

HLCL/BSE/2022/  
29.09.2022

**The Manager, Listing Department**  
**The Bombay Stock Exchange Limited,**  
Corporate Relationship Department,  
1st floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort, Mumbai 400 001

Security Code No. 524080

Dear Sir,

Subject: **Submission of Annual Report For The FY 2021-22**

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith signed copy of Annual Report along with all its annexure for the financial year ended 31.03.2022 adopted by the members at the 37<sup>TH</sup> Annual General Meeting of the Company held on Saturday, the 24th September, 2022 at 12:30 p.m.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
for Haryana Leather Chemicals Ltd.

Silu Nanda  
Company Secretary  
M. No. A12872



### SUSTAINABILITY NURTURED THROUGH EMPLOYEES' INSIGHT

- Fossil fuel consumption reduced to half.
- Waste water recovery - 100,000 Ltr / month.
- Material transfer spills reduced to nil.
- Chemical storage evaporation losses reduced to half.

## **HARYANA LEATHER CHEMICALS LIMITED**

### **BOARD OF DIRECTORS**

Narendra Kumar Jain, Chairman  
Pankaj Jain, Managing Director-cum-Vice Chairman  
Vijay Kumar Garg  
Dr. K.S.V. Menon  
Dott. Massimo Medini  
Pradeep Behl  
Sippy Jain (Mrs.)  
Marco Medini  
Kanishk Gupta

### **COMPANY SECRETARY**

Silu Nanda (Mrs.)

### **AUDITORS**

AKR & Associates, Panchkula, Haryana

### **CORPORATE OFFICE**

1405-B, Signature Towers, South City- I, Gurugram- 122001, Haryana

### **REGISTERED OFFICE AND WORKS**

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

### **CORPORATE EXECUTIVES**

Sukanto Choudhury, Chief Financial Officer  
Dr. M.P. Singh, General Manager - Production  
Deepak Raj, Deputy General Manager- Production

### **REGISTRAR & SHARE TRANSFER AGENTS**

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

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**ISIN for Demat purpose: INE681F01018**

CIN: L74999HR1985PLC019905

Script Code:524080

**NOTICE**

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Members of the Company M/s Haryana Leather Chemicals Limited will be held on Saturday, the 24<sup>th</sup> day of September, 2022 at 12.30 p.m. at the Registered Office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102 to transact with or without modification(s); as may be permissible, the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet of the Company as on 31<sup>st</sup> March 2022 and the Statement of Profit & Loss for the year ended as on that date together with the Reports of Auditors and Directors thereon.  
To consider passing the following resolution as an ordinary resolution:  
**"RESOLVED THAT** the Audited Financial Statement of the Company for the year ended March 31, 2022 including Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and Cash flow statement for the year ended March 31, 2022, together with the reports of the Board of Directors and the Auditors of the Company thereon, as circulated to the members and presented to the meeting be are hereby adopted."
2. To consider appointing a Director in place of Mr. Vijay Kumar Garg (DIN: 00236460), who retires by rotation and being eligible, offers himself for re-appointment.  
To consider passing the following resolution as an ordinary resolution:  
**"RESOLVED THAT** pursuant to section 152(6) of the Companies Act, 2013, Mr. Vijay Kumar Garg (DIN: 00236460), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.
3. To appoint statutory auditors of the Company.  
To consider passing the following resolution as an ordinary resolution:  
The appointment of statutory auditors M/s AKR & Associates, Chartered Accountants, who hold office from the conclusion of the Thirty Fifth Annual General Meeting until the conclusion of the Thirty Eighth Annual General Meeting to be held in Financial Year 2023. The Statutory Auditors have resigned from the post of the Auditors of the Company and have tendered their resignation letter to the Board which was accepted by the Board. In their place M/s S.C. Dewan & Co., Chartered Accountants have been appointed as the Statutory Auditors of the Company and they have given their eligibility certificate to the Company regarding their appointment would be within the limits and that they are free from any disqualification specified in section 141 of the Companies Act, 2013, and the rules made thereunder, has been received from them.  
To consider passing the following resolution as an ordinary resolution:  
**"RESOLVED THAT**, pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the Companies (Audit & Auditor's Rule, 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to recommendation of Audit Committee of the Board the appointment of M/s S. C. Dewan & Co., Chartered Accountants (Firm Registration No. ( 000934N) with The Institute of Chartered Accountants of India), as auditors of the Company from the conclusion of this 37th Annual General Meeting until the conclusion of the 42<sup>nd</sup> Annual General Meeting of the Company to be held in the year 2027 in place of M/s. AKR & Associates., Chartered Accountants (Firm Registration No. 021179N) and the new Auditors appointed shall be eligible to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit of the accounts of the Company."

**SPECIAL BUSINESS**

4. TO RE-APPOINT AND TO INCREASE THE REMUNERATION OF MR. PANKAJ JAIN (DIN:00206564) MANAGING DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s) the following resolution as special resolution:  
**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, read with "Section-II" of "Part-II" of "Schedule V" and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015 [including any modification (s) or re-enactment(s) thereof for the time being in force] and as per the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors and subject to all necessary approvals, consents, permissions and/or sanctions of the Central Government, shareholders and all other appropriate authorities, institutions and bodies, to the extent necessary and subject to such conditions and modification(s) as may be prescribed or imposed by them in granting any such approval, permission, consent or sanction, which may be agreed to, by the Board of Directors of the Company or any Committee thereof, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Pankaj Jain as Managing Director of the Company at a remuneration followed by approved terms and conditions with effect from 4th February, 2022 for a further period of 3 years on the following terms and conditions:

"RESOLVED FURTHER THAT such increase is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time."

"RESOLVED FURTHER THAT except for the revision in remuneration, all other terms and conditions of appointment, as approved earlier by the members, and which are not dealt with in this resolution, shall remain unaltered."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company."

"RESOLVED FURTHER THAT Mr. Pankaj Jain, Managing Director of the Company will be eligible for remuneration within the ceiling limit under Schedule V to the Companies Act, 2013, as follows:

Salary	Rs 2,50,000/- per month
Housing allowance	Rs 1,00,000/- per month
Other Allowance	Rs 35,000/- per month
Medical Allowance/reimbursement	Rs 6,000/- per month for himself and family
Leave Travel Allowance/reimbursement	Rs 10,500/- per month for himself and family

The Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in paragraph as above:

1. Encashment of leave at the end of the tenure.
2. Provision of car for use on Company's business and telephone at residence shall not be considered as perquisites.
3. If and when the Managing Director is required to entertain and/or travel for the purpose of Company's business the Company shall reimburse all actual expenses incurred by him for such entertainment and/or travel.

"RESOLVED FURTHER THAT the Board of Directors or any committee thereof be and is hereby authorized to fix the salary payable to Managing Director within above maximum limit, increasing/decreasing thereby allowances, perquisites and other benefits related to the quantum of salary and in the event of absence or inadequacy of net profit in any financial year, during the period of tenure of Managing Director, the remuneration payable to him shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any modification or reenactment thereof."

Regd. Office: 72-77, HSIIDC Industrial Estate,  
Hansi Road, Jind, Haryana - 126102  
CIN: L74999HR1985PLC019905  
Date: 26<sup>th</sup> August 2022  
E-mail: [info@leatherchem.com](mailto:info@leatherchem.com)  
Website: [www.leatherchem.com](http://www.leatherchem.com)

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

  
Silu Nanda  
Company Secretary

#### Notes:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the items of Special Business given in this Notice is annexed hereto.
2. Any Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend the said meeting and vote on her/his behalf, and the proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Pursuant to Section 105 (1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder.

Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

4. Members/Proxy holders are requested to bring at the venue of Annual General Meeting their attendance slip duly signed so as to avoid inconvenience.

5. Attendance slip, proxy form and route map of the venue of the meeting are annexed hereto.

6. Brief information of Directors, names of the Companies in which they hold Directorship and membership/ Chairmanship of Board Committees, Shareholdings and relationships between Directors as stipulated under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchange are provided in the Corporate Governance Report forming part of the Annual report.

7. Members are requested to bring their attendance slip along with their copy of Annual report to the meeting. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday the 17.09.2022 to Saturday the 24.09.2022 (both days inclusive) to comply with the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

9. Members holding shares in the electronic form must send the advice about any change in their registered address or Bank particulars to their respective Depository Participants with whom they maintain their demat accounts and not to the Company.

10. Pursuant to Section 20 of the Companies Act, 2013, read with Rule 35 of the Companies (Incorporation) Rules, 2014, Companies are allowed to send to their Members notices / documents in the electronic form. To enable the Company to send its Annual Report, Notice of AGM, and other documents for the financial year ended 31<sup>st</sup> March, 2022 electronically, Members are requested to update (in case of change)/register, at the earliest, their email IDs with their Depository Participants in case the shares are held in the electronic form or the Registrar and Share Transfer Agent of the Company, RCMC Share Registry Private Limited, in case the shares are held in the physical form. The Company will discontinue to send the said documents in the physical form to such Members whose email IDs is not available (refer point no. 22) and will send only to those who request delivery of the said documents in the physical form.

11. Pursuant to Section 123 (5) of the Companies Act, 2013, and the Securities and Exchange Board of India Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 and the modifications, if any, regarding use of electronic payment modes for making payments to investors, Members are requested to update their Bank account and latest address details with their respective Depository Participants (for shares held in the electronic form) along with a photocopy of their cheques to the Company's Registrar and Share Transfer Agent, RCMC Share Registry Private Limited (for shares held in the physical form). Our Registrar and Share Transfer Agent will take due note of the same for payment of Dividend whenever declared. This obviates problems like loss/fraudulent interception of Dividend warrants during postal transit while also expediting payment.

12. Members desiring any information on the Accounts of the Company are requested to write to the Company at least 10 (ten) days prior to the date of the Annual General Meeting so as to enable the Company keep the information ready.

13. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 07, 2018 amending section 139 of the Act and the Rules framed there under issued by the Ministry of Corporate Affairs.

14. Members are advised to note the ISIN No. INE681F01018 allotted to the Company's shares and those who are interested to dematerialize their shares may do so.

15. In all correspondence with the Company or with its Share Transfer Agent, Members are requested to quote their Client ID Number and their DPID Number if the shares are held in the dematerialized form; in case the shares are held in the physical form, they must quote their Folio Number.

16. Those Members who have not yet en-cashed/ claimed the Dividend of the Company for any/ all of the financial year 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 are requested to en-cash/ claim the same immediately. In terms of Section 124 and 125 of the Companies Act, 2013, the Company shall be required to transfer the unclaimed / unpaid Dividend of the Company on the expiry of seven years from the date it became due for payment, to the Investor Education and Protection Fund (IEPF) of the Central Government and subsequently, the Shareholders shall not have any right to claim the said Dividend from the Company or from the said Fund.

The details of the un-encashed / unclaimed Dividend for the Financial Years 2014-15 to 2018-19 as on 31<sup>st</sup> March, 2022 are as under:

	Unclaimed/Unpaid Dividend as on 31st March,2022 (Rs.)	Due date of transfer to Investor Education and Protection Fund
2014-15	4,56,748.20	31st October,2022
2015-16	3,91,347.20	29th October,2023
2016-17	3,62,376.00	29th October,2024
2017-18	2,07,092.80	29th October,2025
2018-19	1,97,652.00	29th October,2026

17. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during the financial year 2021-22, transferred to the IEPF Authority, details of all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of such unpaid dividends transferred to the IEPF Authority are available on the link <http://www.iepf.gov.in>.

Members may note that the shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them by visiting site : <http://www.iepf.gov.in/IEPFA/refund.html> or can contact our RTA for lodging claim for refund of shares and/or dividend from the IEPF Authority.

18. SEBI has mandated submission of Permanent Account Number (PAN) by every Member of the Company. Members holding shares in dematerialized form are requested to submit their PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Registrar and Share Transfer Agent.

19. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting by electronic means along with the Ballot Form and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL). The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company one-Voting system.

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

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

The e-voting period commences on Wednesday the 21<sup>st</sup> September, 2022 (10:00 a.m.) and ends on Friday the 23<sup>rd</sup> September, 2022 (05:00 p.m.). During this period shareholders of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. end of the day of 16<sup>th</sup> September, 2022. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. end of 16<sup>th</sup> September, 2022 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or (Company/ RTA email id).

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

**Step 1: The procedure to login to e-Voting website is given below:**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com>.

2. Once the home page of e-Voting system is launched, click on the icon Login which is available under Shareholders section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below :
  - a) **For Members who hold shares in demat account with NSDL:** 8 Character DPID followed by 8 Digit Client ID (Forexample if your DPID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID 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 (Forexample if folio number is 001\*\*\* and EVEN is 121482 then user ID is 121482001\*\*\*).
5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the initial password which was communicated to you. Once you retrieve your initial password, you need enter the initial password and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - i.) If your email ID is registered in your demat account or with the Company, your initial password is communicated to you on your email ID. Trace the email sent to you from NSDL from your mail box. Open the email and open the attachment i.e. a pdf file. Open the PDF file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The PDF file contains your User ID and your initial password.
    - ii.) If your email ID is not registered, your initial password is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the Initial password or have forgotten your password:
  - a. Click on **Forgot User Details/Password?** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [e-voting@nsdl.co.in](mailto:e-voting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to Terms and Conditions by selecting on the checkbox.
8. Now, you will have to click on Login button.
9. After you click on the Login button, Home page of e-Voting will open.

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

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

**General Guidelines for Shareholders:**

1. Institutional 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 ([mguptacs@gmail.com](mailto:mguptacs@gmail.com)) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the Forgot User Details/ Password? Or Physical User Reset Password? Option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.



Please note the following:

- A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and there after unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

**Other information:**

- Your login ID and password can be used by you exclusively for e-voting on the resolutions placed by the Companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

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

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

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

21. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite.

22. Securities and Exchange Board of India (SEBI) has issued Circular No SEBI/HO/DDHS/CIR/2022/0063 dated May 13, 2022 regarding relaxation from compliance with certain provisions of the SEBI (LODR) Regulations, 2015. MCA vide circular dated May 5, 2022, has extended the relaxations from dispatching of physical copies of financial statements for the year 2022 (i.e till December 31, 2022). Considering the above, it has been decided to provide relaxation up to December 31, 2022, from the requirements of Regulation 58(1)(b) of the Listing Regulation which prescribes that an entity with listed non-convertible securities shall send a hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non-convertible securities who have not registered their email address(es) either with the listed entity or with any depository.

