 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 check box.
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 and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (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 to amadelhioffice@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
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.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request at evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@rungtairrigation.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@rungtairrigation.in If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

Members are encouraged to join the Meeting through Laptops for better experience.

2. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
3. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@rungtairrigation.in The same will be replied by the company suitably.
5. Registration of Speaker related point needs to be added by company.

Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id i.e. yugank@leatherchem.com. The company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

Company	:	Haryana Leather Chemicals Limited Regd. Office: "72 - 77, HSIIDC Industrial Estate, Hansi Road, Jind - 126102, Haryana, India CIN: L74999HR1985PLC019905 E-mail IDs: yugank@leatherchem.com
Registrar and Transfer Agent	:	RCMC Share Registry Pvt. Ltd. B-25/1, First Floor, Okhla Industrial Area, Phase - 2 Ph: 011-35020465,35020466
e-Voting Agency	:	National Securities Depository Limited E-mail ID: evoting@nsdl.co.in Phone: 1800-222-990
Scrutinizer	:	CS Manoj Gupta Practicing Company Secretary E-mail ID: mguptacs@gmail.com

Instructions related to the payment of final dividend for the year ending March 31, 2025

1. The register of members and share transfer books of the company will remain closed from **Sunday, 7th September, 2025, to Saturday, 13th September, 2025** (both days inclusive).
2. Dividend as recommended by the Board of Directors, if declared at the AGM, shall be paid within 30 days from the date of AGM subject to the shareholders approval.
 - (i) to those members whose names appear on the Register of Members of the company after giving effect to all valid transfers in physical form lodged with the company and its Registrar and Transfer Agents before **Friday, 29th August, 2025** ; .

(ii) in respect of shares held in electronic form, on the basis of beneficial ownership as per

the details furnished by the NSDL and CDSL at the close of business hours on before Saturday, 30th August, 2025 ;

Efforts are underway to update PAN and bank account details of shareholder(s) as required by SEBI. The regulator, vide circular dated November 3, 2021, and December 15, 2021, has mandated holders of physical securities to furnish PAN, KYC and nomination details. Members are requested to submit their PAN, KYC and nomination details to the Company's registrars through the forms available at <https://www.leatherchem.com/pdf/Important-Announcement-to-Physical-Shareholders-.pdf>. Haryana Leather Chemicals Limited has sent communications in this regard to eligible shareholders

Members are requested to note that the company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform about the change of address and updates of bank account(s) to their respective Depository Participants. Members holding shares in the physical form are requested to advise such changes to the company's Registrar and Transfer Agent, M/s. RCMC Share Registry Pvt. Ltd. Members are encouraged to use the Electronic Clearing Services (ECS) for receiving dividends.

3. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members and the Company is required to deduct TDS from dividend paid to the Members at rates prescribed in the Income-Tax Act, 1961 (IT Act). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number (PAN), Category as per the IT Act with their DPs or in case shares are held in physical form, with the Company/ RTA.
4. Mandatory updation of PAN, KYC, bank details, specimen signature and nomination details prior to processing the payment of dividend: Pursuant to SEBI Master Circular dated May 7, 2024 issued to the Registrar and Transfer Agents and SEBI Circular dated November 17, 2023, as amended, SEBI has mandated that, with effect from April 1, 2024, dividend to the security holders holding shares in physical mode shall be paid in electronic mode only and if the folio is KYC Compliant. A folio will be considered as KYC compliant on registration of all details viz. full address with pin code, mobile no., email address, bank details, valid PAN linked to Aadhaar of all holders in the folio, specimen signature, nomination, etc. Relevant FAQs have been published by SEBI in this regard which can viewed at www.sebi.gov.in/sebi_data/faqfiles/sep2024/1727418250017.pdf.
5. Updation of mandate for receiving dividend directly in bank account through Electronic Mode or any other means in a timely manner: Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, mandates, nomination, power of attorney, bank details, bank account number, MICR code, IFSC, etc. as under:

Shares held in physical form: Members holding shares in physical form are requested to send the following details/documents to the Company's RTA, at RCMC Share Registry Pvt. Ltd. B-25/1, First Floor, Okhla Industrial Area, Phase - 2 New Delhi - 110 020 latest by **Friday, August 29, 2025**:

- a. Form ISR-1 along with supporting documents. The said form is available on the website of the Company at <https://www.leatherchem.com/investors> and on the website of the RTA at <https://www.rcmcdelhi.com/downloads.html>.
- b. Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the Cancelled cheque in original along with Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the

account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch.

- c) Self-attested copy of the PAN Card of all the holders; and
- d) Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

Shares held in electronic form: Members holding shares in electronic form may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not be able to accede to any direct request from such Members for change/ addition/ deletion in such bank details. Accordingly, Members holding shares in electronic form are requested to ensure that their Electronic Bank Mandate is updated with their respective DPs latest by **Friday, August 29 2025**.

6. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/ Claimants are requested to claim their dividends from the Company within the stipulated timeline. The Members whose unclaimed dividends/shares have been transferred to IEPF may claim the same by approaching the Company or RTA for issuance of Entitlement Letter on submission of required documents. The Members may then make an application to the IEPF Authority, in web Form IEPF-5 (available on www.iepf.gov.in) by attaching the Entitlement Letter and other documents. The details of unclaimed dividend transferred to IEPF have been provided in the Report on Corporate Governance forming part of the Annual Report FY25.

The company has transferred the unclaimed or un-encashed dividends for financial years up to 2017 to the Investor Education and Protection Fund (IEPF) established by the central government. The company transfers the unclaimed or un-encashed dividend to IEPF after the expiry of seven years from the date of transfer to unpaid dividend account.

Members who would like to express their views/ ask questions as a Speaker at the AGM may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number to yugank@leatherchem.com between Thursday, September 4th , 2025 (9:00 a.m. IST) and Sunday, September 7th , 2025 (5:00 p.m. IST). Only those Members who have pre-registered themselves as Speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Further, the sequence in which the Members will be called upon to speak will be solely determined by the Company.

Date: 30th July, 2025

Place: Gurugram

By order of the Board

For Haryana Leather Chemicals Limited

Yugank

Company Secretary & Compliance Officer

ACS 70463

ANNEXURE TO NOTICE

Explanatory Statement Pursuant To Section 102 Of The Companies Act, 2013

Item number 5

Pursuant to provisions of Section 204 of the Companies Act, 2013, and relevant rules thereunder, read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), every listed company is required to annex with its Board's Report, a secretarial audit report, issued by a Practicing Company Secretary. For this purpose, the Board of Directors of the Company had appointed M/s Neeraj Gupta & Associates a firm of Practicing Company Secretaries, as Secretarial Auditors of the Company for the financial year 2024 and they have issued their report which is annexed to the report of the Board of Directors of the Company as a part of the Annual Report.

SEBI vide its notification dated December 12, 2024, amended the SEBI Listing Regulations, 2015. The amended regulations require companies to obtain shareholders' approval for appointment of Secretarial Auditors, in addition to approval by the Board of Directors. Further, such Secretarial Auditor must be a peer reviewed company secretary and should not have incurred any of the disqualifications as specified by SEBI.

In light of the aforesaid, the Board of Directors of the Company, pursuant to the recommendations of the Audit Committee, has recommended appointment of M/s Neeraj Gupta & Associates, a firm of Practicing Company Secretaries, as the Secretarial Auditors of the Company for a term of five consecutive financial years commencing from April 1, 2025 till March 31, 2030.

Furthermore, in terms of the amended regulations, M/s Neeraj Gupta & Associates has provided a confirmation that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate. M/s Neeraj Gupta & Associates has confirmed that they are not disqualified from being appointed as Secretarial Auditors and that they have no conflict of interest. M/s Neeraj Gupta & Associates has further furnished a declaration that they have not taken up any prohibited non-secretarial audit assignments for the Company, its holding and subsidiary companies.

The proposed remuneration to be paid to M/s Neeraj Gupta & Associates for the financial year ending March 31, 2026, is 20,000/- (Rupees Twenty Thousand only) plus applicable taxes and out of pocket expenses. Besides the audit services, the Company would also obtain certifications which are to be mandatorily received from the Secretarial Auditors under various statutory regulations from time to time, for which the auditors will be remunerated separately on mutually agreed terms. The Board of Directors and the Audit Committee shall approve revisions to the remuneration of the Secretarial Auditors, for the balance part of the tenure based on review and any additional efforts on account of changes in regulations, restructuring or other considerations.

The Board of Directors in consultation with the Audit Committee may alter or vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Secretarial Auditors.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in this resolution. The Board recommends the Ordinary Resolution set out at item number 4 of the notice for approval by the members.

Item number 6

In terms of the Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') with effect from 1st April 2019, no listed Company shall appoint or continue the appointment of a non-executive director, who has attained the age of 75 years, unless a special resolution is passed to that effect.

Mr. Vijay Kumar Garg (DIN: 00236460) has attained the age of 75 years in December 2026. In terms of provisions of the Companies Act, 2013, Mr. Vijay Kumar Garg is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. Mr. Vijay Kumar Garg is in good health and of sound and alert mind. The Board of Directors ('the Board') is confident about his being able to function and discharge his duties in an able and competent manner.

Based on the recommendation of the Nomination and Remuneration Committee and taking in account Mr. Vijay Kumar Garg's seniority, expertise and vast experience, which has immensely benefited the Company, the Board considered and approved the continuation of Mr. Vijay Kumar Garg as a Non-executive Director of the Company, liable to retire by rotation.

Brief profile of Mr. Vijay Kumar Garg

Mr. Vijay Kumar Garg was associated with the company 22nd July 2003. Since his association he provides valuable outputs to the company and bring lots of valuable inputs on the Board of the company. He has a vast experience in chemicals and business expansion.

The disclosures relating to Mr. Vijay Kumar Garg, as required under the SEBI Listing Regulations are set out as an Annexure to this Notice.

The Board recommends the Special Resolution set out at Item No. 6 of this Notice for the approval by the Members.

Except, Mr. Vijay Kumar Garg and their respective relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel and their respective relatives are in anyway concerned or interested, financially or otherwise, in the said resolution.

ANNEXURE TO THE NOTICE

Additional information on the director recommended for appointment / reappointment as required under Regulation 36(3) of the SEBI Listing Regulations, 2015, and Secretarial Standard 2 on General Meetings

Particulars	Mr. Pankaj Jain (Retiring by rotation)	Mrs. Sippy Jain	Mr. Vijay Kumar Garg
Age	69	67	74
Qualifications	B.tech from Punjab University	Master Degree in Literature and Diploma in Textile Engineering	Graduate
Experience (including expertise in specific functional area)/ Brief Resume	He is so passionate for the Chemicals. He took charge as Managing Director of the Company on 04th February 2013. He conceptualized the idea of setting up Haryana Leather Chemicals Limited Under his leadership the Company is well established and earned name and fame. He is devoting his full time in growth and diversification of the Company. He designed the Organization structure, work allocation and overall control system of the Company. He is instrumental in the growth and diversification of the Company. Mr. Pankaj Jain hard work leads company on the global level and now has its presence worldwide.	Mrs. Sippy Jain has a Master Degree in Literature and Diploma in Textile Engineering and was appointed as the Manager- graphic Design of the Company in the year 2007 Looking at her capabilities and experience in designing, visualizing of promotion materials for marketing of Leather Chemicals in India and abroad and her contribution and working in the Company is commendable and helping the company.	Mr. Vijay Kumar Garg was associated with the company 22nd July 2003. Since his association he provides valuable outputs to the company and bring lots of valuable inputs on the Board of the company. He has a vast experience in chemicals and business expansion.
Terms and Conditions of Appointment/ Re-Appointment	Retiring by rotation and eligible for Re- appointment	Re- appointment as Whole -time Director	Proposed to be appointed as a Non-Executive Director, liable to retire by rotation
Date of first Appointment on the Board	04 th February,2013	10 th August,2010	22 nd July.2003
Shareholding as on 31 st March 2025	15.32 (75,1,780 equity shares)	3.13 % (1,53,626)	NA
Relationship with other Directors/ Key Managerial Personnel	Husband of Mrs. Sippy Jain	Wife of Mr. Pankaj Jain	NA
Number of meetings of the Board attended during the year 2023-24	6	6	1
Directorships in other Listed / Public Companies	NIL	NIL	NIL
Membership/Chairmanship of Committees in other Listed Companies.	NIL	NIL	NIL

Note: Pursuant to Regulation 26 of the SEBI Listing Regulations only two committees, viz. Audit Committee and Stakeholders Relationship Committee have been considered.

DIRECTORS' REPORT

Dear Shareholders

Your directors are pleased to present the 40th Annual Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2025 ("FY 2024-25/ FY25").

Financial Performance

The Audited Financial Statements of your Company as on March 31, 2025, are prepared in accordance with the relevant applicable Indian Accounting Standards ("Ind AS") and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the provisions of the Companies Act, 2013 ("Act").

The summarized financial highlight is depicted below:

(Rs. In Lakhs)

Particulars	Current Year ended 31.03.2025	Previous Year ended 31.03.2024
Net Revenue	4902.95	4442.19
Add: Other operating income	169.52	355.32
Total Income	5072.47	4797.51
Profit before Interest, Depreciation, Exceptional items & Taxation	424.04	651.13
Less: Depreciation	90.03	86.64
Add: Exceptional items (Net)	-	-
Profit/(Loss) before Tax	334.01	564.49
Add: Tax expenses (Net)	104	102.67
Profit after Tax/(Loss)	230.01	461.82
(Less)/ Add: Other Comprehensive Income	0	0
Total Comprehensive Income	230.01	461.82

Notes:-

1. There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year and the date of this report.
2. Previous year figures have been regrouped/re-arranged wherever necessary.
3. There has been no change in nature of business of your Company.

Company's Plants And Operations

Plant Locations:

72-77, HSIIDC Industrial Estate,
Hansi Road, Jind - 126102, Haryana, India

Operational Highlights

The total income from operations for the year ended 31st March, 2025 aggregated to Rs. **5072.47 Lakhs** as compared to Rs. **4797.51 Lakhs** in the previous year. The company was able to earn a profit after tax of Rs. **230.01 Lakhs**.

The operation resulted in profit before exceptional items, tax and regulatory deferral account balances for the year under review of Rs. **424.04 Lakhs** as compared to profit of Rs. **651.13 Lakhs** in the previous year. Exceptional items for the year under review was nil.

No material changes and commitments which affect the financial position of the Company have occurred after the close of the year under review till the date of this Report

Dividend

Based on the Company's performance, the Board recommended a dividend of Rs.1 per share of Rs 10 Per Share, subject to the approval of the Members. The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ` Rs 49.08 Lacs. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members effective April 1, 2020, and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at rates prescribed as per the Income-Tax Act, 1961. The Record date for the purpose of the final dividend for the financial year ended March 31, 2025, is 49.08 Lacs .

Transfer To Reserves

The Board of Directors has decided to retain the entire number of profits for FY 2024-25 in the retained earnings.

Share Capital

During the year under review, there was no change in the authorized and paid-up share capital of the Company. The paid-up Equity Share Capital of the Company as on 31st March, 2025, was Rs. 49,08,4,700 divided into 49,08,470 Equity Shares of Rs.10/- each

Also, Your Company has not issued any:

- o Shares with differential
- o Sweat equity shares
- o Equity shares under Employees Stock Option Scheme

Public Deposits

There were no outstanding deposits within the meaning of Section 73 and 74 of the Act read with rules made thereunder at the end of FY25 or the previous financial years. Your Company did not accept any deposit during the year under review.

Material Subsidiaries

As on March 31, 2025 the Company had no material subsidiaries. Your Company has formulated a policy for determining Material Subsidiaries. The policy is available on your Company's website and link for the same is given in Corporate Governance Report.

SPECIALITY PRODUCTS

The company has sustained its growth and market ranking due to specialty products -both in leather chemicals and PVC additives division.

Leather Chemicals: The company continues its market leadership in fat liquor for gloving and upholstery. Our product NOUVOL SR and its variants are market leaders. The new pigment series NANOLUX that was launched a year ago has been accepted for high end applications as a specialty product. NANOLUX Deep Black and NANOLUX Ultra-white have proven their performance against world leaders like STAHL and SOMMER. The company is aiming to place NANOLUX as a top end specialty product that will boost the company's image.

PVC Additives: Since the launch of PVC additives in 2024: mainly Acrylic Impact Modifier (AIM) and Acrylic Processing Aid (PA), the company's R&D and marketing team have worked in close coordination to benchmark the product performance to beat the best in the segment. The company has received very encouraging results on AIM and its AKRELON 405 is emerging as a specialty product. The company is likely to command a leading role amongst indigenous producers as the AKRELON 405 has received widespread acceptance across India's leading PVC processors. The trademark AKRELON has also been registered under no. 6400777 dated 23rd April 2024.

Directorate And Key Managerial Personnels

As of March 31, 2025, your Company's Board had Eight (8) members comprising of two (2) Executive Directors, two (2) non-executive and four (4) Independent Directors, including one Woman Director. The details of Board and Committee composition, tenure of directors, and other details are available in the Corporate Governance Report, which forms part of this Annual Report.

In terms of the requirement of the Listing Regulations, the Board has identified core skills, expertise, and competencies of the Directors in the context of the Company's business for effective functioning. The key skills, expertise and core competencies of the Board of Directors are detailed in the Corporate Governance Report, which forms part of this Integrated Annual Report.

Appointment/Re-appointment/Cessation/Change in Designation of Directors and Key Managerial Personnel

During the year under review, following changes took place in the Directorships and Key Managerial Personnel

- a) Mr. Pankaj Jain (DIN: 00206564) shall retire by rotation at the ensuing Annual General Meeting and are eligible and have offered themselves for re-appointment.
- b) Re-appointment of Mr. Pankaj Jain, (DIN: 00206564) as Managing Director of the Company for a further period of five years from 2nd April, 2025 to 1st April 2030 and same was approved by the Shareholders through postal ballot.
- c) Appointment of Mr. Chinar Goel, (DIN: 00486730) as an Independent Director of the Company for a term of five consecutive year.
- d) Appointment of Mr. Kanishk Gupta (DIN: 02243899) as an Independent Director of the Company for a term of five consecutive year.
- e) Appointment of Ms. Ritu Atri (DIN: 09596000) as an Independent Director of the Company for a term of five consecutive year.
- f) Appointment of Ms. Pradeep Kumar Verma (DIN: 10749814) as an Independent Director of the Company for a term of five consecutive year
- g) After closure of Financial Year, the Board of Director on the recommendation of Nomination and remuneration committee has approved re-appointment of Ms. Sippy Jain (DIN: 03189151) as Whole Time Director w.e.f. 30th July, 2025 to 29th July, 2030
- h) Mr. Silun Nanda resigned from the Company Secretary of the company w.e.f 30th September, 2024.
- i) Mr. Yugank was appointed as Company Secretary of the company w.e.f 06th October, 2024.

Re- Appointment of retiring Directors

In accordance with the provisions of Section 152 of the Act, read with rules made thereunder and Articles of Association of your Company, Mr. Pankaj Jain (DIN: 00206564) is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re- appointment.

The Board recommends the re-appointment of Mr. Pankaj Jain as Director for your approval. Brief details as required under Secretarial Standard-2 and Regulation 36 of SEBI Listing Regulations, are provided in the Notice of AGM.

Number of meetings of the Board of Directors

The Board met 6 (Six) times during the year under review. The intervening gap between the meetings did not exceed 120 days, as prescribed under the Act and SEBI Listing Regulations. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Integrated Annual Report.

Statement on declaration given by Independent Directors

Your Company has received declarations from all the Independent Directors of your Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an Independent Director. The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The Independent Directors of your Company have confirmed that

- (a) they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 of the

Listing Regulations 2015, and

- (b) they are not aware of any circumstance or situation, which could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions prescribed under the Listing Regulations 2015 and are independent of the management of the Company.

