

ANNUAL REPORT 2021

NOTICE

NOTICE is hereby given that the 27TH Annual General Meeting of the Members of AKI INDIA LIMITED will be held on THURSDAY, 30TH SEPTEMBER, 2021 at 03.30 P.M at the Registered office of the Company situated at 9/6(II) Jajmau, Kanpur-208010 (U.P.) to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended on 31st March, 2021 and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2021 and the report of Auditors thereon and, in this regard, to consider and if thought fit, to pass, with or without modification (s), the following resolutions as Ordinary Resolutions:
 - (a) "RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."
 - (b) "RESOLVED THAT the audited consolidated financial statement of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."
2. To re-appoint Mr. Javed Iqbal (DIN: 01335862), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment

DATE : 03-09-2021
PLACE: KANPUR
Registered Office:
9/6(II) Asharfabad,Jajmau
Kanpur-208010

By Order of the Board
For AKI INDIA LIMITED

[SAMEENA ASAD IRAQI]
WHOLE-TIME DIRECTOR
DIN: 01668732

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

2. In terms of the provisions of Section 152 of the Companies Act 2013, Mr. Javed Iqbal, Director(s) retire by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company commend his respective re-appointments.

None of the directors were interested in the said resolution

3. Institutional/Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution/Power of Attorney(POA)/ Authorization Letter together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution/Power of Attorney (POA)/ Authorization Letter to attend and vote on their behalf at the Meeting
4. 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 at the Meeting
5. The Company has notified closure of Register of Members and Share Transfer Books from Thursday the 23rd September, 2021 to Thursday the 30th September 2021 (both days inclusive)
6. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along-with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.groupaki.com , website of the Stock Exchange's, that is, BSE Limited at www.bseindia.com

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7. For receiving all communication (including Annual Report) from the Company electronically:
 - (a) Members holding shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at info@groupaki.com or to the Registrar at www.linkintime.com .
 - (b) Members holding shares in dematerialized mode are requested to register / update their e-mail address with the relevant Depository Participant.
8. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto. The Annual Report, Notice of Annual General Meeting, Proxy Form and Attendance Slip are also available at the Company's website at www.groupaki.com
9. Pursuant to section 91 of the Companies Act, 2013 read with Companies (Management & Administration) Rules 2014 and Regulation 42 of the SEBI (LODR) Regulations 2015, The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2021 to Thursday the 30th September 2021 (both days inclusive)
10. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in Physical form can submit their PAN details to the RTA i.e Link intime India Private Limited or to the Company.
11. Breif resume of Directors/persons proposed to be appointed/re-appointed, as stipulated under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards issued by The Institute of Company Secretaries of India is provided after the explanatory statement to this notice.
12. All documents referred to in accompanying Notice shall be open for inspection at the Registered Office of the Company during the office hours on all working days between 10.00 AM to 4.00 PM up to the date of conclusion of Annual General Meeting.

DATE : 03-09-2021

PLACE: KANPUR

**Registered Office:
9/6 (11),
Asharfabad Jajmau
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**By Order of the Board
For AKI INDIA LIMITED**

**[SAMEENA ASAD IRAQI]
WHOLE-TIME DIRECTOR
DIN: 01668732**

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Additional Information of Directors seeking Re-appointment at the Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of Director	JAVED IQBAL
Director's Identification No. (DIN)	01335862
PAN	AADPI7043J
Date of Birth	04/06/1964
Date of First Appointment	09-12-2017
Educational Qualification	Graduate
Expertise in Specific Functional Areas	He is a Graduate, he is having over 30 years experience in the Field of Leather & Leather Goods
Chairmanship/ Membership of Committees in this Company	A. Audit Committee () B. Nomination & Remuneration Committee (Member)
Directorship in Other Companies	He presently holds directorship(s) in the following companies: 1 COUNCIL FOR LEATHER EXPORTS 2 NAAZ EXPORTS PRIVATE LIMITED 3 JAJMAU TANNERIES ENVIRONMENTAL PROTECTION ASSOCIATION 4 LEATHER CLUSTER DEVELOPMENT LIMITED 5 JAJMAU TANNERY EFFLUENT TREATMENT ASSOCIATION
Chairmanship/ Membership of Committees in other Public Limited Companies	None
Shareholding as on 31 st March, 2021	NIL
Seeking Appointment/ Re-Appointment	Retire by Rotation and seeking Re-appointment
Relationship with other Directors	None

DATE : 03-09-2021

PLACE: KANPUR

**Registered Office:
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**By Order of the Board
For AKI INDIA LIMITED**

**[SAMEENA ASAD IRAQI]
WHOLE-TIME DIRECTOR
DIN: 01668732**

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Statement Containing Information as required Under Section II(B)(iv) of Part II of Schedule V of The Companies Act, 2013 and Informing Part of the Notice of Annual General Meeting.

1. **Nature of Industry:**

MANUFACTURING, TRADE AND COMMERCIAL ESTABLISHMENT.

2. **Date or expected date of Commencement of Commercial Production:**

Not Applicable

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable

4. **Financial Performance based on given indicators:** **(Amount in Rs.)**

Financial Year ended	31-03-2021	31-03-2020
Gross Revenue and other income	47,83,21,626.93	43,08,84,618.17
Profit Before Tax	1,70,63,408.47	10,570,353.60
Profit After Tax	89,19,079.47	75,45,681.60
Equity Share Capital	10,29,70,000.00	10,29,70,000.00
Reserve and Surplus (excluding revaluation reserve)	2,53,41,650.48	2,39,87,985.01
Net Worth	12,83,11,650.48	12,69,57,985.01

5. **Export Performance and net foreign exchange collaborations:**

The Company has Increased its Exports but due to Some Global issues like prevailing COVID 19 pandemic it hasn't met our expectation.. The net Earning in foreign Currency are as under:-

Earning in Foreign Currency	31.03.2021 (Rs.)	31.03.2020(Rs.)
(Export at C.I.F. Value)	29,89,50,000	24,27,03,945

6. **Foreign Investments and Collaborations, If any:**

NIL

DATE : 03-09-2021

PLACE: KANPUR

Registered Office:

