

HARYANA LEATHER CHEMICALS LIMITED

BOARD OF DIRECTORS

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

COMPANY SECRETARY

SILU NANDA

AUDITORS

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

CORPORATE OFFICE

1405 - B, Signature Towers,
South City - I,
Gurgaon - 122 001, Haryana

REGISTERED OFFICE AND WORKS

72 - 77, HSIIDC Industrial Estate,
Hansi Road, Jind - 126 102 (Haryana)

CORPORATE EXECUTIVES

Dr. P. L. Maurya, Chief General Manager - Works
A. K. Gupta, General Manager - Commercial & Operations
Ramesh Goyal, General Manager - Engg. & Tech.
Neeraj Bishnoi, General Manager - Marketing

REGISTRAR & SHARE TRANSFER AGENTS

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

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ISIN for Demat purpose : INE 681F01018

CIN: L74999HR1985PLC019905

Script Code: 524080

NOTICE

Notice is hereby given that the Thirty First Annual General Meeting of the Members of the Company M/s Haryana Leather Chemicals Limited will be held on Friday, the 23rd day of September, 2016 at 11.30 a.m. at the Registered Office of the Company at 72-77, HSIIDC Industrial Estate, Hansi Road, Jind - 126102 to transact with or without modification(s), as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March 2016 and the Statement of Profit & Loss Account for the Year ended as on that date together with the Reports of Auditors and Directors thereon.

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

"Resolved that the Audited Financial Statement of the Company for the year ended March 31, 2016 including Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash flow statement for the year ended March 31, 2016 together with the reports of the Board of Directors and the Auditors of the Company thereon, as circulated to the members and presented to the meeting be are hereby adopted."

2. To consider declaring Final Dividend @ 8.00% on the nominal value of the equity shares of the Company for the Financial Year 2015-16.

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

"Resolved that dividend of Rs. 0.80 per equity share of Rs.10/- each on 49,08,470 equity shares, as recommended by the Board of Directors, be and is hereby declared out of the profits of the Company for the year ended March 31, 2016, absorbing an amount of Rs. 45,94,329/- (including dividend distribution tax and cess thereon) and that the said dividend be paid to those shareholders, whose names appear in the Company's register of members as at the end of business hours on September 23, 2016 and in respect of shares in electronic form to those beneficial owners of the shares as at the end of business hours on September 16, 2016 as per the details furnished by the depositories for this purpose."

3. To consider appointing a Director in place of Dr. K. S. V. Menon (DIN: 00920088), who retires by rotation and being eligible offers himself for re-appointment.

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

"Resolved that Dr. K. S. V. Menon (DIN: 00920088), who retires by rotation and being eligible for re appointment, be and is hereby re-appointed as a Director of the Company."

4. To consider appointing a Director in place of Mr. Massimo Medini (DIN: 00926147), who retires by rotation and being eligible offers himself for re-appointment.

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

"Resolved that Mr. Massimo Medini (DIN: 00926147), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

5. To consider appointing a Director in place of Mr. Harish Chandra Dutta (DIN: 00920009), who retires by rotation and being eligible offers himself for re-appointment.

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

"Resolved that Mr. Harish Chandra Dutta (DIN: 00920009), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

6. To ratify appointment of statutory auditors of the Company. The appointment of statutory auditors M/s S.C. Dewan & Co., Chartered Accountants, who hold office from the conclusion of the Twenty Ninth General Meeting until the conclusion of the Thirty Second General Meeting to be held in Financial Year 2017, is subject to the ratification by shareholders at every AGM in accordance with Section 139 & 142 of the Companies Act, 2013. The declaration to the effect that their appointment, if ratified, would be within the limits and that they are free from any disqualification specified in section 141 of the Companies Act, 2013, and the rules made thereunder, has been received from them.

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

"Resolved that, pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the Companies (Audit & Auditors Rule, 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to recommendation of Audit Committee of the Board the appointment of M/s. S.C. Dewan & Co., Chartered Accountants (Registration No. 000934N) with The Institute of Chartered Accountants of India), as auditors of the Company as approved by the members at the Twenty Ninth General Meeting to hold office until the conclusion of the Thirty Second General Meeting to be held in Financial Year 2017, be and is hereby ratified on such terms and conditions including remuneration as may be determined by the Board of Directors of the Company, in addition 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:

7. Re-appointment of Mr. Pankaj Jain (DIN: 00206564) as 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-I” of “Part-II” of “Schedule V” and other applicable provisions of the Companies Act, 2013 [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 the re-appointment of Mr. Pankaj Jain as Managing Director of the Company for a further period of three years with effect from 04.02.2016 on the following terms and conditions:

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. 1,45,000/- per month
Housing Allowance	: Rs. 58,000/- per month
Other Allowance	: Rs. 25,000/- per month
Medical Allowance/reimbursement for himself and family	: Rs. 4,500/- per month
Leave Travel Allowance/reimbursement for himself and family	: Rs. 9,500/- per month

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 shall have the power to increase the remuneration of Mr. Pankaj Jain each year @ upto 15%, subject to Schedule V and other provisions of the Companies Act, 2013, as may be applicable.”

