AKR & ASSOCIATES
Chartered Accountants

SCO 51, 2nd Floor, Block-B,
Chandigarh Citi Centre,
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Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
HARYANA LEATHER CHEMICALS LIMITED
Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of **HARYANA LEATHER CHEMICALS LIMITED** (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
ii) gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net Profit and other comprehensive profit and other financial information of the Company for the quarter ended March 3 1, 2020 and of the net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note- 3.17 of the Statement which describes management's assessment of the impact of the COVID 19 pandemic on the financial results of the Company. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net Profit and other comprehensive income of the company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in

AKR & ASSOCIATES
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CHARTERED ACCOUNTANTS

compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section I 43(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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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.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For AKR & Associates
Chartered Accountants
(Firm registration No. 021179N)

Kailash Kumar
Partner
(Membership Number: 505972)

Place of signature: Gurugram
Date: 27.06.2020
UDIN: 20505972AAAADC8791

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Extract of Standalone audited Financial Results for the Quarter and year ended March 31, 2020

(Rs. In lacs except per share amount)

PARTICULARS	Standalone results				
	Quarter ended			Year Ended	
	3 Months ended 31.03.2020 Audited	3 Months ended 31.12.2019 Unaudited	3 months ended 31.03.2019 Audited	Year ended 31.03.2020 Audited	Year ended 31.03.2019 Audited
I Revenue From Operations	844.05	858.56	818.86	3,502.59	3,686.84
II Other Income	50.15	28.05	22.91	144.25	132.07
Total Income (I+II)	**894.20**	**886.61**	**871.77**	**3,646.84**	**3,818.91**
III Expenses					
(a) Cost of materials consumed	545.66	613.87	503.77	2,306.33	2,493.85
(b) Purchases of Stock-in-trade	0.00	0.00			
(c) Changes in inventories of finished goods, work in progress and stock-in-trade	11.60	(60.00)	76.63	(23.65)	110.17
(d) Employee benefits expense	83.09	91.05	89.45	362.35	361.21
(e) Finance Cost	3.55	2.14	2.45	9.21	10.97
(f) Depreciation and Amortisation expenses	18.44	18.00	13.54	71.44	70.54
(g) Other expenses	159.62	151.19	136.20	638.57	558.18
Total Expenses III (a to g)	**821.99**	**816.25**	**822.04**	**3,364.26**	**3,604.90**
IV Profit / (Loss) before exceptional items & tax (I+II-III)	72.21	70.36	49.73	282.58	214.01
V Exceptional Items	0.00	0.00	0.00	0.00	0.00
VI Profit / (Loss) before tax and after exceptional items (IV-V)	72.21	70.36	49.73	282.58	214.01
VII Tax expense					
(1) Current tax	16.49	15.00	9.97	61.49	46.97
(2) Deferred Tax	0.00	0.00	0.00	10.99	8.45
(3) Tax for earlier years	0.00	0.00	0.00	0.72	4.69
VIII Profit / (Loss) for the period after Tax (VI-VII)	55.72	55.36	39.76	209.58	153.90
IX Other Comprehensive Income (Net of tax)	0.00	0.00	0.00	0.00	0.00
X Total Comprehensive Income for the period (VIII+IX) (Comprising Profit/(Loss) and Other Comprehensive Income for the period	55.72	55.36	39.76	209.58	153.90
XI Paid-up Equity Share Capital (Face Value of Shares Rs.10 each)	490.84	490.84	490.81	490.84	490.84
XII Earnings per equity share (in Rupees)					
(1) Basic	1.14	1.13	0.81	4.27	3.14
(2) Diluted	1.14	1.13	0.81	4.27	3.14

Notes

1 The above results for the quarter and year ended 31st March 2020 have been reviewed by Audit Committee and approved by the Board of Directors in their meeting held on 27th June 2020

2 The above results pertain to the Leather Finishing Chemicals manufacturing segment which is the only business segment of the Company in terms of IND AS 108 on "Operating Segment".

3 The spread of COVID-19 has affected the business from Mid-March 2020, which culminated into scaling down of the Company's operations, post the national lock down. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which includes closing of manufacturing facilities and adopting works from Home policy for employees.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

Pursuant to the relaxed guidelines, the Company has now resumed its manufacturing operations as allowed in strict keeping with Government advisories; however, most of the staff continues to operate from home. Since the situations are continuously evolving the impact assessed may be different from the estimates made as at the date of approval of these financial results and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

4 The figures for the corresponding previous periods have been restated/regrouped, wherever necessary, to make them comparable.