9/6 (11),

Asharfabad Jajmau

Kanpur-208010

By Order of the Board

For AKI INDIA LIMITED

[SAMEENA ASAD IRAQI]

WHOLE-TIME DIRECTOR

DIN: 01668732

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Director's Report

Dear Shareholders,

The Directors have the pleasure in presenting the Annual Report and Audited Accounts of the Company for the year ended on March 31, 2021

FINANCIAL RESULTS:

The summarized standalone financial performance of the Company for the financial year ended March 31, 2021 as compared to previous year was as under::

PARTICULARS	Standalone (Amount in Rs.)	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations	44,85,20,227.03	41,03,66,202.10
Other Income	2,98,01,399.90	2,05,18,416.07
Total Income	47,83,21,626.93	43,08,84,618.17
Profit before Interest, Depreciation, Prior Period Items and Tax (PBIDTA)	4,54,23,579.80	4,10,18,834.01
Less: Finance Costs	13,276,51.86	1,29,56,474.48
Less: Depreciation and Amortization	22,672,199.47	1,74,92,005.93
Profit before Exceptional/ Prior Period Items and Tax	94,75,408.47	1,05,70,353.60
Less: Exceptional/ Prior Period Items (Net)	0.00	0.00
Add: Extra-ordinary Items	75,88,000.00	00.00
Profit Before Taxes (PBT)	1,70,63,408.47	1,05,70,353.60
Less: Tax Expense Current	53,78,240.00	4,253,629.00
Deferred Tax	27,66,089.00	(12,28,957.00)
Profit for the year (PAT)	89,19,079.47	75,45,681.60

FINANCIAL HIGHLIGHTS:

In the year under review, the turnover of the company has increased to Rs 44,85,20,227.03. in financial year 2020-2021 as compared to Rs. 41,03,66,202.10 in financial year 2019-20 despite of ongoing COVID 19 pandemic curbs.

The management continues to pursue its efforts to improve its operational efficiency by better Capacity Utilisation and diversification into High quality value added export quality footwear to improve its Turnover and Operating margin in current year. Outlook for current year will be better barring any unforeseen circumstances.

There is no change in nature of business of the Company during the Financial Year under review.

DIVIDEND

Your Directors regret their inability to recommend dividend in order to conserve resources for future growth.

TRANSFER TO RESERVES

During the year under review there is no transfer to the General Reserves (Statutory Reserve).

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COMPANIES POLICY ON DIRECTORS APPOINTMENT AND REMUNEARTION:

The company has made its own selection process viz a viz for executive and non executive directors. Nomination and Remuneration Committee has checked out all the norms as provide in section 149 (6) of Companies Act, 2013 for selection and appointment of Independent Directors in company to ensure that the thoughts of such director are not biased at all. All the directors who have been appointed as independent director in company are well competent since they are working in the company for a very long period. The company follows proper mechanism for the remuneration paid to the directors as per the recommendation made by the Nomination and Remuneration committee after observing their comments.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION:

The company would like to inform that no material changes and commitments affecting the financial position of the company have occurred during the period from the end of financial Year till the date of this report.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS:

The Company has not granted any secured or unsecured loans from /to companies, firms or other parties listed in the register maintained under section 189 of the act Companies Act, 2013 dealing with any loan, investments and /or guarantee.

LEGAL FRAMEWORK AND REPORTING STRUCTURE:

The Company would like to inform that a legal compliance tool has been installed vertically within the organization for monitoring and complying all laws applicable to the Company. This tool is being overseen and supervised by the office of the Chief Financial Officer. Further the Chief Financial Officer has also been cast the responsibility of providing a compliance certificate at every Board meeting including the key non-compliances during the quarter.

CSR ACTIVITIES:

CSR Activities are not applicable to the company. Since the Company does not meet the criteria as defined under section 135 of Companies Act, 2013 and the rules made thereunder

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required Under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 88 and Rule 8 (3) of Companies (Accounts) Rules, 14 and forming part of the report of the Directors. (**Annexure-1**)

DISCLOSURES:

COMMITTEES TO THE BOARD:

The Company has several Committees which have been established in Compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- ☐ Audit Committee
- ☐ Nomination & Remuneration Committee
- Share transfer & Shareholder's Grievance Committee

(i) MEETINGS OF THE BOARD:

Seven meetings of the Board of Directors were held during the year. For further details, please see report on corporate governance.

S. No.	Date of Board Meeting	Attendance of the Directors				
		ASLAM SAEED	JAVED IQBAL	SAMEENA ASAD IRAQI	MOHAMMAD AJWAD	RAJ KRISHNA AGRAWAL
1	28-04-2020	√	√	√	X	√
2	05-07-2020	√	√	√	X	√
3	20-08-2020	√	√	√	X	√

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4	06-10-2020	√	√	√	X	√
5	09-11-2020	√	√	√	√	√
6	21.01.2021	√	√	√	√	√
6	05-03-2021	√	√	√	√	√

(ii) AUDIT COMMITTEE:

The Audit Committee consists of Mr. Aslam Saeed, Mr. Javed Iqbal,,and Mr. Raj Krishna Agarwal being Non Executive Directors. The broad terms of reference to the Audit Committee include, reviewing with management the quarterly and annual financial results/ statements, financial or risk management policies, adequacy of internal control systems and internal audit functions, overseeing of the Company's financial reporting process, recommending the appointment and removal of auditors etc.

S. No.	Date of Committee Meeting	Attendance of the Directors			
		AslamSaeed	JavedIqbal	Raj Krishna Agarwal	
1	19-05-2020	√	√	√	
2	08-08-2020	√	√	√	
3	13-11-2020	√	√	√	
4	19-02-2021	√	√	√	

(iii) SHARE TRANSFER AND SHAREHOLDER'S GREIVANCE COMMITTEE:

The Share transfer & Shareholder's Grievance Committee was constituted to specifically look into Share Transfers and redressal of investor's complaints relating to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. under the Chairmanship of Mr. Aslam Saeed, who is independent, non-executive Director. The other members of the Committee are Mrs. SameenaAsad Iraqi, Whole-time Director and Mr. Javed Iqbal, Director of the company.