Regd. Office: 72-77, HSIIDC Industrial Estate,  
Hansi Road, Jind, Haryana - 126102  
CIN : L74999HR1985PLC019905  
Date : 26<sup>th</sup> August 2022  
E-mail : [info@leatherchem.com](mailto:info@leatherchem.com)  
Website : [www.leatherchem.com](http://www.leatherchem.com)

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

  
Silu Nanda  
Company Secretary

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

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

<b>Name of the Director</b>	<b>Vijay Kumar Garg</b>
<b>DIN</b>	<b>00236460</b>
<b>Date of Birth</b>	04.12.1951
<b>Date of first appointment on the Board</b>	22.07.2003
<b>Qualifications</b>	B. Tech
<b>Expertise</b>	Business
<b>Directorships held in other public companies including private companies which are subsidiaries of public companies (Excluding foreign companies)</b>	1
<b>Memberships/ Chairmanships of committees across all companies</b>	Nil
<b>Number of Meetings attended during the year</b>	Nil
<b>Shareholding in the Company</b>	Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the Act")**

Annexed to the Notice convening the Thirty Seventh Annual General Meeting Scheduled to be held on Saturday, 24th September, 2022.

**Item No. 3**

M/s AKR & Associates, Chartered Accountants (ICAI Firm Registration No. 021179N), were appointed as the Statutory Auditors of the Company at the Annual General Meeting (AGM) of the Company held on 20th November, 2020 for a term of 3 years and was supposed to hold the office till the conclusion of the Annual General Meeting to be held in the year 2023 However M/s AKR & Associates have tendered their resignation letter to the Company which has been accepted by the Board.

Accordingly, as per the requirements of the Act and based on the recommendations of the Audit Committee, the Board of Directors of the Company has in its meeting held on 10th day of August, 2022 proposed to appoint M/s. S. C. Dewan & Co., Chartered Accountants (ICAI Registration no. 000934N) as the Statutory Auditors of the Company for a period of 5 (five) years commencing from the conclusion of 37th Annual General Meeting till the conclusion of the 42nd Annual General Meeting to be held in the year 2027.

M/s. S. C. Dewan & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Further requirement of ratification of Auditors by Members at every annual general meeting has been omitted by the Companies (Amendment) Act, 2017 effective from May 7, 2018.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No.3 of the notice. The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the Members.

**Item No. 4**

Mr. Pankaj Jain (DIN:00206564), aged 65 years is a Managing Director of the Company.

Mr. Pankaj Jain is engineer by profession and started idea of setting up of Haryana Leather Chemicals Limited. It's because of his knowledge, vision and able leadership, the Company is well established and earned name and fame.

Mr. Pankaj Jain, Managing Director, is devoting his time and energy for the growth and diversification of the company.

He designed the organization structure, work allocation and overall control systems of the Company. He has been instrumental in the growth and diversification of the Company.

Mr. Pankaj Jain possesses appropriate skills and the necessary experience and knowledge. Keeping in mind his best efforts and the workload which has multiplied over years, the Board of Directors have approved increase in remuneration of Mr. Pankaj Jain, Managing Director of the Company.

Mr. Pankaj Jain, Managing Director of the Company will be eligible for remuneration within the ceiling limit under Section-II of Part-II of Schedule-V to the Companies Act, 2013, as follows:

Salary	: Rs.2,50,000/- per month
Housing Allowance	: Rs.1,00,000/- per month
Other Allowance	: Rs. 35,000/- per month
Medical Allowance/reimbursement for	: Rs. 6,000/- per month himself and family
Leave Travel Allowance/reimbursement	: Rs.10,500/- per month for himself and family

The Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in paragraph as above:

1. Encashment of leave at the end of the tenure.
2. Provision of car for use on Company's business and telephone at residence shall not be considered as perquisites.
3. If and when the Managing Director is required to entertain and/or travel for the purpose of Company's business the Company shall reimburse all actual expenses incurred by him for such entertainment and/or travel."

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the above said resolution. The Board recommends the special Resolution set out at Item No. 4 of the Notice for approval of the Members.

Regd. Office: 72-77, HSIIDC Industrial Estate,  
Hansi Road, Jind, Haryana - 126102  
CIN : L74999HR1985PLC019905  
Date : 26<sup>th</sup> August 2022  
E-mail : [info@leatherchem.com](mailto:info@leatherchem.com)  
Website : [www.leatherchem.com](http://www.leatherchem.com)

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

  
Silu Nanda  
Company Secretary

## DIRECTORS' REPORT

Dear Shareholders,

The Directors of Haryana Leather Chemicals Ltd. are pleased to present the 37<sup>th</sup> Annual Report and Audited Statement of the Company's accounts for the year ended on 31st March, 2022.

### FINANCIAL RESULTS:

A summary of the financial results for the year 2021-22 is given below:

	2021-22 (Rs. in Lacs)	2020-21 (Rs. in Lacs)
Sales Turnover (Net of Taxes)		
Gross Profit	3887.72	2784.18
Deductions:	263.53	294.65
Depreciation		
Interest	77.01	76.22
Profit before tax	2.98	1.86
Less: Provision for Income Tax for the year	183.54	216.57
Add: Provision for Income Tax written back	44.20	48.76
Less: Previous year's adjustment	1.10	3.05
Less/(Add): Deferred tax liability	-	-
Profit after tax and available for appropriation	6.90	10.93
Less: Provision for dividend	131.34	159.93
Less: Provision for dividend tax	0.00	0.00
Less: Transfer to general reserve	0.00	0.00
<b>Profit Carried to Balance Sheet</b>	<b>131.34</b>	<b>159.93</b>

### OPERATIONS:

During the year, there is an increase in sales turnover which stands at Rs.3887.72 lakhs against Rs.2784.18 lakhs of the previous year. The decrease in profit of Rs.131.34 lakhs as against Rs.159.93 lakhs of the previous year is due to higher material & freight cost and not able to pass the full increase to our customers due to highly competitive market.

The raw material costs have been on the rise since starting of Covid 19 about two years back. Though the pandemic has abated, however unfortunately the war between Russia and Ukraine has affected company's business as the raw material prices escalated again because of unavailability of import material.

### DIVIDEND:

As the company's profits have been badly hit, to secure long-term stability in finances and operations of the company, the Board of Directors has decided to skip dividend for the financial year ended on March 31, 2022.

### DIRECTORS

The composition of the Board of Directors of the Company is furnished in the Corporate Governance Report annexed to this report. Pursuant to the provisions of the Articles of Association of the Company, the Directors- Dr. K. S.V. Menon (DIN:00920088), Dr. Massimo Medini (DIN: 000926147), Mr. Pradeep Behl (DIN: 00703855), Mr. Marco Medini (DIN: 03709885) and Mr. Kanishk Gupta (DIN: 02243899) are the Directors who are Non-Executive and Independent and are not eligible to retire by rotation. However, Mr. Vijay Kumar Garg (DIN: 00236460) is liable to be retire by rotation at the forthcoming Annual General Meeting of the Company to be held on 24<sup>th</sup> September, 2022 and thus being eligible offers himself for re-appointment.

Mr. Pankaj Jain (DIN: 00206564) is the Managing Director of the Company and Mr. N. K. Jain (DIN: 00486730) is the Director cum Chairman of the Company and Mrs. Sippy Jain (DIN: 03189151) is the Director in the Company. Mr. Sukanto Choudhury is CFO of the Company.

### STATUTORY AUDITORS

The members had at the 35<sup>th</sup> AGM of the Company appointed AKR & Associates, Chartered Accountants, (Firm Registration No. 021179N) Panchkula as Statutory Auditors of the Company to hold the office from the close of the 35<sup>th</sup> AGM till the conclusion of the 38<sup>th</sup> AGM, not subject to their appointment being ratified by the members in every AGM has been appointed for a further term of three years. The members of the Company approved deletion of the requirement of seeking ratification of appointment of Statutory Auditors at every AGM pursuant to amendment brought by the Companies Amendment Act, 2017.

The Auditors Report for FY 2021-22 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark. Auditor's report does not need any comments from the Directors.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

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

#### **MEETINGS OF THE BOARD, COMMITTEES & COMPLIANCE TO SECRETARIAL STANDARDS**

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

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

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

#### **PARTICULARS OF EMPLOYEES u/s 134 (3) OF THE COMPANIES ACT, 2013**

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

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

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Neeraj Gupta & Associates, a firm of Company Secretaries in Practice (CP No. 4006) to undertake the Secretarial Audit of the Company for the financial year ended 2022-23. The report on the Secretarial Audit carried out for the year 2021-22 is annexed herewith as Annexure-B. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

#### **SUBSIDIARY & CONSOLIDATED FINANCIAL STATEMENTS:**

The Company is not required to consolidate its financial statements for the year ended 31st March, 2022 as the Company doesn't have any Subsidiary, Associates and Joint Ventures Companies.

#### **COST AUDITOR'S COMPLIANCE**

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

However, as per Companies (cost records and audit) Rules, 2014 notified by Ministry of Corporate Affairs, cost audit is not applicable to the Company by virtue of its turnover being less than the prescribed limits. Therefore, the Board did not proceed with the appointment of cost auditor and cost audit for the year 2021-22.

The Company is properly maintaining its cost record internally.

#### **CORPORATE SOCIAL RESPONSIBILITY**

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

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

Section 135 (1) of Company Act 2013 mandates the CSR expenditure/CSR Applicability only for the Companies having following:

- a) Net worth of Rs.500 crore,
- b) Turnover of Rs.1000 crore
- c) or net profit of Rs.5.00 crore where net profit excludes income from overseas branch & divided distributed by Company on which this section apply.

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

#### **WOMAN DIRECTOR**

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

#### **PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORK PLACE**

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

#### **TRANSFER OF FUNDS TO INVESTOR EDUCATION AND PROTECTION FUND**

The Company is distributing dividend to its shareholders since 2006 on recommendation of the shareholders of the Company. And pursuant to the provisions of sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, for the unclaimed dividend for the year 2014-2015 amounting to Rs.4,56,748.20, the Board has taken necessary steps to transfer the unpaid/unclaimed dividend of Equity Shareholders for the year 2014-15 to the Investor Education and Protection Fund (IEPF) of the Central Government established under section 124 and 125 of the Companies Act, 2013.

#### **DIVIDEND DISTRIBUTION POLICY**

Pursuant to Regulation 43A and recent amendments to SEBI (LODR) Regulations, 2015 and on the basis of market capitalization your Company has formulated a "Dividend Distribution Policy". The said policy is available on the website of the Company at [www.leatherchem.com](http://www.leatherchem.com)

#### **NOMINATION AND REMUNERATION POLICY**

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

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

- i) Directors,
- ii) Key Managerial Personnel (KMPs) and
- iii) Senior Management Personnel (SMPs) of the Company
- iv) The NRC also reviews succession planning of both SMPs and Board. The Company's approach in recent years is to have a greater component of performance linked remuneration for SMPs. The process of appointing a Director/KMPs/SMPs is, that when a vacancy arises, or is expected, the NRC will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate will bring to the Board/Company, and the balance of skills added to that of which the existing members hold.

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

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

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

## **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

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

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

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

#### **1.1 Concerns which may be raised**

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

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

#### **1.2 Concerns- how to raise /whom to disclose**

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

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

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

#### **1.3 Procedure for investigation**

Obtain full details and clarifications of the complaint.

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

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

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

#### **FIXED DEPOSIT**

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

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

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

The Board of Director's acknowledges the responsibility for ensuring compliances with the provisions of section 134 (3)(c) read with section 134 (5) of the Companies Act, 2013 in the preparation of Annual Accounts for the financial year ended on 31st March, 2022.

The Board of Directors of the Company confirms that:

- a. During the preparing of the annual accounts, the applicable accounting standards have been followed and no material departure has taken place.
- b. The Selected accounting policies were applied consistently and the Director's made judgments and estimates that are reasonable and prudent so as to give an accurate view of the state of affairs of the Company as on March 31, 2022 and of the profit of the Company for the year ended on that date.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities.
- d. Annual accounts have been prepared on an ongoing concern basis.
- e. The Directors have devised proper systems to ensure compliance with the provision following applicable laws and that such systems were adequate and operating effectively.

**RELATED PARTY TRANSACTIONS**

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

**INTERNAL FINANCIAL CONTROLS**

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

**EXTRACT OF ANNUAL RETURN**

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

**QUALITY CONTROL:**

Persistent feedback from the dealers and employees has enabled further improvement in the quality control systems of finished product and in -process. The entire quality control system of the company -finished products and raw material is aligned with the best international standards. ISO 9001:2008 and ISO 14001:2004 systems undergo regular internal and external audits and have ensured strict compliance at each step. Complaints from the customer side are minimized to near zero.

The company has registered with ZDHC (Zero Discharge of Hazardous substances) and products external testing and listing under ZDHC is in progress. The Company regularly updates guidelines on Restricted Substances (RS) applicable to leather industry from time to time. Company's "Green -Trek" safety and environmental ethos have been widely recognized by the customers. Internal screening, calibrated with external testing has ensured zero incidence of detection of any of banned substances listed under REACH (Registration, Evaluation and Authorization of Chemicals).

**EXPORT OPERATIONS:**

The Company has made tremendous efforts to meet its export targets in the backdrop of Russia Ukraine war. Russia being one of our major exporting countries has been disrupted due to US sanctions and the services stopped by the shipping companies. However, company continues to add new markets like Ethiopia and maintain its existing dealers and customer base.

Last year company has achieved a good result in Latin American countries. However due to increase in freight cost the business couldn't sustain for long. Exports to Asia, Turkey and CIS countries remain steady. Since the travel restrictions have been eased off, the company is positive that export targets can be realized.



**TECHNOLOGY DEVELOPMENT:**

During the year, the company successfully completed the development relating to detection of unreacted ingredients. In Polyurethane dispersions unreacted Hydrazine has been successfully detected and controlled using HPLC methods. The detection of unreacted monomer has also been successfully completed, but some work to lower down the levels during production is ongoing. These techniques will immensely help in lowering of VOC (Volatile Organic Content). In addition to above the company also undertook following developmental work due to the urgency to improve some of the key material handling processes.