For Haryana Leather Chemicals Limited

Pankaj Jain
Managing Director

Place: Gurugram
Date: 27.06.2020

AKR & ASSOCIATES CA FRN-021179N CHARTERED ACCOUNTANTS

HARYANA LEATHER CHEMICALS LIMITED
CIN: L74999HR1985PLC019905
Regd. Office : 72-77, HSIIDC Industrial Estate, Hansi Road, Jind - 126 102(Hr.)
Tel: +91-01681-226645, Fax:+91-01681-225101 E-mail: info@leatherchem.com; Website: www.leatherchem.com

STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
	Audited	Audited
ASSETS		
Non-current assets		
a) Property, plant and equipment	1,450.81	1,452.48
b) Capital work-in-progress	-	-
c) Other Intangible assets	-	-
d) Financial assets		
i) Investments	-	-
ii) Loans	-	-
iii) Other Financial assets	7.70	-
e) Deffered tax assets (net)	124.46	121.73
f) Other non-current assets		
Total Non-Current assets	1,582.97	1,574.21
Current assets		
a) Inventories	316.94	288.09
b) Financial assets	-	-
i) Current Investments	923.00	911.33
ii) Trade receivables	1,191.78	940.06
iii) Cash and Cash equivalents	-	-
iv) Other bank balances		
v) Loans	66.36	46.33
vi) Other financial asset	31.63	112.84
c) Other current assets		
Total Current assets	2,529.71	2,298.66
Total Assets	4,112.68	3,872.87
EQUITY AND LIABILITIES		
a) Equity Share capital	490.84	490.84
b) Other equity	2,725.23	2,563.11
	3,216.07	3,053.95
LIABILITIES		
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	0.55	1.80
ii) Others financial liabilities	-	-
b) Provisions	4.79	4.19
c) Deferred tax liabilities (Net)	106.07	95.08
d) Other non-current liabilities		
Total Non-Current Liabilities	111.41	101.07
Current liabilities		
a) Financial liabilities		
i) Borrowings	5.06	68.44
ii) Trade and other payables		
--Total outstanding dues of micro enterprises and small enterprises	49.85	85.10
--Total outstanding dues of creditors other than micro enterprises and small enterprises	596.99	428.65
iii) other financial liabilities	24.40	25.24
b) Current Tax Liabilities (Net)	-	-
c) Provisions	25.33	29.77
d) Other current liabilities	83.56	80.65
Total Current Liabilities	785.19	717.84
Total Equity and liabilities	4,112.67	3,872.87

For HARYANA LEATHER CHEMICALS LIMITED

MANAGING DIRECTOR

CA
FRN- 021179N

Place : Gurugram
Date : 27.06.2020

HARYANA LEATHER CHEMICALS LIMITED
CIN: L74999HR1985PLC019905
Regd. Office : 72-77, HSIIDC Industrial Estate, Hansi Road, Jind - 126 102(Hr.)

Tel: +91-01681-226645, Fax:+91-01681-225101 E-mail: info@leatherchem.com;
Website: www.leatherchem.com

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

(Rupees in Lakh)

	Year ended 31 March, 2020	Year ended 31 March, 2019
Cash flows from operating activities		
Profit Before Tax	282.58	214.02
Adjustments for:		
Finance costs recognised in profit or loss	-	-
Finance costs recognised in profit or loss	5.01	5.19
Dividend paid during the year	(47.26)	(47.26)
Dividend income recognised in profit or loss	-	-
Other non-operating income (net of directly attributable expenses)	-	-
Profit on disposal of property, plant and equipment	(1.89)	(5.84)
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)	71.44	70.54
Impairment of property, plant and equipment	-	-
Provision for contingencies	-	-
	309.88	236.65
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(11.67)	41.79
(Increase)/decrease in inventories	(28.85)	137.69
(Increase)/decrease in other assets	50.75	(55.86)
Increase/ (Decrease) in trade payables	133.10	(213.54)
Increase/ (Decrease) in provisions	(3.83)	20.13
Increase/ (Decrease) in other liabilities	2.08	10.79
Cash (used in)/generated from operations	**451.46**	**177.65**
Income taxes paid	(62.21)	(51.67)
Net cash (used in)/generated by operating activities	**389.24**	**125.98**
Cash flows from investing activities		
Profit on redemption of mutual funds	-	-
Interest received	-	-
Other dividends received	-	-
Proceeds against land held for sale	-	-
Proceeds from sale of property, plant and equipment	2.88	32.23
Payments for property, plant and equipment	(70.76)	(94.99)
Profit on disposal of property, plant and equipment	-	-
Net cash outflow on acquisition of subsidiaries	-	-
Net cash (used in)/generated by investing activities	**(67.88)**	**(62.76)**
Cash flows from financing activities		
Proceeds from issue of convertible non-participating preference shares	-	-
Proceeds from borrowings	-	65.00
Repayment of borrowings	(64.63)	
Interest paid	(5.01)	(5.19)
Net cash (used in)/generated financing activities	**(69.64)**	**59.81**
Net increase in cash and cash equivalents	**251.72**	**123.03**
Cash and cash equivalents at the beginning of the year	940.06	817.03
Cash and cash equivalents at the end of the year	1,191.78	940.06

For Haryana Leather Chemicals Limited

PANKAJ JAIN
Managing Director

Place : Gurugram
Date : 27.06.2020

AKR & ASSOCIATES CHARTERED ACCOUNTANTS FRN-021179N