1.	No. of Complaints received from Investors from 01.04.20 to 31.03.21	ZERO
2.	No. of solved to the satisfaction of the Shareholders	ZERO
3.	No. of pending share transfers	NIL

During the financial year the SHARE TRANSFER AND SHAREHOLDER'S GREIVANCE COMMITTEE Met On:

S. No.	Date of Committee Meeting	Attendance of the Directors		
		AslamSaeed	SameenaAsad Iraqi	JavedIqbal
1	11-04-2020	√	√	√
2	17-07-2020	√	√	√
3	14-10-2020	√	√	x
4	05-01-2021	√	√	√
5	30-03-2021	√	√	x

(iii) NOMINATION AND REMUNERATION COMMITTEE

In compliance with section 178 of the Act and of the Listing Agreement the Board has constituted "Nomination and Remuneration Committee" which comprises Mr. Aslam Saeed, Mr. Javed Iqbal,, and Mr. Raj Krishna Agarwal all being Non Executive Directors. During the year under review One meeting of the Committee has been held

The Board has framed a policy for selection and appointment of Directors, Senior Management and their

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remuneration.

S. No.	Date of Committee Meeting	Attendance of the Directors			
		AslamSaeed	JavedIqbal	Raj Krishna Agarwal	
1	05-08-2020	√	√	√	

(ii) ESTABLISHMENT OF VIGIL / WHISTLE BLOWER MECHANISM:-

The Company promotes ethical behavior in all its business activities and in line with the best practices for corporate governance. It has established a system through which directors & employees may report breach of code of conduct, unethical business practices, illegality, fraud, and corruption etc at work place without fear of reprisal. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle Blowers have been denied access to the Audit Committee of the Board. The details of the Whistle Blower Policy are explained in the Report on Corporate Governance and also available on the website of the company.

The company has established a whistle blower mechanism for the directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

During the Financial Year 2020-2021 there was no complaint reported by any Director or employee of the company under this mechanism

(iv) EXTRACT OF ANNUAL RETURN:-

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return in MGT-9 as at March 31, 2020 is not applicable as Per Companies (Amendment) Act, 2017

AUDITORS & AUDITORS' REPORT:

(a) Statutory Auditors & Audit Report:

In terms of the provisions of Section 139 of the Companies Act, 2013, read with provisions of the Companies (Audit and Auditors) Rules, 2014 as amended, M/s. Jaiswal Misra & CO., Chartered Accountants, Kanpur was appointed as the Auditors of the Company for a consecutive period of five years from conclusion of the AGM held on October 28, 2020 until conclusion of the AGM of your Company scheduled to be held in the year 2025. The Members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated May 7, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s. Jaiswal Misra & CO., Chartered Accountants, Kanpur as the Auditors of the Company, by the Members at the ensuing AGM. Your Company has received a certificate from M/s. Jaiswal Misra & CO., Chartered Accountants, Kanpur confirming their eligibility to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder

(b) Secretarial Audit & Secretarial Audit Report:

Pursuant to Section 204 of the Companies Act, and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s T. Jain and Associates Practicing Company Secretary as secretarial auditor for conducting Secretarial Audit for all applicable laws for the Financial Year 2021. The Report of the Secretarial Audit Report to be set out in **Annexure-3** to the Director's Report.

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There was no observation made by the secretarial auditor in his report.

PARTICULARS OF TRANSACTION WITH RELATED PARTIES

The Details of contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review in Form AOC-2 is annexed with this report as **ANNEXURE-2**

DECLARATION BY INDEPENDENT DIRECTORS

During the year, the Independent directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company. Based on the declaration(s) of Independent Directors, the Board of Directors recorded their opinion that the Independent Directors are independent of the management and have fulfilled the conditions as specified in the Companies Act, 2013 and Rules made there under as well as concerning provisions of SEBI (LODR) Regulations, 2015. The company has received necessary declaration from each independent director under section 148 (7) of the Companies act, 2013, that he/she meets the criteria of independence laid down in Section 149 (6) of the Companies act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT:-

In accordance with the requirements of Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:-

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE:

In accordance with Regulation 15 of the SEBI (LODR), Regulations, 2015 the Corporate Governance provisions are not applicable to your Company as the Paid up Equity Share Capital of the Company is not exceeding Rs. 10 Corers and Net Worth of the Company is not exceeding Rs. 25 Corers as on the last day of previous financial year. Accordingly Corporate Governance Report, Certification from Practicing Company Secretary and Certification from CEO/CFO are not given in Annual Report.

EMPLOYEES REMUNERATION

- (i) In terms of the provisions of Section 197 (12) of the Companies Act, 2013, read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration) Rules, 2013 as amended, the names and other particulars of the employees are not required to be set out in the Directors' Report as none of the employee is drawing the remuneration as prescribed under Rule 5(2)(i).

In terms of Section 136 of the Companies Act, 2013 the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Members who are interested in obtaining such particulars may write to the Chief Financial Officer of the Company at its Registered Office.

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- (ii) The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not required to be set out in the Director's Report as none of the Directors are drawing remuneration owing to the limited profits available in the company as detailed in.

DIRECTORS:

Appointment

No director has been appointed during the financial year 2020-2021

Re-appointment

In accordance with provisions of the Act and the Articles of Association of the Company, Mr.JAVED IQBAL is liable to retire by rotation and is eligible for re-appointment. The disclosures required pursuant to SEBI Listing Regulations are given in the Notice of the AGM, forming part of the Annual Report. Resolution proposing his appointment is set-out in the notice calling ensuing AGM

RISK MANAGEMENT POLICY

Pursuant to the requirement of Section 134(3) (n) of the Companies Act, 2013, the Company has already in place a Risk Management Policy which was reviewed by the Audit Committee and approved by the Board of Directors of the Company. The Policy provides for a robust Risk Management Framework to identify and assess risks such as operational, strategic, financial ,security, property, regulatory, reputational and other risks and that there is an adequate Risk Management Infrastructure in place capable of addressing these risks .Audit Committee of the Company has been entrusted with responsibility to assist the Board in the matters which are given below:

INTERNAL CONTROL SYSTEM

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business including adherence to the company's policies, the safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met to discuss:

- Evaluation of the performance of Non independent Directors & the Board of Directors as whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the executive and non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the management and the board that is necessary for the board to effectively & reasonably perform its duties.