1. Adoption of sanitary Tri-clover (TC) connections technology for all fluid transfer loops. TC connections are primarily used in Pharma and food industry in western countries. Under this plan, each and every loop engaged in fluid transfer was mapped, converted into interchangeable TC pipe and hose connections. This change required smart engineering ideas and design efforts. The conversion to TC ensures near zero spill, quick changeover of batches and much reduced maintenance and turnaround time during breakdowns.
2. The company had undertaken digital transformation of production instructions and implemented a system of E-LOG (digital logging) of process for any quality tracing and audit. Using the computerized instruction, the shop floor operator could exercise much better control on various complexities during processing and reactions. The plan was founded on use of rugged computers to display production instructions, step by step in relation to the equipment involved. The company hopes to minimize chances of any error by the operator that can affect the quality of the product or safety of the plant and operator.

**PERSONNEL & INDUSTRIAL RELATION:**

The employees of the Company participated in various technology development works, safety during production, processes and warehousing, and very responsibly adhered to various Covid Safety measures and work ethos. The production and sales team demonstrated exemplary courage to fulfill delivery targets in spite of shortage of raw materials and supply interruptions from supplier's especially foreign suppliers. Employee-employer relations now have a deeper bond of trust and commitment to customer satisfaction and work safety.

**ENVIRONMENT & POLLUTION CONTROL MEASURES:**

The company's environment and pollution control innovation are based on latest technology trends. These measures have been efficiently implemented due to employee's insight and their deeper commitment to sustainability goals. The company's sustainability goals listed below, and achievements have gone beyond statutory regulations by setting a higher bar for social and environmental needs.

During the year, steps were taken to reduce wastewater, use of Biodiesel reduced the fossil fuel footprint, spills and leaks were reduced due to improvement in material flow based on Tri clover hoses and connections. Though the Company had successfully installed CEMS (Continuous Emission/Effluent Monitoring System) to provide continuous information to HSPCB, but with the upcoming changeover to LPG during the year 22-23, the flue gas emissions will be further reduced to nil.

**ACKNOWLEDGEMENT:**

The Directors extend their most sincere thanks to all employees for their commitment to mitigate the unprecedented challenges of price fluctuation, second and third wave of pandemic and frequent supply disruptions. Company's suppliers, dealers, service providers, and technical consultants have continued their wholehearted support and the Directors deeply appreciate their role. The Directors are thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its management.

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

Place: Gurugram  
Date :10<sup>th</sup> August 2022

  
**NARENDRA KUMAR JAIN**  
Chairman  
(DIN-00486730)

  
**PANKAJ JAIN**  
Managing Director-cum-Vice Chairman  
(DIN-00206564)

**ANNEXURE – A**

INFORMATION AS PER SECTION 134(3) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2022

**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**

			<b>Current Year 2021-22</b>	<b>Previous Year 2020-21</b>
1.	a)	<b>Power and Fuel Consumption</b>		
		Electricity Purchased (KWH)	351494	258878
		Total Amount (Rs.)		
		Rate / Unit (Rs.)	3511433	2646168
	b)	Own Generation	9.99	10.22
		Through Diesel Generator		
		Unit (KWH)	34150	31030
		Units / Ltr. of HSD	2.74	3.24
		Cost / Unit (Rs.)	30.9	18.9
		Coal		
		Quantity		
		Total Cost	-	-
		Average Cost	-	-
		Furnace Oil / HSD Oil Quantity (K. Ltrs.)		
		Oil Quantity (K. Ltrs.)	93.79	66.00
		Total Cost (Rs.)		
		Average Rate (Rs. / K. Ltr.)	6533411	3863940
		Others / Internal Generation	69.66	58.54
		Quantity		
		Total Cost	-	-
		Rate Unit	-	-
2.		<b>Consumption per Unit of Production</b>		
		Production (MT)	4012	3747
		Electricity (KWH / MT)		
		Furnace / HSD Oil (Ltr. / MT)	87.61	77.37
		Coal	23.38	17.61
		Others	-	-
			-	-

**B) TECHNOLOGY ABSORPTION:**

**a) Research & Development (R & D)**

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

During the year, the company had undertaken following R & D projects towards improvement of Production processes.

Adoption of sanitary Tri-clover (TC) connections technology for all fluid transfer loops. TC connections are primarily used in pharma and food industry in western countries. Under this plan, each and every loop engaged in fluid transfer was mapped, converted into interchangeable TC pipe and hose connections. This change required smart engineering ideas and design efforts. The conversion to TC ensures near zero spill, quick changeover of batches and much reduced maintenance and turnaround time during breakdowns.

The company had undertaken digital transformation of production instructions and implemented a system of E-LOG (digital logging) of process for any quality audit. Using the computerized instruction, the shop floor operator could exercise much better control on various complexities during processing and reactions. The plan was founded on use of rugged computers to display production instructions, step by step in relation to the equipment involved. The

company hopes to minimize chances of any error by the operator that can affect the quality of the product or safety of the plant and operator.

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

The above R&D resulted in reduced spills and leaks due to improvement in material flow based on Tri clover hoses and connections. The system of E-log enabled deskilling of the processes and ensured repeatability and more transparent quality audits. These technologies will render company's material handling and processes safer, help achieve sustainability goals, improve employees' safety, and consolidate company's brand image.

**3. Future Plan of Action:**

For the year 22-23, the company has undertaken following development projects towards improvement of production processes.

**Recovery of wastewater:** The Company's products require purification of water using RO and demineralization process. This results in a lot of wastewaters and increased load of effluent treatment. The company plans to research on methods based on second stage RO and ultrafiltration for further recovery of purified water from the wastewater stream so that there is reduced need to draw ground water. This will improve water table around the compound that is diminishing fast.

The company plans to undertake research on reduction of evaporation losses in storage tank due to atmospheric venting. Due to extreme summers, it is feared that highly volatile solvents evaporate causing material losses and higher VOC around the production areas. The company plans to research on breather valve technology to reduce venting losses. Some trials are underway; various safety aspects relating to controlled venting are under consideration. This will reduce material losses during storage and improve yield.

These technologies will render long term benefits in terms improved process control & efficiency, yield improvement, safety and manpower optimization.

**4. R&D expenditure**

a) Capital:	2.05 lacs
b) Recurring:	48.33 lacs
c) Total:	50.38 lacs
d) Total R&D Expenditure:	1.30% lacs as percentage of total turnover

**C) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION**

- a) All previously imported technologies have been fully absorbed and commercialized.
- b) The indigenously developed technologies of previous years have been absorbed and commercialized.

**D) FOREIGN EXCHANGE EARNINGS & OUTGO**

- a) The Company's foreign exchange earnings from the exports (Inclusive of foreign exchange fluctuations) were Rs. 803.52 lacs.
- b) The expenditure in foreign exchange during the financial year under review is Rs.51.52 Lacs. This is related to payment towards raw materials, import of capital goods, payment of overseas travel of Directors & Employees.

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

Place: Gurugram  
Date : 10<sup>th</sup> August 2022

  
**NARENDRA KUMAR JAIN**  
Chairman  
(DIN- 00486730)

  
**PANKAJ JAIN**  
Managing Director-cum-Vice Chairman  
(DIN- 00206564)

## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

### 1. Industry Structure:

Leather and leather products including footwear has achieved a growth of 32.5% in the year 2021-22 as their export increased to 4.9 billion USD from 3 billion USD of 2020-21. The Company has also seen sustainable growth in sales and business for 2021-22 in line with industry trend.

### 2. Opportunities & Threats:

#### Opportunities:

The leather industry in India has one of the youngest workforce, and 55% of the workforce fewer than 35 years of age. The industry is noted for high export revenue and is one of the current top foreign exchange earners. With access to 20% of the world cattle and buffalo as well as 11% of the world goat and sheep population, India has a large source of raw material.

#### Threats:

Economic slowdowns of mega developed countries are expected to lower export of leather made products to their nation. Leather industry is considered causing a large source of pollution due to tanning and other processes which may delay clearance of various new projects. However, adoption of zero liquid discharge (ZLD) by the tanning industry is expected to solve the problem to some extent. Apart from this effluent management, non-tariff barriers, quality specifications and cost of compliance to various safety standards hinder the export growth of Indian leather industry.

### 3. Segment-wise or product-wise performance:

In the Finishing Chemicals segments, Company's compact finishes and lacquers are very well recognized in the export market - especially in countries like Russia and Uzbekistan. The Company foresees further increase in demand due to shortage of Acrylics and Lacquers in the world market. In the Powder Syntan segment, Company has shown growth in domestic as well as in export - in spite of several adverse conditions viz., Covid-19, unprecedented raw material increase and highly fluctuating freight costs.

The Company continues to maintain its market share in high performance finishing products. Company is not able to pass on the full hike in raw material prices of wet end products to its customer fearing loss of some market share. This segment is under constant watch and company is keeping a close eye on the raw material price trends on daily basis.

### 4. Outlook:

Indian leather industry is a USD 13 billion industry and is expected to grow to USD 25 billion in next 10 years. This industry is of special significance as it employs more than 50% of workforce below 35 year of age. Growing demand, availability of skilled workforce, rising export, ease of availability of raw material and government incentives are the major factors driving the market. Currently India stands in second place in terms of production of footwear and leather Garments.

Availability of labor along with various development programs aimed at providing employment in leather industry is boosting competitive advantage of this industry. Government plans to train around 200 thousand persons annually for leather industry. Also Footwear Design and Development Institute (FDDI) aims to capture the export market with design and fashion developments. The sector is expected to witness growth as government has allowed 100% FDI through automatic route. Government is also aiming to improve productivity of the sector through technological up gradation. Integrated Development of Leather Sector (IDLS) is an important plan of government which expects to almost double productivity of the leather industry in next 10 years.

### 5. Risks & Concerns:

There are multiple challenges faced by the leather exporters of India, which are given as follows. Moreover, these also include some current problems in the leather industry:

- Because of the religious importance of some livestock, the leather industry is still facing issues when it comes to managing the raw skins - the source of the leather.
- The companies producing leather and leather commodities don't want to invest in Research and Development, to accurately address the demands of the consumers.
- Companies are unable to deliver high value added product and a luxury branding that can compete top European brands .
- Waste management, non-tariff obstacles, etc., barricade the export growth of the leather industry in India.
- The environmental problems related to leather tanning as well as other processing.

### 6. Internal control systems and their adequacy:

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

**7. Discussion on financial performance with respect to operational performance:**

The decrease in profit as compared to last year is mainly due to substantial increase in raw material cost, freight cost and energy cost. The Company has not passed on these cost escalations fully to their customers to remain competitive in the market.

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

The Company's talent pool remains adequate and is concentrating on more specialized knowledge on laboratory practices, ISO Quality systems, ZDHC and production efficiency. There are no unresolved grievances of workers who have exhibited strict discipline and cordial relations with the management. Increments have remained aligned with market trends across all levels of employees.

Number of employees as on 31.03.2022 was 90.

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

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

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

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

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

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

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

The schedule of Related Party Transactions is as follows:

Particulars	(Rupees in thousands)	
	Year Ended 31 March, 2022	Year Ended 31 March, 2021
<b>Transactions during the year</b>		
<b>Operating income</b>		
Labotron Instruments Pvt. Ltd.	-	-
N. K. Jain Instruments Private Limited	-	-
<b>Rent paid</b>		
N K Jain Holding & Finance Pvt. Ltd	351.36	340.72
<b>Marketing Expenses</b>		
Mrs. Sippy Jain	660.00	3265.00

Balance outstanding at the year end	(Rs. In Thousands)	
	As at 31 March, 2022	As at 31 March, 2021
Balance payable		
N K Jain Holding & Finance Pvt. Ltd	106.12	114.99
Mrs. Sippy Jain	777.95	347.45

\*Related Parties have been identified by the Management.

**SECRETARIAL COMPLIANCE REPORT OF HARYANA LEATHER CHEMICALS LIMITED  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

[Pursuant to Circular CIR/ CFD/ CMDI/ 27/ 2019 dated February 08, 2019 for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Board of Directors  
M/s Haryana Leather Chemicals Limited  
72-77, HSIIDC Industrial Estate, Hansi  
Road, Jind-126102 Haryana CIN:  
L74999HR1985PLC019905

Authorised Capital: Rs. 6,00,00,000/- (Rs. Six Crore)

I have conducted the Secretarial Compliance Audit of the applicable SEBI (Securities and Exchange Board of India) Regulations and the circulars/ guidelines issued thereunder for the Financial Year ended 31<sup>st</sup> March 2022 for Haryana Leather Chemicals Limited ( the Company ). The audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing my opinion thereon.

I have examined:

- (a) All the documents and records made available to us and explanation provided by Haryana Leather Chemicals Limited (the listed entity),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2022 ( Review Period ) in respect of compliance with the provisions of :
  - i. The Securities and Exchange Board of India Act, 1992 (SEBI Act) and the Regulations, circulars, guidelines issued thereunder; and
  - ii. The Securities Contracts (Regulation) Act, 1956 ( SCRA ); rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (SEBI);
  - iii. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) and the circulars/ guidelines issued thereunder, have been examined:-

- (a) The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;-Not Applicable for the review period
- (c) The provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The provisions of Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;- Not Applicable for the review period
- (e) The provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- Not Applicable for the review period
- (f) The provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- Not Applicable for the review period
- (g) The provisions of Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; Not Applicable for the review period
- (h) The provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Any other regulations as applicable and circulars/guidelines issued thereunder.

Based on my examination and verification of the documents and records produced before me and according to the information and explanation furnished to me by the Company, I hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

- (a) listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
N.A.				

For Neeraj Gupta & Associates

Company Secretary

*ngupta*  
Neeraj Gupta

(Prop)

FCS No. 5720

C.P. No. 4006

Place: New Delhi

Dated: 04.05.2022

UDIN:FOOS720D000267047



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, 2022**

To

The Members of  
M/s. Haryana Leather Chemicals Limited  
CIN: L74909HR1985PLC019905  
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 an able basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year commencing from 1st April, 2021 and ended on 31st March, 2022 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, 2022, 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;

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. Secretarial Standards issued by The Institute of Company Secretaries of India, (effective from July 1, 2015)
  - 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, Debenture holders, Debenture Trustees, Auditors and the Registrar of Companies;
  - e) Notice of Board meetings and Committee meetings of Directors;
  - f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation, if any;
  - g) The 36<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2021;
  - h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - i) Approvals of the Members, the Board of Directors, the Committees of Directors and the Government authorities, where ever required;
  - j) Constitution of the Board of Directors/Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
  - k) Payment of remuneration to Directors including the Managing Director and Whole-Time Directors;
  - l) Appointment and remuneration of Statutory Auditors were duly in compliance with the provisions whereas the appointment of Cost Auditors was Not applicable;
  - m) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
  - n) Payment of interest on debentures and redemption of debentures - Not Applicable.
  - o) No Dividend was declared 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;
  - 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) Directors' report for the FY 2020-21 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. No changes in the composition of the Board of Directors 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: 04.05.2022

UDIN: F005720D000267003



**Annexure-A to Secretarial Audit Report dated May 04, 2022**

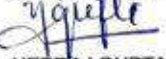
To  
The Members of  
M/s. Haryana Leather Chemicals Limited  
CIN: L74999HR1985PLC019905  
72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102 (Hr.)