Independent Directors

In terms of Section 149 of the Act, Mr. Chinar Goel, Ms. Ritu Atri, Mr. Kanishk Gupta & Mr. Pradeep Kumar Verma are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the Management. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

The Board is of the opinion that all Directors including the Independent Directors of the Company possess requisite qualifications, integrity, expertise and experience in the fields of science and technology, digitalization, strategy, finance, governance, human resources, safety, sustainability, etc. The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Key Managerial Personnel:

As on the date of this report, the following are Key Managerial Personnel ("KMPs") of the Company as per Sections 2(51) and 203 of the Act:

- Mr. Pankaj Jain, Managing Director
- Mrs. Sippy Jain, Whole time Director, Executive Director
- Mr. Sukanto Choudhury, Chief Financial Officer
- Mr. Yugank, Company Secretary

Nomination & Remuneration Policy

As per provisions of the SEBI (Listing Obligation and Disclosure Requirement) (Amendment) Regulation, 2018, which had come into force w.e.f. 1.4.2019, in line with the modifications, corresponding changes have been made in the Nomination and Remuneration Policy of the Company by the Board on the recommendation of Nomination & Remuneration Committee. The Nomination and Remuneration Policy is available on our website at <https://www.leatherchem.com/pdf/Nomination-and-Remuneration-Policy.pdf>.

Annual evaluation by the Board of its own performance, performance of its Committees and Individual Directors

The Company has revised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation of Non-executive Directors and Executive Directors. The evaluation process inter alia considers the attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter-se board members, effective participation, domain knowledge, compliance with code of conduct, vision, and strategy.

The Board carried out an annual performance evaluation of the Board, Committees, Individual Directors and the Chairperson. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on the report on evaluation received from respective Committees. The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

Corporate Governance & Compliance

The Company follows the best governance practices to boost long-term shareholder value and respect minority rights.

The Company considers the same as its inherent responsibility to disclose timely and accurate information to its stakeholders regarding its operations and performance, as well as the leadership and governance of the Company. The Company is committed to the HLCL Code of Conduct which articulates values and ideals that guide and govern the conduct of the Haryana Leather Chemicals Limited as well as its employees in all matters relating to business. The Company's overall governance framework, systems and processes reflect and support its Mission, Vision and Values. At HLCL, human rights is also an integral aspect of doing business and the Company is committed to respect and protect human rights to remediate adverse human rights impacts that may be resulting from or caused by the Company's businesses. In furtherance to this, the Company has in place the 'Haryana Leather Chemicals Limited code of conduct' which aligns with the principles contained in the Human Rights and is consistent with the HLCL Code of Conduct.

The Company's governance guidelines cover aspects mainly relating to composition and role of the Board, Chairman and Directors, Board diversity, retirement age for the Directors and Committees of the Board.

The Company has in place a compliance management system for monitoring the compliances across its plant and office. A compliance certificate is also placed before the Board of Directors every quarter. In compliance with the SEBI Listing Regulations, the Corporate Governance Report and the Secretarial Auditor's Certificate form part of this Annual Report.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and ability, confirm in respect of the Audited Annual Accounts for the year ended 31st March, 2025 that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- b. the Directors had, in consultation with the Statutory Auditors, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31st March, 2025 and profit of the Company for that period;
- c. the Directors had taken proper and sufficient care 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. the Directors had prepared the annual accounts on a going concern basis;
- e. the Directors had laid down proper internal financial controls to be followed and that such internal financial controls were adequate and were operating effectively; and
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial control system and their adequacy

The details in respect of internal financial controls and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this Integrated Annual Report.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review, as stipulated under the SEBI Listing Regulations, is presented in a section forming part of this Annual Report.

Corporate Governance Report

Your Company is committed to maintain highest standards of corporate governance practices. The Corporate Governance Report, as stipulated by SEBI Listing Regulations, forms part of this Annual Report along with the

required certificate from a Practicing Company Secretary, regarding compliance of the conditions of corporate governance, as stipulated.

In compliance with corporate governance requirements as per the SEBI Listing Regulations, your Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of your Company ("Code of Conduct"), who have affirmed the compliance thereto. The Code of Conduct is available on the website of your Company at <https://www.leatherchem.com/pdf/Code-of-conduct-of-Board-of-Directors-and-Senior-Management-Personnel.pdf>.

Annual Return

Pursuant to Section 134(3)(a) of the Act, the draft annual return as on March 31, 2025 prepared in accordance with Section 92(3) of the Act is made available on the website of your Company and can be accessed using the <https://www.leatherchem.com/pdf/MGT-7.pdf>.

Transactions with Related Parties

All transactions with related parties are placed before the Audit Committee for its prior approval. Further, only those members of the Committee, who are Independent Directors, approve the related party transactions. An omnibus approval from Audit Committee is obtained for the related party transactions which are repetitive in nature.

All transactions with related parties entered into during the year under review were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Act and the rules made thereunder, the SEBI Listing Regulations and your Company's Policy on Related Party Transactions.

The Audit Committee comprise solely of the Independent Directors. The members of the Audit Committee abstained from discussing and voting in the transaction(s) in which they were interested.

The details of Related Party Transactions, as required under Indian Accounting Standard-24 (Ind AS-24), are provided in the accompanying Financial Statements forming part of this Annual Report. Form AOC-2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as "**Annexure-A**" to this Report.

Your Company did not enter into any related party transactions during the year under review, which could be prejudicial to the interest of minority shareholders.

The Policy on Related Party Transactions is available on your Company's website and can be accessed using the link: <https://www.leatherchem.com/pdf/HLCL-RPT-Policy.pdf>.

Pursuant to the provisions of Regulation 23 of the SEBI Listing Regulations, your Company has filed half yearly reports to the stock exchanges, for the related party transactions

Statutory Auditor & Audit Report

Pursuant to the provisions of Section 139 of the Act read with rules made thereunder, as amended from time-to-time M/s. S.C Deewan & Co. Chartered Accountants, were appointed as Statutory Auditors of the Company, for a period of five consecutive years at the Annual General Meeting held on September 24, 2022, to hold his office till the conclusion of 42nd Annual General Meeting of the Company to be held in 2027.

The Statutory Auditor has confirmed their eligibility and submitted the certificate in writing that they are not disqualified to hold the office of the statutory auditor.

Further, in terms of the SEBI Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

Statutory Auditors have expressed their unmodified opinion on the Standalone Financial Statements and their reports do not contain any qualifications, reservations, adverse remarks, or disclaimers. The Notes to the financial statements referred in the Auditors' Report are self-explanatory.

The Notes to the financial statements referred in the Auditors' Report are self-explanatory.

The said Audit Report does not contain any qualification, reservation or adverse remark. During the year 2024-25, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

Secretarial Auditor

M/s Neeraj Gupta & Associates., Practicing Company Secretaries (CP No. 4006 & Membership No- F-5720), were appointed as the Secretarial Auditor of the Company for a period of 5 consecutive years, commencing from FY 2025-26 to FY 2029-30, at the Board meeting held on May 15, 2025, based on the recommendation of the Audit Committee of Directors, subject to the approval of the Members at the ensuing AGM of the Company. They will undertake secretarial audit as required and issue the necessary secretarial audit report for the aforesaid period in accordance with the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amended Regulation 24A of the Listing Regulations. They have confirmed that their appointment complies with the eligibility criteria in terms of Listing Regulations. The resolution seeking Members' approval for their appointment forms part of the Notice.

The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

In pursuance of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, on the recommendations of the Audit Committee, had appointed Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Neeraj Gupta & Associates, Practicing Company Secretary was appointed to undertake the Secretarial Audit of the Company for the Financial Year ended 31st March, 2025.

Secretarial Audit Report

Secretarial Audit Report for the Financial Year ended on 31st March, 2025, issued by M/s. Neeraj Gupta & Associates, Practicing Company Secretary, in Form MR-3 forms part of this report and marked as "**Annexure-B**".

The said report contains no qualification/ observation requiring explanation or comments from Board under section 134(3)(f)(ii) of the Companies Act, 2013.

The Board of Directors of the Company in their meeting held on 15th May, 2025, on the recommendation of Audit Committee, re-appointed Mr. Neeraj Gupta & Associates, Practicing Company Secretary as Secretarial Auditors of the Company for the for further period of five (5) years subject to the shareholders meeting in the ensuing Annual General Meeting.

Secretarial Standards

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Reporting Frauds by Auditors

During the year under review, the Statutory Auditors and Secretarial Auditor of your Company have not reported any instances of fraud committed in your Company by Company's officers or employees, to the Audit Committee, as required under Section 143(12) of the Act.

Significant And Material Orders Passed by The Regulators Or Courts Or Tribunals

No significant and materials orders were passed by the regulators or courts or tribunals impacting the going concern status of your Company's operations in the future. No application was made and no proceedings was pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

Particulars Of Loans, Investments, Guarantees and Security

The particulars of loans given, guarantees given and securities provided and investments made under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

Risk Management

The Provisions of constitution of Risk Management Committee has been made applicable by the SEBI has vide its Notification dated 5.5.2021 wherein it has made it mandatory for top 1000 listed entities on the basis of market capitalization as on close of previous financial year to have Risk Management Committee.

According to the Company does not have Risk Management Committee as it is not applicable on your company and there is no risk which may threaten the existence of the Company as a going concern.

Particulars Of Energy Conservation, Technology Absorption and Foreign Exchange Earnings And Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Second Amendment Rules, 2015 (As per notification dated 4th September, 2015), is annexed to this Report as "Annexure-C".

Material Changes and Commitments

In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position which have occurred between the end of the financial year of the Company to which the financial statements relate and date of the report and there has been no change in the nature of business.

Corporate Governance and Management Discussion and Analysis Report

A report on Corporate Governance as stipulated by Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report along with the required Certificate from the Auditors confirming compliance with the conditions of Corporate Governance.

As required under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report on the operations and financial position of the Company has been provided in a separate section which forms part of this Annual Report.

Maternity Benefit

No requests were pending at the beginning of the financial year. During the year under review, no request was reported. No request was pending as at the end of the financial year.

Whistle Blower Policy and Vigil Mechanism

As already reported, the Board has, pursuant to the provisions of Company has in terms of the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formulated Whistle Blower Policy and Vigil Mechanism for Directors and employees under which protected disclosures can be made by a whistle blower and provide for adequate safeguards against victimization of Director(s) or employees(s) or any other person who avail the mechanism.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, integrity and ethical behavior.

The Vigil Mechanism – cum – Whistle Blower Policy may be accessed on the Company's website at the link: <https://www.leatherchem.com/pdf/Vigil-Mechanism-Whistle-Blower-Policy.pdf>.

Prevention Of Sexual Harrasment

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, the Company has formed an Internal Committee ('IC') for its workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has a detailed policy for prevention of sexual harassment at workplace which ensures a free and fair enquiry process with clear timelines for resolution.

The Policy is uploaded on the website of the Company at <https://www.leatherchem.com/pdf/HLCL-POSH-Policy.pdf>.

No complaints were pending at the beginning of the financial year. During the year under review, no concern was reported. No complaint was pending as at the end of the financial year.

To build awareness in this area, the Company has been conducting awareness sessions during induction of new employees and also periodically for permanent employees, third-party employees and contract workmen through online modules and webinars.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls, with reference to financial statements, as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for insufficiency or inadequacy of such controls.

The details pertaining to internal financial controls and their adequacy have been disclosed in the Management Discussion & Analysis Report forming part of this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

- a) Statement showing details of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in **Annexure-D (I)** which forms part of this Report.
- b) Information pertaining to remuneration to be disclosed by listed companies in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been provided in **Annexure-D(II)** which forms part of this Report.

ACKNOWLEDGEMENTS

On behalf of the Directors of the Company, I would like to place on record our deep appreciation to our shareholders, customers, business partners, vendors, bankers, financial institutions and academic institutions for all the support rendered during the year.

The Directors are thankful to the Government of India, the various ministries of the State Governments, the Central and State electricity regulatory authorities, communities in the neighborhood of our operations, municipal authorities and local authorities in areas where we are operational in India; as also partners, governments and stakeholders in international geographies where the Company operates, for all the support rendered during the year.

Finally, we appreciate and value the contributions made by all our employees and their families for making the Company what it is.

For and on behalf of the Board

Pankaj Jain

Managing Director

DIN: 00206564

Date: 30th July, 2025

Place: Gurugram

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 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's length transactions under third proviso thereto

1. Details of Contracts or Arrangements or Transactions not at Arm's Length basis

There were no contracts or arrangements or transactions entered into by the Company during the Financial Year 2024-25 which were not at Arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis:

S. no	Particulars	Details
a.	Name(s) of the related party and nature of relationship	NA
b.	Nature of contracts/arrangements/transactions	NA
c.	Duration of the contracts / arrangements/transactions	NA
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
e.	Date(s) of approval by the Board, if any	NA
f.	Amount paid as advances, if any	NA

For and on behalf of the Board

Pankaj Jain

Managing Director

DIN: 00206564

Date: 30th July, 2025

Place: Gurugram

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 of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended]

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

To
 The Members of the Company
 M/s Haryana Leather Chemicals Limited
 CIN: L74999HR1985PLC019905
 Regd. Office: 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 the Company M/s HARYANA LEATHER CHEMICALS LIMITED herein after called "the Company". Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year commencing from 1st April, 2024 and ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s HARYANA LEATHER CHEMICALS LIMITED (The Company) for the financial year ended on 31st March, 2025, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder
 - ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI) and External Commercial Borrowings (ECBs).-Not applicable.
 - 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;-Not Applicable
 - 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 Takeovers) Regulations, 2011;-Not Applicable
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:

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - iv. 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. Standards issued by The Institute of Company Secretaries of India.
 - ii. The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI (LODR), 2015).
 - iii. Employee State Insurance Act 1948 and Employee Provident Funds and Miscellaneous Provision Act 1952.
4. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following:
- a) Maintenance of various statutory registers and documents and making necessary entries therein;
 - b) Closure of the Register of Members/Debenture holders;
 - c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - d) Service of documents by the Company on its Members, 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 39th Annual General Meeting was held on 28th September, 2024;
 - h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - i) Approvals of the Members, the Board of Directors, the Committees of Directors and the Government authorities, wherever required;
 - j) Constitution of the Board of Directors/Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors: There was change in the Independent Directors and the constitution of the Committees of the Company.
 - k) Payment of remuneration to Directors including the Managing Director and Whole-Time Directors;
 - l) Appointment and remuneration of Statutory Auditors and appointment of Cost Auditors was not required during the financial year under review;
 - 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) Dividend was declared and paid during the Year.
 - 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; NA

- s) 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;
- t) No allotment of equity shares of the Company during the year under audit.
- u) Director's report for the FY 2023-24 was duly prepared.
- v) Contracts, common seal, registered office and publication of name of the Company;

OBSERVATIONS:

- (a) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the 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 authorized 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 underreport.
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. Changes in the composition of the Board of Directors and Committees thereof was taken place during the year under review.
 - b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.
 - c) Majority decision is carried through while the dissenting members views, if any, are captured and recorded as part of the minutes.
7. We further report that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Neeraj Gupta & Associates

Company Secretaries

NEERAJ GUPTA

Proprietor

FCS No. 5720

CP. No.4006

Place: New Delhi

Date: 10.06.2025

UDIN: F005720G000572957

Annexure-A to Secretarial Audit Report dated May 17, 2023

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

Our Secretarial Audit Report dated June 10, 2025 is to be read along with this letter.

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

For Neeraj Gupta & Associates

Company Secretaries

NEERAJ GUPTA

Proprietor

FCS No. 5720

CP. No.4006

Place: New Delhi

Date: 10.06.2025

UDIN: F005720G000572957

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, 2025

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 2024-25	Current Year 2023-24
1	a)	Power and Fuel Consumption		
		Electricity Purchased (KWH)	451492.5	381292
		Total Amount (Rs.)	4124811	3721410
		Rate / Unit (Rs.)	9.14	9.76
	b)	Own Generation		
		Through Diesel Generator		
		Unit (KWH)	2259	2658
		Units / Ltr. of HSD	1.59	1.68
		Cost / Unit (Rs.)		
		Coal		
		Quantity		
		Total Cost		
		Average Cost		
		Furnace Oil / HSD Oil Quantity (K. Ltrs.)	10.40	14.808
		Oil Quantity (K. Ltrs.)		
		Total Cost (Rs.)	917280	1332275.76
		Average Rate (Rs. / K. Ltr.)	88.20	89.97
		LPG		
		Quantity (KG)	109800	49500
		Total Cost	8344800	3762000
		Rate Unit	76	76
2		Consumption per Unit of Production		
		Production (MT)	5320	4987.06
		Electricity (KWH / MT)	85.29	76.98
		Furnace / HSD Oil (Ltr. / MT)	1.95	2.97
		Coal		
		LPG (KG/MT)	20.64	9.92

B) TECHNOLOGY ABSORPTION:

a) Research & Development (R & D)

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

For the year 24-25, the company undertook the following technology development work that helped AKRELON product ranges:

Inhibitor control during storage of Acrylic Monomers: Due to the increase in production of acrylics to augment AKRELON range, the company needs to buy bulk lot of key monomers like Butyl Acrylate, Methyl Metha Acrylate

and Acrylonitrile. This required monitoring of Inhibitor quantity during bulk storage. Especially in summer the inhibitor of these monomers shows a tendency to deplete - posing some safety challenges. This required highly advanced techniques in Gas chromatography and spectrophotometry to detect ppm level depletion and formation of peroxide. The company successfully completed Inhibitor detection and Control: (1) Tertiary Butylcatechol (TBC) in Styrene Monomer; (2) Topanol in Methyl Metha Acrylate and MEHQ in Butyl Acrylate. On receipt of the supply Inhibitor level is audited and its depletion rate during storage and need for replenishment has helped the company immensely to secure quality and safety during storage.

Automation to control reactors: The Company needed to upgrade its current acrylic liquid production in terms of capacity and quality. Due to the incorporation of high-capacity reactors in AKRELON production lines, it was considered necessary to develop automated control loops relating to flow and temperature control during reactions that are exothermic. The company developed an internal concept on temperature control, feed control, safety interlocks etc. The concept was implemented by an Instrument vendor as per company's specifications and requirements. Various loops were successfully tested on a 5 KL reactor where the heating cooling cycle is automated, monomer feed pumps are interfaced using a PLC and HMI, cooling tower interlocking and alerts are incorporated as per the defined safety norms.

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

The improved inhibitor control contributed to the safety and stability of precious monomer raw materials that always were considered risky during summer because of a chance of undesired polymerization. The understanding of depletion rate and replenishment protocol of respective inhibitors improved the buying cycle resulting in direct financial benefits. The company was able to buy when prices were low - without fearing the storage risks. The availability at the plant site improved significantly ensuring uninterrupted production. The stable level of inhibitors also eased of quality control as batch-to-batch variations were not hindering the production cycles of AKRELON series products.

The research on Automation of reactors enabled the current production team to increase the AKRELON liquid production section that was suffering a capacity constraint. With the addition of 5 KL reactor and its automated loops, the existing production team were comfortably able to manage the demand without additional manpower. The automated loops helped de-skill the reactor operations, reduced quality variation immensely. The same concept also enabled the company to consider further capacity expansion using a 10 KL reactor that was relocated from Fatliquors section.

3. Future Plan of Action:

The year 25-26, the company has finalized its agenda for research and development. The company proposes focusing its research work on the following two areas that will yield long-term benefits in sustainability goals and also product excellence.