PERFORMANCE EVALUATION

Formal Annual evaluation has been made by the Board of its own Performance and that of its Committees & Individual Directors during the meeting of Board of Directors and by common discussion with concerned persons.

ACKNOWLEDGMENTS:

The Directors would like to express their sincere appreciation for the cooperation and assistance received from the Authorities, Stock Exchanges, Associates, Bankers as well as our Shareholders at large during the year under review.

The Directors also wish to place on record their deep sense worker of appreciation for the commitment, abilities and hard work of all executives, officers and staff who enabled Company to consistently deliver satisfactory and rewarding performance even in the challenging economic conditions.

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DATE : 03-09-2021

PLACE: KANPUR

By Order of the Board
For AKI INDIA LIMITED

Registered Office:

SD/-

9/6(II)Asharfabad,Jajmau
Kanpur-
208010

[SAMEENA ASAD IRAQI]
WHOLE-TIME DIRECTOR
DIN: 01668732

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Annexure-1

ANNEXURE TO DIRECTOR'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

As required Under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and Rule 8 (3) of Companies (Accounts) Rules, 2014 and forming part of the report of the Directors.

CONSERVATION OF ENERGY

- a. Company ensures that manufacturing operations are conducted in a manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b. No specific investment has been made in reduction in energy consumption.
- c. The total energy consumption as per prescribed Form 'A' is as under:-

PART A:- POWER AND FUEL CONSUMPTION

Electricity:-

	For Year ended 31.03.2021	For Year ended 31.03.2020
Amount Paid for Power and Fuel	93,79,153.35	96,64,119.97
Internal/ Other Generation System	0.00	0.00

TECHNOLOGY ABSORPTION

The Company has not absorbed or adopted any technology during the year

RESEARCH & DEVELOPMENT

Research and Development on improving the production process, yield and quality is ongoing exercise, Expenditure on Research and Development and its benefit is not separately quantified at present, since it is continuous exercise merged in the manufacture and quality and quality control activity.

FOREIGN EXCHANGE EARNINGS / OUTGOES

- i) During the year under review the detail of Foreign exchange Earning/ outgoing are as under.

Value Foreign Earning and Outgoings (C.I.F. Basis)	31.03.2021	31.03.2020
Value of Import of Raw Material (INR)	1,20,70,250.00	52,06,160.68
Value of Export (INR)	29,89,50,000	24,27,03,945

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Annexure 2

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	AKI International (Leder) (CEO is Proprietor)
b)	Nature of contracts/arrangements/transaction	Sales
c)	Duration of the contracts/arrangements/transaction	Until Terminated By Parties
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Date of approval by the Board	NIL
f)	Amount paid as advances, if any	NIL

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ANNEXURE-3

Form No. MR-3

SECRETARIAL AUDIT

REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
AKI INDIA LIMITED.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AKI INDIA LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the AKI INDIA LIMITED 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by AKI INDIA LIMITED ("the Company") for the financial year ended on 31.03.2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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- vi. Other laws specifically applicable to the company, namely:
- a. Factories Act, 1948
 - b. Payment of Wages Act, 1936
 - c. The Minimum Wages Act, 1948
 - d. Environment Protection Act, 1986
 - e. The Air (Prevention & Control of Pollution) Act, 1981
 - f. The Water (Prevention & Control of Pollution) Act, 1974
 - g. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
 - h. The Apprentices Act, 1961
 - i. The Employees' Compensation Act, 1923
 - j. The Maternity Benefit Act, 1961
 - k. Payment of Gratuity Act, 1972
 - l. The Payment of Bonus Act, 1965
 - m. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
 - n. Employees' State Insurance Act, 1948
 - o. The Central Goods And Services Tax Act, 2017

We have also examined compliance with the applicable clauses of the following:

(1) Secretarial Standards issued by The Institute of Company Secretaries of India.

(2) The Listing Agreement entered into by the Company.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Date : 03.09.2021

Place: Kanpur

**T.JAIN AND ASSOCIATES
(Company Secretaries)**

SD/-

(Tanvi Jain)

FCS Membership No. 9701

C P No.: 11393

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Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE-1' and forms an integral part of this report.

'ANNEXURE-1'

To,
The Members,
AKI INDIA LIMITED
9/6 (11), AsharfabadJajmau
Kanpur-208001 (U.P.)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on 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 opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report 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.

Date : 03.09.2021

Place: Kanpur

T.JAIN AND ASSOCIATES
(Company Secretaries)
SD/-
(Tanvi Jain)
FCS Membership No. 9701
C P No.: 11393

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Management Discussion and Analysis Report

Industry structure and Developments

The footwear sector is a very significant segment of the leather industry in India; rather it is the engine of growth for the entire Indian leather industry. India is the second largest global producer of footwear after China, accounting for 13% of global footwear production of 16 billion pairs. India produces approximate 2,000 Million pairs annually in different categories of Footwear. India exports about 115 million pairs.

Thus, nearly 95% of its production goes to meet its own domestic demand. The major production centers in India are Chennai, Ranipet, Ambur in Tamil Nadu, Mumbai in Maharashtra, Kanpur and Agra in U.P., Jalandhar in Punjab, Delhi, Karnal, Ludhiana, Sonapat, Faridabad, Pune, Kolkata, Calicut and Ernakulam. About 1.10 million workforce are engaged in the footwear manufacturing industry.

Footwear exported from India are Dress Shoes, Casuals, Moccasins, Sport Shoes, Horrachies, Sandals, Ballerinas, Boots, Sandals and Chappals made of rubber, plastic, P.V.C. and other materials.

The Footwear sector is now de-licensed and de-reserved, paving the way for expansion of capacities on modern lines with state-of-the-art machinery. To further assist this process, the Government has permitted 100% Foreign Direct Investment through the automatic route for the footwear sector.

Conducive Investment climate towards attracting overseas investments and increasing cost competitiveness. The Government of India is setting up dedicated Footwear Complex and Footwear Components Part where footwear clusters are located.

The challenge for Indian Footwear Industry is large but anticipating India to become amongst top 5 Superpowers in 2030, our consumption rates can reach as high as 7-8 Pairs. In such a scenario, India would need to produce anywhere between 8-10 billion pairs consider yearly population growth.