“RESOLVED FURTHER THAT the Board of Directors or any committee thereof be and is hereby authorised 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 re-enactment thereof.”

8. Re-appointment of Mrs. Sippy Jain (DIN: 03189151) as Whole Time Director of the Company:

To consider and if thought fit, to pass with or without modification(s) the following resolution as ordinary resolution.
“RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and read with “Schedule V” and other applicable provisions of the Companies Act, 2013 [including any modification (s) or re-enactment(s) thereof for the time being in force] 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 the re-appointment of Mrs. Sippy Jain as Whole -Time Director of the Company for a further period of three years with effect from 04.08.2016 on the following terms and conditions:

“RESOLVED THAT pursuant to provisions of section 196, 197, 198, 203 and read with “Schedule V” and other applicable provisions if any of the Companies Act 2013 and subject to the approvals of members at the Annual General Meeting, Mrs. Sippy Jain be and is hereby appointed as a Whole-Time Director of the Company at a remuneration of Rs. 42,500/- per month with effect from 04.08.2016.”

“RESOLVED FURTHER THAT, Mrs. Sippy Jain, the Director of the Company will also be entitled traveling, boarding, lodging expenses incurred by her in connection with the Company’s business and such other benefits as any from time to time, are available to other senior executives of the Company.”

“RESOLVED FURTHER THAT the remuneration payable to Mrs. Sippy Jain, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such limits as may be provided from time to time.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and things and execute all documents as may be required and to delegate all or any of the powers herein conferred to any Committee of Directors to give effect to abovesaid resolutions.”

Regd. Office:
72-77, HSIIDC Industrial Estate,
Hansi Road, Jind,
Haryana - 126 102.
CIN: L74999HR1985PLC019905
Date: 4th August, 2016
E-mail: info@leatherchem.com
Website: www.leatherchem.com

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

SILU NANDA
Company Secretary

Notes:

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

Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder.

- Corporate Members intending to send their authorised representative to attend the meeting are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
- Members/Proxy holders are requested to bring at the venue of Annual General Meeting their attendance slip duly signed so as to avoid inconvenience.
- Brief information of Directors, names of the Companies in which they hold Directorship and membership/ Chairmanship of Board Committees, Shareholdings and relationships between Directors as stipulated under clause 27 of the Listing agreement with the Stock Exchange are provided in the Corporate Governance Report forming part of the Annual report.
- The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business at item No. 8 and 9 transacted at the meeting is annexed hereto.
- 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.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Monday the 19.09.2016 to Friday the 23.09.2016 (both days inclusive) for determining the names of Members eligible to receive the Dividend declared, if any, on the Equity Shares of the Company to comply with the provisions of Section 154 of the Companies Act, 2013.
- The dividend on Equity Shares, if declared at the Meeting by the Members at the Annual General Meeting, shall be paid to all those Members whose names appear in the Company’s Register of Members as during the register of member is closed, and in respect of the shares held in demat form, to all those Members whose names appear as beneficial owners as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited on the close of business hours as on that date.

Members holding shares in the physical form are requested to send the advice about any change in their registered address or bank particulars, to the Company’s Registrar and Share Transfer Agent, M/s. RCMC Share Registry (P) Ltd., B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 quoting their folio number.