Our Secretarial Audit Report dated May 04, 2022 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.

7. Reliance has been placed on the copy of necessary secretarial records /documents etc. made available to us. A representation in this regard certifying the correctness of the contents of the secretarial records provided has been taken from company's management.

**For Neeraj Gupta & Associates**  
Company Secretaries



**NEERAJ GUPTA**

Proprietor

FCS No. 5720

CP No. 4006

Place: New Delhi

Date: 04.05.2022

UDIN: F005720D000267003



**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)

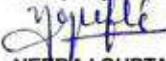
The Members of  
Haryana Leather Chemicals Limited  
72-77, HSIIDC Industrial Estate Hansi  
Road, Jind-Haryana-126102

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Haryana Leather Chemicals Limited having L74999HR1985PLC019905 and having registered office at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind, Haryana-126102 (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 SEBI (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, as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

**For Neeraj Gupta & Associates**  
Company Secretaries



**NEERAJ GUPTA**

Prop.

FCS 5720

C.P. NO. 4006

Place : New Delhi

Dated : 05/08/2022

UDIN: F005720D000745613



**Annexure to the Board's Report Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31.03.2022  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- L74999HR1985PLC019905
- ii) Registration Date: 22.01.1985
- iii) Name of the Company: HARYANA LEATHER CHEMICALS LIMITED
- iv) PAN: AAACH3955N
- v) Category/Sub-Category of the Company: Company Limited by Shares
- vi) Address of the Registered office and contact details:  
72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102, Haryana  
Email id: info@leatherchem.com Website: www.leatherchem.com Phone: (01681)226645  
Fax No.: 01681-225101
- vii) Whether listed Company Yes/No: Yes
- viii) Name, Address and Contact details of Registrar and Transfer Agent, if any  
Mr. Ravinder Dua  
M/s. RCMC Share Registry Pvt. Ltd.  
B-25/1, First Floor, Okhla Industrial Area, Phase-II, NewDelhi-110020  
Phones: 011-26387320, 26387323. Fax: 011-26387322

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products/services	NIC Code of the products/ Service	% total turnover of the Company
1.	NOUVOLSR	P1349	16.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

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

**IV. Share holding Pattern (Equity Share Capital Breakup as percentage of Total Equity) : (i)  
Category-wise Share holding**

Category of Share holders	No. of Shares held at the beginning of the year 01.04.2021				No. of Shares held at the end of the year 31.03.2022			Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual/HUF	918006	-	918006	18.71	918006	-	918006	18.71	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	209860	6000	215860	4.40	209860	6000	215860	4.40	-
e) Banks FI....	-	-	-	-	-	-	-	-	-
f) Any other (Trust)	-	-	-	-	-	-	-	-	-
Sub-total(A)(1)	1127866	6000	1133866	23.11	1127866	6000	1133866	23.11	-
<b>2) Foreign</b>									
a) NRIs-									
Individuals	-	138190	138190	2.82	-	138190	138190	2.82	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	768470	768470	15.66	-	768470	768470	15.66	-
Any Other...	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	-	906660	906660	18.47	-	906660	906660	18.47	-
Total Share	1127866	912660	2040526	41.58	1127866	912660	2040526	41.58	
holding of Promoters (A)= (A)(1) +									
<b>B. Public Share holding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	-	3900	3900	0.08	-	3900	3900	0.08	-
b) Banks/FI	-	3600	3600	0.07	-	3600	3600	0.07	-
c) Central Govt.	2900	-	2900	0.06	2900	-	2900	0.06	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture capital Funds	-	-	-	-	-	-	-	-	-
i) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	2900	7500	10400	0.21	2900	7500	10400	0.21	-
<b>2) Non-</b>									
a) Bodies Corp.	22577	19100	41677	0.85	26957	19100	46057	0.94	0.09
i) Indian									
ii) Overseas									

b) Individuals									
i) Individual Share holders holding nominal share capital upto Rs. 2 Lacs	867548	313691	1181239	24.07	882075	307390	1189465	24.23	0.18
ii) Individual Share holders holding nominal share capital in excess	1351115	-	1351115	27.53	1328148	-	1328148	27.06	(.047)
c) Any Other	-	-	-	-	-	-	-	-	-
i) NRI s/OCBs	6878	200	7078	0.14	14285	200	14485	0.30	0.16
ii) Clearing	2182	-	2182	0.04	5136	-	5136	0.10	0.06
iii) Foreign	-	-	-	-	-	-	-	-	-
iv) Trusts	-	-	-	-	-	-	-	-	-
v) Foreign Portfolio Investment Corp.	-	-	-	-	-	-	-	-	-
vi) IEPF Account	242906	-	242906	4.95	242906	-	242906	4.95	-
NBFCs registered with	31347	-	31347	0.64	31347	-	31347	0.64	-
Sub-total (B) (2)	2524553	332991	2857544	58.22	2530854	326690	2857544	58.22	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	2527453	340491	2867944	58.43	2533754	334190	2867944	58.43	-
<b>C. Shares held for by Custodian GDRs &amp; ADRs</b>									
Grand Total (A+B+C)	3655319	1253151	4908470	100	3661620	1246850	4908470	100	-

**ii) Share holding of Promoters**

Sr. No.	Share holder s Name	Share holding at the beginning of the year 01.04.2021			Share holding at the end of the year 31.03.2022			
		No. of Shares	% of total Shares of the company	% of Shares Pledged encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged encumbered to total shares	% change in Share holding during the year
1.	ICAP SIRA Chemicals & Polymers Spa.	768470	15.66	0	768470	15.66	0	0.00
2.	Pankaj Jain	751780	15.32	0	751780	15.32	0	0.00
3.	Sippy Jain	153626	3.13	0	153626	3.13	0	0.00
4.	Savita Aggarwal	138190	2.82	0	138190	2.82	0	0.00
5.	Munak Holdings Limited	113382	2.31	0	113382	2.31	0	0.00
6.	Munak Engineers Pvt. Ltd.	64743	1.32	0	64743	1.32	0	0.00
7.	Munak Credit & Investment	16335	0.33	0	16335	0.33	0	0.00
8.	N.K. Jain Holdings & Fin. Pvt. Ltd.	13900	0.28	0	13900	0.28	0	0.00
9.	Vijay Kumar Garg Contractor Pvt. Ltd.	7500	0.15	0	7500	0.15	0	0.00
10.	Manik Jain	7300	0.15	0	7300	0.15	0	0.00
11.	Ratnam Jain	5300	0.11	0	5300	0.11	0	0.00
	Total	2040516	41.58	0	2040516	41.58	0	0.00

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

Sr. No.	Share holder s Name	Share holding at the beginning of the year		Share holding at the end of the year		
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	% change in Share holding during the year
1.	NA					
2.	NA					

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

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	SANGEETHA S				
	At the beginning of the year 01/04/2021	250230	5.1	250230	5.1
	At the end of the year 31/03/2022			250230	5.1
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHOR				
	At the beginning of the year 01/04/2021	242906	4.95	242906	4.95
	29/10/2021	Transfer	-242906	0	0
	19/11/2021	Transfer	242906	242906	4.95
	At the end of the year 31/03/2022			242906	4.95
3	URMIL MAHASUKH GOPANI				
	At the beginning of the year 01/04/2021	230612	4.7	230612	4.7
	16/07/2021	Transfer	-500	230112	4.69
	At the end of the year 31/03/2022			230112	4.69
4	AVNI SOHIL SANGHVI				
	At the beginning of the year 01/04/2021	200754	4.09	200754	4.09
	At the end of the year 31/03/2022			200754	4.09
5	AMIT JAIN				
	At the beginning of the year 01/04/2021	91970	1.87	91970	1.87
	04/06/2021	Transfer	-941	91029	1.85

	11/06/2021	Transfer	-1029	-0.02	90000	1.83
	23/07/2021	Transfer	-3450	-0.07	86550	1.76
	30/07/2021	Transfer	-5484	-0.11	81066	1.65
	06/08/2021	Transfer	-995	-0.02	80071	1.63
	13/08/2021	Transfer	-1071	-0.02	79000	1.61
	20/08/2021	Transfer	-1589	-0.03	77411	1.58
	27/08/2021	Transfer	-1009	-0.02	76402	1.56
	03/09/2021	Transfer	-3415	-0.07	72987	1.49
	10/09/2021	Transfer	-4459	-0.09	68528	1.4
	17/09/2021	Transfer	-2625	-0.05	65903	1.34
	24/09/2021	Transfer	-4173	-0.09	61730	1.26
	01/10/2021	Transfer	-2439	-0.05	59291	1.21
	08/10/2021	Transfer	-9291	-0.19	50000	1.02
	15/10/2021	Transfer	-1470	-0.03	48530	0.99
	29/10/2021	Transfer	-835	-0.02	47695	0.97
	05/11/2021	Transfer	-2878	-0.06	44817	0.91
	12/11/2021	Transfer	-5135	-0.1	39682	0.81
	19/11/2021	Transfer	-3981	-0.08	35701	0.73
	10/12/2021	Transfer	-1109	-0.02	34592	0.7
	17/12/2021	Transfer	-2529	-0.05	32063	0.65
	31/12/2021	Transfer	-4146	-0.08	27917	0.57
	07/01/2022	Transfer	-7521	-0.15	20396	0.42
	14/01/2022	Transfer	-8311	-0.17	12085	0.25
	21/01/2022	Transfer	-8851	-0.18	3234	0.07
	28/01/2022	Transfer	-2280	-0.05	954	0.02
	04/02/2022	Transfer	-954	-0.02	0	0
	At the end of the year 31/03/2022				0	0
6	MAHENDRA GIRDHARILAL					
	At the beginning of the year 01/04/2021		67915	1.38	67915	1.38
	09/04/2021	Transfer	500	0.01	68415	1.39
	16/04/2021	Transfer	3725	0.08	72140	1.47
	23/04/2021	Transfer	1265	0.03	73405	1.5
	30/04/2021	Transfer	6819	0.14	80224	1.63
	07/05/2021	Transfer	945	0.02	81169	1.65
	14/05/2021	Transfer	1618	0.03	82787	1.69
	21/05/2021	Transfer	641	0.01	83428	1.7
	02/07/2021	Transfer	9961	0.2	93389	1.9



	09/07/2021	Transfer	2366	0.05	95755	1.95
	16/07/2021	Transfer	5835	0.12	101590	2.07
	23/07/2021	Transfer	5644	0.11	107234	2.18
	10/09/2021	Transfer	3996	0.08	111230	2.27
	17/09/2021	Transfer	12312	0.25	123542	2.52
	24/09/2021	Transfer	1000	0.02	124542	2.54
	01/10/2021	Transfer	740	0.02	125282	2.55
	08/10/2021	Transfer	2665	0.05	127947	2.61
	15/10/2021	Transfer	5500	0.11	133447	2.72
	22/10/2021	Transfer	160	0	133607	2.72
	24/12/2021	Transfer	3713	0.08	137320	2.8
	31/12/2021	Transfer	7393	0.15	144713	2.95
	04/03/2022	Transfer	4595	0.09	149308	3.04
	At the end of the year 31/03/2022				149308	3.04
7	CHOKKARAPU ANITHA					
	At the beginning of the year 01/04/2021		61341	1.25	61341	1.25
	At the end of the year 31/03/2022				61341	1.25
8	PARUL SANJAY SHAH					
	At the beginning of the year 01/04/2021		57055	1.16	57055	1.16
	At the end of the year 31/03/2022				57055	1.16
9	PANKJKUMAR MAGANLAL BABARIYA					
	At the beginning of the year 01/04/2021		56033	1.14	56033	1.14
	15/10/2021	Transfer	-181	0	55852	1.14
	17/12/2021	Transfer	-13833	-0.28	42019	0.86
	24/12/2021	Transfer	-1125	-0.02	40894	0.83
	07/01/2022	Transfer	-6003	-0.12	34891	0.71
	At the end of the year 31/03/2022				34891	0.71
10	MANASI DHARMESH BHANUSHALI					
	At the beginning of the year 01/04/2021		55875	1.14	55875	1.14
	11/03/2022	Transfer	-55875	-1.14	0	0
	At the end of the year 31/03/2022				0	0
11	JASMINE PRAVIN AJMERA					
	At the beginning of the year 01/04/2021		54000	1.1	54000	1.1

	09/04/2021	Transfer	294	0.01	54294	1.11
	At the end of the year 31/03/2022				54294	1.11
12	NARVEER YADAV					
	At the beginning of the year 01/04/2021		33776	0.69	33776	0.69
	09/04/2021	Transfer	24	0	33800	0.69
	16/04/2021	Transfer	1007	0.02	34807	0.71
	23/04/2021	Transfer	1179	0.02	35986	0.73
	30/04/2021	Transfer	1330	0.03	37316	0.76
	14/05/2021	Transfer	1	0	37317	0.76
	21/05/2021	Transfer	622	0.01	37939	0.77
	16/07/2021	Transfer	1209	0.02	39148	0.8
	23/07/2021	Transfer	403	0.01	39551	0.81
	13/08/2021	Transfer	277	0.01	39828	0.81
	08/10/2021	Transfer	172	0	40000	0.81
	19/11/2021	Transfer	3319	0.07	43319	0.88
	26/11/2021	Transfer	2971	0.06	46290	0.94
	03/12/2021	Transfer	727	0.01	47017	0.96
	10/12/2021	Transfer	2403	0.05	49420	1.01
	17/12/2021	Transfer	3360	0.07	52780	1.08
	24/12/2021	Transfer	220	0	53000	1.08
	At the end of the year 31/03/2022				53000	1.08
13	DHARMESH G BHANUSHALI HUF.					
	At the beginning of the year 01/04/2021		100	0	100	0
	14/01/2022	Transfer	-100	0	0	0
	11/03/2022	Transfer	70805	1.44	70805	1.44
	At the end of the year 31/03/2022				70805	1.44
14	OLHC OF AP A/C ITC AGROTECH FINANCE					
	At the beginning of the year 01/04/2021		0	0	0	0
	29/10/2021	Transfer	245806	5.01	245806	5.01
	19/11/2021	Transfer	-245806	-5.01	0	0
	At the end of the year 31/03/2022				0	0