Consolidating mid-term status by 2020, the potential target for Indian Footwear Industry will equalize consumption pattern of 3-4 pairs. With six/seven years to go, Our Country need to scale our production from current level of 2 billion pairs to nearly 5 billion pairs at a CAGR rate of 30-40%.
(Source:- <https://retail.economicstimes.indiatimes.com/re-tales/indian-footwear-industry-a-perspective/81>)

Footwear – Global Scenario and India's share

The global import of Footwear (both made of leather as well as non-leather) increased from US\$ 124.43 billion in 2013 to US\$ 134.943 billion in 2017, growing at a CAGR of 2.1%. During 2017, the India's share in the global import is 2%. (Source:- <http://indiatradefair.com/>)

Footwear is the engine of growth of the leather industry in India. India's export of Footwear touched US\$ 1933.13 million in 2016-17, accounting for a share of 45 % in India's total export from the leather sector of US\$ 5739.93Mn.

- India's export of leather footwear had increased from US\$ 2018.18 million in 2012-13 to US\$ 1933.13 million in 2016-17.
- India's export of footwear components had increased from US\$ 320 million in 2012-13 to US\$ 335.24 million in 2016-17
- India's export of non-leather footwear has increased from US\$ 202.06 million in 2012-13 to US\$ 296.68 million in 2016-17

(Source:- India trade fair Report-2019)

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Opportunities

The Indian footwear and leather industry is export-oriented and the government is taking initiatives to increase the leather and footwear export. The government has also announced INR 26,000 million (USD 364 million) incentive package for the leather and footwear industry. This will help players operating in the organized sector better deal with pricing pressure, along with employing 300,000 people. Under the National Skill Certification & Monetary Reward Scheme, around 60,358 youth have been trained for various jobs in the leather and footwear industry since July 2015. Beside this, due to Corona crisis industry is hopeful to reduce its labour cost. Now these days, Indian government take initiative to promote make in India programme, which become very helpful for Indian leather industry.

Threats

Nearly 85% of the Indian footwear industry comprises of unorganized players. These players sell their products at unimaginably low prices and have benefits such as lower sales tax, lower overhead cost, lower labor cost and absence of research and development (R&D) expenses. This will intensify competition as organized players will pass the price benefits to the consumers, while unorganized players try to enter the organized space. Beside this, Chinese goods and non-leather footwear products is a potential threat to our business and Company is working forward thwarting the said threat.

Impact of COVI-19 on Company

The operations of the Company was shut down as per the lockdown directives of Government, which may affect the upcoming financial results for financial year 2020-21, and will have an impact on the Financials for the year 2020-21. There is lots of wastage of Materials which were work in progress. Due to which The Company has not mitigated the export targets and many orders still on reconfirmation from buyers. Foreign buyers is avoiding to reconfirming the previous orders, as the company still unable to fulfill their previous orders.

On the other hand, the Raw material was not available at local level. during pandemic supplier chain has affected and prices of Raw Materials expected to increase.

Details of significant changes in key financial ratios alongwith explanation

In compliance with the requirement of the Listing Regulations, the key financial ratios of the Company alongwith explanation for significant changes (i.e., for change of 25% or more as compared to the immediately previous financial year will be termed as 'significant changes'). Accordingly, the Company has no Significant changes during the year.

Outlook

From the reports available in public domain, it is believed that the global economic recovery is in its way. It is only hoped that the growth momentum gathers, steam soon and fast. Indian Footwear industry is generally competitive and considering the positive business conditions developing, outlook for Footwear appears to be good. The Company is actively engaged in taking appropriate steps to grab these opportunities in order to improve its market share.

Risks and Concerns

The Chinese Products, Non-Leather goods, Counterfeit products and technology obsolescence are the risk factors of footwear industry. Besides that, the Government policies and volatile economic environment have a bearing on the overall performance of the company. Continuous Quality Improvement as well as maintaining a balance between the quality and price of products is the need of hour as there are different demand pattern all over the world

Internal Control Systems and their Adequacy

The Company's internal control systems are commensurate with the nature and size of its business. These systems ensure that all assets of the Company are safeguarded and protected against any loss or damage and that all transactions are properly authorized, recorded and accounted for.

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Material Developments in Human Resources/ Industrial Relations Front, Including Number of People Employed

It is the Company's firm belief that its people constitute the primary source of its sustainable competitive advantage. For success in the footwear market, skills and workmanship are important to create superior products with excellent finish and to accomplish the same, Company regularly strives to train and equip its employees as per the Industry demand.

Cautionary Statement

Statement in this Management Discussion and Analysis describing the Company's objective, projects, estimates and expectations may be 'forward-looking statement' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. Several factors could make a significant difference to the Company's operations. These include economic conditions, government regulations and tax laws, political situation, natural calamities, among others, over which the Company does not have any direct control.

JAISWAL MISRA & COMPANY

Chartered Accountants

15/271-C, Civil Lines

Kanpur - 208 001

Phone: 0512-2333722

E-mail: jmc_ca_knp@yahoo.com

**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****1. To the members of AKI India Limited**

We have examined the compliance of conditions of corporate governance by AKI India Limited ("the Company"), for the year ended on March 31, 2021, as stipulated in regulation 17 to 27 and clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

2. Management's responsibility

The compliance of conditions of corporate governance is the responsibility of management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of corporate governance stipulated in the SEBI Listing Regulations.

3. Auditors' responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither audit nor expression of opinion on the financial statements of the Company.