(1) Biological processes to treat wastewater: Company currently uses a Physio -Chem and Fenton reaction cycle to treat its wastewater. Being a ZLD company, the wastewater is made reusable after passing through extensive treatment stages. However, this treatment cycle is long, requires excessive handling of sludge that needs to dispose at Government authorized facilities. The company's past efforts on waste - water minimization has also yielded significant reduction in wastewater quantity that may cause further increase of contaminant percentage, making the current treatment cycle unstable for physio - chem treatment plan in isolation. The current plan has to be reinforced with a new technology which relies on biological breakdowns of organic matter. The company has developed a concept and will be installing a pilot plant for 1 KLD to add Anaerobic and aerobic wastewater treatment to the existing treatment cycle. The company hopes it will make the water infrastructure future- ready; de skill and semi automate the treatment cycle.

(2) Accelerated weather testing: The company wishes to evaluate for its key products the damage due to sunlight, rain, and dew. Since UV light is responsible for almost all photodegradation, therefore this research will reveal product weakness if any and will allow modifications in recipe to improve durability of product and reduce ageing effect. The study will focus on its PVC additives, especially Impact Modifier for window profiles and leather coating for white leather. The plan is to test the product degradation by exposing them to alternate cycles of Ultraviolet rays (UV 313 nm and 340 nm), moisture at elevated temperatures and condensation as per ASTM D 154. This cycle can simulate within days the same degradation that occurs over years and decades. The project would require import of some critical test equipment that allows the above test conditions

R& D Expenditure

Capital	3.73 Lacs
Recurring	64.16 lacs
Total	67.89 Lacs
Total R & D Expenditure	1.38 %

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

1. All previously imported technologies have been fully absorbed and commercialized.
2. The indigenously developed technologies of previous years have been absorbed and commercialized.

FOREIGN EXCHANGE EARNINGS & OUTGO

1. The Company's foreign exchange earnings from exports (including foreign exchange fluctuations) amounted to Rs. 801.51 lacs.
2. Foreign exchange expenditure for the financial year is Rs.162.19 Lacs. This is related to payment towards raw materials, import of capital goods, payment of overseas travel of Directors & Employees.

Information as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

(I) % Increase in the Median Remuneration of the Employees

(Rs. In Lakhs)

Median Remuneration of all the Employees of the Company for the Financial Year 2024-25	2024-25	37,486
Median Remuneration of all the Employees of the Company for the Financial Year 2023-24	2023-24	35,300
% Increase in median remuneration		
The number of permanent employees on the rolls of company as on March 31, 2025	80	

(II) Ratio of the Remuneration of each Director to the Median Remuneration of the Employees

Name of Directors	Current Year 2024-25	Previous year 2023-24	% increase in Rem. In 24-25 from 23-24	Ratio of remuneration to median remuneration of all employees
Executive Directors/ KMP				
Mr. Pankaj Jain , Managing Director	46,20,000	46,20,000	NIL	123
Mrs. Sippy Jain - Whole Time Director	NIL	NIL	NA	NA
Mr. Sukanto Choudhury - CFO	1195950	10,00,000	19.5	31.9
Mr. Silu Nanda - till 30 th September -2024	90000	180000	100	2.4
Mr. Yugank, From 06 th October, 2024	364800	NA	NA	NA
Total (a)	62,70,750	58,00,000	8.1	167.2
Non-Executive Directors (Sitting fee without GST)				
Mr. N. K Jain	NIL	NIL	NA	NA
Mr. Vijay Kumar Garg	NIL	NIL	NA	NA
Mr. Pradeep Bhel	24000	48000	100	1.28
Mr. Chinar Goel, from 09 th August,2024	32000	NIL -	NIL	NA
Mr. Pradeep Kumar Verma, 09 th August,2024	32000	NIL	NIL	NA
Ms. Ritu Atri, from 09 th August,2024	32000	NIL	NIL	NA
Mr. Kanishk Gupta	48000	48000	NIL	1.28
Total (b)	1,36,000	94,000	44.66	2.50
Total (a+b)				

Notes:

Non-Executive Directors are not being paid any remuneration except sitting fee

During the year, the average percentage increase in salary of the Company's employees excluding Key Managerial Personnel (KMP) was 10%.

Disclosures pursuant to provision of Section 197 (12) of the Companies Act, 2013

A. NAMES OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE FINANCIAL YEAR 2024-25

S No	Name	Designation	Remuneration (Rupees)	Experience as on 31.03.2025	Date of commencement of employment	Age (Years) as on 31.03.2025	No of Equity Shares held in the Company
1.	GAURI SHANKAR CHAUDHARY	MANAGER (LAB)	1920300	1.5 YEARS	OCT. 2023	37	0
2.	M P SINGH	GM (Production)	1217000	32 YEARS	05 JULY 1993	61	0
3.	SUKANTO CHAUDHARY	CFO	1195950	34 YEARS	DEC. 1991	56	10
4.	DEEPAK RAJ	GM (Production)	1080686	26 YEARS	01 APR. 1999	49	0
5.	K P SINGH	GM (MIS)	1066716	28 YEARS	18 JUNE 1997	51	0
6.	PREM SINGH	AGM (MTC.)	891575	9 YEARS	15 SEP. 2016	56	0
7.	Y P GABA	GM (F&A)	992893	37 YEARS	OCT. 1989	56	1123
8.	NARESH SHARMA	DGM (HR)	843000	37 YEARS	28 FEB. 1988	61	0
9.	M. MUKHTAR	MANAGER	656595	15 YEARS	FEB. 2010	37	0

Notes: Gross remuneration includes Salary, House Rent Allowance and other perks like Medical Reimbursement, Leave Travel Assistance, Company's contribution towards Provident Fund etc. but excludes Gratuity and Leave Encashment.

B NAMES OF EMPLOYEES WHO ARE IN RECEIPT OF AGGREGATE REMUNERATION OF NOT LESS THAN RUPEES ONE CORE AND TWO LAKH IF EMPLOYED THROUGHOUT THE FINANCIAL YEAR 2024-25- NIL**C. NAMES OF EMPLOYEES WHOSE REMUNERATION IN AGGREGATE WAS NOT LESS THAN RUPEES EIGHT LAKH AND FIFTY THOUSAND IF EMPLOYED FOR PART OF THE FINANCIAL YEAR 2024-25- NIL**

DECLARATION BY THE MANAGING DIRECTOR & CEO AS PER REGULATION 26(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I hereby confirm that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management, as approved by the Board, for the year ended 31st March, 2025.

Place: Gurugram
Place: 15th May, 2025

For Haryana Leather Chemicals Limited
Pankaj Jain
Managing Director
DIN: 00206564

To the Board of Directors
Haryana Leather Chemicals Limited
Gurugram

Compliance Certificate

[In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2025 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs 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 Financial Year 2024-25 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:
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gurugram

Date : 15th May, 2025

Sukanto Choudhury

CFO

Pankaj Jain

Managing Director

DIN : 00206564

Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members
Haryana Leather Chemicals Limited

1. We have examined the compliance of the conditions of Corporate Governance by Haryana Leather Chemicals Limited ("the Company") for the year ended on 31st March, 2025, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors is also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by 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.
7. The procedures selected depend on the auditors' judgment, including the assessment of the risks associated with compliance with the Corporate Governance Report with the applicable criteria. The procedure includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors.
8. The procedures also include examining the evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations are given to us, we are of the opinion 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 Listing Regulations during the year ended March 31, 2025.

Manoj Gupta & Associates

Company Secretaries

Membership No- F6102

UDIN: 006192G000938585

Place : New Delhi
Date : 05th August, 2025

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
Haryana Leather Chemicals Limited**

We 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, India (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our 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 us by the Company & its officers, we hereby certify that none of the Directors of the Company as stated below for the Financial Year ending on 31st March, 2025 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.

S.No	Name of Director	DIN	Date of Appointment in the Company
1.	Pankaj Jain	00206564	04/02/2013
2	Sippy Jain	03189151	10/08/2010
3	Narendra Kumar Jain	00486730	22/04/1985
4	Vijay Kumar Garg	00236460	22/07/2003
5	Chinar Goel	07610985	09/08/2024
6	Kanishk Gupta	02243899	18/05/2019
7	Pradeep Kumar Verma	10749814	28/08/2024
8	Ritu Atri	09596000	28/08/2024

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 NeerajGupta & Associates.
(Company Secretary)

CS Neeraj Gupta

CP No: 4006

UDIN:F00570G000724196

Place : New Delhi
Date : 07th July, 2025

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2024-25

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2025.

CORPORATE GOVERNANCE

"The HLCL philosophy of management has always been, and is today more than ever, that corporate enterprises must be managed not merely in the interests of their owners, but equally in those of their employees, of the consumers of their products, of the local community and finally the country as a whole "

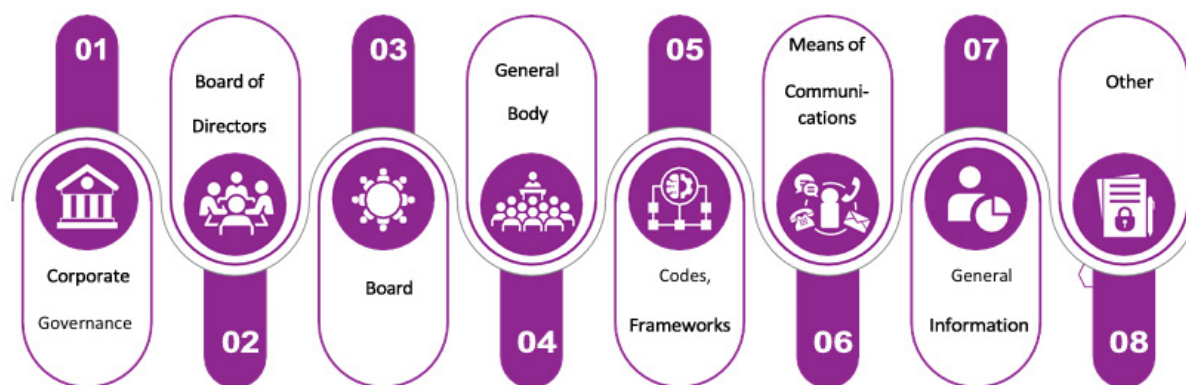
Corporate Governance is an integral part of the Company's philosophy in its pursuit of excellence, growth and value creation. The Company strongly believes that having a robust governance structure is the stepping stone for every milestone ahead. The Company's philosophy on Corporate Governance emanates from resolute commitment to protect stakeholder rights and interests, proactively manage risks and foster long-term corporate goals. It permeates in all aspects of working – workplace management, marketplace responsibility, community engagement and business decisions. The Company continues to be committed to the HLCL Code of Conduct ('HLCLCoC') that enunciates and imbibes principles, values and ideals guiding and governing the conduct of its employees in all matters relating to business. The Company's overall governance framework, systems and processes reflect and support its Mission, Vision and Values and also guide the Company on its journey towards continued success

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. The Company is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability and commitment to values. Our robust corporate governance structure is based on well-structured policies and procedures that are the backbone of our governance philosophy. Our policies are formulated to ensure business continuity and to maintain a high quality throughout our operations

The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. Our actions are as per our values, ethos, ideals and principles, which permeate all levels of the functioning. These principles have been and will continue to be our guiding force in future too.

The Company has adopted requirements of Corporate Governance from the provisions of the Companies Act 2013 (the Act) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

Our commitment for adoption of best practices of Corporate Governance makes us compliant with the Act as well as the mandatory provisions of Corporate Governance of SEBI (LODR) Regulations, 2015.



1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Courage, Trust and Commitment are the main tenants of our Corporate Governance Philosophy -

1. Courage: we shall embrace new ideas and businesses.
2. Trust: we shall believe in our employees and other stakeholders.
3. Commitment: we shall stand by our promises and adhere to high standards of business.

The Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with

active participation in the growth of society, building of environmental balances and significant contribution in economic growth. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures, credibility, sustainability, etc. serve as the means for implementing the philosophy of corporate governance in letter and in spirit.

Governance principles

At the heart of the Company, governance commitment is a one tier Board system with Board of Directors possessing a disciplined orientation and distinctive priorities.

Ethics and integrity: The Boards of the Company are committed to the highest integrity standards. Directors commit to abide by the 'Code of Conduct', regulations and policies under oath, endeavouring to demonstrate intent and actions consistent with stated values.

Responsible conduct: The Boards emphasise the Company's role in contributing to neighborhoods, terrains, communities and societies. In line with this, the Company is accountable for its environment and societal impact, corresponded by compliance with laws and regulations. As a mark of responsibility, the Company's business extends beyond minimum requirements with the objective of emerging as a responsible corporate.

Accountability and transparency: The Boards engage in comprehensive financial and non-financial reporting, aligned to best practices relating to disclosures; it follows internal and/or external assurance and governance procedures.

The Company, assumes Corporate Governance - a "Way of Working". The philosophy of the Company is concerned with improved corporate performance as well as attaining a higher level of transparency and accountability towards all stakeholders. The Company seeks to focus on enriching trust of stakeholders' along with satisfying accountability and responsibility towards them. We ensure that it is our implicit responsibility to disclose timely, adequate, and accurate information regarding our financials, performance and major events. The affairs of the Company are conducted in a fair and transparent manner.

The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable

2. BOARD OF DIRECTORS

The Board of Directors ("Board"), is the highest authority for the governance and the custodian who push our businesses in the right direction and is responsible for the establishment of cultural, ethical, sustainable and accountable growth of the Company. The Board is constituted with a high level of integrated, knowledgeable and committed professionals. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations.

As such the Board of the Company comprises of eminent personalities having reckonable professional expertise and experience in various fields, such as, Construction & Erection of large size projects, Finance, law, Commerce, Banking & Insurance, Regulatory Affairs, Administration & Management and Technical with very wide variety of knowledge & experience. They have intellectual capability, good decision-making power, honesty and the ability to develop trust. The Board periodically evaluates the need for change in its composition and size.

The Board is a think tank and acts as the 'Brain of the Company'. The Directors represent 'diversity' in all parameters including qualifications, technical expertise, regional and industry knowledge, experience, partnership, teamwork, implementation and leadership. They perform the function of assisting the management, questioning status quo and debate, providing measures to improve the financial performance and achieving higher targets.

Size and Composition

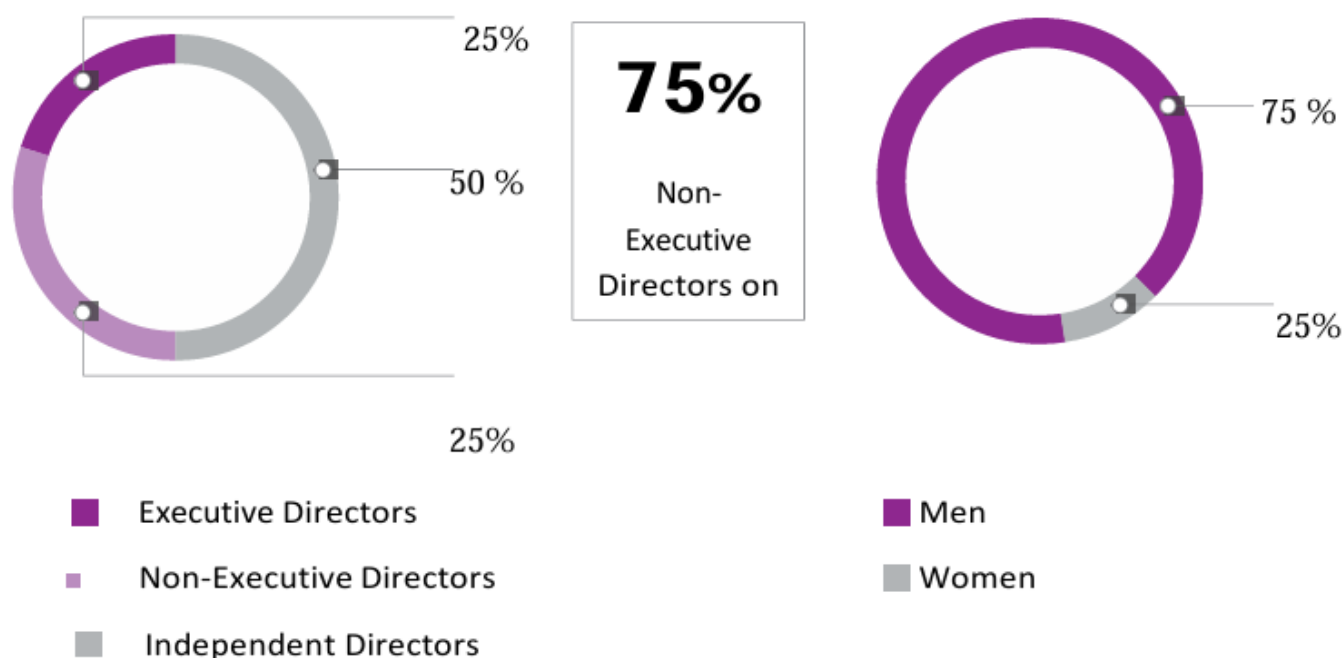
The Board of your Company, chaired by a Non-Executive Promoter Director, comprises highly experienced persons of repute, eminence and has a good and diverse mix of Executive and Non-Executive Directors with 50% of the Board members comprising Independent Directors including an Independent Woman Director. The Board composition is in conformity with the applicable provisions of Companies Act, 2013 ("Act"), SEBI Listing Regulations, as amended from time to time and terms of shareholders' agreement and other applicable statutory provisions.

The composition of the Board is in compliance with the requirements of Section 149 and 152 of the Companies Act, 2013 (Act) and Regulation 17 of the SEBI (LODR) Regulations, 2015 as out of total Eight Directors as on 31st March, 2025, there are four Independent Directors.

As on March 31st, 2025, the Board consist of Eight (8) Directors as follows:

S. No.	Category	Name of Director	% of Total Board size
1	Executive Promoter Directors	i. Mr. Pankaj Jain, MD ii. Mrs. Sippy Jain, ED	25%
2	Non-Executive Director	i. Mr. N.K Jain ii. Mr. Vijay Kumar Garg	25%
3	Non-Executive Independent Directors	i. Me. Chinar Goel ii. Mr. Kanishk Gupta iii. Mr. Pardeep Kumar Verma iv. Ms. Ritu Atri	50%

Board Composition



The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

No Director is related to each other except Mr. Pankaj Jain and Mrs. Sippy Jain, who are related to each other as husband and wife.

None of the directors on the board is a member of more than 10 committees or chairman/chairperson of more than 5 committees as specified in Regulation 26 of SEBI Listing Regulations, across all the listed companies in which he/she is a director. The directors have made necessary disclosures regarding committees positions held in other public limited companies.

Necessary information where applicable as mentioned in Part A of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been placed before the board for its consideration

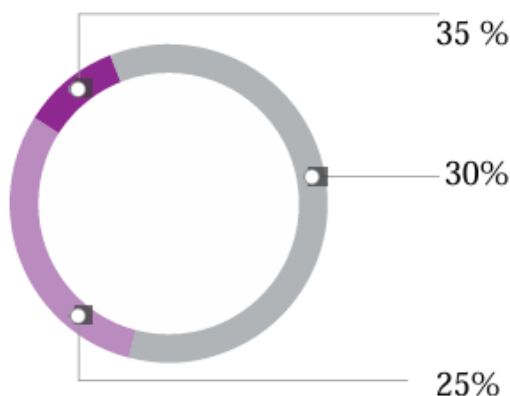
Board Age and Profile are as under: -

Board Age Profile:

Board Experience:

Board Age and Profile are as under: -.