9. Members holding shares in the electronic form must send the advice about any change in their registered address or bank particulars to their respective Depository Participants with whom they are maintain their demat accounts and not to the Company.
10. Pursuant to Section 20 of the Companies Act, 2013, read with Rule 35 of the Companies (Incorporation) Rules, 2014, Companies are allowed to send to their Members notices/documents in the electronic form. To enable the Company send its Annual Report, Notice of AGM, and other documents for the financial year ended March 31, 2016 electronically, Members are requested to update (in case of change)/register, at the earliest, their email IDs with their Depository Participants in case the shares are held in the electronic form or the Registrar and Share Transfer Agent of the Company, RCMC Share Registry Private Limited, in case the shares are held in the physical form. The Company will continue to send the said documents in the physical form to such Members whose email IDs it does not have and to those who request delivery of the said documents in the physical form.
11. Pursuant to Section 123(5) of the Companies Act, 2013, and the Securities and Exchange Board of India's Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 and the modifications, if any, regarding use of electronic payment modes for making payments to investors, Members are requested to update their bank account and latest address details with their respective Depository Participants (for shares held in the electronic form) along with a photocopy of their cheques to the Company's Registrar and Share Transfer Agent, RCMC Share Registry Private Limited (for shares held in the physical form). Our Registrar and Share Transfer Agent will take due note of the same for payment of Dividend. This obviates problems like loss/fraudulent interception of Dividend warrants during postal transit while also expediting payment.
12. Members desiring any information on the Accounts of the Company are requested to write to the Company at least 10 (ten) days prior to the date of the Annual General Meeting so as to enable the Company keep the information ready.
13. Members are advised to note the ISIN No. INE 681F01018 allotted to the Company's shares and those who are interested to dematerialize their shares may do so.
14. In all correspondence with the Company or with its Share Transfer Agent, Members are requested to quote their Client ID Number and their DP ID Number if the shares are held in the dematerialised form; in case the shares are held in the physical form, they must quote their folio number.
15. Those Members who have not yet en-cashed/claimed the Dividend of the Company for any/all of the financial year 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 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 2009-10 to 2014-15 as on March 31, 2016 are as under:

Dividend for the year	Unclaimed/Unpaid Dividend as on 31st March 2016 (Rs.)	Due date of transfer to Investor Education and Protection Fund
2008-09	2,19,475.20	16th October , 2016
2009-10	2,30,509.80	23rd October , 2017
2010-11	2,71,264.80	18th October , 2018
2011-12	2,80,358.40	31st October , 2019
2012-13	2,81,433.00	13th September, 2020
2013-14	5,364,88.70	26th October, 2021
2014-15	4,40,482.30	31st October, 2022

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

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

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

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

The e-voting period commences on 20th September, 2016 (10:00 a.m.) and ends on 22nd September, 2016 (05:00 p.m.). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18th September, 2016. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 18th September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or (Company/ RTA email id) .

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

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

1. Open the attached PDF file "**e-Voting.pdf**" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
7. Select "EVEN" of (Haryana Leather Chemicals Limited). Members can cast their vote online from 20th September, 2016 (10:00 a.m.) and ends on 23rd September, 2016 (05:00 p.m.)

Note: e-Voting shall not be allowed beyond said time.

8. Now you are ready for "e-Voting" as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer (Manoj Gupta, 72-77, HSIIDC Industrial Estate, Hansi Road, Jind, Haryana - 126 102) through e-mail (Scrutinizer mail ID: mguptacs@gmail.com) with a copy marked to evoting@nsdl.co.in.

Please note the following:

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

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

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

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

Other information:

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

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

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

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

Regd. Office:
72-77, HSIIDC Industrial Estate,
Hansi Road, Jind,
Haryana - 126 102.
CIN: L74999HR1985PLC019905
Date: 4th August, 2016
E-mail: info@leatherchem.com
Website: www.leatherchem.com

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

SILU NANDA
Company Secretary

Explanatory statement pursuant to section 102(1) of the Companies Act, 2013.

For item No. 7

Mr. Pankaj Jain has been Managing Director of the Company since the incorporation of the Company.

As the term of his last appointment expired on 03.02.2016 and his re-appointment is required to be considered for the benefit of the Company.

Keeping in view that Mr. Pankaj Jain has rich and varied experience in the industry and has been involved in the operations of the Company since beginning and after considering his contributions and experience the remuneration committee of the Company has considered and approved his re-appointment for a further period of three years considering the ceiling of the remuneration under Section-I" of "Part-II" of "Schedule V" of the Companies Act, 2013. The details of the remuneration and terms of appointment are contained in the above said resolution. The new remuneration is in line with the existing remuneration and after due consideration of his experience, ability and contribution made to the Company.

Mr. Pankaj Jain is an Industrial Engineer and also promoted the Company M/s Haryana Leather Chemicals Limited in an Industrial backward area with latest technology from European Companies. He managed the Company in the capacity of Managing Director for the last thirty year. Under his guidance the Company has been continuously going upward in technology and profits.

The Board recommends the approval of the resolution by the shareholders.

Mr. N. K. Jain, Mr. V. K. Garg being his relatives are concerned and interested in the resolution.

The text of the resolution along with the explanatory statement may be considered as an abstract and memorandum regarding the terms of appointment of Managing Director as required under section 190 of the Companies Act, 2013.