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

Sr. No.	Share holder's Name.	Share holding at the beginning of the year			Share holding at the end of the year	
		No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company	% change in Share holding during the year
1.	Narendra Kumar Jain	-	-	-	-	-
2.	Pankaj Jain	751780	15.32	751780	15.32	-
3.	Sippy Jain	153626	3.13	153626	3.13	-
4.	Kannadiparambil Sankarankutty Velayudha Menon	-	-	-	-	-
5.	Pradeep Behl	-	-	-	-	-
6.	Vijay Kumar Garg	-	-	-	-	-
7.	Massimo Medini	-	-	-	-	-
8.	Kanishk Gupta	-	-	-	-	-
9.	Marco Medini	-	-	-	-	-

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs.in thousands)
Indebtedness at the beginning of the financial year				
i) Principal Amount	55.42	Nil	-	55.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	55.42	Nil	-	55.42
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	55.42	Nil	-	55.42
Net Change	55.42	Nil	-	55.42
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	-	Nil
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	Nil	Nil	-	Nil

**vi) Remuneration of Directors and Key Managerial Personnel**

**A. Remuneration to Managing Director, Whole-Time Directors and/or Managers: (Yearly Basis)**

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (in Rs.)
		Mr. Pankaj Jain Managing Director In Rs. per year	Mrs. Sippy Jain whole-time Director In Rs. per year	Ms. Silu Nanda Company Secretary In Rs. per year	
1.	Gross Salary				
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,45,000	-	1,85,040	
b)	Value of perquisites u/s 17(2)(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	

2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission -as of profit others, specify	-	-	-	-
5.	Others, please specify Sitting Fees (p.a.)	- (Medical)	1,80,000 (Consultancy)	-	-
	Total (A)	33,45,000	-	1,85,040	-
	Ceiling as per the Act( Sec.197)	Within ceiling limit			

**B. Remuneration to Other Directors (Yearly Basis):**

Sr. No	Particulars of Remuneration	Name of Directors								Total Amount (Rs.)
		Narendra KumarJain	Kannadi Parambil Sankaran kutty Velayudha Menon	Pradeep Behl	Vijay Kumar	Massimo Medini	Harish Kumar	Kanishk Gupta	Marco Medini	
1.	Independent Directors Fee for attending board/committee meetings Commission Others, please specify	-	32,000	32,000	-	-	-	8,000	-	72,000
	Total (1)	-	32,000	32,000	-	-	-	8,000	-	72,000
2.	OtherNon-Executive Directors Fee for attending board/committee meetings Commission Others, please specify Total (2)	-	-	-	-	-	-	-	-	-
	Total (8)= (1+2)	-	32,000	32,000	-	-	-	8,000	-	72,000
	Total Managerial Remuneration	-								
	Overall Ceiling as per the Act	Within ceiling limit								

**C. Remuneration to Key Managerial Personnel other than Managing Director, whole-time Directors and/or Managers : CHIEF FINANCIAL OFFICER (Yearly Basis)**

Sr. No.	Particulars of Remuneration	Name of KMP	Total Amount (Rs.)
1.	Gross salary a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act,1961 c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	SUKANTO CHOUDHURY	7,50,000/-

2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission as of profit others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	-	7,50,000/-

vii) Penalties/ punishment/ compounding of offences:

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

The Board of Directors,  
Haryana Leather Chemicals Ltd.  
72-77, Industrial Estate, Hansi Road, Jind-126102, Haryana.  
Place: Gurugram  
Date : 10<sup>th</sup> August 2022

## CORPORATE GOVERNANCE

Based on Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with BSE (Bombay Stock Exchange Limited) and some of the best policies followed on Corporate Governance, the report containing the details of Corporate Governance systems and processes at Haryana Leather Chemicals Limited is as follows:

### 1. Company's Philosophy on Corporate Governance

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

Our belief in good corporate citizenship enshrined in the Company's Code of Conduct, its policies, compliance with law and robust internal control systems, which are subjected to regular assessment drives its effectiveness, reinforces integrity of management and fairness in dealing with all the stakeholders. This meets with all statutory and regulatory compliance including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Fairness to shareholders and common bodies, transparency, disclosures and accountability has been the guiding philosophy on Company's day today and long term operational goals.

#### Company Policies:

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

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

### 2. Role of Company Secretary in overall governance process:

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

### 3. Board of Directors

The Board of Directors of the Company are constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and in accordance with the best practices of Corporate Governance. The Board of Directors consists of Nine Directors, One Executive Director and eight non-executive Directors. Out of the eight non-executive Directors, two are nominees of the collaborators i.e., ICAP Sira Chemicals & Polymers Spa, Italy. The Board normally meets once in every quarter. During the year the Board of Directors met four times on 25.06.2021, 12.08.2021, 10.11.2021 and 11.02.2022.

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

**ii) Penalties/ punishment/ compounding of offences:**

Director	Category	Other Director -ships held	Memberships in Committees of Board	No. of Board meeting attended	Whether attended AGM held on 25.09.2021
Pankaj Jain	Executive	3	-	4	Yes
Sippy Jain	Non-Executive	-	-	3	Yes
N. K. Jain	Non-Executive	4	-	-	No
V. K. Garg	Non-Executive	3	-	-	No
K. S. V. Menon	Independent	-	3	4	No
Massimo Medini**	Independent	-	-	-	No
Marco Medini**	Independent	-	-	-	No
Pradeep Behl	Independent	-	3	4	No
Kanishk Gupta	Independent	2	3	1	No

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

The detailed list of Company names in which the Directors hold Directorship, Membership/Chairmanship of Board

Committees are as follows:

**PANKAJ JAIN (DIN: 00206564)**

Sl. No	CIN/LLPIN	Name of the Company /LLP	Date of appointment at current designation	Original date of appointment
1.	L74999HR1985PLC019905	Haryana Leather Chemicals Limited	04.02.2013	22.04.1985
2.	U85110HR1997PTC033697	N.K. Jain Instruments Pvt. Limited	29.08.1997	29.08.1997
3.	U36999DL1997PTC084940	Labotech Microscopes India Private Limited	30.09.2000	30.09.2000
4.	U74899DL1994PTC056969	N.K. Jain Holdings & Finance Private Limited	30.09.2017	16.11.2009

**VIJAY KUMAR GARG (DIN: 00236460)**

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

**NARENDRA KUMAR JAIN (DIN: 00486730)**

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

**PRADEEP BEHL (DIN: 00703855)**

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

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

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

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

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

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

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

**MASSIMO MEDINI (DIN: 00926147)**

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

**SIPPY JAIN (DIN: 03189151)**

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

**MARCO MEDINI (DIN: 06709885)**

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

**KANISHK GUPTA (DIN:02243899)**

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

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

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



#### 4. Audit Committee

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

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

The Audit Committee of the Company has the following members:

1. Dr. K S V Menon - Chairman
2. Mr. Kanishk Gupta - Member
3. Mr. Pradeep Behl - Member

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

The brief terms of reference areas required under Listing Agreement.

During the year the committee met on 25.06.2021, 12.08.2021, 10.11.2021 and 11.02.2022.

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

Name of Director	Details of Attendance
Dr. K. S. V. Menon	25.06.2021, 12.08.2021, 10.11.2021 and 11.02.2022
Mr. Kanishk Gupta	25.06.2021
Mr. Pradeep Behl	25.06.2021, 12.08.2021, 10.11.2021 and 11.02.2022

#### 5. Nomination and Remuneration Committee:

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

1. Dr. K S V Menon - Chairman
2. Mr. Kanishk Gupta - Member
3. Mr. Pradeep Behl - Member

4. The brief terms of reference of the committee are:

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

All Directors except Mr. Pankaj Jain, Managing Director and Sippy Jain, Whole-Time Director, receive only sitting fee. The Remuneration package of Mr. Pankaj Jain, Managing Director for the year 2021-22 is given below:

All elements of remuneration	Rs.33.45 Lacs*
Fixed Portion	-
Performance Incentive	Nil
Criteria of performance incentive	N/A
Period of appointment	Re-appointed on 04.02.2022 for three years
Notice Period	Nil
Severance Fees	Nil
Stock Option	Nil

The remuneration package of Mrs. Sippy Jain, wholetime Director for the year 2021-22 is given below:

All elements of remuneration	Nil
Fixed Portion	Nil
Performance Incentive	Nil
Criteria of performance incentive	N/A
Period of appointment	N/A
Notice Period	Nil
Severance Fees	Nil
Stock Option	Nil

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

During the year the committee met on 25.06.2021, 12.08.2021, 10.11.2021 and 11.02.2022

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

Name of Director	Details of Attendance
Dr. K. S. V. Menon	25.06.2021, 12.08.2021, 10.11.2021 and 11.02.2022
Mr. Kanishk Gupta	25.06.2021
Mr. Pradeep Behl	25.06.2021, 12.08.2021, 10.11.2021 and 11.02.2022

#### 6. Stakeholder Relationship Committee

The Board has constituted Stakeholder Relationship Committee in accordance with provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. Dr.K S V Menon	Chairman
2. Mr. Kanishk Gupta	Member
3. Mr.Pradeep Behl	Member

The committee has been looking to the transfer of Equity Shares/transmission of Equity Shares/issuance of duplicate Equity Share certificates, complaints received from the shareholders of the Company and other allied connected matters. During the year the committee met on 25.06.2021, 12.08.2021, 10.11.2021 and 1.02.2022.

Name of Director	Details of Attendance
Dr. K. S. V. Menon	25.06.2021, 12.08.2021, 10.11.2021 and 11.02.2022
Mr. Kanishk Gupta	25.06.2021
Mr. Pradeep Behl	25.06.2021, 12.08.2021, 10.11.2021 and 11.02.2022

#### 7. The Composition of the Committee is as follows:

Name of non-executive Director heading the committee: Dr. K. S. V. Menon

Compliance Officer: Mrs. Silu Nanda, Company Secretary

No. of complaints received during the year 2021-22

Shareholders:	Nil
Stock exchange:	Nil
SEBI:	Nil
NSDL:	Nil
CDSL:	Nil

Complaints not solved to the satisfaction of shareholders: Not Applicable

Complaints pending on 31.03.2022: Nil

#### 8. Independent Directors Meeting

A separate meeting of Independent Directors was held on 11<sup>th</sup> February, 2022, without the attendance of Non-Independent Directors and members of the management to review the performance of Non-Independent Directors, the Board as a whole and its Chairman and assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

Details of attendance of the members at the said meeting are given below:

1. Dr.K S V Menon	Chairman
2. Mr. Kanishk Gupta	Member
3. Mr.Pradeep Behl	Member

**9. Familiarization programme for Independent Directors:**

The Independent Directors are provided with necessary documents, reports and other relevant information to enable them to familiarize with the Company's procedures and practices. The Independent Directors are taken for visit to Company's plants / units, to enable them to have full understanding of manufacturing operations & processes of the Company and the industry in which it operates. Periodic presentations are made at the Board meetings on business and performance updates of the Company, business strategy and risks involved.

**10. General Body Meetings**

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

Date	Time	Location
25.09.2021	12.30 p.m.	72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102, Haryana.
29.11.2020	11.30 a.m.	72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102, Haryana
25.09.2019	11.30 a.m.	72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102, Haryana

**11. Disclosures**

- There were no material transactions with Directors or the Management or their relatives having potential conflicts with the interest of the Company at large.
- There has not been any type of penalties or strictures were imposed on the Company by stock exchange or SEBI or any statutory authority on any matters related to the capital market during the last year.
- The Company Secretary records minutes of proceedings of each Board and Committee meeting. Drafts minutes are circulated to the Board/Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusions of the meeting.

**12. Means of Communication**

The Company adopts the quarterly financial results as per the format prescribed by the stock exchange and is immediately sent to Bombay Stock Exchange, Mumbai. The quarterly results are also published in newspapers Financial Express, Mumbai and Jansatta, Chandigarh and are also available in Company's website. The Management Discussion and Analysis Report is part of the Annual Report.

**13. General Shareholder Information**

- Annual General Meeting (AGM): The Company's AGM will be held on 24.09.2022 at 12.30 p.m. at the Registered Office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind -126102 (Haryana).
- Financial Calendar: April to March.
- Date of Book Closure: 16.09.2022 to 23.09.2022 (both days inclusive).
- Dividend Pay-out dates: Not Applicable
- Listing of Stock Exchanges: Mumbai Stock Exchange Limited.
- Stock Code: BSE524080.
- Market Price Data: The shares of the Company quoted at Bombay Stock Exchange between Rs. 28.80 to Rs. 46.75 during the year 2021-22.
- Registrar and Transfer Agents: RCMC Share Registry (P) Ltd., B-25/1, First Floor, Okhla Industrial Area, Phase- II, New Delhi -110020.