Board Age Profile:



Board Experience:



■ 25-35 ■ 36-55 ■ 56-75

■ 5-10 years ■ > 20 years

- b. Pursuant of Sub-clause C, Clause 2, Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2018, the names of the Listed Entities where the Directors of the Company are Directors of other Company and the category of directorship as on 31st March, 2025 is given below: -

S. No.	Name of Director	Name of Listed Entity	Category of Directorship
1	Mr. Pankaj Jain	NIL	NIL
2	Ms. Sippy Jain	NIL	NIL
3	Mr. N. K Jain	NIL	NIL
4	Mr. Vijay Kumar Garg	NIL	NIL
5	Mr. Chinar Goel	NIL	NIL
6	Mr. Kanishk Gupta	NIL	NIL
7	Mr. Pradeep Kumar Verma	NIL	NIL
8	Ms. Ritu Atri	NIL	NIL

Details of equity shares of the Company held by the Directors as on 31st March, 2025 are given below: -

S.No.	Name of Director	Name of Listed Entity	Number of Equity Shares held
1	Mr. Pankaj Jain	NIL	7,52,530
2	Ms. Sippy Jain	NIL	1,53,636
3	Mr. N. K Jain	NIL	NIL
4	Mr. Vijay Kumar Garg	NIL	NIL
5	Mr. Chinar Goel	NIL	NIL
6	Mr. Kanishk Gupta	NIL	NIL
7	Mr. Pradeep Kumar Verma	NIL	NIL
8	Ms. Ritu Atri	NIL	NIL

A certificate from M/s Neeraj Gupta & Associates, Practicing Company Secretary, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached with this report.

Directors' selection, appointment and tenure:

The Directors of the Company are appointed / re-appointed by the Board on the recommendation of the Nomination and Remuneration Committee and approval of the Shareholders at the General Meeting(s) or through means of Postal Ballot. In accordance with the Articles of Association of the Company and provisions of the Act, all the Directors, except the Managing Director and Independent Directors, of the Company, are liable to retire by rotation at the Annual General Meeting ("AGM") each year and, if eligible, offer their candidature for re-appointment. The

Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of employment with the Company.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

1. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and Listing Regulations.
2. In keeping with progressive governance practices, it has resolved to appoint all new Independent Directors for two terms up to five (5) years each. Further, terms of appointment of other Non-Executive Directors shall also be subject to approval of shareholders at their meeting held every 5 (five) years.
3. None of the Independent Director(s) of the Company resigned during the year before the expiry of their tenure.
4. In compliance with Regulation 17A and 26 of the SEBI Listing Regulations, none of the Directors is an independent director in more than 7 (seven) listed companies. Further, none of the Directors on the Company's Board is a member of more than 10 (ten) committees and chairperson of more than 5 (five) committees (committees being, audit committee and stakeholders' relationship committee) across all the companies in which he/she is a director. All the Directors have made necessary disclosures regarding committee positions held by them in other companies.

Independent Directors

The Independent Directors are the Board members who are required to meet baseline definition and criteria on 'independence' as set out in Regulation 16 of SEBI Listing Regulations, Section 149(6) of the Companies Act, 2013 read with rules and Schedule IV thereto and other applicable regulations. In terms of Regulation 25(8) of Listing Regulations, Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

Accordingly, based on the declarations received from all Independent Directors, the Board has confirmed that Independent Directors of the Company fulfill the conditions specified in the Companies Act, 2013 and Listing Regulations and are independent of the management. Further, the Independent Directors confirmed that they have enrolled themselves in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs. As mentioned earlier in this report, the Board includes 4 (four) Independent Directors as on March 31, 2025.

Pursuant to Schedule IV of the Companies Act, 2013, the Rules made there under, the Secretarial Standards and the SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 29th March, 2025. All the four Independent Directors were present at this meeting and participated in the discussions. In the said meeting, the Independent Directors reviewed the performance of Non-Independent Directors, the Board as a whole, all the committees of the Board, except Nomination & Remuneration Committee and the Chairman. They also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board.

During the FY Mr. Chinar Goel (DIN:07610985) was appointed for a term of 5-year w.e.f. 9th August 2024 till the date of 8th August 2029 by Special Resolution passed in AGM held on 28th September 2024.

During the FY Mr. Kanishk Gupta (DIN:02243899) was re-appointed for a term of 5-year w.e.f. 29th September 2024 till the date of 28th September 2029 by Special Resolution passed in AGM held on 28th September 2024.

During the FY Ms. Ritu Atri (DIN:09596000) was appointed for a term of 5-year w.e.f. 27th August 2024 till the date of 26th August 2029 by Special Resolution passed in AGM held on 28th September 2024.

During the FY Mr. Pradeep Kumar Verma (DIN:10749814) was appointed for a term of 5-year w.e.f. 28th August 2024 till the date of 27th August 2029 by Special Resolution passed in AGM held on 28th September 2024.

Board Meeting & Procedure

Meeting Schedule & Agenda

The schedule of the Board meetings and Board Committee meetings are finalized in consultation with the Board members and communicated to them in advance. The Board Calendar for the financial year 2025-26 has been disclosed later in this report and has also been uploaded on the Company's website. Additional meetings are called, when necessary, to consider the urgent business matters.

The Audit Committee for deliberation on the financial performance of the Company, are held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairperson of the respective committee briefs the Board in detail about the proceedings of the respective committee meetings. All committee recommendations placed before the Board during the year under review were unanimously accepted by the Board.

The Board devotes its significant time in evaluation of current and potential strategic issues and reviews Company's business plans, corporate strategy and risk management issues based on the markets it operates in and in light of global industry trends and developments to help achieve its strategic goals.

The Chief Financial Officer and other Senior Management members are invited to the Board and Committee meetings to present updates on the items being discussed at the meeting. In addition, the functional heads of various business segments/ functions are also invited at regular intervals to present updates on the respective business functions.

Availability of information to the Board

The Board has completed and unfettered access to all relevant information within the Company, to the Senior Management and all the auditors of the Company. Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary prepares the detailed agenda for the meetings, in consultation with the Senior Management.

Agenda papers and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is circulated along with Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. In order to transact some urgent business, which may come up after circulation of agenda papers, the same is placed before the Board by way of Table Agenda or Chairman's Agenda. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

Minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are also passed by way of circulation.

Detailed presentations are made at the Board / Committee meetings covering Finance and operations of the Company, terms of reference of the Committees, business environment, all business areas of the Company including business opportunities, business strategy and the risk management practices before taking on record the quarterly / half yearly / annual financial results of the Company.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at every Board Meeting. The Board periodically reviews compliance reports of all laws applicable to the Company as required under Regulation 17(3) of the SEBI Listing Regulations.

The important decisions taken at the Board / Committee meetings are communicated to departments concerned promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board / Committee.

During the year under review, Board met Six (6) times on. i.e. 14th May, 2024, 09th August, 2024, 28th August, 2024, 30th September, 2024, 09th November, 2024, and 13th February, 2025.

The Board meets at least once in every quarter to review the Company's operations and financial performance. The maximum gap between two meetings is not more than 120 days. The necessary quorum was present in all the meetings.

01 May 14, 2024

02 August 09, 2025

03 August 28, 2024

04 September 30, 2024

05 November 09, 2024

06 February 13, 2025

The attendance of the Board members at the Board meetings and the Annual General Meeting of the Company held during FY 2024-25, is as follows:

Name of Director	AGM held on September 28 th , 2024	Board Meetings						Total Board meetings held during tenure	Board meetings attended	% of attendance
		1	2	3	4	5	6			
Mr. Pankaj Jain		Yes	Yes	Yes	Yes	Yes	Yes	6	6	100.00%
Ms. Sippy Jain		Yes	No	No	Yes	Yes	Yes	6	6	75.00%
Mr. N. K Jain		No	Yes	Yes	No	No	No	6	2	33.00%
Mr. Vijay Kumar Garg		No	No	No	No	Yes	No	6	1	16%
Mr. Chinar Goel ¹	N.A.	NA	NA	Yes	Yes	Yes	Yes	4	4	100.00%
Mr. Kanishk Gupta ²		Yes	Yes	Yes	Yes	Yes	Yes	8	8	100.00%

Mr. Pradeep Kumar Verma ³	N.A.	N.A.	N.A.	N.A.	Yes	Yes	Yes	3	3	100.00%
Ms. Ritu Atri ⁴	N.A.	N.A.	N.A.	N.A.	Yes	Yes	Yes	3	3	100.00%
Mr. Pradeep Behl ⁵	✗	Yes	Yes	Yes	NA	NA	NA	3	3	100.00%

1. Mr. Chinar Goel was appointed as an Independent Director w.e.f 09.08.2024 to 08.08.2029.
2. Mr. Kanishk Gupta was re- appointed as an Independent Director w.e.f 29.09.2024 to 28.09.2029.
3. Mr. Pradeep Kumar Verma was appointed as an Independent Director w.e.f 28.08.2024 to 27.08.2029.
4. Ms. Ritu Atri was appointed as an Independent Director w.e.f 28.08.2024 to 27.08.2029
5. Mr. Pradeep Behl ceased to be director of the Company from 30. 09.2024.

📺 Video Conferencing ✗ Leave of Absence 👤 Attended in Person

Information placed before Board:

Information placed before the Board of Directors broadly covered the items specified in “Regulation 17(7)” along with “Part A” of “Schedule II” of “SEBI (LODR) Regulations, 2015” and such other items which are necessary to facilitate meaningful and focused deliberations on issues concerning the Company and taking decisions in an informed and efficient manner. The Directors on the Board have complete access to all the information of the Company, as and when becomes necessary.

As per the requirements of Regulation 17(7) of SEBI (LODR) Regulations, 2015, following minimum information, to the extent applicable and relevant/material, is placed before Board of Directors by the Company:

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Quarterly results for the listed entity and its operating divisions or business segments.
- D. Minutes of meetings of audit committee and other committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- H. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- J. Details of any joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc., if any.

3. CHART OR MATRIX SETTING OUT THE SKILLS/ EXPERTISE/COMPETENCE OF THE BOARD

As per Schedule-V of SEBI (LODR) Amendment Regulations, 2018 as notified on 9th May, 2018 w.e.f. 1st April, 2019, the Board has identified following chart or matrix setting out the skills/expertise/competence of the board of directors specifying the list of core skills/expertise/competencies as required in the context of company's business(es) and sector(s) and so as to evaluate those actually available with the Board;

- Strategy and Planning: Appreciation of long-term trends, merger and amalgamation, strategic planning and

experience in guiding and leading management teams to make decisions in uncertain environments and administration & management.

- **Finance, Banking and Insurance:** Experience in area of finance including raising of funds from various resources, accounting, banking, economics, insurance, information technology, legal & statutory compliance and regulatory matters.
- **Corporate Governance:** Corporate Governance compliance as per SEBI Regulations and other best corporate practices.
- **Risk Management:** Ability to appreciate key risks impacting the company's business and contribute towards development of systems and control for risk mitigation.
- **Knowledge in Power Sector:** Experience in core area of business viz. construction and operation of thermal and hydro-power projects, regulatory matters, the environment and green technologies, experience in the area of coal mining and utilization of ash and other allied areas.

As per review done by the Board the above skills/expertise were actually available with the Board.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted:

Name of Director	Areas of Skills/Experience				
	Strategy and Planning	Finance, Banking and Insurance	Corporate Governance	Risk Management	Knowledge in Chemical Industry
Mr. Pankaj Jain	✓	✓	✓	✓	✓
Ms. Sippy Jain	✓	✓	✓	✓	✓
Mr. N. K Jain	✓	✓	✓	✓	✓
Mr. Vijay Kumar Garg	✓	✓	✓	✓	✓
Mr. Chinar Goel	✓	✓	✓	✓	✓
Mr. Kanishk Gupta	✓	✓	✓	✓	✓
Mr. Pradeep Kumar Verma	✓	✓	✓	✓	✓
Ms. Ritu Atri	✓	✓	✓	✓	✓

4. REMUNERATION POLICY

The Remuneration Policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavors to attract, retain, develop and motivate the high-caliber executives and to incentivize them to develop and implement the Group's Strategy, thereby enhancing the business value and maintain a high-performance workforce. The Policy ensures that the level and composition of remuneration of the Directors is optimum.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement

Familiarization programme For Independent Directors

The Independent Directors are on the Board of the Company for quite some time and are well versed with their role, rights and responsibilities in the Company, the nature of industry in which the Company operates, business model of the Company and systems in place. All the Board members have complete access to the necessary documents, Annual Reports and internal policies which are available at our website www.leadchem.com. Apart from this, senior management, Internal and Statutory Auditors keep making presentations at the Board/Committee meetings. Independent Directors are free to make individual queries throughout the period which are promptly and suitably replied with.

The Independent Directors are familiarized from time to time with various facts of the Company's business through presentations and inter-actions with various senior executives of the Company. They are also familiarized with their role, rights and responsibilities in the Company through their appointment letter and in the Board Meetings from time to time.

Note: Each Director may possess varied combinations of skills/expertise within the described set of parameters and it is not necessary that all Directors possess all skills/expertise listed therein.

5. DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS

The details of all elements of remuneration packages such as salary, benefit, bonuses etc., of all the Directors are given below:

a) Executive Directors (Managing & Whole-time Directors)

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee to the Board based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organizations. The pay structure of Executive Directors has appropriate success and sustainability metrics built in. On the recommendation of the Nomination and Remuneration Committee, the remuneration paid/payable by way of salary perquisites and allowances (fixed component), incentive and, to its Executive Directors within the limits prescribed under the Act is approved by the Board of Directors and by the Members in the General Meeting.

The Executive Directors are not being paid sitting fees for attending meetings of the Board of Directors and its Committee.

The details of aggregate value of salary and perquisites paid to the Executive Directors for the year ended 31st March, 2025 are as under:

Name	Designation	Salary (Rs)	Perquisites (Rs.)	Total (Rs.)
Mr. Pankaj Jain	Managing Director	1,35,000	2,10,000	4,62,000
Mrs. Sippy Jain	Whole-time Director	NIL	NIL	NIL

b) Non-Executive Directors

The Company has not paid any remuneration to Non-Executive Directors except the sitting fee for Board meetings @ Rs. 8,000 /- per meeting.

The details of the sitting fee paid to the Non-Executive Directors of the Company during the Financial Year 2024-25 are as under: -

Name of Directors	Designation	Total sitting fee paid (Rs.)
Mr. Chinar Goel	Independent Director	32,000
Mr. Kanishk Gupta	Independent Director	48,000
Mr. Pradeep Kumar Verma	Independent Director	24,000
Mrs. Ritu Atri	Independent Director	32,000
Mr. Pradeep Behl *1	Independent Director	32,000

1. Mr. Pradeep Behl ceased to be director of the Company from 30. 09.2024

There was no other pecuniary relationship or transactions with the Directors vis-à-vis the Company during the year. The Company has not granted stock options to Non-Executive Directors.

Notes:

- Sitting Fee represents payment to the Directors for attending meetings of the Board and Committees thereof.
- As per the provision of the Income Tax Act, 1961, Income Tax at source was deducted.
- As per the provision of Central Goods and Services Tax Act, 2017, GST on sitting fee was paid by the Company on "Reverse Charge" basis.

Board Committees

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles under which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review.

As on 31st March, 2025, the Board has constituted the following committees / Sub-committees

Board of Directors

Statutory Committees

Audit Committee

Mr. Chinar Goel, Chairman
Mr. Kanishk Gupta
Mr. Pradeep Kumar Verma
Mrs. Ritu Atri

Stakeholders Relationship Committee

Mr. Chinar Goel , Chairman
Mr. Kanishk Gupta
Mr. Pradeep Kumar Verma
Mrs. Ritu Atri

CSR Committee

NA

Nomination & Remuneration Committee

Mr. Chinar Goel, Chairman
Mr. Kanishk Gupta
Mr. Pradeep Kumar Verma
Mrs. Ritu Atri

Committee Of Directors

Mr. Pankaj Jain, Chairman
Mrs. Sippy Jain
Mr. Chinar Goel

MEETING OF INDEPENDENT DIRECTORS:

Pursuant to Schedule IV of the Companies Act, 2013, the Rules made there under, the Secretarial Standards and the SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 29th March, 2025 without the presence of the Non-Independent Directors and Management.

All the 4 (four) Independent Directors were present at this meeting and participated in the discussions. In the said meeting, the Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors and the Board as a whole, Chairman of the Company, taking into account views of the Executive Directors and Non-Executive Directors. They also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board. The Management, as always, accepted & implemented further suggestions given by the Independent Director.

6. AUDIT COMMITTEE

a. Terms of Reference:

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Audit Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report Composition.

The Audit Committee comprise solely of Independent and Nominee Directors to enable independent and transparent review of financial reporting process and internal control mechanism with an objective to further strengthen the confidence of all stakeholders.

Meetings, Attendance & Composition of the Audit Committee

The Audit Committee met (five) times during the Financial Year 2024-25 on:

The intervening gap between two meetings did not exceed 120 days.

The composition of Audit Committee and details of attendance of the members during FY 2024-25 are given below:



01 May 14, 2024

02 August 09, 2024

03 August 28, 2024

04 November 09, 2024

05 February 13, 2025

Name of the Director	Audit Committee Meetings					Held during the tenure	Total Attended	% of attendance
	1	2	3	4	5			
Mr. Pankaj Jain				NA	NA	5	3	100 %
Mr. Chinar Goel, Chairman	NA	NA	NA			5	2	100 %
Mr. Kanishk Gupta				NA		5	4	80%
Mr. Pradeep Kumar Verma	NA	NA	NA			5	2	100%
Mrs. Ritu Atri	NA	NA	NA			5	2	100%
Mr. Pradeep Behl				NA	NA	5	3	100 %

Attended in Person

1. Mr. Chinar Goel was appointed as an Independent Director w.e.f 09.08.2024 to 08.08.2029.
2. Mr. Kanishk Gupta was re- appointed as an Independent Director w.e.f 29.09.2024 to 28.09.2029.
3. Mr. Pradeep Kumar Verma was appointed as an Independent Director w.e.f 28.08.2024 to 27.08.2029.
4. Ms. Ritu Atri was appointed as an Independent Director w.e.f 28.08.2024 to 27.08.2029
5. Mr. Pradeep Behl ceased to be director of the Company from 30. 09.2024.

All members of the Audit Committee have accounting and financial management knowledge and expertise / exposure. The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors, Finance Controller and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The Audit Committee also meets the Internal and Statutory Auditors separately, without the presence of Management representatives.

The Chairman of the Audit Committee attended the last AGM held on September 28, 2024 to answer the shareholders' queries

Governing Law:

The constitution of the Audit Committee and its terms of reference are as per the requirements under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. The Audit Committee, apart from such matter, as may be referred by Board, is responsible for the following:

With reference to the financial statements

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Examination of the financial statements and the auditors' report thereon;
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:-
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013; •changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions; and
- modified opinion(s) in the draft audit report;

With reference to Auditors

- The recommendation for appointment, remuneration and terms of appointment of all Auditors of the Company including filling of casual vacancy;
- Reviewing and monitoring the Auditor's independence and performance and effectiveness of the audit process;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the

Board; and

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern

With reference to related party transactions

- Approval or any subsequent modification of transactions of the Company with related parties.
- According Omnibus approval relating to Related Party Transactions. The term “Related Party Transactions” shall have the same meaning as provided in Regulation 2(zc) of the SEBI (LODR) Regulations, 2015 and also the provisions of Companies Act, 2013 read with relevant Rules thereto.

Other Matters:

- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- To look into the reasons for substantial defaults in the payment to the Banks and Financial Institutions, Debenture Holders and Creditors;
- To review the functioning of the Whistle Blower Mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments, if any.

Following information is required to be mandatorily reviewed by the Audit Committee:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses issued by the Statutory Auditors;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
- Statement of deviations:
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations, 2015.
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations, 2015.

The CFO regularly attends the committee meetings & the C.S act as the secretary of the committee. All the quarterly committee meetings were attended by the representative of Statutory Auditors. The Internal Auditor also attends the meetings as when it is required.