For item No. 8

Mrs. Sippy Jain has a Master Degree in Literature and Diploma in Textile Engineering and was appointed as the Manager-Graphic Design of the Company in the year 2007. Now looking at her capabilities and experience in designing, visualizing of promotion materials for marketing of Leather chemicals in India and abroad and seeing her contribution and working in the Company the Board has recommended her the post of Directorship of the Company. The Company will gain a lot from her experience mainly from her export marketing and business development skills.

Mrs. Sippy Jain has been appointed as the Whole Time Director of the Company and now the Board recommends her re-appointment as the Whole Time Director of the Company on new terms and conditions of the Company w.e.f. 04th day of August, 2016.

The Board recommends the approval of the resolution by the shareholders.

Mr. Pankaj Jain and Mr. N. K. Jain being her relative are concerned and interested in the resolution.

DIRECTORS' REPORT

Dear Shareholders,

The Directors of Haryana Leather Chemicals Ltd. are pleased to present the 31st Annual Report and Audited Statement of the Company's accounts for the year ended on 31st March, 2016.

FINANCIAL RESULTS

A summary of the financial results for the year 2015-2016 is given below:

	2015 - 16 (Rs. in Lacs)	2014 - 15 (Rs. in Lacs)
Sales Turnover (Net of Excise)	3972.16	4238.05
Gross Profit	423.01	357.94
Deductions:		
Depreciation	113.09	134.01
Interest	13.31	20.74
Profit before tax	296.61	203.19
Less: Provision for Income Tax for the year	91.06	61.09
Less: Provision for taxation / FBT earlier year	0.00	1.39
Add: Provision for Income Tax written back	0.95	
Less: Previous year's adjustment	0.23	1.56
Less/(Add): Deferred tax liability	3.18	3.23
Profit after tax and available for appropriation	203.09	135.92
Less: Provision for dividend	39.27	34.36
Less: Provision for dividend tax	6.67	5.84
Less: Transfer to general reserve	35.00	23.41
Profit carried to balance sheet	122.15	72.31

OPERATIONS

The net profit from the operations during the year 2015-16 registered an increase of 50% as compared to previous year's profits. In spite of recessionary trends in Indian leather industry, the Company recorded a slight growth in domestic sales. Overall sales turnover is lower than last year by nearly 7%, mainly due to drop in exports which are at Rs.1252 lacs against previous year exports of Rs.1314 lacs.

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), Mr. Massimo Medini (DIN: 00926147) and Lt. Gen. (Retd.) Harish Chandra Dutta (DIN: 00920009) retire by rotation at the forthcoming Annual General Meeting to be held on 23rd September, 2016 and being eligible they offer themselves for re-appointment.

STATUTORY AUDITORS

The statutory auditors of the Company M/s S. C. Dewan & Co., Chartered Accountants, Panchkula are retiring at the forthcoming Annual General Meeting and they are eligible for re-appointment, offers themselves for the same. Their appointment, if made, will be in accordance with section 139 and 142 of the Companies Act, 2013 (hereinafter referred to the "Act").

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

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

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

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

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

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s V. Jhawar & Co., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The report on the Secretarial Audit carried out for the year 2015-16 is annexed herewith as '**Annexure-B**'. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDITOR'S COMPLIANCE

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

However, as per Companies (cost records and audit) Rules, 2014 notified by Ministry of Corporate Affairs, cost audit is not applicable to the Company by virtue of its turnover being less than the prescribed limits. Therefore, the Board did not proceed with the appointment of cost auditor and cost audit for the year 2015-16.

The Company is properly maintaining its cost Record internally.

WOMAN DIRECTOR

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

TRANSFER OF FUNDS TO INVESTOR EDUCATION AND PROTECTION FUND

The Company is distributing dividend to its shareholders since 2006 on recommendation of the shareholders of the Company. For the unclaimed dividend for the year 2007-2008 amounting Rs. 1,83,569.00, the Board has taken necessary steps to transfer the unpaid / unclaimed dividend of Equity Shareholders for the year 2007-2008 to the Investor Education and Protection Fund (IEPF) of the Central Government established under section 124 and 125 of the Companies Act, 2013.

NOMINATION AND REMUNERATION POLICY

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

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

- (i) Directors,
- (ii) Key Managerial Personnel (KMPs) and
- (iii) Senior Management Personnel (SMPs) of the Company.
- (iv) The same was approved The NRC also reviews succession planning of both SMPs and Board. The Company's approach in recent years is to have a greater component of performance linked remuneration for SMPs.

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

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

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

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

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

1.1 Concerns which may be raised-illustrative list

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

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

1.2 Concerns - how to raise/whom to disclose

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

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

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

1.3 Procedure for investigation

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

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