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

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

**Distribution of Shareholdings:**

**Distribution of Shareholdings as on 31.03.2022**

Share holding of Value of Rs.	No. of Share Holders	% of Shareholders to	No. of shares held Total	Amount Rs.	% to Total
0-5000	2493	85.71	422249	4222490.00	8.60
5001-10000	188	6.46	153460	1534600.00	3.13
10001-20000	83	2.85	121549	1215490.00	2.48
20001-30000	41	1.41	102921	1029210.00	2.10
30001-40000	21	0.72	81346	813460.00	1.66
40001-50000	23	0.79	107265	1072650.00	2.19
50001-100000	28	0.96	210405	2104050.00	4.29
100001 & above	32	1.10	3709275	37092750.00	75.55
<b>Total</b>	<b>2909</b>	<b>100</b>	<b>4908470</b>	<b>49084700.00</b>	<b>100</b>

**Shareholding Pattern as on 31.03.2022**

Category	No. of shareholders	No. of shares	Percentage
Promoters (including Foreign Collaborator)	11	20,40,526	41.58
Public	2898	28,67,944	58.42
<b>Total</b>	<b>2909</b>	<b>49,08,470</b>	<b>100.00</b>

**Share holding Pattern of the Promoters and Promoters Group as on 31.03.2022**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2021			Shareholding at the end of the year 31.03.2022			
		No. of Shares	% of total Shares of the company	% of Shares Pledged encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged encumbered to total shares	% change in Share holding during the year
1.	ICAP SIRA Chemicals & Polymers SpA	768470	15.66	0	768470	15.66	0	0
2.	Munak Holdings Ltd.	113382	2.31	0	113382	2.31	0	0
3.	Manik Jain	7300	0.15	0	7300	0.15	0	0
4.	Munak Credit & Investment Private Limited	16335	0.33	0	16335	0.33	0	0
5.	Munak Engineers Pvt. Ltd.	64743	1.32	0	64743	1.32	0	0
6.	N. K. Jain Holdings & Finance Pvt. Ltd.	13900	0.28	0	13900	0.28	0	0
7.	Pankaj Jain	751780	15.32	0	751780	15.32	0	0
8.	N. K. Jain	0	0	0	0	0	0	0
9.	Ratnam Jain	5300	0.11	0	5300	0.11	0	0
10.	Savita Aggarwal	138190	2.82	0	138190	2.82	0	0
11.	Sippy Jain	153626	3.13	0	153626	3.13	0	0
12.	Vijay Kumar Garg Contractor Pvt. Ltd.	7500	0.15	0	7500	0.15	0	0
	<b>Total</b>	<b>2040526</b>	<b>41.58</b>	<b>0</b>	<b>2040526</b>	<b>41.58</b>	<b>(0.00)</b>	<b>0</b>

**Share holding Pattern as on 31.03.2022**

Category	No. of share holders	No. of shares	Percentage
Mutual Funds	2	3900	0.08
Financial Institutions/Banks	2	3600	0.07
Central/State Government	1	2900	0.06
Body Corporates	28	46057	0.94
Clearing Members	9	5136	0.10
Non Residents	22	14485	0.30
Individuals holding shares upto Rs.2Lakh	2816	1189465	24.23
Individuals holding shares above Rs.2Lakh	16	1328148	27.06
NBFCs registered with RBI	1	31347	0.64
IEPF Account	1	242906	4.95
<b>Total</b>	<b>2898</b>	<b>2867944</b>	<b>58.42</b>

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

**CODE OF CONDUCT**

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

**DECLARATION**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management personnel have affirmed compliance the Company's Code of conduct for the year ended 31st March, 2022.

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

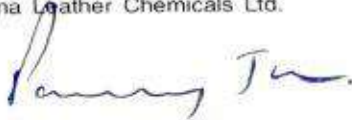
10<sup>th</sup> August, 2022

**Re: CEO Certification**

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

- a) We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2022 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended on 31st March, 2022 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
  - i) Significant changes, if any, in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
  - iii) Instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Haryana Leather Chemicals Ltd.



**PANKAJ JAIN**

Managing Director-cum-Vice Chairman

## CODE OF CONDUCT

### DIRECTORS AND SENIOR MANAGEMENT

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

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

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

#### General Policy

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

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

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

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

#### DIRECTORS

Every Director to:

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

**SENIOR MANAGEMENT EXECUTIVES**

Every Senior Executive to:

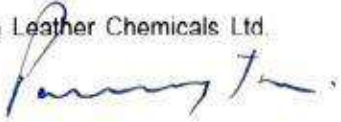
- Attend to the duties regularly.
- Dedicate sufficient time, energy and attention to the affairs of the Company and ensure diligent performance of his duties, including preparing for each meetings and decision making by viewing in advance any Agenda/ material distributed and making reasonable inquiries.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

**General**

- All persons should avoid conflicts of interest with the Company. Any situation that involves or may reasonably expected to involve, a conflict of interest should be disclosed properly to the Chairman/Director-in-charge.
- All persons should act and conduct free from fraud and deception. Their conduct shall conform to the best efforts.
- All persons owe a duty for not taking themselves personally, opportunities that are discovered during the use of the Company's property, information or position, and they have duty towards the Company to advance its objectives and interest.
- All persons not to compete directly or indirectly with the Company and not to disclose the confidential and crucial information gathered by the individuals during the tenure of their position in this Company even after resignation from the Directorship or leaving the services of the Company.
- All persons or their family members shall not accept any gift from persons or firms who deal with the Company where such gifts can be construed as a force to influence their actions and decisions in conflict with the interest of the Company.
- All persons shall deal fairly with employees of the Company. They shall not take any unfair advantage of any one through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation or other unfair dealing-practices.
- All persons shall not indulge in the activity of subscribing or buying or selling the Securities of the Company which may be in contravention of the policies prescribed by SEBI in the matter of Insider Trading. Such persons shall not misuse any unpublished price sensitive information about the Company with others.
- All persons shall give full cooperation to their seniors, share the information with them, if required, in the best interest of the Company or for compliance of the requirement of the good corporate governance.
- All persons must adopt proactive practices to promote the progressive and ethical behavior at all levels of the management and among other members of the team in the organization.
- All persons ought to report variation of any type in policy Code to their seniors and all of them should give patient hearing to those who want to discuss and criticize any of the issues pertaining to any transaction as suming the same is in the interest of the Company. In case a person feels uncomfortable in discussion of such matters then the person desiring to convey his feeling should contact the Chairman of the Company.

- All persons must disclose if any of their relatives or any Company or firm in which they have interest is entering in to employment or any business transaction with the Company. Such disclosure of interests should be given from time to time or periodically to the Managing Director/Company secretary.
- Only Board of Directors has the right to make any waiver/modification in any part of this Code of Conduct.

For Haryana Leather Chemicals Ltd.



**PANKAJ JAIN**  
Managing Director-cum-Vice Chairman





**INDEPENDENT AUDITOR'S REPORT**

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

**Opinion**

We have audited the accompanying standalone financial statements of HARYANA LEATHER CHEMICALS LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, 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 2022, 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 there- under, 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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. The Company has not declared any dividend during the year.
- 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.
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 **AKR & Associates**  
Chartered Accountants  
Firm's Registration No.: 021179N


per **Kailash Kumar**  
Partner  
Membership No.: 505972  
Place : Gurugram  
Date : 18.05.2022  
UDIN: 22505972AJEHEW2098

## **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, 2022 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.



## 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)

### 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, 2022 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 **AKR & Associates**  
Chartered Accountants  
Firm's Registration No.: 021179N

  
per **Kailash Kumar**  
Partner

Membership No.: 505972

Place : Gurugram

Date : 18.05.2022



## 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, 2022 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.





## 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)

- 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, 2022 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 wilful 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



## 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)

- (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 upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto 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.



**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)**

- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 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 **AKR & Associates**  
Chartered Accountants  
Firm's Registration No. 021179N

*K. Kumar*



per **Kailash Kumar**  
Partner  
Membership No.: 505972

Place : Gurugram  
Date : 18.05.2022

	Notes	As at 31 March, 2022	As at 31 March, 2021
<b>ASSETS</b>			
<b>A. Non-Current Assets</b>			
(a) Property, plant and equipment	5 (i)(a)	1,48,746.08	1,53,373.11
(b) Capital work-in-progress	5 (i)(b)	35.70	-
(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)	12,138.61	1,09,424.29
(i) Deferred tax assets (Net)		-	-
(j) Other non-current assets	5 (iii)(a)	308.12	308.12
<b>Total Non-Current Assets (A)</b>		<b>1,61,228.51</b>	<b>2,63,105.52</b>
<b>B. Current Assets</b>			
(a) Inventories	5 (iv)	37,013.20	18,712.37
(b) Financial assets		-	-
(i) Other investments		-	-
(ii) Trade receivables	5 (v)	1,00,686.09	79,757.68
(iii) Cash and cash equivalents	5 (vi)	1,20,300.12	20,145.00
(iv) Bank balances other than (iii) above	5 (vii)	1,615.22	2,153.05
(v) Loans		-	-
(vi) Other financial assets	5 (ii)(b)	5,208.99	3,382.60
(c) Current Tax Assets (net)		-	-
(d) Other current assets	5 (iii)(b)	5,649.14	2,435.88
<b>Total Current Assets (B)</b>		<b>2,70,472.76</b>	<b>1,26,586.58</b>
<b>Total Assets (A+B)</b>		<b>4,31,701.27</b>	<b>3,89,692.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(a) Equity share capital	5 (viii)	49,084.70	49,084.70
(b) Other equity	5 (ix)	3,01,649.87	2,88,515.92
<b>Total Equity (A)</b>		<b>3,50,734.57</b>	<b>3,37,600.62</b>
<b>LIABILITIES</b>			
<b>B. Liabilities</b>			
<b>I Non-Current Liabilities</b>			
(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)	12,390.43	11,700.08
(d) Other non-current liabilities		-	-
<b>Total Non-Current Liabilities (I)</b>		<b>12,390.43</b>	<b>11,700.08</b>
<b>II Current Liabilities</b>			
(a) Financial liabilities		-	-
(i) Borrowings	5 (xi)	-	55.42
(ia) Lease liabilities		-	-
(ii) Trade payables		-	-
(A) Total outstanding dues of micro enterprise and small enterprises	5 (xii)	10,068.27	2,539.72
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		43,638.38	25,214.72
(iii) Other financial liabilities	5 (xiii)	1,615.22	2,153.05
(b) Other current liabilities	5 (xiv)	9,732.01	7,122.92
(c) Provisions	5 (xv)	2,659.52	3,305.57
(d) Current Tax Liabilities (Net)	5 (xvi)	862.87	-
<b>Total Current Liabilities (II)</b>		<b>68,576.27</b>	<b>40,391.40</b>
<b>Total Liabilities (I+II)</b>		<b>80,966.70</b>	<b>52,091.48</b>
<b>Total Equity And Liabilities (A+B)</b>		<b>4,31,701.27</b>	<b>3,89,692.10</b>

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

**FOR AKR & ASSOCIATES**

Chartered Accountants  
ICAI FRN: 021179N

**CA. KAILASH KUMAR**  
Partner  
ICAI MRN: 505972

Place : Gurugram  
Date : 18.05.2022



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

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

**N.K. JAIN**  
Chairman

**SILU NANDA**  
Company Secretary  
Membership No.: 12872

**SUKANTO CHOUDHARY**  
CFO

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022**

(Rupees in Thousands)

	Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
I Revenue from operations	5 (xvii)	3,88,771.93	2,78,417.94
II Other income	5 (xviii)	14,210.66	12,022.65
<b>III TOTAL INCOME (I+II)</b>		<b>4,02,982.59</b>	<b>2,90,440.59</b>
<b>IV EXPENSES</b>			
(i) Cost of materials consumed	5 (xix)	3,03,037.34	1,75,675.64
(ii) Changes in inventories of finished goods, stock in process and stock in trade	5 (xx)	(5,965.85)	5,077.37
(iii) Employee benefits expense	5 (xxi)	33,639.77	31,116.72
(iv) Finance costs	5 (xxii)	458.39	440.98
(v) Depreciation and amortisation expense	5 (i)(a)	7,700.77	7,622.55
(vi) Other expenses	5 (xxiii)	45,758.00	48,850.22
<b>TOTAL EXPENSES (IV)</b>		<b>3,84,628.42</b>	<b>2,68,783.48</b>
<b>V PROFIT BEFORE TAX (III-IV)</b>		<b>18,354.17</b>	<b>21,657.11</b>
<b>VI TAX EXPENSE</b>			
(i) Current tax provision		4,420.27	4,876.14
(ii) Tax for earlier year		109.60	(305.13)
(ii) Deferred tax charge / (credit)	5 (xxiv)	690.35	1,093.08
		<b>5,220.22</b>	<b>5,664.09</b>
<b>VII PROFIT FOR THE YEAR (VII-VIII)</b>		<b>13,133.95</b>	<b>15,993.02</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
(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		-	-
<b>VIII TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX+X)</b>		<b>13,133.95</b>	<b>15,993.02</b>
Earnings per equity share:			
(i) Basic (in Rs.)	5 (xxv)	2.68	3.26
(ii) Diluted (in Rs.)	5 (xxv)	2.68	3.26

See accompanying notes forming part of the financial statements

In terms of our report attached.

**FOR AKR & ASSOCIATES**

Chartered Accountants  
ICAI FRN: 021179N



**CA. KAILASH KUMAR**  
Partner  
ICAI MRN: 505972

Place : Gurugram  
Date 18.05.2022

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

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

**N.K. JAIN**  
Chairman

**SILU NANDA**  
Company Secretary  
Membership No.: 12872

**SUKANTO CHOUDHARY**  
CFO

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022**

(Rupees in Thousands)

	Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Cash flows from operating activities</b>			
Profit Before Tax		18,354.17	21,657.11
Adjustments for:			
Finance costs recognised in profit or loss		-	-
Finance costs recognised in profit or loss		297.97	185.67
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		-	(209.72)
Impairment loss recognised on trade receivables		-	-
Bad debts and sundry balances written off		-	-
Provision for doubtful advances		-	-
Depreciation and amortisation of non-current assets (continuing and discontinued operations)		7,700.77	7,622.55
Impairment of property, plant and equipment		-	-
Provision for contingencies		-	-
		<b>26,352.91</b>	<b>29,255.61</b>
<b>Movements in working capital:</b>			
(Increase)/decrease in trade and other receivables		(20,928.41)	12,542.57
(Increase)/decrease in inventories		(18,300.83)	12,981.48
(Increase)/decrease in other assets		92,783.86	(80,248.99)
Increase/ (Decrease) in trade payables		25,952.21	(36,930.05)
Increase/ (Decrease) in provisions		216.82	293.13
Increase/ (Decrease) in other liabilities		2,071.26	(1,519.98)
<b>Cash (used in)/generated from operations</b>		<b>1,08,147.82</b>	<b>(63,626.23)</b>
Income taxes paid		(4,529.87)	(4,571.01)
<b>Net cash (used in)/generated by operating activities</b>		<b>1,03,617.95</b>	<b>(68,197.24)</b>
<b>Cash flows from investing activities</b>			
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		-	409.10
Payments for property, plant and equipment		(3,109.44)	(16,113.73)
Profit on disposal of property, plant and equipment		-	-
Net cash outflow on acquisition of subsidiaries		-	-
<b>Net cash (used in)/generated by investing activities</b>		<b>(3,109.44)</b>	<b>(15,704.63)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of convertible non-participating preference shares		-	-
Proceeds from borrowings		-	-
Repayment of borrowings		(55.42)	(505.27)
Interest paid		(297.97)	(185.67)
<b>Net cash (used in)/generated financing activities</b>		<b>(353.39)</b>	<b>(690.94)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,00,155.12</b>	<b>(84,592.81)</b>
Cash and cash equivalents at the beginning of the year	5 (vi)	20,145.00	1,04,737.81
<b>Cash and cash equivalents at the end of the year</b>	5 (vi)	<b>1,20,300.12</b>	<b>20,145.00</b>

FOR AKR & ASSOCIATES

Chartered Accountants  
ICAI FRN: 021179N

CA. KAILASH KUMAR  
Partner  
ICAI MRN : 505972

Place : Gurugram  
Date : 18.05.2022

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

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

N.K. JAIN  
Chairman

SILU NANDA  
Company Secretary  
Membership No.: 12872

Sukanta Choudhary  
CFO

**HARYANA**  
LEATHER CHEMICALS LTD  
STANDALONE STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

**A. Equity share capital**

(1) Current reporting period	(2) Previous reporting period	(Rupees in Thousands)
Balance at the beginning of the current reporting period	49,084.70	Balance at the end of the current reporting period
Changes in Equity Share Capital due to error	-	49,084.70
Changes in Equity Share Capital due to error	-	Balance at the end of the current reporting period
	49,084.70	49,084.70

**B. Other equity**

(1) Current reporting period	(2) Previous reporting period	(Rupees in Thousands)
Balance at the beginning of the current reporting period	-	Balance at the end of the current reporting period
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	-	-
Any other change (to be specified)	-	-
Balance at the end of the current reporting period	-	3,01,649.87

(1) Current reporting period	(2) Previous reporting period	(Rupees in Thousands)
Balance at the beginning of the current reporting period	47,167.72	2,25,355.18
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	-	15,993.02
Any other change (to be specified)	-	-
Balance at the end of the current reporting period	47,167.72	2,41,348.20

See accompanying notes forming part 1-29  
In terms of our report attached.