4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with corporate governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



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7. Opinion

Based on our examination of the relevant records and according to the information and explanation provided to us and representations provided by management, we certify that the Company has complied with the conditions of corporate governance as specified in regulation 17 to 27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, as applicable during the year ended March 31, 2021.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jaiswal Misra & Company
Chartered Accountants



Jaiswal

(CA. Rakesh Kumar Jaiswal)

Partner

M. No. 078188 / FRN No. 010703C

UDIN : 21078188AAAAEB4874

Place : Kanpur

Dated : 28th Day of June, 2021

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INDEPENDENT AUDITORS' REPORT

To the Members of AKI India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AKI India Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the Statement of Profit and Loss (including other comprehensive income), and statement of cash flows and the statement of change in equity for the year then ended, and notes to the financial statements, including 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 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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



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Principal Audit Procedures

- We assessed the Company's process to identify, assess, and respond to risks of material misstatement considering the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results for the year under consideration
- As part of the evaluation of whether sufficient appropriate audit evidence has been obtained, we have evaluated the appropriateness of our initial risk assessments and revises previous risk assessments in light of the COVID-19 crisis for certain financial statement areas, including disclosures.
- We have considered the impact on the processes and controls that may be affected by necessary changes to business processes in light of circumstances such as travel restrictions, or as a result of remote working arrangements.
- We have designed, performed new procedures and modified previously planned audit procedures as a result of the necessity for carrying out the audit procedures remotely, including verification of the source and completeness of data provided for audit. This includes performing alternative audit procedures to obtain audit comfort in respect of significant account balances for recognition, measurement and disclosures.
- We have audited the management's estimates required in the financial statements, including, but not limited to, estimates related to expected credit loss, inventory obsolescence, impairment analyses by checking the reasonableness of underlying assumptions in making those key estimates.
- We have considered the basis of management judgment in determining impact on the financial statements of any subsequent events related to the COVID-19 pandemic, taking into consideration the date of the financial statements, the facts and circumstances pertaining to the entity, and the conditions that existed at, or arose after, that date.
- We have carried out a detailed analysis of data and performed additional analytical procedures for validating the management's assessment of impact due to covid'19 related uncertainties
- We have considered management's adjustments or disclosures which includes the impact of the changes in the environment on the recognition and measurement of account balances and transactions in the financial statements or other specific disclosures.



JAISWAL MISRA & COMPANY Chartered Accountants 15/271-C, Civil Lines Kanpur - 208 001 Phone: 0512-2333722 E-mail: jmc_ca_knp@yahoo.com		
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Emphasis of Matter

As more specifically explained in Note 2 to the financial statements, the Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Our opinion is not modified in respect of this matter.

Other Matters

The entire audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the 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.

Responsibility of Management for 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 financial statements that give a true and fair view of the financial position, financial performance, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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



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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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.



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**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, and on the basis of such checks of the books and records of the company as we considered appropriate and according to information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
3. Further to our comments in Annexure A, as required by Section 143(3) of the Act, 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 statement of Cash Flows and statement of change in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as of March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 B". 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



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Chartered Accountants

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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; and

- a. 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, 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 – Refer Note no. 30 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Jaiswal Misra & Company
Chartered Accountants



(CA. Rakesh Kumar Jaiswal)
Partner

M. No. 078188 / FRN No. 010703C
UDIN : 21078188AAAAEB4874

Place : Kanpur

Dated : 28th Day of June, 2021

JAISWAL MISRA & COMPANY**Chartered Accountants**

15/271-C, Civil Lines

Kanpur - 208 001

Phone: 0512-2333722

E-mail: jmc_ca_knp@yahoo.com

**Annexure 'A' to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of AKI INDIA LIMITED of even date)

1.	In respect of the Company's fixed assets:
(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b)	The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
(c)	According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2.	The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
3.	According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4.	In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
5.	In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6.	The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.



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7.	In respect of statutory dues:
(a)	According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable
(b)	According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8.	In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9.	The term loans taken during the year have been applied for the purposes for which those are raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
10.	To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11.	In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12.	The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13.	According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14.	According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible



JAISWAL MISRA & COMPANY Chartered Accountants 15/271-C, Civil Lines Kanpur - 208 001 Phone: 0512-2333722 E-mail: jmc_ca_knp@yahoo.com		
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	debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15	According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16	According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Jaiswal Misra & Company
Chartered Accountants



Jaiswal

(CA. Rakesh Kumar Jaiswal)
Partner
M. No. 078188 / FRN No. 010703C
UDIN : 21078188AAAAEB4874

Place : Kanpur
Dated : 28th Day of June, 2021

JAISWAL MISRA & COMPANY

Chartered Accountants

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**Annexure B to the Independent Auditors' Report**

(Referred to in paragraph 3(f) of our report of even date on the financial statements for the financial year ended March 31, 2021 of AKI India Limited)

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

Opinion

We have audited the internal financial controls with reference to financial statements of **AKI India Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

Management's Responsibility for Internal Financial Controls

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an



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audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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 over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Jaiswal Misra & Company
Chartered Accountants



(CA. Rakesh Kumar Jaiswal)

Partner

M. No. 078188 / FRN No. 010703C

UDIN : 21078188AAAAEB4874

Place : Kanpur

Dated : 28th Day of June, 2021

ANNUAL REPORT 2021

AKI INDIA LIMITED

Regd. Office: 9/6 (II) Asharfabad, Jajmau, Kanpur

Balance Sheet as at 31st March, 2021

Particulars	Note No.	31.03.2021	31.03.2020
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	1	102,970,000.00	102,970,000.00
(b) Reserves and Surplus	2	25,341,650.48	23,987,985.01
<u>(2) Share Application money pending allotment</u>	3	0.00	0.00
<u>(3) Non-Current Liabilities</u>			
(a) Long-Term Borrowings	4	77,585,165.00	70,741,030.71
(b) Deferred Tax Liabilities (Net)	5	5,025,924.00	2,259,835.00
(c) Other Long Term Liabilities	6	0.00	0.00
(d) Long Term Provisions	7	0.00	0.00
<u>(4) Current Liabilities</u>			
(a) Short Term Borrowings	8	188,084,173.23	129,992,765.17
(b) Trade Payables	9	148,116,997.53	151,676,662.16
(c) Other Current Liabilities	10	16,079,335.60	17,679,109.92
(d) Short-Term Provisions	11	5,516,873.35	4,428,282.20
Total Equity & Liabilities		568,720,119.19	503,735,670.17
II.ASSETS			
<u>(1) Non-Current Assets</u>			
<u>(a) Fixed Assets</u>			
(i) Tangible Assets	12	151,162,127.72	108,470,020.17
(ii) Intangible Assets	13	0.00	0.00
(ii) Capital Work in Progress	14	23,133,218.89	70,263,917.13
(b) Non-current investments	15	24,852,868.28	25,395,368.28
(c) Deferred tax assets (net)	16	0.00	0.00
(d) Long term loans and advances	17	0.00	0.00
(e) Other non-current assets	18	2,187,153.20	3,098,479.80
<u>(2) Current Assets</u>			
(a) Current Investment	19	0.00	0.00
(b) Inventories	20	149,830,494.73	160,778,678.84
(c) Trade receivables	21	160,966,992.48	93,616,057.20
(d) Cash and cash equivalents	22	11,599,951.65	12,615,504.59
(e) Short-term loans and advances	23	10,556,975.17	4,450,464.70
(f) Other current assets	24	34,430,337.07	25,047,179.46
Total Assets		568,720,119.19	503,735,670.17