7. NOMINATION AND REMUNERATION COMMITTEE (NRC)

All the members of the Nomination and Remuneration Committee (“NRC”) are Independent and Nominee Director. A detailed charter of the NRC is available on the website of the Company at: <https://www.leatherchem.com/pdf/Nomination-and-Remuneration-Policy.pdf>

a. Composition & Terms of Reference:

The Company has a duly constituted Nomination and Remuneration Committee ("NRC"). The NRC's constitution and terms of reference are in compliance with provisions of Section 178 of Companies Act, 2013, rules made thereunder and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

The Nomination and Remuneration Committee was constituted to approve the remuneration payable to Key Managerial Personnel and Directors including Managing Director, Whole-time Director/ Executive Director and Part-Time Director/ Non-Executive Director/ Independent Director of the Company within the range approved by shareholders. Thus, the Committee shall have the meetings as and when so required.

Meeting, Attendance & Composition of NRC

NRC met 2 (two) time during the Financial Year 2024-25 on:

01 August 09, 2024

02 August 28, 2024

The composition of NRC and details of attendance of the members during FY 2024-25 are given below:

Name of the Director	NRC Meeting		Held during the tenure	Total Attended	% of attendance
Mr. Pankaj Jain			2	2	100
Mr. Kanishk Gupta. Chairman			2	2	100
Mr. Pradeep Behl			2	2	100

 Attended in Person

The Company Secretary acts as the Secretary to the NRC. The minutes of each NRC meeting are placed in the next meeting of the Board

This Committee is responsible for:

- Recommending desirable changes in the Board composition, size and diversity and other aspects of the Board's functioning;
- Formulating criteria for determining qualifications, positive attributes and independence of a director;
- At the time of appointment of Independent Director, to examine whether he fulfils conditions laid down under SEBI (LODR) Regulations 2015 and is independent of management;
- Conducting search and recommending new Board members in light of resignation of some current member/s or in case of a planned expansion of the Board;
- Identifying persons who are qualified to become Directors and who may be appointed as senior management in accordance with the criteria laid down, and recommend to the Board for their appointment;
- Recommending to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other senior employees, and while formulating such policy, to ensure that:
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the desired persons;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- Formulating criteria for evaluation of performance of Board, its Committee, Independent Directors and of all other non-independent Directors;
- Ensuring that there is an appropriate induction programme for new Directors and members of senior management and reviewing its effectiveness;

- Developing a succession plan for the Board and regularly reviewing the plan;
- Reviewing succession plans for the senior management;
- Taking decision regarding extension or continuation of the term of appointment of the Independent Director on the basis of their performance evaluation; and
- Carrying out any other function as is mandated by the Board from time to time and/or is enforced by any statutory notification, amendment or modification, as may be applicable.

Manner for evaluation of Board's performance:

NRC would consider various aspects including, amongst others, assessing the quality, quantity and timeliness of flow of information between the company management and the Board that would be necessary for the Board to effectively and reasonably perform its duties.

NRC would also assess the promptness of making decisions by the Board as well as the interaction amongst the members of the Board.

Manner for evaluation of Committees' performance:

NRC would consider various aspects including, amongst others, assessing the quality, quantity and timeliness of flow of information between the company management and the Committees of the Board that would be necessary for the Committees to effectively and reasonably perform their duties.

NRC would also assess the promptness of making decisions by the Committees as well as the interaction amongst the members of the Committees.

Manner for evaluation of each Director's performance:

Pursuant to the provisions of the Companies Act, 2013 along with the provisions of the LODR, Nomination and Remuneration Committee considers various aspects including, amongst others, engagement, strategic planning, consensus building and understanding of national/ international events while evaluating the performance of the Independent Directors and so far as evaluation of the performance of Non-Independent and Non-Executive Directors are concerned, engagement, strategic planning, team spirit and consensus building, effective leadership, domain knowledge and understanding of national/ international events were considered as parameters of performance.

NRC would consider management qualities, teamwork abilities, results/ achievement, domain knowledge, understanding and awareness, leadership qualities, motivation/ commitment/ diligence, integrity/ ethic/ values as also receptivity as performance indicators for Executive Directors.

NRC would also consider a variety of personal attributes, including experience, intellect, foresight, judgment and transparency. NRC would also consider these while evaluating the potential candidates.

Selection and Appointment of Independent Directors:

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board.

The Committee, inter-alia, considers qualification, positive attributes, areas of expertise and number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence and recommend to the Board their appointment.

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, gives a declaration that he / she meets the criteria of independence as provided under law and that he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence.

The Company has received declarations from all the Independent Directors that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirement) 2015. Based on the disclosure received from the Independent Directors and also in the opinion of the Board, all the Independent Directors of the Company fulfill the conditions specified in the Companies Act, 2013 as well as the LODR.

Performance Evaluation Criteria for Independent Directors:

The policy framework for nomination, election and performance review of Independent Directors is duly approved by the Board of Directors upon the recommendation of the NRC. The performance of the Independent Directors is being evaluated by the entire Board, except for the director being evaluated. A brief description of the performance mechanism of the same is mentioned in the Directors' Report.

8. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been constituted to assist the Board in safeguarding the interests of and redressing the grievances of the security holders of the Company.

The Committee, inter-alia, considers transfer and transmission of shares, re-materialization of shares, transposition of names, consolidation of shares, issue of duplicate share certificates etc. and to look into the redressal of shareholders' complaints.

This Committee is responsible for:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of the shares, non-receipt of annual report, non- receipt of declared dividends, issue of new/duplicate certificates, general meeting etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee's terms of reference are in accordance with the provisions of Section 178 of the Companies Act, 2013, Rules made there under and Regulation 20 of the SEBI (LODR) Regulations, 2015. Accordingly, the committee performs the roles assigned to it.

a. Meeting, Attendance & Composition of the SRC:

SRC met 3 (three) times during the Financial Year 2024-25 on:

01 August 09, 2024

02 August 28, 2028

03 February 13, 2025

The composition of SRC and details of attendance of the members during FY 2024-25 are given below:

Name of the Director	SRC Meetings			Held during the tenure	Total Attended	% of attendance
	1	2	3			
Mr. Pankaj Jain				3	3	100%
Mr. Kanishk Gupta. Chairman				3	3	100%
Mr. Pradeep Behl				3	3	100%

 Attended in Person

The Company Secretary acts as the Secretary to the Committee. The minutes of each SRC meeting are placed in the next meeting of the Board.

The Chairman of the SRC attended the last AGM held on 28th September, 2024 to answer the shareholders' queries.

Compliance Officer

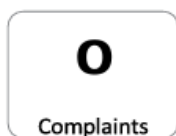
In terms of the requirement of Listing Regulations, Mr. Yugank, Company Secretary is the Compliance Officer of the Company.

Terms of Reference:

In compliance with requirement of Regulation 34(3) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has constituted an "Investors Grievance Committee" to look into Redressal of shareholders/investors grievances relating to non-receipt of notices, share certificates, annual report, dividends, transfer of shares and dematerialization of shares. Oversee and review all matters connected with the transfer of the Company's securities. Approve issue of duplicate shares/debentures certificates.

Details of Investor Complaints

The Company and its Registrar and Share Transfer Agent address all complaints, suggestions and grievances expeditiously and replies are sent usually within 7-10 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavours to implement suggestions as and when received from the investors.



During the Financial Year 2024 -25, no investor complaint was received.

9. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has laid down a Prevention of Sexual Harassment (POSH) Policy and has constituted Internal Complaints Committees (ICs), at all relevant locations across India to consider and resolve the complaints related to sexual harassment. The ICs includes external members with relevant experience. The ICs, presided by senior women, conduct the investigations and make decisions at the respective locations. The Company has zero tolerance on sexual harassment at the workplace. The ICs also work extensively on creating awareness on relevance of sexual harassment issues, including while working remotely. The employees are required to undergo a mandatory training/ certification on POSH to sensitize themselves and strengthen their awareness.

During the year under review, your Company has not received any complaint pertaining to sexual harassment.

All new employees go through a detailed personal orientation on anti-sexual harassment policy adopted by your Company.

a.	Number of complaints filed during the financial year 2024-25	0
b.	Number of complaints disposed of during the financial year 2024-25	0
c.	Number of complaints pending as on end of the financial year 2024-25	0

10. FEES PAID TO STATUTORY AUDITOR

Details of fees paid/ payable to the Statutory Auditor and all entities in the network firm/ network entity of which the Statutory Auditor is a part, by the Company is given below and there are no other entities in the group to which the Statutory Auditor is a part.

Particulars		Financial Year 2023-24
i	For Tax Audit	2,97,000
ii	For Other Services (certification)	-
iii	For Reimbursement of Expenses	18,000
	Total	3,15,000

11. GENERAL BODY MEETINGS

Annual General Meetings:

The details of last three Annual General Meetings ("AGMs") are as follows:

Financial Year	Location/ Mode	Day, date and time (IST)	Special resolution passed
2023-24		Wednesday, Sept. 28, 2024 at 12:30 PM	- To appoint Mr. Chinar Goel (DIN: 07610985), as an Independent Director of the Company - To appoint Mr. Kanishk Gupta (DIN: 02243899) as an Independent Director of the Company - To appoint Mr. Pradeep Kumar Verma (DIN: 09596000) as an Independent Director of the company. - To appoint Ms. Ritu Atri (DIN: 09596000) as an Independent Director of the company.
2022-23		Wednesday, Sept. 16, 2023 at 12:30 PM	NA
2021-22		Tuesday, July 13, 2022 at 11.00 AM	To re- appoint Mr. Pankaj Jain (DIN : 00206564) and to increase remuneration as Managing Director of the Company.

In Person

All the resolutions proposed by the Directors to shareholders in last three years are approved by shareholders with requisite majority.

No Resolution was passed through Postal Ballot during the year ended 31st March, 2025.

KEY CODES, POLICIES AND FRAMEWORKS

Code of Conduct

The Board has laid down a Code of Business Conduct and Ethics (the “Code”) for all the Board Members and Senior Management of the Company. The Code is available on the website of the Company <https://www.leatherchem.com/pdf/Code-of-conduct-of-Board-of-Directors-and-Senior-Management-Personnel.pdf>. All Board Members and Senior Management Personnel have affirmed compliance of the Code. A declaration signed by Managing Director to this effect is attached to this report.

The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Act.

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and conducts periodical training and awareness drives for the employees and Directors to report concerns about unethical or improper activities, malpractices and financial irregularities.

The Company periodically circulates the informative e-mails along with the FAQs on whistle blower policy, Do's and Don'ts etc. to the employees (including new employees) to familiarize them with the policy. The Company also conducts frequent workshops/ training sessions to educate and sensitize the employees. The whistle blower policy also ensures the protection of the employee who is acting as whistleblower.

No person has been denied access to the chairman of the Audit Committee. The Audit Committee monitors and reviews the investigations of the whistle blower complaints. The said policy is uploaded on the website of the Company at: <https://www.leatherchem.com/pdf/Whistle-Blower-Policy.pdf>.

Code on prohibition of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”), the Company has formulated the Code of Conduct for Prevention of Insider Trading (“Code”) to regulate and monitor trading by Designated Persons (“DPs”) and their immediate relatives.

The Code, inter alia, lays down the procedures to be followed by DPs while trading/ dealing in Company shares/ derivatives and while sharing Unpublished Price Sensitive Information (UPSI). The Code includes the obligations and responsibilities of DPs, obligation to maintain the structured digital database, mechanism for prevention of insider trading and handling of UPSI, process to familiarise with the sensitivity of UPSI, transactions which are prohibited and manner in which permitted transactions in the securities of the Company shall be carried out etc.

A report on insider trading, covering trading by DPs and various initiatives/ actions taken by the Company under the PIT Regulations is also placed before the Audit Committee on quarterly.

The Company periodically circulates the informative e-mails along with the FAQs on Insider Trading Code, Do's and Don'ts etc. to the employees (including new employees) to familiarize them with the provisions of the Code. The Company also conducts frequent workshops/ training sessions to educate and sensitize the employees/ designated persons.

12. RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified Practicing Company Secretary carried out quarterly Audit for reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical shares with the total issued and listed capital. The Auditor confirmed that the total issued/ paid-up capital is in agreement with the total number of shares in dematerialized shares held with NSDL and CDSL as well as those held in physical form.

13. MEANS OF COMMUNICATION

i) Quarterly Financial Results:

The Company's quarterly/ half-yearly/ annual financial results are sent to the Stock Exchange and published in Financial Express (English Daily) and Jansatta (Hindi Daily) in the form prescribed by Regulation 47(1) (b) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. Simultaneously, they are also put

on the Company's website and can be accessed at <https://www.leatherchem.com/investors>.

ii) **Website:**

The Company has dedicated "Investors" section on its website viz. <https://www.leatherchem.com/investors>, wherein any person can access the corporate policies, Board committee charters, Annual Reports, financial results, investor documents and shareholding details etc.

iii) **BSE Corporate Compliance & Listing Centre (the 'Listing Centre')**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like financial results, shareholding pattern, corporate governance report, media releases, and corporate announcements among others are also filed electronically by the Company on the Listing Centre.

iv) **SEBI Complaints Redress System (SCORES):**

SEBI has designed a centralized web-based system, www.scores.gov.in wherein the Investors can lodge their complaints and can view the status of their complaints being replied to by the respective Company. In compliance thereof, the Company itself as well as Company's Registrar and Transfer Agents is regularly uploading the 'Action taken Report' on the said website in respect of the Investors' references received, if any.

14. DISCLOSURES

A. Related Party Transactions:

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives, etc., which may have potential conflict with the interest of the company at large. The details of transactions with related parties are disclosed in the annual accounts for the Financial Year 2024-2025.

B. Disclosure on Materially Significant Related Party Transactions:

During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. There were no materially significant related party transactions during the financial year 2024-2025, that may have potential conflict with the interest at large. The details of the related party transaction as per the Accounting Standard-24 forms part of notes to the account. All the contracts/arrangements/ transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. None of the transactions with any of the related parties were in conflict with the Company's interest. The Company's Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is put up on the Company's website and can be accessed at www.leatherchem.com.

C. Disclosure of Accounting Treatment:

The company earlier followed accounting standards issued by the Institute of Chartered Accountants of India and in the preparation of the financial statement. The Company has adopted the IND AS w.e.f April 1, 2017. In pursuance of the notification issued by the Ministry of Corporate Affairs ("MCA"), notifying the Companies (Indian Accounting Standards (IND AS) Rules 2015, which stipulates the adoption and applicability of IND AS.

D. Management Discussion and Analysis Report:

The management discussion and analysis report have been provided as of the Directors Report.

E. Certification from Chief Managing Director and Chief Financial Officer of the Company:

CMD/CFO CERTIFICATION

In terms of the requirements of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the Managing Director and the CFO have submitted necessary Certificate to the Board of Directors stating the particulars specified under the said Regulation.

The requisite certification from Mr. Pankaj Jain, Managing Director and Mr. Sukanto Choudhury, Chief Financial Officer of the company for the Financial Year 2024-2025 required to be given under Regulation 17(8) was placed before the Board of Directors of the company and Board Meeting held on 15th May, 2025. A copy thereof is reproduced in this report.

F. Details of Non-Compliance With Regard To Capital Market:

With regard to the matter related to the capital market, the company has complied with all requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as the SEBI Regulations and Guidelines. In this regard, no penalties were imposed or structures passed against the company by the Stock Exchanges, SEBI

or any other authorities during the last three years.

The company has paid listing fees to the Bombay Stock Exchanges and Annual Custodial Fees to the depositories for the financial year 2024-2025 in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There were no penalties imposed nor structures passed on the company whether Stock Exchange, SEBI or any other statutory authorities on any matter related to the capital market, during the last three years.

G. Details of Compliance with Mandatory Requirement and Adoption of Non-Mandatory Requirements as Per Securities and Exchange Board Of India (Listing Obligations & Disclosure Requirements) Regulations, 2015:

The company has complied with all the mandatory requirements as mandated under Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

A certificate from the statutory auditors of the company to this effect has been included in this report.

Besides the mandatory requirement, the company has constituted a Nomination and Remuneration Committee to consider and recommend the remuneration of the executive directors and administration. No person has been denied access to the Audit Committee.

H. Non-Compliances and Penalties etc.:

No penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

15. GENERAL SHAREHOLDERS INFORMATION (AGM)

40th Annual General Meeting

Date & Time

Saturday September 13, 2025 at 1.00 PM (IST)

Mode

Video Conferencing/Other Audio Visual Means

Instructions for attending AGM/Remote e-voting:

Refer Notice AGM

E-voting details

Starts: Wednesday, September 10, 2025 from 9.00 AM (IST)

Ends: Friday September 12, 2025 at 5.00 PM (IST)

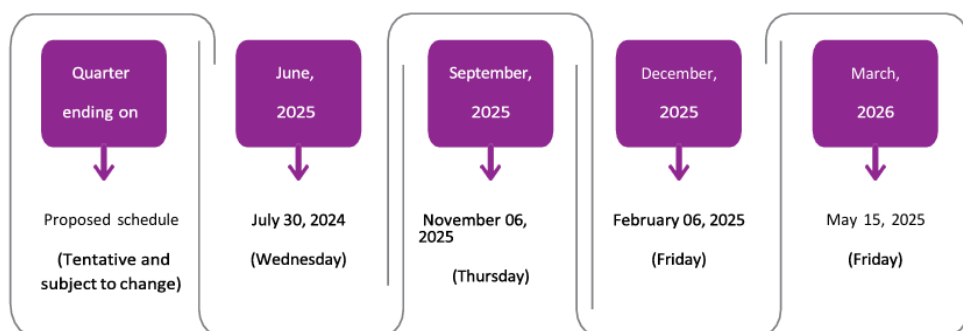
E-voting at AGM

E-voting facility shall also remain open during the AGM

16. FINANCIAL CALENDAR for 2025- 2026

Financial Results are normally published in Financial Express (English) and Jansatta (Hindi).

Details of announcement of Financial Results for different periods during the financial year 2025-26 are as under:



The Financial Results are also uploaded on the Company's website at <https://www.leatherchem.com/quarterly-results/>.

The financial results were reviewed by the Audit Committee and thereafter approved by the Board. Annual Audited Financial Results for the Financial Year ended 31st March, 2025 were announced on 15th May, 2025.

17. Dividend Distribution Policy:

The Dividend Distribution Policy of the Company is available on the website of the Company at: <https://www.leatherchem.com/pdf/DIVIDEND-DISTRIBUTION-POLICY.pdf>.

18. LISTING ON STOCK EXCHANGES

Equity Shares

The Equity shares of the Company are listed on the following Exchange: -

Name and Address of Stock Exchange	ISIN	Code
BSE Limited (BSE) Floor 25, P. J Towers, Dalal Street, Mumbai – 400 001	INE681f01018	524080
		HARLETH

The Company has paid Annual Listing Fees for the Financial Year 2025-26 to the Bombay Stock Exchanges

Depositories

Name of Depositories	Address of Depositories
National Securities Depository Limited (NSDL)	Trade World, 4 th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013.
Central Depository Services (India) Limited (CDSL)	25 th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound, NM Joshi Marg, Lower Parel (E), Mumbai- 4000013

The annual custody / issuer fees for the Financial Year 2025-26 have been paid to both, NSDL and CDSL.