**FOR AKR & ASSOCIATES**  
Chartered Accountants  
ICAI FRN: 021179N  
*Kumar*  
**CA. KATLASH KUMAR**  
Partner  
ICAI MRN: 505972  
Place : Gunturam  
Date : 18.05.2022



**FOR AND ON BEHALF OF BOARD OF DIRECTORS**  
**HARYANA LEATHER CHEMICALS LIMITED**  
PANKAJ JAIN  
Managing Director-cum-Vice Chairman  
DIN: 00205564  
*Pankaj Jain*  
SUKANTO CHAUDHARY  
Company Secretary  
CFD  
Membership No.: 12872  
*Sukanto Chaudhary*

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**5 (1)(a) Property, plant and equipment**

Particulars	Land	Building	Plant & Machinery	Furniture, Fixture & Equipments	Vehicles	Total	
<b>Gross Block</b>							
As at 01 April, 2020	11,627.26	86,384.63	1,80,385.17	24,370.13	15,994.25		3,18,761.44
Additions	-	11,511.92	4,463.88	137.93	-		16,113.73
Disposals	-	-	-	-	5,832.99		5,832.99
As at 31 March, 2021	11,627.26	97,896.55	1,84,849.05	24,508.06	10,161.26		3,29,042.18
Additions	-	2,400.06	-	673.68	-		3,073.74
Disposals	-	-	-	-	-		-
As at 31 March, 2022	11,627.26	1,00,296.60	1,84,849.05	25,181.74	10,161.26		3,32,115.92
<b>Depreciation</b>							
At 01 April, 2020	-	26,980.77	1,16,609.69	20,188.00	9,901.67		1,73,680.13
Charge for the year	-	1,415.70	4,558.52	852.09	796.23		7,622.55
Disposals	-	-	-	-	5,633.61		5,633.61
As at 31 March, 2021	-	28,396.47	1,21,168.22	21,040.09	5,064.29		1,75,669.07
Charge for the year	-	1,415.70	4,608.87	879.97	796.23		7,700.77
Disposals	-	-	-	-	-		-
As at 31 March, 2022	-	29,812.16	1,25,777.09	21,920.06	5,860.53		1,83,369.84
<b>Net Block</b>							
As at 1 April, 2020	11,627.26	59,403.86	63,775.48	4,182.13	6,092.58		1,45,081.31
As at 31 March, 2021	11,627.26	69,500.08	63,680.84	3,467.97	5,096.97		1,53,373.11
As at 31 March, 2022	11,627.26	70,484.44	59,071.97	3,261.68	4,300.73		1,48,746.08

**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 (1)(b) Capital work-in-progress**

Particulars	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	35.70	-	-	-	35.70
Projects temporarily suspended	-	-	-	-	-
Total	35.70	-	-	-	35.70

Capital work in progress as at 31 March, 2022 is 35.70 (as at 31 March, 2021 Rupees NIL)





**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

	As at 31 March, 2022	(Rupees in Thousands) As at 31 March, 2021
<b>5(ii) Other Financial Assets</b>		
<b>5(ii)(a) Non-Current</b>		
<b>Unsecured, considered good</b>		
(a) Security Deposits	721.41	721.41
(b) Bank deposits with more than 12 months maturity	11,417.20	1,08,087.00
(c) Advance for Capital Asset	-	615.88
	<b>12,138.61</b>	<b>1,09,424.29</b>
<b>5(ii)(b) Current</b>		
<b>Unsecured, considered good</b>		
(a) Interest accrued but not due on loans and deposits	4,133.50	2,908.00
(b) Staff Advance	1,075.49	428.58
(c) Advances recoverable in cash or in kind	-	46.02
	<b>5,208.99</b>	<b>3,382.60</b>
<b>5(iii) Other Assets</b>		
<b>5(iii)(a) Non-Current</b>		
<b>Unsecured, considered good</b>		
(b) Other Deposits	308.12	308.12
	<b>308.12</b>	<b>308.12</b>
<b>5(iii)(b) Current</b>		
<b>Unsecured, considered good</b>		
(a) Advance Income Tax ( net of Provision)		150.04
(b) Income Tax Refundable	150.04	-
(c) Advance to Vendors	1,267.98	908.21
(d) Prepaid Expenses	1,234.69	1,117.68
(e) Duties & Taxes	677.00	-
(f) Claims Receivable	2,319.43	259.95
	<b>5,649.14</b>	<b>2,435.88</b>



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Rupees in Thousands)

	As at 31 March, 2022	As at 31 March, 2021
<b>5 (iv) Inventories (valued at lower of cost and net realisable value)</b>		
(a) Raw Material	21,723.00	10,087.22
(b) Stores & Spares	635.20	412.00
(c) Packing Material	1,917.00	1,441.00
(d) Work in Progress	-	-
(e) Finished Goods	12,738.00	6,772.15
	<b>37,013.20</b>	<b>18,712.37</b>

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

**5(v) Trade Receivables  
Current**

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	98,955.07	200.24	1,166.54	364.24	-	1,00,686.09
(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	-	-	-	-	-	-
<b>Total</b>	<b>98,955.07</b>	<b>200.24</b>	<b>1,166.54</b>	<b>364.24</b>	<b>-</b>	<b>1,00,686.09</b>

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	74,007.09	5,386.35	364.24	-	-	79,757.68
(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	-	-	-	-	-	-
<b>Total</b>	<b>74,007.09</b>	<b>5,386.35</b>	<b>364.24</b>	<b>-</b>	<b>-</b>	<b>79,757.68</b>



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

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. There are customers who represents more than 5% of the total balance of trade receivable. The risk of non-payment from these customers is considered low as most of these balances 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	6,552.19	7,119.63
(ii) Fixed Deposit / Margin Money Account	1,13,716.92	12,988.80
(b) Cheques on hand	-	-
(c) Cash on hand	31.01	36.57
<b>Cash and cash equivalents as per balance sheet</b>	<b><u>1,20,300.12</u></b>	<b><u>20,145.00</u></b>

**5 (vii) Bank balances other than (iii) above**

Balances with Banks in dividend accounts	1,615.22	2,153.05
<b>Cash and cash equivalents as per balance sheet</b>	<b><u>1,615.22</u></b>	<b><u>2,153.05</u></b>



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Rupees in Thousands)

	As at 31 March, 2022	As at 31 March, 2021
<b>5 (viii) Share capital</b>		
<b>Authorised Shares Capital:</b>		
6,000,000 Equity shares of Rs. 10 each (6,000,000 as at 31 March, 2022 and 6,000,000 as at 31 March, 2021)	60,000.00	60,000.00
<b>Total authorised share capital</b>	<b>60,000.00</b>	<b>60,000.00</b>
<b>Issued, subscribed and fully paid up shares:</b>		
4,908,470 Equity shares of Rs. 10 each (4,908,470 as at 31 March, 2022 and 4,908,470 as at 31 March, 2021)	49,084.70	49,084.70
<b>Total issued, subscribed and fully paid up share capital</b>	<b>49,084.70</b>	<b>49,084.70</b>

**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, 2022		Year ended 31 March, 2021	
	Number	Rupees in Thousands	Number	Rupees in Thousands
At the beginning of the year	49,08,470	-	49,08,470	-
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>49,08,470</b>	<b>-</b>	<b>49,08,470</b>	<b>-</b>

- (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, 2022		As at 31 March, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pankaj Jain	7,51,780	15.32	7,51,780	15.32
ICAP SIRA Chemicals & Polymers SpA	7,68,470	15.66	7,68,470	15.66

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

**Shares held by promoters at the end of the year**

S.No	Promoter Name	No. of Shares**	% of total shares**	% Change during the year
1	PANKAJ JAIN	7,51,780	15.32	-
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	1,13,382	2.31	-
6	MUNAK ENGINEERS PVT. LTD.	64,743	1.32	-
7	MUNAK CREDIT & INVESTMENT PVT. LTD.	16,335	0.33	-
8	N K JAIN HOLDINGS & FINANCE PVT. LTD.	13,900	0.28	-
9	VIJAY KUMAR GARG CONTRACTOR PVT. LTD.	7,500	0.15	-
10	SAVITA AGGARWAL	1,38,190	2.82	-
11	ICAP SIRA CHEMICALS & POLYMERS SPA	7,68,470	15.66	-
	<b>Total</b>	<b>20,40,526</b>	<b>41.57</b>	<b>-</b>

- (d) **Aggregate number of shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date.**

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



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Rupees in Thousands)

	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
<b>5 (ix) Other equity</b>		
<b>i) Reserve and Surplus</b>		
<b>(A) General Reserve</b>		
Opening balance	47,167.72	47,167.72
Add : Transfer from Statement of Profit & Loss	-	-
<b>Closing balance</b>	<b>47,167.72</b>	<b>47,167.72</b>
<b>(B) (Deficit)/Surplus in the statement of profit and loss</b>		
Opening balance	2,41,348.20	2,25,355.18
Profit for the year ended	13,133.95	15,993.02
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-
<b>Net surplus in the statement of profit and loss</b>	<b>2,54,482.15</b>	<b>2,41,348.20</b>
<b>Total (A+B)</b>	<b>3,01,649.87</b>	<b>2,88,515.92</b>



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Rupees in Thousands)

**5(x) Deferred tax balances (Net)**

	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
(a) Deferred tax assets	-	-
(b) Deferred tax liabilities	12,390.43	11,700.08
	<b>(12,390.43)</b>	<b>(11,700.08)</b>

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:	<b>As at 31 March, 2021</b>	<b>Credit / (Charge) to Profit or loss</b>	<b>Credit / (Charge) to Other Comprehensive Income</b>	<b>As at 31 March, 2022</b>
Property, plant and equipment	(11,700.08)	(690.35)	-	(12,390.43)
Employee benefits	-	-	-	-
	<b>(11,700.08)</b>	<b>(690.35)</b>	<b>-</b>	<b>(12,390.43)</b>



**STANDALONE FINANCIAL STATEMENTS**

(Rupees in Thousands)

	As at 31 March, 2022	As at 31 March, 2021
<b>5 (xi) Current Borrowings</b>		
<b>Current Portion of Term Loan</b>		
- ICICI Bank Ltd. ( Car Loan)	-	55.42
	<u>-</u>	<u>55.42</u>

**5 (xii) Trade Payable** As at  
31 March, 2022

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	10,068.27	-	-	-	10,068.27
(ii) Others	43,638.38	-	-	-	43,638.38
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>53,706.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,706.65</b>

As at  
31 March, 2021

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	2,539.72	-	-	-	2,539.72
(ii) Others	25,214.72	-	-	-	25,214.72
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>27,754.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,754.44</b>

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



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Rupees in Thousands)

	As at <u>31 March, 2022</u>	As at <u>31 March, 2021</u>
<b>5 (xiii) Other financial liabilities-Current</b>		
Unclaimed Dividend	1,615.22	2,153.05
	<u>1,615.22</u>	<u>2,153.05</u>
<b>5 (xiv) Other Current Liabilities</b>		
(a) Duties and Taxes	299.94	406.61
(b) Security from Customers	500.00	812.63
(c) Advance from Customers	5,163.42	1,376.45
(d) Other Payables	3,768.65	4,527.23
(Including Salary, Bonus, PF, ESI, Insurance payables)		
	<u>9,732.01</u>	<u>7,122.92</u>
<b>5 (xv) Provisions-Current</b>		
(a) Provision for Leave Encashment	-	-
(b) Accrued Liability - Royalty	1,300.00	1,300.00
(c) Accrued Liability - Others	1,359.52	2,005.57
	<u>2,659.52</u>	<u>3,305.57</u>
<b>5 (xvi) Current Tax Liabilities (Net)</b>		
Provision for current tax ( Net)	862.87	-
	<u>862.87</u>	<u>-</u>