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AKI INDIA LIMITED

Regd. Office: 9/6 (II) Asharfabad, Jajmau, Kanpur

Profit & Loss Statement for the Period Ended on 31st March, 2021

Sr. No	Particulars	Note No.	31.03.2021	31.03.2020
I	Revenue from operations	25	448,520,227.03	410,366,202.10
II	Other Income	26	29,801,399.90	20,518,416.07
	III. Total Revenue		478,321,626.93	430,884,618.17
	Expenses:			
	Cost of materials consumed	27	267,792,546.68	247,092,532.89
	Purchase of Stock -in-Trade	28	70,800,826.36	69,973,688.80
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	392,628.11	(19,738,743.69)
	Employee Benefit Expense	30	18,524,878.37	19,418,066.38
	Financial Costs	31	13,276,051.86	12,956,474.48
	Depreciation and Amortization Expense	32	22,672,119.47	17,492,005.93
	Other Expenses	33	75,387,167.61	73,120,239.78
	IV. Total Expenses		468,846,218.46	420,314,264.57
V	Profit before exceptional and extraordinary items and tax		9,475,408.47	10,570,353.60
VI	Exceptional Items		0.00	0.00
VII	Profit before extraordinary items and tax		9,475,408.47	10,570,353.60
VIII	Extraordinary Items		7,588,000.00	0.00
IX	Profit before tax		17,063,408.47	10,570,353.60
X	Tax expense:			
	(1) Current tax		5,378,240.00	4,253,629.00
	(2) Deferred tax Expenses/(Income)		2,766,089.00	(1,228,957.00)
	(3) Deferred tax		0.00	0.00
	Profit(Loss) for the period from continuing operations		8,919,079.47	7,545,681.60
	Profit/(Loss) from discontinuing operations		0.00	0.00
	Tax expense of discounting operations		0.00	0.00
	Profit/(Loss) from Discontinuing operations		0.00	0.00
	Profit/(Loss) for the period		8,919,079.47	7,545,681.60
	Earning per equity share:	34		
	(1) Basic		1.13	0.61
	(2) Diluted		1.13	0.61

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AKI INDIA LIMITED

Regd. Office: 9/6 (II) Asharfabad, Jajmau, Kanpur

Notes to the Financial Statements for the period ended on 31st March, 2021

Note : 1 Share Capital

Sr. No	Particulars	31/03/2021	31/03/2020
1	<u>AUTHORISED CAPITAL</u> 11000000 Equity shares of Rs.10/- each	110000000.00	110000000.00
		110000000.00	110000000.00
2	<u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u> 1,02,97,000 Equity shares of Rs.10/- each	102970000.00	102970000.00
	Total	102970000.00	102970000.00

The reconciliation of the number of shares outstanding at the beginning of the year and at the end of the reporting period

Note 1.1 (a) AUTHORISED CAPITAL

Sr. No	Particulars	31/03/2021		31/03/2020	
		Number	Amount	Number	Amount
1	<u>EQUITY SHARES OF RS 10 EACH</u> Shares outstanding at the beginning of year	11000000.00	110000000.00	11000000.00	110000000.00
	Shares Increased during the year	0.00	0.00	0.00	0.00
	Shares outstanding at the end of the year	11000000.00	110000000.00	11000000.00	110000000.00

Note 1.1 (b) ISSUED , SUBSCRIBED & PAID UP CAPITAL

Sr. No	Particulars	31/03/2021		31/03/2020	
		Number	Amount	Number	Amount
1	<u>EQUITY SHARES OF RS 10 EACH</u> Shares outstanding at the beginning of year	10297000	102970000	10297000	102970000
	Shares Issued during the year	0	0	0	0
	Shares outstanding at the end of the year	10297000	102970000	10297000	102970000

The company has only one kind of shares referred to as Equity share having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

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The company has neither declared nor paid any dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 1.2 Details of the shareholders of the company holding more than 5 % shares in the company

Sr. No	Particulars	31/03/2021		31/03/2020	
		No of shares	% of holding	No of shares	% of holding
1	Equity Shares of Rs 10 Each Fully paid up				
1	Asad Kamal Iraqui	4298520	41.75	4298520	41.75
2	Osama Anwar	569130	5.53	569130	5.53
3	Anwar Kamal Iraqui	1396650	13.56	1396650	13.56
4	Samina Asad	810747	7.87	810747	7.87
	Total	7075047.00		7075047.00	

Note : 2 Reserves & Surplus

Sr. No	Particulars	31/03/2021	31/03/2020
1	Surplus		
	Balance brought forward from previous year	21187985.01	13642303.41
	Add: Profit for the period	8919079.47	7545681.60
	Add: Adjustment for Income Tax	22586.00	
	Less: Deemed Profit on Purchase of Land	7588000.00	
		22541650.48	21187985.01
2	Security Premium	2800000.00	2800000.00
	Total	25341650.48	23987985.01

Note : 3 Share Application Money
Pending Allotment

Sr. No	Particulars	31/03/2021	31/03/2020
	Share Application Money	0.00	0.00
	Total	0.00	0.00

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Note : 4 Long Term Borrowings