19. MARKET PRICE DATA

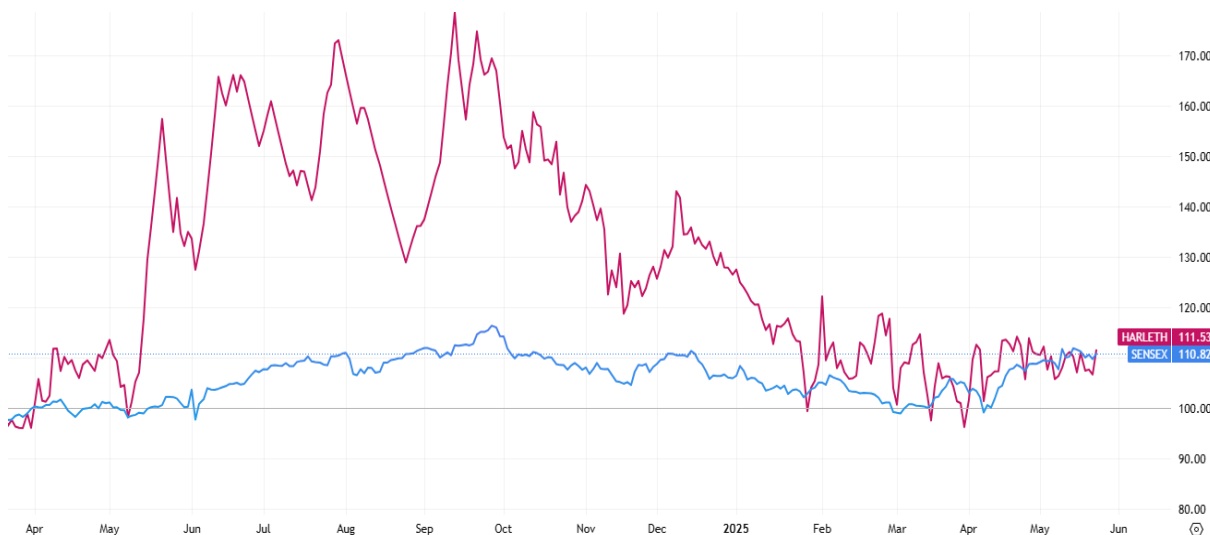
Month-wise high and low of Sensex and the share price of the Company at BSE during the Financial Year 2024-25 were as under:

BOMBAY STOCK EXCHANGE (BSE SENSEX):

Month	BSE		
	High (₹)	Low (₹)	Volume (No. of shares)
April, 2024	72.5	56.81	35,305
May, 2024	82	63.1	71,751
June, 2024	112.42	66.06	3,23,072
July, 2024	113	82.83	13,2722
August, 2024	119.7	92.3	99,112
September, 2024	115.35	87.7	50,705
October, 2024	124	91.63	1,64,459
November, 2024	113.5	90.3	91,952
December, 2024	103.9	79	1,04,020
January, 2025	102.79	84	1,31,790
February, 2025	87.89	63	84,751
March, 2025	88.6	62.56	1,28,840
Total	-	-	15,48,774

(Source: This information is compiled from the data available from the websites of BSE)

The Company's equity shares are frequently traded on the BSE Limited.



Note: HLCL share price and BSE Sensex values on 1st April, 2024 have been baselined to 100.

B. Distribution of Shareholding as on 31st March 2025:

The distribution of shareholding according to the number of shares as on 31st March, 2025, was as follows:

Shareholding of value of Rs.	Shareholders		Share holdings		
	Number	% to total	Shares	Amount	% to total
UPTO TO 5000	3758	88.05	476872	4768720.00	9.72
5001 TO 10000	243	5.69	195874	1958740.00	3.99
10001 TO 20000	109	2.55	162179	1621790.00	3.30
20001 TO 30000	41	0.96	100024	1000240.00	2.04
30001 TO 40000	33	0.77	117335	1173350.00	2.39
40001 TO 50000	17	0.40	78310	783100.00	1.60
50001 TO 100000	27	0.63	184557	1845570.00	3.76
100001 and above	40	0.94	3593319	35933190.00	73.21
G Total	4268	100.00	4908470	49084700.00	100.00

C. Categories of Shareholders as per Clause 31 of SEBI (LODR) Regulations, 2015. (As on March 31, 2025)

Category	Total No. of Shares	% of holding
Promoter & Promoter Group	20,25,728	41.27
Insurance Company	0	0
FPIs	0	0
Directors, KMPs & Relatives	5	0
Resident Individuals	25,37,458	51.70
Non-Resident Indians (Individuals)	26,331	.17
Foreign Companies & Bodies Corporate	65552	.50
Others	2,53,401	6.36
Total	49,08,470	100

D. Dematerialization of shares and liquidity thereof:

The Board has delegated the authority for approving transmission etc. to the stakeholder relationship committee

The Company's shares are compulsorily traded in dematerialized form and are available for trading with both the depositories. i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The shareholders can hold the Company's shares with any depository participant, registered with the depositories.

	Number of Shares	No. of Shares	
March 31, 2024	49,08,470	38,55,660	In Demat
		10,52,810	In Physical
March 31, 2025	49,08,470	38,79,215	In Demat
		10,29,255	In Physical

20. REGISTRAR AND SHARE TRANSFER AGENT

RCMC Share Registry Pt. Ltd. are acting as Registrar and Share Transfer Agent of the Company for both Physical and Demat Shares. They have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster services to the investors. The registered office address is given below:

Address: B-25/1, First Floor Okhla Industrial Area, Phase - 2, New Delhi - 110 020

Tel: 011-35020465, 35020466 |

E-mail: mdnair@rcmcdelhi.com

Website: www.rcmcdelhi.com

The Shareholders are requested to correspond directly with the R&T Agent for transfer/transmission of shares, change of address, queries pertaining to their shares, dividend etc.

Name, Designation and Address of the Compliance Officer:

Mr. Yugank,

Company Secretary and Compliance Officer

"Haryana Leather Chemicals Ltd. 1405 B, Signature Towers, South City I, Gurgaon - 122001, Haryana, India

E-mail ID: yugank@leatherchem.com

21. SHARE TRANSFER SYSTEM

The Board of Directors have delegated the power of re-materialization of shares, transfers and transmission, splitting/ consolidation of share certificates and issue of duplicate share certificates etc. to Stakeholders' Relationship Committee. The meetings of the Committee are periodically held to consider the requests of the Shareholders.

22. UNCLAIMED DIVIDENDS:

The unclaimed dividend for every financial year if any has been transferred to the Investors Education and Protection Fund (IEPF) within the stipulated time.

A. Other disclosures:

- There were no materially significant Related Party Transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their relatives, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are duly disclosed in the Notes to the Financial Statements. Further, there have been NIL loans and advances in the nature of loans to the Firms/Companies in which Directors are interested.
- No penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- No treatment different from the Indian Accounting Standards, (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended has been followed in the preparation of Financial Statements except as stated in Note No.44I of Standalone Financial Statements.
- During the year, no funds were raised through Preferential Allotment or Qualified Institutional placement.
- All mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Listing Regulations have been complied with by the Company.

(vi) There are no activities involving commodity price risk, hence, no commodity hedging activities were taken up.

Other Disclosure:

CEO / CFO Certification

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the CEO and CFO of your Company was placed before the Board. The same is provided as an annexure to this report.

Company Secretary Certificate on Corporate Governance

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations. It has obtained a certificate affirming the compliances from CS Neeraj Gupta, , M/s. Neeraj Gupta & Associates, Practising Company Secretaries, affirming compliance of Corporate Governance requirements during FY 2024-25 and the same is attached to this Report.

Certificate from Secretarial Auditor pursuant to Schedule V of the Listing Regulations

A certificate from CS Neeraj Gupta, M/s. Neeraj Gupta & Associates, Practising Company Secretaries, pursuant to Schedule V of the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority as on March 31, 2025, is annexed to this report.

Directors' details

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the 40th AGM to be held on 13th September, 2025 at 1:00 P.M.

Senior Management

The details of senior management including changes therein since the close of the previous financial year is as under:

Name	As on March 31, 2025	As on March 31, 2024
Ms. Ratnam Jain	✓	✓
Mr. Sukanto Choudhury	✓	✓
Mr. Deepak Raj	✓	✓
Mr. Vipin Sharma	✓	✓
Mr. Yash Pal Gaba	✓	✓

Compliance with Secretarial Standards

The Company complies with all applicable secretarial standards.

23. COMPLIANCES UNDER CLAUSE C OF SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015:

The Company has complied with the requirement of Corporate Governance Report as mentioned in sub paras (2) to (10) of Schedule V of the SEBI Listing Regulations 2015, to the extend as applicable to the Company.

24. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING ON THE COMPANY:

As per Schedule V Clause G of SEBI (LODR) Regulations 2015, requiring disclosure of Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entities - **NIL**

25. WEBLINKS

S.No.	Policy	Weblink
1.	Code of Conduct to Regulate, Monitor & Report Trading by Insiders	https://www.leatherchem.com/pdf/Code-of-conduct-of-Board-of-Directors-and-Senior-Management-Personnel.pdf
2.	Nomination & Remuneration Policy	https://www.leatherchem.com/pdf/Nomination-and-Remuneration-Policy.pdf
3.	Regularization Programme for Independent Directors	https://www.leatherchem.com/pdf/Programme-for-Independent-Directors.pdf
4.	Brief Profile of Directors	https://www.leatherchem.com/pdf/Directors-Brief-Profile.pdf
5.	Vigil Mechanism-Cum Whistle Blower Policy	https://www.leatherchem.com/pdf/Vigil-Mechanism-Whistle-Blower-Policy.pdf
6.	Memorandum & Articles of Association	https://www.leatherchem.com/pdf/memorandum-And-Articles-Of-Association.pdf
7.	Policy on Determining Materiality of Events/Information	https://www.leatherchem.com/pdf/Materiality-Policy.pdf
8.	Criteria for Making payments to Non-Executive Directors	https://www.leatherchem.com/pdf/Criteria-of-Making-payment-to-non-executive-directors.pdf
9.	Policy on Related Party Transactions	https://www.leatherchem.com/pdf/HLCL-RPT-Policy.pdf
10.	Sexual Harassment Policy	https://www.leatherchem.com/pdf/HLCL-POSH-Policy.pdf
11.	Whistle Blower Policy	https://www.leatherchem.com/pdf/Vigil-Mechanism-Whistle-Blower-Policy.pdf
12.	Policy on Preservation of Documents	https://www.leatherchem.com/committees-policies/
13.	Dividend Distribution Policy	https://www.leatherchem.com/pdf/Dividend-Distribution-Policy.pdf

For and on behalf of the Board
Pankaj Jain
(DIN: 00206564)
Managing Director

Date: 30th, July 2025
Place: Gurugram

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Forming part of Directors' Report for the year ended 31st March, 2025)

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') this Report is an endeavor of the Board of Directors to:

- i. makes an analysis of the financial condition and results of operations of the Company,
- ii. provide an overview of the business environment and performance of each of the Company,
- iii. analyze the underlying factors, which had acted upon or had impacted the performance of the Company during the FY 2024-25,
- iv. share the future outlook of the Company.

With its diverse economy, technological prowess and commitment to sustainable development, India brought unique perspectives to the table. Post 1991 reforms, India's GDP has soared from \$275 billion to \$4.12 trillion in FY25. The long-term growth story of the Indian economy is a bright spot in the global growth scenario. India's emergence as the world's fourth-largest economy, overtaking the Japan (UK) in 2025 marks the beginning of the "India era" in the global growth story. It is set to surpass Germany to become the world's third-largest economy by 2029.

One of the key drivers of India's future growth momentum is the huge investments being made to develop the physical infrastructure across the country. The recent policy interventions such as Ease of doing business reforms, Production Linked Incentive (PLI) scheme, Tax reform in the form of One Nation One Tax, liberalization of the Foreign Direct Investment (FDI) policies, simplified bankruptcy law, rationalization of corporate taxes, enhanced formalization of businesses, enhanced digitization of statutory compliances and reforming labour laws all indicate the Government's approach towards developing a business-conducive framework. The Government's focus to decarbonize Indian economy over the next decades will promote huge investments into green innovation and skilling.

Also, our Businesses like Leather Chemicals, PVC, have been leveraging specific conducive market scenarios. The Leather Chemical & PVC market is the fastest growing market worldwide with innumerable opportunities of growth.

1. ECONOMIC REVIEW

The global leather chemicals market size reached **USD 9.7 Billion** in 2024. Looking forward, it expects the market to reach USD 15.3 Billion by 2033, exhibiting a growth rate (CAGR) of **5.2%** during **2025-2033**. The market is driven by the increasing demand from the automotive, footwear, fashion, and furniture industries, rapid advancements in leather processing technologies, and a growing preference for sustainable and eco-friendly leather products, leading to a robust market expansion with diverse applications across various sectors.

Leather chemicals play a crucial role in various stages of leather production, including tanning, dyeing, and finishing, enhancing the quality and durability of leather products. This has led to a significant increase in their popularity and demand in recent years. The Indian market, known for its rich history in leather goods production, has been quick to capitalize on this trend by embracing the use of these chemicals.

As one of the world's leading leather exporters, India is in a favorable position to benefit from this growing demand for leather chemicals. The country's expertise in leather production, coupled with its strong export capabilities, positions it as a key player in the global market. In addition to this, the domestic market in India is also witnessing significant growth, driven by rising disposable incomes and evolving lifestyle preferences. This has further contributed to the increasing demand for leather chemicals within the country.

2. URBANIZATION AND RISING DISPOSABLE INCOME

Urbanization, a global phenomenon, holds particular importance for developing economies like India. As more and more people migrate to cities in search of better opportunities, there is an unprecedented demand for consumer goods, including leather products.

In urban environments, the abundance of retail outlets and e-commerce platforms provides a wide range of leather goods, ranging from footwear and apparel to accessories and home décor. This increased accessibility and availability have led to a significant rise in the consumption of leather products, thereby driving the demand for leather chemicals used in their production.

Moreover, urban environments tend to foster fashion-conscious consumers who value quality and durability. Leather, being perceived as a premium material, holds immense appeal for these consumers. This trend has further spurred the growth of the leather industry, directly impacting the leather chemicals market.

3. COMPANY PROFILE

Haryana Leather Chemicals Limited (HLCL), established in 1985, is a specialty chemical manufacturing company based in Gurugram, Haryana, India. It was initially promoted as a state government-sponsored project and has since evolved into a reputed player in the chemical industry. HLCL specializes in the development and production of high-quality chemicals for leather processing, footwear finishing, textile printing, pressure-sensitive adhesives, and PVC additives. With an annual production capacity of over 6,000 metric tons and a diverse portfolio of more than 250 products, the company serves both domestic and international markets across Asia, the Middle East, Africa, and Europe. HLCL operates with ISO 9001:2015 and ISO 14001:2015 certifications, reflecting its commitment to quality and environmental sustainability. The company has established strong technical collaborations with leading European firms such as ICAP-SIRA (Italy) and enhancing its R&D capabilities. HLCL is listed on the Bombay Stock Exchange (BSE: 524080) and maintains its corporate office at Signature Towers in Gurugram, with its main manufacturing plant located in Jind, Haryana. Under the leadership of pFounder, Managing Director Pankaj Jain, the company continues to expand its footprint through innovation, global partnerships, and a focus on customer-centric solutions.

4. INDUSTRY OVERVIEW:

The leather chemicals market in India is expected to reach a projected revenue of US\$ 2,629.4 million by 2030. A compound annual growth rate of 7.2% is expected of India leather chemicals market from 2025 to 2030.

Asia Pacific region held the largest share in the leather chemicals market in 2024 up to 40%, owing to the presence of multiple leather processing units and tanneries in the region.

The presence of developing nations such as India is driving the market growth in the region. The rapid growth in population, growing number of working individuals, and growth in income levels are some of the major factors driving the regional market. Abundant raw material sources and availability of workforce also supporting the regional demand. India is one of the major manufacturers of leather globally. The country produces about 3 billion sq. ft. of leather every year.

Leather chemicals are used at various stages of leather processing, such as:

Beamhouse chemicals – for soaking, liming, deliming, bating

Tanning agents – chrome, vegetable tannins, synthetic

Post-tanning & finishing chemicals – dyes, fatliquors, binders, pigments, waterproofing agents

India is the second-largest producer of leather globally, major hubs: Tamil Nadu (Chennai, Ambur, Ranipet), Kanpur, Kolkata. Over 3,000 tanneries and large clusters using chemicals intensively

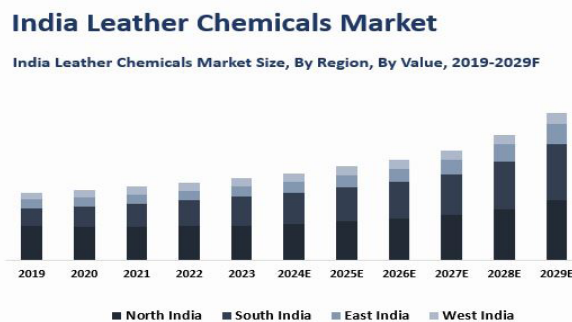
Growth drivers:

- Increasing leather exports
- Shift to eco-friendly and REACH-compliant chemicals
- Government incentives (Make in India, leather parks)

5. Indian Economy

In the face of unprecedented challenges such as the Covid pandemic and geopolitical conflicts, the Indian economy has demonstrated a remarkable ability to bounce back and convert challenges into opportunities while striving to achieve strong, sustainable, balanced, and inclusive growth.

The Indian leather chemical industry, deeply rooted in history, holds significant traditional value. Over the years, it has transformed into a dynamic and competitive market, playing a vital role in India’s manufacturing sector and exports.



As one of the world's leading leather exporters, India is in a favorable position to benefit from this growing demand for leather chemicals. The country's expertise in leather production, coupled with its strong export capabilities, positions it as a key player in the global market. In addition to this, the domestic market in India is also witnessing significant growth, driven by rising disposable incomes and evolving lifestyle preferences. This has further contributed to the increasing demand for leather chemicals within the country.

Economically, chemical leather contributes to employment generation, particularly in MSMEs located in states such as Tamil Nadu, Uttar Pradesh, and Maharashtra. These small and medium enterprises form the backbone of the synthetic leather supply chain, from raw material processing to finished goods. The government of India has also extended support to this sector through initiatives like Make in India and the Production Linked Incentive (PLI) scheme, which encourage local production and technological advancement in sustainable materials.

6. GOVERNMENT INITIATIVE:

Production-Linked Incentive (PLI) Scheme for Leather and Footwear

The government is in the process of implementing a PLI scheme for the leather and footwear sector, with an estimated allocation of ₹2,600 crore. This scheme aims to:

1. Boost domestic production and exports
2. Encourage investment in design, capacity, and machinery
3. Support the manufacturing of non-leather quality footwear

The scheme is expected to run until FY2031-32.

2. Indian Leather Development Program (ILDLP)

The ILDP is a comprehensive initiative aimed at the holistic development of the leather sector. It includes:

1. Integrated Development of Leather Sector (IDLS): Focuses on upgrading tanneries, footwear, and accessory manufacturing units.
2. Mega Leather Clusters: Establishment of large-scale production hubs.
3. Common Effluent Treatment Plants (CETPs): Implementation of environmentally friendly waste management systems.
4. Skill Development: Training programs to reduce skill gaps and meet future technological demands.

The program is expected to continue until 2025-26 with an outlay of \$229 million.

5. Eco mark Certification for Leather Products

The Bureau of Indian Standards (BIS) administers the Eco mark certification to products that meet environmental standards. Leather products that adhere to these standards are eligible for this certification, promoting eco-friendly practices within the industry.

State-Level Initiatives

In addition to national programs, states like Uttar Pradesh have introduced initiatives such as the "One District One Product" (ODOP) scheme. This program encourages the production of specialized leather products in various districts, aiming to boost local economies and employment.

These combined efforts reflect the government's commitment to developing the leather sector, including the crucial area of leather chemicals, to foster sustainable growth and competitiveness in the global market.