**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Rupees in Thousands)

	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>5 (xvii) Revenue From Operations</b>		
<b>Sale of Manufactured Products</b>		
Domestic Sales	3,08,419.85	2,10,126.84
Export Sales	80,352.08	68,291.10
	<b>3,88,771.93</b>	<b>2,78,417.94</b>
<b>Earnings in Foreign Exchange</b>		
Sale of Manufactured Products	80,352.08	68,291.10
<b>5 (xviii) Other Income</b>		
(a) Interest income on deposits with Bank	5,842.23	6,311.62
(b) Balances written bank / off (Net)	2,426.96	660.79
(c) Profit on sale of assets ( Net of Loss)	-	209.72
(d) Foreign Exchange Fluctuations (Gains)	704.88	1,107.39
(e) Scrap Sales	2,081.13	1,632.11
(f) Miscellaneous income	3,155.46	2,101.02
	<b>14,210.66</b>	<b>12,022.65</b>
<b>5 (xix) Cost of Material Consumed</b>		
(a) Imported	3,617.11	5,119.76
(b) Indigenous	2,99,420.23	1,70,555.88
	<b>3,03,037.34</b>	<b>1,75,675.64</b>
<b>Value of Imports on CIF Basis in respect of :</b>		
Raw Material	4,050.25	4,451.07
Components & Spare Parts	553.12	772.88
Capital Goods (including CWIP)	873.98	2,159.43
	5,477.35	7,383.38
<b>5 (xx) Increase / Decrease In Inventories</b>		
(a) Inventory at the beginning of the year		
Finished Goods	6,772.15	11,849.52
Stock in Process	-	-
<b>Total A</b>	6,772.15	11,849.52
(b) Inventory at the end of the year		
Finished Goods	12,738.00	6,772.15
Stock in Process	-	-
<b>Total B</b>	12,738.00	6,772.15
<b>Net Change in Inventories (A-B)</b>	<b>(5,965.85)</b>	<b>5,077.37</b>
<b>5 (xxi) Employee Benefits Expense</b>		
(a) Salaries, wages, bonus & incentives etc. (Net)	29,133.81	27,774.59
(b) Contribution to provident and other funds	1,854.93	1,258.58
(c) Workmen and Staff Welfare Expenses	2,651.03	1,545.48
(d) Gratuity	-	522.44
(e) Recruitment & Training Expenses	-	15.63
	<b>33,639.77</b>	<b>31,116.72</b>
<b>5 (xxii) Finance Costs</b>		
(a) Interest expense		
- on working capital loan	-	141.96
- on others	297.97	43.71
(b) Finance charges	160.42	255.31
	<b>458.39</b>	<b>440.98</b>



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Rupees in Thousands)

	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>5 (xxiii) OTHER EXPENSES</b>		
(a) Power, fuel and water expenses	8,621.36	7,382.04
(b) Auditors' remuneration (See note (i) below)	250.00	250.00
(c) Damaged Material Written off		30.87
(d) Other debit balances W/off	70.51	12.55
(e) Director Sitting Fees.	88.90	86.00
(f) Insurance Expenses	1,078.90	1,432.26
(g) Postage & Telephone Expenses	1,019.42	1,125.86
(h) Printing Stationary Expenses	896.20	1,277.58
(i) Professional Charges	3,171.09	3,010.25
(j) Property Tax Expenses	93.27	97.00
(k) Research & Development Expenses	4,833.09	4,367.39
(l) Rent - Building / Other	885.36	1,031.97
(m) Repair & Maintenance Expenses	9,686.70	9,161.62
(n) Royalty Expenses	1,300.00	1,339.00
(o) Technical Services	735.00	977.02
(p) Marketing Expenses	8,243.04	12,449.32
(q) Miscellaneous Expenses *	207.99	271.72
(r) Travelling Expenses	2,121.06	1,998.72
(s) Vehicle Expenses	521.51	586.11
(t) Landscaping Expenses	300.99	300.42
(u) Prior Period Item	25.24	115.76
(v) Office Upkeep Expenses	1,294.46	1,335.99
(w) Water Treatment Expenses	184.54	119.60
(x) Licences & Renewals	129.37	91.17
	<b>45,758.00</b>	<b>48,850.22</b>
* Includes Donation Rs. 16.10 ( P.Y. 39.20)		
<b>Note:</b>		
(i) <b>Auditors' remuneration comprises (GST and Service Tax being Cenvatable, hence not included)</b>		
(a) Statutory audit fee	250.00	250.00
(b) Certification and other services	35.00	20.00
(c) Expenses reimbursement	-	-
	<b>285.00</b>	<b>270.00</b>
(ii) <b>Expenditure in Foreign Currency</b>		
Travel, boarding and lodging	246.66	876.21
- Directors	-	-
- Employees	-	-
	<b>246.66</b>	<b>876.21</b>
<b>5 (xxiv) Income Tax Recognised In Profit And Loss</b>		
<b>Deferred tax charge / (credit)</b>		
In respect of the current year	690.35	1,093.08
	<b>690.35</b>	<b>1,093.08</b>
<b>5 (xxv) Earnings per share (EPS)</b>		
<b>Basic</b>		
Net Profit as per profit and loss account	13,133.95	15,993.02
Weighted average number of equity shares outstanding during the year	4,908.47	4,908.47
<b>Earning per Share- Basic</b>	<b>2.68</b>	<b>3.26</b>
<b>Diluted</b>		
Net Profit as per profit and loss account	13,133.95	15,993.02
Weighted average number of equity shares outstanding during the year	4,908.47	4,908.47
<b>Earning per Share- Diluted</b>	<b>2.68</b>	<b>3.26</b>
<b>Nominal Value of Equity Share</b>	<b>10</b>	<b>10</b>



**HARYANA LEATHER CHEMICALS LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

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**1) Nature of operations**

Haryana Leather Chemicals Limited (the 'Company') was incorporated on 22<sup>nd</sup> 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-cum-Vice Chairman)
	(b) Mr. N.K. Jain ( Chairman)
Relatives of KMP	(c) Mrs. Sippy Jain
Enterprises owned or significantly influenced by key management personnel ('KMP') or their relatives (with whom transactions have been taken place)	(a) N.K. Jain Instruments Private Limited
	(b) Labotron Instruments Ltd.
	(c) Labotech Microscopes India Pvt. Ltd.
	(d) N.K. Jain Holding Pvt. Limited

The schedule of Related Party Transactions is as follows:

Particulars	(Rupees in thousands)	
	Year Ended 31 March, 2022	Year Ended 31 March, 2021
Transactions during the year		
Operating income		
Rent paid		
N.K. Jain Holding Pvt. Limited	351.36	340.72
Marketing Expenses		
Mrs. Sippy Jain	660.00	3265.00

Balance outstanding at the year end	(Rupees in thousands)	
	As at 31 March, 2022	As at 31 March, 2021
Balance payable		
N.K. Jain Holding Pvt. Limited	106.12	114.99
Mrs. Sippy Jain	777.95	347.45

\*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

(Rupees in thousands)

Short term borrowings:		31 March, 2022	31 March, 2021
Particulars	Note		
Working Capital Loan from SBI	(i)	Nil	Nil
ICICI Bank Ltd ( Car Loan)	(ii)	Nil	55.42
Total		Nil	55.42

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

6) Commitments:

Particulars	As at 31 March, 2022	As at 31 March, 2021
(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, 2022	As at 31 March, 2021
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 31.03.2022 was Rs. 8890.27 thousands.
- ii) The provision for Leave Encashment has been taken on the basis of actuarial valuation. As per the actuarial valuation report the provision for leave encashment has been determined as Rs. Nil (P.Y. Nil ) as on 31.03.2022.



- 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, 2022	As at 31 March, 2021
<b>Non-Current</b>			
	Other financial assets	12,138.61	1,09,424.29
<b>Current</b>			
(i)	Trade receivables	1,00,686.09	79,757.68
(ii)	Cash and cash equivalents	1,20,300.12	20,145.00
(iii)	Bank balances other than (iii) above	1,615.22	* 2,153.05
(iv)	Other financial assets	5,208.99	3,382.60

Financial liabilities		As at 31 March, 2022	As at 31 March, 2021
<b>Current</b>			
(i)	Borrowings	-	55.42
(ii)	Trade payables		
	(A) Total outstanding dues of micro enterprise and small enterprises	10,068.27	2,539.72
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	43,638.38	25,214.72
(iii)	Other financial liabilities	1,615.22	2,153.05

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**

	As at 31 March, 2022	As at 31 March, 2021



<b>Basic/ Diluted earnings per share</b>	<b>2.68</b>	<b>3.26</b>
Profit as per statement of profit and loss	13133.95	15,993.02
<b>Earning used in calculation of basic earnings per share</b>	<b>13133.95</b>	<b>15,993.02</b>
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, 2022	31 March, 2021
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	10,068.27	2539.72
-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.

**FOR AKR & ASSOCIATES**

Chartered Accountants

ICAI FRN: 021179N

CA. KAILASH KUMAR

Partner

ICAI MRN: 505972

Place : Gurugram

Date : 18.05.2022



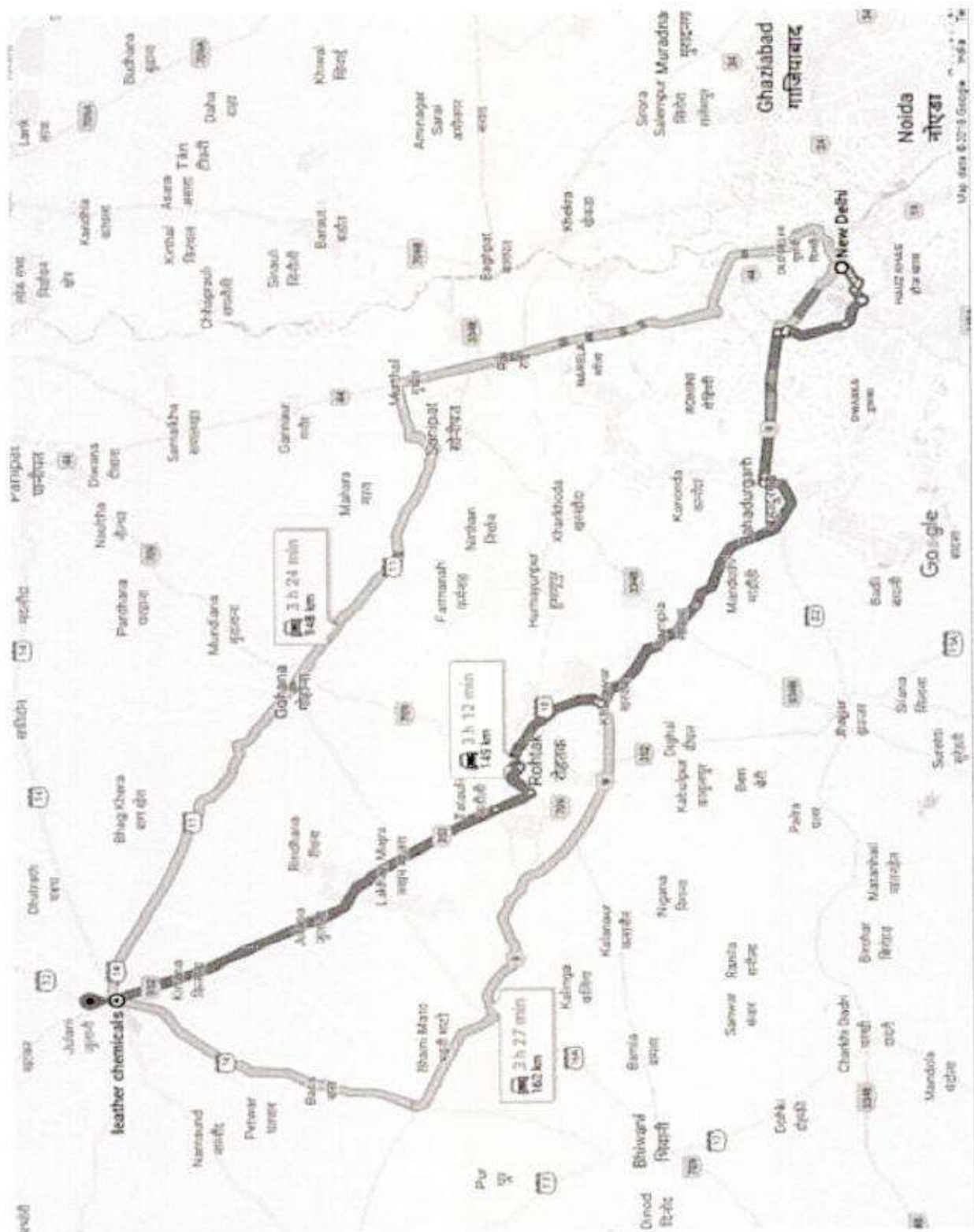
For and on behalf of the Board of Directors

  
**PANKAJ JAIN**  
 MANAGING DIRECTOR  
 DIN: 00206564

  
**N.K. JAIN**  
 CHAIRMAN

  
**SILU NANDA**  
 Company Secretary  
 Membership No. 12872

  
**Sukanto Choudhary**  
 CFO





## HARYANA LEATHER CHEMICALS LIMITED

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

### 37th Annual General Meeting on Saturday, 24th September, 2022

#### PROXY FORM

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

CIN: L74999HR1985PLC019905

Name of the Company: Haryana Leather Chemicals Limited

Registered office: 72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102 (HR.)

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Seventh Annual General Meeting of the Company to be held on Saturday the 24<sup>th</sup> day of September, 2022 at 12.30 p.m. at the Registered Office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102, and at any adjournment thereof in respect of such resolutions as are indicated below:

#### Resolutions

1. To consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2022 and the Statement of Profit & Loss Account for the Year ended as on that date together with the Reports of Auditors and Directors thereon.
2. To consider appointing a Director in place of Mr. Vijay Kumar Garg (DIN: 00236460) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint statutory auditors of the Company.
4. To re-appoint and to increase the remuneration of Mr. Pankaj Jain (DIN : 00206564) Managing Director of the Company

Signed this.....day of....., 2022



Signature of Shareholder : .....

#### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 37<sup>th</sup> Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

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**ATTENDANCE SLIP**

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

I hereby record my presence at the Thirty Seventh Annual General Meeting of the Company to be held on saturday the 24th September 2022 at 12.30 p.m. at the registered office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind-126102 Haryana.

.....  
Name of the Member/Proxy

.....  
Member's/Proxy's Signature

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Dear Shareholder,

The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate governance" by allowing paperless compliances by companies through electronic mode. In accordance with the recent circular No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send various notices/documents (including notice, calling Annural General Meeting, audited financial statements, directors' report, auditors' report etc.) to their share holders through electronic mode, to the registered e-mail addresses of the share holders.

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

1. If you are holding shares in demat form, registered your e-mail with the depository participant (DP) with whom you are maintaining your demat account.
2. If you are holding share in physical form, your are requested to provide e-mail address by completing the e-communication registration form attached here to and return the same to company.

**You can send the details to [mguptacs@gmail.com](mailto:mguptacs@gmail.com).**

or

**[info@leatherchem.com](mailto:info@leatherchem.com)**

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## **E-communication Registration Form**

Dear sir,

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

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

Folio No. : .....

E-mail id : .....

Name of First/Sole holder : .....

Bank Account Details (copy of cancelled cheque) OPTIONAL.

Name of the Bank : .....

Type of Account : .....

Bank Branch : .....

IFSE code : .....

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



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.

Haryana Leather Chemicals Ltd. | [www.leatherchem.com](http://www.leatherchem.com) | [www.haryanapvc.com](http://www.haryanapvc.com)