7. OUTLOOK

The outlook for the leather chemical industry in India is positive, with projections indicating significant growth driven by urbanization, rising disposable incomes, and a growing demand for leather goods. The market is expected to reach substantial revenue by 2030, driven by factors like increased demand for footwear and apparel, and a shift towards sustainable practices. Within a short span of time, India's leather chemical market is transforming rapidly but with a concentration on sustaining the cost factor. Since the past few years there is more emphasis on the adoption of plant-based chemicals and production processes that are clean and environmentally friendly. To complement, the Indian government is making a crusade for green practices by implementing policies that help curb the environmental effects of leather manufacturing.

Ranked as the world's eighth-largest exporter of leather and leather products, India's leather industry employs

approximately 4.42 million individuals, making it a crucial sector from a socio-economic perspective. These statistics highlight the immense scale of the industry and its potential for future growth.

As the leather industry continues to prosper, the demand for leather chemicals also grows in tandem. The surge in production, driven by both domestic and international demand for leather goods, directly translates to an increased consumption of leather chemicals.

Furthermore, emerging trends such as the rising preference for high-quality and durable goods, along with the growing demand for eco-friendly leather products, are exerting influence on the leather chemicals market. Manufacturers are consistently innovating to produce chemicals that can deliver superior quality products while minimizing environmental impact, reflecting the industry's commitment to sustainability and customer satisfaction.

In conclusion, the Indian leather chemicals market is poised for continued growth, driven by urbanization, rising disposable incomes, and a strong manufacturing base. However, the industry must address environmental concerns and adapt to a competitive landscape to realize its full potential.

8. RISKS/THREATS:

Tariff wars, particularly those involving the United States and China, significantly impact the Indian leather chemicals industry. The increase in tariffs on chemical exports to the US, a major market for Indian chemicals, leads to higher export costs, reduced demand, and potential trade diversion, impacting profit margins and export volumes.

Another major challenge facing the Indian leather Chemical export industry is intense global competition. India faces stiff competition from other major leather chemical producing countries such as China, Vietnam, and Italy. These nations often have more advanced technology, lower production costs, and stronger brand recognition in the international market, making it crucial for Indian exporters to differentiate their offerings.

China is the world's largest producer of leather chemical, accounting for over 30% of global production. China's leather chemical industry is highly competitive, with many large-scale manufacturers that are able to produce high-quality leather chemical at low costs. Similarly, Italy is known for its high-quality leather goods, and many Italian leather manufacturers have a strong reputation for producing luxury leather products.

According to estimates, the global leather market is expected to grow at a CAGR of 5-6% over the next five years, driven by increasing demand for leather goods from emerging markets such as China, India, and Brazil. However, this growth is also expected to attract new entrants into the market, which could increase competition for Indian leather chemical exporters.

The leather chemical industry in India faces significant risks, primarily related to worker health and safety, environmental pollution, and economic instability. Workers are exposed to hazardous chemicals, including carcinogens, leading to increased risks of respiratory and skin diseases, as well as cancers. Additionally, the industry's wastewater, often containing heavy metals and other pollutants, poses a threat to the environment and human health. Economic factors, such as volatile raw material prices and fluctuating export markets, also contribute to the overall risk profile of the industry.

Leather chemicals, which are utilized at various stages of leather production, are derived from a range of raw materials including chromium salts, vegetable tannins, and synthetic tanning agents. The costs of these inputs are susceptible to fluctuations influenced by a multitude of factors such as changes in supply and demand dynamics, geopolitical tensions, and evolving environmental regulations.

For instance, chromium salts, a crucial raw material used in leather tanning, have experienced considerable price volatility due to inconsistent supply and the rising concerns surrounding environmental impact. Similarly, the prices of vegetable tannins are heavily influenced by agricultural yields, which can be unpredictable due to changing weather patterns and the occurrence of natural disasters.

9. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company is primarily engaged in production of leather chemical and thus has only one segment. The Company has Manufacturing Unit in Jind Haryana. The Jind Plant is working in the best capacity and it is the best plant in Jind having European standard. The turnover of the company also increasing every year.

10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate internal control system which is commensurate with the nature and size of its operations and is manned by qualified and experienced personnel.

The system involves adopted policies and procedures regarding financial and operating functions for ensuring the orderly and efficient conduct of its business including adherence to Company's assets, prevention & detection of frauds and errors and timely preparation of reliable financial information.

The internal control systems are further supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by the management and Statutory Auditors. The Internal Audit reports are reviewed by the Audit Committee.

The internal control systems are implemented:-

- To safeguard the Company's assets from loss or damage.
- To keep constant check on cost structure.
- To provide adequate financial and accounting controls and implement accounting standards.

The senior management regularly reviews the findings and recommendations of the Internal Auditors so as to continuously monitor and improve internal controls to match the organization's pace of growth and increasing complexity of operations as well as to meet the changes in statutory and accounting requirements.

11. FINANCIAL DISCUSSION & ANALYSIS

After adoption of Indian Accounting Standards, the financial statements for the Financial Year 2024-25 have been prepared in accordance with Ind AS.

11.1 Standalone Financial Performance

The revenue from operations for the year ended 31st March, 2025 aggregated to Rs. 4902.95 Lakhs as compared to Rs. 4442.19 lakhs in the previous year i.e. higher by Rs. 460.76 lakhs.

The operations resulted in profit before exceptional items, tax and regulatory deferral account balances for the year under review of Rs 334.01 lakhs as compared to profit of Rs 564.49 lakhs in the previous year which includes sale of land. This year there is improvement in the operational efficiency of the Company.

Further, Other Income has increased to Rs.168.32 lakhs as compared to income of Rs. 139.64 Lakhs in the previous year.

The Tax expenses during the year under review are Rs. 99.17 lakhs (including Deferred Tax of Rs. 4.83. lakhs) against Tax expenses of Rs. 88.99 lakhs in the previous year. The Net profit during the year under review is Rs. 230.01 lakhs against Net profit of Rs. 461.82 lakhs during the previous year.

11.2 Finance Cost

Finance cost has increased from Rs. 2.52 lakhs in the Financial Year 2023-24 to Rs. 4.50 lakhs in FY 2024-25 mainly due to availment of loan in current year.

11.3 Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018 (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios, along with detailed explanation there for. The details of Key Financial Ratios for FY 2024-25 and FY 2023-24 are given below:

Ratio	FY 2024-25	FY 2023-24	% of variance	Reason for variance
Current Ratio (times)	3.84	3.96	-0.12	NA
Debt-equity Ratio (times)	0.016	0.007	0.009	NA
Debt Service Coverage Ratio (times)	4.508	19.757	-15.249	NA
Return on Equity Ratio (ROE) (%)	0.05	0.11	-0.06	NA
Inventory turnover ratio (times)	0.09	0.07	0.02	NA
Trade Receivables turnover ratio (times)	0.216	0.210	0.006	NA
Trade Payables turnover ratio (times)	0.089	0.095	-0.006	NA
Net capital turnover ratio (times)	0.875	0.925	-0.05	NA
Net profit ratio (%)	0.0469	0.1039	-0.057	NA
Return on Capital employed (%)	0.0536	0.1123	-0.058	NA
Return on Net worth (Times)	0.0536	0.1123	-0.058	NA

12. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

Human Resources are considered as one of the most critical resources in the business, which need to be continuously nurtured to maximize the effectiveness of the Organization. The Company recognizes its human resources as the most valuable assets. The Company has appointed specialized professionals in the fields of engineering, finance, administration and technical and non-technical staff to take care of its operations and allied activities.

Total manpower of the Company at the end of the financial year was 100 which include professionals like engineers, chartered accountants, managers and other skilled and unskilled employees. These Teams of professionals are put in place both at Corporate Office and in all the project locations.

Various initiatives have been taken up for developing employees at all levels and to make them future ready for higher roles and responsibility. Necessary training was imparted to the staff for operations and maintenance of power stations by specialist from related fields including the equipment suppliers from time to time.

Industrial relations remained cordial throughout the year.

Place: Gurugram
Date: 30th, July 2025

For and on behalf of the Board
Pankaj Jain
DIN: 00206564

INDEPENDENT AUDITOR'S REPORT

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 2025**, and the Statement of Profit and Loss (including Other Comprehensive Income), 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 explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind. AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at **31 March 2025**, and its **profit**, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our 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) together 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current 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 separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

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

- 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 conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the 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 safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application

of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. 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 precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind. AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on **31st March, 2025** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2025** from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating 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 requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v.(A) The Company has not declared any dividend during the year for the Financial year 2023-24.
 - (B) During the year under Audit the company declared dividend for the year 2023-24 at the rate of Rupees 1/- Per Share on 49,08,470/- Equity Shares fully Paid up. As such a sum of Rupees 49,08,470/- has been debited in the Note No 5(ix) of other Equity under the head Reserve and Surplus. Since no provision for the same was made in the Financials for the year 2023-24.
 - vi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
 - vii. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with."
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S.C. Dewan & Co.

Chartered Accountants

Firm's Registration No.: 000934N

S.C. Dewan

Partner

Place : Gurugram

Date : 15-05-2025

Membership No.: 015678

UDIN: 25015678BMLHLK3735

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, 2025** 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 maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

Auditors' 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 the ICAI. Those standards and the guidance notes require that we comply with ethical requirements 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 reporting included obtaining an understanding of internal financial controls system 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 depend 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 believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal financial controls over financial reporting

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

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, 2025 based 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 S.C. Dewan & Co.

Chartered Accountants

Firm's Registration No.: 000934N

S.C. Dewan

Partner

Membership No.: 015678

UDIN: 25015678BMLHLK3735

Place : Gurugram

Date : 15-05-2025

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HARYANA LEATHER CHEMICALS LIMITED of even date)

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

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company does not have any intangible asset and hence reporting under clause 3(i)(a)(B) of the Order is not applicable
 - (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at **March 31, 2025** for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification
 - (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The company has not made investments in, not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, during the year, and hence reporting under clause 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and section 186 of the Companies Act 2013 are applicable and hence reporting under clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
 - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax,

duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at **March 31, 2025** for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of any dispute
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix) (a) of the Order is not applicable.
 - (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has not taken any term loan during the year and the outstanding term loans at the beginning of the year was applied for the purpose for which the loans were obtained.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The section 135 (Corporate Social Responsibility) of the Companies Act, 2013 is not applicable to the company. hence, reporting under clause (xx) of the Order is not applicable to the Company

For S.C. Dewan & Co.

Chartered Accountants

Firm's Registration No.: 000934N

S.C. Dewan

Partner

Membership No.: 015678

UDIN: 25015678BMLHLK3735

Place : Gurugram

Date : 15-05-2025

Standalone Balance Sheet as at March 31, 2025

(All amounts are in ` Thousands, unless otherwise stated)

	Notes	As at 31 March, 2025	As at 31 March, 2024
ASSETS			
A. Non-Current Assets			
(a) Property, plant and equipment	5 (i)(a)	1,48,780.44	1,42,835.10
(b) Capital work-in-progress	5 (i)(b)	405.04	1,856.10
(c) Investment property			
(d) Goodwill		-	-
(e) Other intangible assets		-	-
(f) Intangible assets under development		-	-
(g) Biological Assets other than bearer plants			
(h) Financial assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Other financial assets	5 (ii)(a)	1,23,159.85	1,12,002.68
(i) Deferred tax assets (Net)		-	-
(j) Other non-current assets	5 (iii)(a)	1,138.12	1,154.11
Total Non-Current Assets (A)		2,73,483.45	2,57,847.99
B. Current Assets			
(a) Inventories	5 (iv)	44,294.00	33,125.00
(b) Financial assets			
(i) Other investments		-	-
(ii) Trade receivables	5 (v)	1,05,773.51	93,492.30
(iii) Cash and cash equivalents	5 (vi)	74,126.38	86,776.65
(iv) Bank balances other than (iii) above	5 (vii)	826.56	942.67
(v) Loans			
(vi) Other financial assets	5 (ii)(b)	3,601.39	7,212.70
(c) Current Tax Assets (net)			
(d) Other current assets	5 (iii)(b)	2,100.27	2,710.07
Total Current Assets (B)		2,30,722.11	2,24,259.39
Total Assets (A+B)		5,04,205.56	4,82,107.38
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	5 (viii)	49,084.70	49,084.70
(b) Other equity	5 (ix)	3,80,147.26	3,62,054.29
Total Equity (A)		4,29,231.96	4,11,138.99
LIABILITIES			
B. Liabilities			
I Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings			-
(ia) Lease liabilities			
(ii) Trade payables			
(A) Total outstanding dues of micro enterprise and small enterprises			
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises			

(iii) Other financial liabilities (other than those specified in item (b))		-	-
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)	5(x)	14,881.60	14,398.83
(d) Other non-current liabilities			
Total Non-Current Liabilities (I)		14,881.60	14,398.83
II Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	5 (xi)	7,098.71	2,776.00
(ia) Lease liabilities			
(ii) Trade payables			
(A) Total outstanding dues of micro enterprise and small enterprises	5 (xii)	2,570.76	1,843.11
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		41,104.38	40,644.35
(iii) Other financial liabilities	5 (xiii)	826.55	942.67
(b) Other current liabilities	5 (xiv)	4,116.65	7,766.08
(c) Provisions	5 (xv)	1,874.95	697.92
(d) Current Tax Liabilities (Net)	5 (xvi)	2,500.00	1,899.42
Total Current Liabilities (II)		60,092.00	56,569.55
Total Liabilities (I+II)		74,973.60	70,968.39
Total Equity And Liabilities (A+B)		5,04,205.56	4,82,107.38
See accompanying notes forming part of the standalone financial statements In terms of our report attached.		-	-

As per our report of even date attached

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

CA S.C.Dewan
Partner
ICAI MRN: 015678

Place : Gurugram
Date: 15.05.2025

**For and on behalf of the Board of Directors of
HARYANA LEATHER CHEMICALS LIMITED**

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

YUGANK
Company Secretary
Membership No.: 70463

N.K. JAIN
Chairman
DIN: 00486730

SUKANTO CHOUDHARY
COO & CFO

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in ` Thousands, unless otherwise stated)

	Notes	Year ended 31 March, 2025	Year ended 31 March, 2024
I Revenue from operations	5 (xvii)	4,90,295.65	4,44,218.86
II Other income	5 (xviii)	16,831.52	13,964.12
III Profit on sale of Assets		120.20	21,568.38
III TOTAL INCOME (I+II)		5,07,247.37	4,79,751.36
IV EXPENSES			
(i) Cost of materials consumed	5 (xix)	3,43,625.63	3,00,092.99
(ii) Changes in inventories of finished goods, stock in process and stock in trade	5 (xx)	(9,812.00)	1,420.00
(iii) Employee benefits expense	5 (xxi)	48,632.72	45,012.48
(iv) Finance costs	5 (xxii)	764.97	553.32
(v) Depreciation and amortisation expense	5 (i)(a)	9,003.51	8,664.52
(vi) Other expenses	5 (xxiii)	81,631.52	67,558.92
TOTAL EXPENSES (IV)		4,73,846.35	4,23,302.23
V PROFIT BEFORE TAX (III-IV)		33,401.02	56,449.13
VI TAX EXPENSE			
(i) Current tax provision		9,916.81	8,298.96
(ii) Tax for earlier year			552.20
(ii) Deferred tax charge / (credit)	5 (xxiv)	482.77	1,416.06
		10,399.58	10,267.22
VII PROFIT FOR THE YEAR (VII-VIII)		23,001.44	46,181.91
OTHER COMPREHENSIVE INCOME			
(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)		23,001.44	46,181.91
Earnings per equity share:			
(i) Basic (in Rs.)	5 (xxv)	4.69	9.41
(ii) Diluted (in Rs.)	5 (xxv)	4.69	9.41

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

As per our report of even date attached

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

CA S.C.Dewan
Partner
ICAI MRN: 015678

Place : Gurugram
Date: 15.05.2025

**For and on behalf of the Board of Directors of
HARYANA LEATHER CHEMICALS LIMITED**

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

YUGANK
Company Secretary
Membership No.: 70463

N.K. JAIN
Chairman
DIN: 00486730

SUKANTO CHOUDHARY
COO & CFO

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in ` Thousands, unless otherwise stated)

Notes	Year ended 31 March, 2025	Year ended 31 March, 2024
Cash flows from operating activities		
Profit Before Tax	33,401.02	56,449.13
Adjustments for:		
Finance costs recognised in profit or loss	-	-
Finance costs recognised in profit or loss	449.84	253.92
Dividend paid during the year	-	-
Dividend income recognised in profit or loss	-	-
Other non-operating income (net of directly attributable expenses)	-	-
Profit on disposal of property, plant and equipment	-	-
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)	9,003.51	8,664.52
Impairment of property, plant and equipment	-	-
Provision for contingencies	-	-
	42,854.37	65,367.57
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(12,281.21)	5,318.52
(Increase)/decrease in inventories	(11,169.00)	(1,268.00)
(Increase)/decrease in other assets	(6,803.96)	4,680.33
Increase/ (Decrease) in trade payables	1,187.68	10,379.37
Increase/ (Decrease) in provisions	1,777.61	(857.58)
Increase/ (Decrease) in other liabilities	(3,765.55)	4,467.98
Cash (used in)/generated from operations	11,799.94	88,088.19
Income taxes paid	(9,916.81)	(8,851.16)
Net cash (used in)/generated by operating activities	1,883.13	79,237.03
Cash flows from investing activities		
Profit on redemption of mutual funds	-	-
Interest received	-	-
Dividend paid	(4,908.47)	(4,908.47)
Proceeds against land held for sale	-	-
Proceeds from sale of property, plant and equipment	304.80	9,931.62
Payments for property, plant and equipment	(13,802.60)	(11,976.55)
Profit on disposal of property, plant and equipment	-	-
Net cash outflow on acquisition of subsidiaries	-	-
Net cash (used in)/generated by investing activities	(18,406.27)	(6,953.40)
Cash flows from financing activities		
Proceeds from issue of convertible non-participating preference shares	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	4,322.71	(3,290.44)
Interest paid	(449.84)	(253.92)
Net cash (used in)/generated financing activities	3,872.87	(3,544.36)
Net increase in cash and cash equivalents	(12,650.27)	68,739.27
Cash and cash equivalents at the beginning of the year	86,776.65	18,037.38
Cash and cash equivalents at the end of the year	74,126.38	86,776.65

As per our report of even date attached

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

CA S.C.Dewan
Partner
ICAI MRN: 015678

Place : Gurugram
Date: 15.05.2025

**For and on behalf of the Board of Directors of
HARYANA LEATHER CHEMICALS LIMITED**

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

YUGANK
Company Secretary
Membership No.: 70463

N.K. JAIN
Chairman
DIN: 00486730

SUKANTO CHOUDHARY
COO & CFO

STANDALONE STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in ` Thousands, unless otherwise stated)

A. Equity share capital

₹ Thousands

(1) Current reporting period		Amount	
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year
49,084.70	-	-	-
(2) Previous reporting period			49,084.70
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year
49,084.70	-	-	-
			49,084.70

B. Other equity

(1) Current reporting period			Reserves and Surplus								Amount ₹ Thousands			
	Share ap- plication money pending allotment	Equity com- ponent of compo- und financial instru- ment s	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt in- struments through Other Compre- hensive Income	Equity In- struments through Other Compre- hensive Income	Effec- tive portion of Cash Flow Hedges	Reval- uation Surplus	Exchange differences on trans- lating the financial statements of a for- eign oper- ation	Other items of Other Compre- hensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period	-	-	-	-	47,167.72	2,73,613.13	-	-	-	-	-	-	-	3,20,780.85
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	23,001.44	-	-	-	-	-	-	-	23,001.44
Any other change (to be specified)	-	-	-	-	-	4,908.47	-	-	-	-	-	-	-	4,908.47
Balance at the end of the current reporting period	-	-	-	-	47,167.72	3,14,886.57	-	-	-	-	-	-	-	3,62,054.29

(2) Previous reporting period														
	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)		
Balance at the beginning of the current reporting period	-	-	-	-	47,167.72	2,73,613.13	-	-	-	-	-	-	-	3,20,780.85
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	46,181.91	-	-	-	-	-	-	-	46,181.91
Any other change (to be specified)	-	-	-	-	-	(4,908.47)	-	-	-	-	-	-	-	(4,908.47)
Balance at the end of the current reporting period	-	-	-	-	47,167.72	3,14,886.57	-	-	-	-	-	-	-	3,62,054.29

As per our report of even date attached

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

CA S.C.Dewan
Partner
ICAI MRN: 015678

Place : Gurugram
Date: 15.05.2025

**For and on behalf of the Board of Directors of
HARYANA LEATHER CHEMICALS LIMITED**

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

YUGANK
Company Secretary
Membership No.: 70463

N.K. JAIN
Chairman
DIN: 00486730

SUKANTO CHOUDHARY
COO & CFO

Notes to the Standalone Financial Statements for the year ended March 31, 2025

5 (i) a)

Property, plant and equipment

₹ in Thousands

Particulars	Land	Building	Plant & Machinery	Furniture, Fixture & Equipments	Vehicles	Total
Gross Block						
As at 31 March, 2023	11,627.26	97,896.55	1,89,675.20	25,312.54	16,768.26	3,41,279.81
Additions		-	10,962.24	327.52		11,289.75
Disposals	-	13,239.51			-	13,239.51
As at 31 March, 2024	11,627.26	84,657.04	2,00,637.44	25,640.06	16,768.26	3,39,330.06
Additions	7,404.89	-	7,666.84	181.93	-	15,253.66
Disposals		234.30	1,149.08		-	1,383.38
As at 31 March, 2025	19,032.15	84,422.74	2,07,155.20	25,821.99	16,768.26	3,53,200.34
Depreciation						
At 01 April, 2023	-	31,227.87	1,30,456.09	22,666.49	6,787.87	1,91,138.32
Charge for the year	-	1,394.31	5,076.90	608.18	1,585.15	8,664.54
Disposals	-	3,307.89			-	3,307.89
As at 31 March, 2024	-	29,314.29	1,35,532.99	23,274.67	8,373.02	1,96,494.96
Charge for the year	-	1,205.18	5,713.27	504.24	1,580.82	9,003.51
Disposals	-	29.07	1,049.51		-	1,078.58
As at 31 March, 2025	-	30,490.40	1,40,196.75	23,778.91	9,953.84	2,04,419.90
Net Block						
As at 1 April, 2023	11,627.26	66,668.68	59,219.11	2,646.05	9,980.39	1,50,141.49
As at 31 March, 2024	11,627.26	55,342.75	65,104.45	2,365.39	8,395.24	1,42,835.10
As at 31 March, 2025	19,032.15	53,932.34	66,958.45	2,043.08	6,814.42	1,48,780.44

Notes:

- 1) The company has used deemed cost exemption under Ind AS 101 as on the date of transition to Ind AS.
- 2) Title deeds of all Immovable Properties held in name of the Company

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

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	405.04	-	-	-	405.04
Projects temporarily suspended	-	-	-	-	-
Total	405.04	-	-	-	405.04
Capital work in progress as at 31 March, 2025 is __405.04(as at 31 March, 2024 Rupees 1856.10)					

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(₹ in Thousands)

		As at 31 March, 2025	As at 31 March, 2024
5(ii)	<u>Other Financial Assets</u>		
5(ii)(a)	<u>Non-Current</u>		
	<u>Unsecured, considered good</u>		
	(a) Security Deposits	474.03	474.03
	(b) Bank deposits with more than 12 months maturity	1,22,685.82	1,11,528.65
		1,23,159.85	1,12,002.68
5(ii)(b)	<u>Current</u>		
	<u>Unsecured, considered good</u>		
	(a) Interest accrued but not due on loans and deposits	2,830.42	6,569.98
	(b) Staff Advance	548.81	517.00
	(c) Advances recoverable in cash or in kind	222.16	125.72
		3,601.39	7,212.70
5(iii)	<u>Other Assets</u>		
5(iii)(a)	<u>Non-Current</u>		
	<u>Unsecured, considered good</u>		
	(b) Other Deposits	1,138.12	1,154.11
		1,138.12	1,154.11
5(iii)(b)	<u>Current</u>		
	<u>Unsecured, considered good</u>		
	(a) Advance Income Tax (net of Provision)	-	-
	(b) Income Tax Refundable	-	-
	(c) Advance to Vendors	1,175.47	1,355.82
	(d) Prepaid Expenses	853.04	960.90
	(e) Duties & Taxes	-	-
	(f) GST	71.76	393.35
		2,100.27	2,710.07
5 (iv)	<u>Inventories (valued at lower of cost and net realisable value)</u>		
	(a) Raw Material	16,900.00	16,620.00
	(b) Stores & Spares	500.00	400.00
	(c) Packing Material	3,500.00	2,523.00
	(d) Work in Progress		-
	(e) Finished Goods	23,394.00	13,582.00
		44,294.00	33,125.00

- 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 have been valued at Raw material cost plus proportionate of conversion cost.
- Finished goods lying at factory have been valued at Raw material cost plus conversion cost.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

5(v) Trade Receivables

Current

Particulars	Outstanding for following periods from due date of payment#			Total
	Less than 6 months	6 months -1 year	2-3 years	
(i) Undisputed Trade receivables – considered good	1,05,773.51	-	-	1,05,773.51
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-
Total	1,05,773.51	-	-	1,05,773.51

Previous reporting period

Particulars	Outstanding for following periods from due date of payment#			Total
	Less than 6 months	6 months -1 year	2-3 years	
(i) Undisputed Trade receivables – considered good	93,492.30	-	-	93,492.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-
Total	93,492.30	-	-	93,492.30

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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 are running balance and regular customer

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

(a) Balances with Banks		
(i) on current accounts	2,939.95	19,668.89
(ii) Fixed Deposit / Margin Money Account	71,147.45	67,092.53
(b) Cheques in hand	-	-
(c) Cash in hand	38.98	15.23
Cash and cash equivalents as per balance sheet	74,126.38	86,776.65

5
(vii)

Bank balances other than (iii) above

Balances with Banks		
in dividend accounts	826.56	942.67
Cash and cash equivalents as per balance sheet	826.56	942.67

₹ in Thousands

	As at 31 March, 2025	As at 31 March, 2024
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5
(viii)

Share capital

Authorised Shares Capital:		
6,000,000 Equity shares of Rs. 10 each (6,000,000 as at 31 March, 2025 and 6,000,000 as at 31 March, 2024)	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, 2025 and 4,908,470 as at 31 March, 2024)	49,084.70	49,084.70
Total issued, subscribed and fully paid up share capital	49,084.70	49,084.70

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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, 2025		Year ended 31 March, 2024	
	Number	Rupees in Thousands	Number	Rupees in Thousands
At the beginning of the year	49,08,470	-	49,08,470	-
Issued during the year	-	-	-	-
Outstanding at the end of the year	49,08,470	-	49,08,470	-

(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, 2025		As at 31 March, 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pankaj Jain	7,52,530	15.33	7,52,530	15.33
ICAP SIRA Chemicals & Polymers SpA	7,68,470	15.66	7,68,470	15.66
SANGEETHA S	2,50,230	5.10	2,50,230	5.10

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.

Shares held by promoters Group at the end of the year				
S.No	Promoter Name	No. of Shares**	% of total shares**	% Change during the year
1	PANKAJ JAIN	7,52,530	15.33	-
2	SIPPY JAIN	1,53,626	3.13	-
3	MANIK JAIN	7,300	0.15	-
4	RATNAM JAIN	5,300	0.11	-
5	MUNAK HOLDING LTD	1,13,282	2.31	-
6	MUNAK CREDIT & INVESTMENT PVT. LTD.	64,830	1.32	-
7	N K JAIN HOLDINGS & FINANCE PVT. LTD.	13,900	0.28	-
8	VIJAY KUMAR GARG CONTRACTOR PVT. LTD.	7,500	0.15	-
9	SAVITA AGGARWAL	1,38,190	2.82	-
10	ICAP SIRA CHEMICALS & POLYMERS SPA	7,68,470	15.66	-
11	MUNAK ENGINEERS PVT. LTD.	800	0.02	-
	Total	20,25,728	41.27	-

Notes to the Standalone Financial Statements for the year ended March 31, 2025

- (d) **Aggregate 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.

		₹ in Thousands	
		As at 31 March, 2025	As at 31 March, 2024
5 (ix)	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	3,14,886.57	2,73,613.13
	Profit for the year ended	23,001.44	46,181.91
	Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	
	Dividend for the F.Y. 2023-24 paid during the year	(4,908.47)	(4,908.47)
	Net surplus in the statement of profit and loss	3,32,979.54	3,14,886.57
	Total (A+B)	3,80,147.26	3,62,054.29

(Rupees in Thousands)

		As at 31 March, 2025	As at 31 March, 2024
5(x)	Deferred tax balances (Net)		
	(a) Deferred tax assets	-	-
	(b) Deferred tax liabilities	14,881.60	14,398.83
		(14,881.60)	(14,398.83)

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, 2024	Credit / (Charge) to Profit or loss	Credit / (Charge) to Other Comprehensive Income	As at 31 March , 2025
Property, plant and equipment	14,398.83	482.77		(14,881.60)
Employee benefits	-		-	-
	14,398.83	482.77	-	(14,881.60)

		As at 31 March, 2025	As at 31 March, 2024
5 (xi)	Current Borrowings		
	Current Portion of Term Loan		
	SBI DELHI	7,098.71	2,776.00
		7,098.71	2,776.00

Notes to the Standalone Financial Statements for the year ended March 31, 2025

5 (xii) Trade Payable

As at 31 March, 2025					
Particulars	Outstanding for following periods from due date of payment#				
	Less year than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2,570.76	-	-	-	2,570.76
(ii) Others	41,104.38	-	-	-	41,104.38
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	43,675.14	-	-	-	43,675.14

As at 31 March, 2024					
Particulars	Outstanding for following periods from due date of payment#				
	Less year than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,843.11	-	-	-	1,843.11
(ii) Others	40,644.35	-	-	-	40,644.35
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	42,487.46	-	-	-	42,487.46

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

		As at 31 March, 2025	As at 31 March, 2024
5 (xiii)	Other financial liabilities-Current		
	Unclaimed Dividend	826.55	942.67
		826.55	942.67
5 (xiv)	Other Current Liabilities		
	(a) Duties and Taxes	629.28	412.31
	(b) Security from Customers	500.00	500.00
	(c) Advance from Customers	-	-
	(d) Other Payables (including Salary, Bonus, PF, ESI, Insurance payables)	2,987.37	6,853.77
		4,116.65	7,766.08
5 (xv)	Provisions-Current		
	(a) Provision for Leave Encashment	-	-
	(b) Accrued Liability - Royalty	-	-
	(c) Accrued Liability - Others	1,874.95	697.92
		1,874.95	697.92
5 (xvi)	Current Tax Liabilities (Net)		
	Provision for current tax (Net)	2,500.00	1,899.42
		2,500.00	1,899.42
5 (xvii)	Revenue From Operations		
	Sale of Manufactured Products		
	Domestic Sales	4,10,144.65	3,47,109.36
	Export Sales	80,151.00	97,109.50
		4,90,295.65	4,44,218.86

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Earnings in Foreign Exchange		
Sale of Manufactured Products	80,151.00	97,109.50
5 (xviii) Other Income		
(a) Interest income on deposits with Bank	12,747.25	10,012.03
(b) Balances written bank / off (Net)		14.67
(c) Foreign Exchange Fluctuations (Gains)		
(d) Scrap Sales	1,382.30	1,606.31
(e) Miscellaneous income	2,701.97	2,331.11
	16,831.52	13,964.12
5 (xix) Cost of Material Consumed		
(a) Imported	9,015.96	8,834.96
(b) Indigenous	3,34,609.67	2,91,258.03
	3,43,625.63	3,00,092.99
Value of Imports on CIF Basis in respect of :		
Raw Material	11,310.11	7,387.12
Components & Spare Parts	383.93	2,601.01
Capital Goods (including CWIP)	1,255.28	8,412.11
	As at 31 March, 2025	As at 31 March, 2024
	12,949.32	18,400.24
5 (xx) Increase / Decrease In Inventories		
(a) Inventory at the beginning of the year		
Finished Goods	13,582.00	15,002.00
Stock in Process	-	-
Total	13,582.00	15,002.00
(b) Inventory at the end of the year		
Finished Goods	23,394.00	13,582.00
Stock in Process	-	-
Total	23,394.00	13,582.00
Net Change in Inventories (A-B)	(9,812.00)	1,420.00
5 (xxi) Employee Benefits Expense		
(a) Salaries, wages, bonus & incentives etc. (Net)	44,086.45	40,293.08
(b) Contribution to provident and other funds	1,982.44	1,771.98
(c) Workmen and Staff Welfare Expenses	2,563.83	2,947.42
(d) Gratuity	-	-
(e) Recruitment & Training Expenses	-	-
	48,632.72	45,012.48
5 (xxii) Finance Costs		
(a) Interest expense		
- on working capital loan	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2025

- on others	449.84	253.92
(b) Finance charges	315.13	299.40
	764.97	553.32

5 (xxiii) OTHER EXPENSES

(a) Power, fuel and water expenses	13,986.25	9,466.56
(b) Auditors' remuneration (See note (i) below)	275.00	275.00
(c) Damaged Material Written off	-	-
(d) Other debit balances W/off	155.99	612.26
(e) Director Sitting Fees.	112.00	70.40
(f) Insurance Expenses	1,083.56	1,081.01
(g) Postage & Telephone Expenses	1,523.37	1,431.84
(h) Printing Stationary Expenses	1,517.62	1,008.27
(i) Professional Charges	3,110.00	3,306.96
(j) Property Tax Expenses	40.09	140.91
(k) Research & Development Expenses	6,415.74	7,022.47
(l) Rent - Building / Other	2,613.59	2,222.06
(m) Repair & Maintenance Expenses	15,634.87	16,609.87
(n) Royalty Expenses		-
	As at 31 March, 2025	As at 31 March, 2024
(o) Technical Services	767.09	589.20
(p) Marketing Expenses	23,244.12	13,956.59
(q) Miscellaneous Expenses *	531.98	579.61
(r) Travelling Expenses	6984.03	4,790.31
(s) Vehicle Expenses	760.37	681.46
(t) Landscaping Expenses	627.66	433.40
(u) Forex loss	300.40	887.24
(v) Office Upkeep Expenses	484.81	784.90
(w) Water Treatment Expenses	348.15	
(x) Licences & Renewals		434.12
(y) IT Expenses	1,114.83	1,174.48
	81,631.52	67,558.92

* Includes Donation Rs.41.50 (P.Y. 281.43)

Note:

(i) Auditors' remuneration comprises (GST and Service Tax being Cenvatable, hence not included)

(a) Statutory audit fee (exclusive of GST)	275.00	275.00
(b) Certification and other services	50.00	40.00
(c) Expenses reimbursement	-	-
	325.00	315.00

(ii) Expenditure in Foreign Currency

Travel, boarding and lodging		
- Directors	1,655.98	1,209.41
- Employees	1,614.04	496.36
	3,270.02	1,705.77

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.

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

Income tax expense represents the sum of the tax currently payable and deferred tax.

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 maturity within 12 month with banks, which are subject to an insignificant risk of changes in value.

4) Related party disclosures

Names of related parties and related party relationship

Key Managerial Personnel ('KMP')	(a) Mr. Pankaj Jain (Managing Director)
	(b) Mr. N.K. Jain (Chairman)
Relatives of KMP	(c) Mrs. Sippy Jain
	(d) Ms. Ratnam 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 Holding Pvt. Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2025

The schedule of Related Party Transactions is as follows:

(Rupees in thousands)		
Particulars	Year Ended 31 March, 2025	Year Ended 31 March, 2024
Transactions during the year		
Operating income		
Rent paid		
N.K. Jain Holding Pvt. Limited	480.00	383.52
Marketing Expenses Mrs. Sippy Jain	1001.00	1478.50
Salary Expenses		
Ms. Ratnam Jain	1800.00	1800.00

(Rupees in thousands)		
Balance outstanding at the year end	As at 31 March, 2025	As at 31 March, 2024
Balance payable		
N.K. Jain Holding Pvt. Limited	-	7.78
Mrs. Sippy Jain	25.35	964.45

*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.

5) Borrowings

(i) Secured Loans

Short term borrowings: (Rupees in thousands)

Particulars	Note	31 March, 2025	31 March, 2024
Working Capital Loan from SBI	(i)	Nil	Nil
ICICI Bank Ltd (Car Loan)	(ii)	Nil	Nil
Total		Nil	Nil

6) Commitments:

Particulars	As at 31 March, 2025	As at 31 March, 2024
(a) Estimated amount of contracts remaining to be executed on capital account [net of advances]	Nil	Nil

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

Description	As at 31 March, 2025	As at 31 March, 2024
Letter of Credit Outstanding for Import/Purchase of Raw Material, Spares, and Plant & Machinery	Nil	Nil

8) 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 31.03.2025 was Rs.6895.69 - thousands.
- ii) The provision for Leave Encashment Rs. Nil (P.Y. Nil) as on 31.03.2025.
- 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

9) 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 and total equity of the company. The company is not subject to any externally imposed capital requirements.

ii) Categories of financial instruments

(Rupees in thousands)

Financial assets		As at 31 March, 2025	As at 31 March, 2024
Non-Current			
	Other financial assets	123159.85	112002.68
Current			
(i)	Trade receivables	105773.51	93492.30
(ii)	Cash and cash equivalents	74126.38	86776.65
(iii)	Bank balances other than (iii) above	826.56	942.67
(iv)	Other financial assets	3601.39	7212.70

Financial liabilities		As at 31 March, 2025	As at 31 March, 2024
Current			
(i)	Borrowings	-	-
(ii)	Trade payables		
	(A) Total outstanding dues of micro enterprise and small enterprises	2570.77	1843.11
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	41104.38	40664.35
(iii)	Other financial liabilities	826.56	942.67

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.

iii) **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.

10) **Earnings per share**

Particulars	As at 31 March, 2025	As at 31 March, 2024
Basic/ Diluted earnings per share	4.69	9.41
Profit as per statement of profit and loss	23001.44	46181.91
Earning used in calculation of basic earnings per share	23001.44	46181.91
Weighted average number of equity shares in calculating Basic EPS	4908.47	4908.47

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

(Rs. in Thousands)

Particulars	31 March, 2025	31 March, 2024
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	2570.77	1843.11
-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.

12) Previous year figures

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

13) Dividend

During this FY the Company declare dividend on equity shares @ 10% for the FY 2023-24 for where no provisions was made in the books of accounts earlier year. As such total amount of dividend Rs.4908.47 (inclusive dividend tax) has been directly debited to reserve and surplus.

As per our report of even date attached

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

CA S.C.Dewan
Partner
ICAI MRN: 015678

Place : Gurugram
Date: 15.05.2025

**For and on behalf of the Board of Directors of
HARYANA LEATHER CHEMICALS LIMITED**

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

YUGANK
Company Secretary
Membership No.: 70463

N.K. JAIN
Chairman
DIN: 00486730

SUKANTO CHOUDHARY
COO & CFO



For a Greener Tomorrow

Green Trek is the symbol that expresses the company's stance on safety and environmental management. Through a wide range of actions and projects using latest technologies and employee's insight, the company is realising its sustainability goals, year after year.

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