Sr. No	Particulars	31/03/2021		31/03/2020	
		Non Current	Current	Non Current	Current
1	Secured Loan Tata Capital Finance Limited	0.00	0.00	175744.00	0.00
	AXIS Bank Ltd. T/Loan	23420356.00	0.00	17165286.71	0.00
	Kotak Mahindra (New Scorpio)	764809.00	0.00	0.00	0.00
2	Unsecured loans				
	Loans and Advances from Directors	0.00	0.00	0.00	0.00
	Loans and Advances from Directors' Interested (Saldo International Pvt. Ltd.)	53400000.00	0.00	53400000.00	0.00
	Total	77585165.00	0.00	70741030.71	0.00

The Term Loans with the AXIS Bank, as aforesaid at point numbers 1 are secured EMG/first charge on factory land and building & Plant & Machinery. Hypothecation/first charge on P & M and other moveable assets. Further, in respect of the said loans the following assets serve as collateral security :

EMG of free hold plot of land & building premises no. 9/6 (II) Ashrfabad in the name of Mr. Anwar Kamal Iraqi, EMG of free hold plot of land & building premises no. 9/6 (II) Ashrfabad in the name of Mr. Asad Kamal Iraqi, EMG of part plot no. 2A (1) A, factory area jajmua, kanpur in the name of Mr. Asad Kamal Iraqi, EMG of part plot no. 2A (1) A, factory area jajmua, kanpur in the name of Mr. Anwar Kamal Iraqi, EMG of factory land and building situated at Chakrampur, Akbarpur, Andar Bagal Palika Unnao, in the name of Anwar Kamal Iraqi and EMG of plot no. 25 situated at factory area, jajmau, kanpur in the name of Saleha Khatoon and Samina Asad Iraqi.

Furthermore, the following individuals have given a personal guarantee for the said loans :

Sri Asad Kamal Iraqi
Sri Anwar Kamal Iraqi
Sri Osama Anwar
Smt. Saleha Khatoon
Smt. Samina Asad Iraqi

As per the information and explanation made available to us, there were no continuing defaults in repayment of loans and the interests thereon.

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The unsecured deposits as aforesaid at point no. 2 have been taken from the directors and equity shareholders of the company. The company does have an unconditional right to defer settlement of liability for a period exceeding one year after the reporting date.

Note 5: Deffered Tax Liability

Sr. No	Particulars	31/03/2021	31/03/2020
1	<u>Deferred Tax Liability..on Depreciation</u>		
	Opening Balance	2259835.00	3488792.00
	Add: Addition (reversal) during the year	2766089.00	-1228957.00
	Total	5025924.00	2259835.00

Note: 6 Other Long Term Liabilities

Sr. No	Particulars	31/03/2021	31/03/2020
1	Advance from Customers	0.00	0.00
	Total	0.00	0.00

Note : 7 Long Term Provisions

Sr. No	Particulars	31/03/2021	31/03/2020
1	Provision for Employee Benefit Gratuity (unfunded)	0.00	0.00
	Total	0.00	0.00

Note : 8 Short Term Borrowings

Sr. No	Particulars	31/03/2021	31/03/2020
1	AXIS Bank-PCFC - EURO	0.00	2113245.90
2	AXIS Bank PCL	86336912.76	88443082.24
3	AXIS Bank ILC	19110190.20	0.00
4	AXIS Bank ECGL	32500000.00	0.00
5	AXIS Bank-PCFC - GBP	12844120.00	0.00
6	AXIS Bank-USD - 1739	13828686.03	13948289.91
7	Axis Bank -CC-----69044	23464264.24	25488147.12
	Total	188084173.23	129992765.17

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Note : 9 Trades Payable

Sr. No	Particulars	31/03/2021	31/03/2020
1	<u>Sundry Creditors for Materiel/Supplies:</u> Sundry Creditors: Upto six month More than six month	125664900.27 15104026.50	114638080.03 30846614.14
2	Advance from Customers	7348070.76	6191967.99
	Total	148116997.53	151676662.16

The Company does not owe any dues outstanding for more than the period specified in Micro, Small & Medium Enterprises Development Act, 2006 as at 31st March, 2021, to any Micro, Small & Medium Enterprises. This information is based on data available with the Company.

Confirmation of Balances from Sundry Debtors, Creditors and loans and Advances have been received in certain cases wherever the confirmation of balances are pending, the balances are appearing in the books of accounts.

Note : 10 Other Current Liabilities

Sr. No	Particulars	31/03/2021	31/03/2020
1	Current maturities of long term debt Kotak Mahindra Prime Ltd. Kotak Mahindra Bank Ltd. (New Scorpio) Tata Capital Financial Services Ltd. Bajaj Finance Ltd.	0.00 462638.00 577676.00 0.00	608922.00 0.00 1927272.00 1052185.00
2	AXIS Bank Ltd. T/Loan Other Payables Directors' Remuneration Payable Telephone Expenses Payable Electricity Expenses Payable Audit Fees Payable Salary Payable Clearing & Forwarding Exp. Payable Professional Exp. Payable Freight Inward Payable Manufacturing Exps. Payable	12000000.00 65000.00 20213.77 800483.00 75000.00 1418163.83 0.00 18500.00 0.00 641661.00	12000000.00 180780.00 13492.42 366594.00 75000.00 258277.10 231456.40 0.00 107175.00 857956.00
	Total	16079335.60	17679109.92

Note : 11 Short Term Provisions

Sr. No	Particulars	31/03/2021	31/03/2020
1	- T.D.S. Payable	79972.00	120138.00
2	T.C.S. Payable	16246.35	0.00
3	Income Tax Payable F.Y.2019-20	0.00	4253629.00
4	Income Tax Payable F.Y.2020-21	5378240.00	0.00
5	EPF Payable	36055.00	46975.00
6	ESIC Payable	6360.00	7540.20
	Total	5516873.35	4428282.20

ANNUAL REPORT 2021

AKI INDIA LIMITED

Regd. Office: 9/6 (II) Asharfabad, Jajmau, Kanpur

Notes to the Financial Statements for the period ended on 31st March, 2021

Note : 12 Tangible Assets

Sr. No	Particulars	31/03/2021	31/03/2020
1	Tangible Assets	151162127.72	108470020.17
	Total	151162127.72	108470020.17

Note : 13 Intangible Assets

Sr. No	Particulars	31/03/2021	31/03/2020
1	Intangible Assets	0.00	0.00
	Total	0.00	0.00

Note : 14 Capital Work in Progress

Sr. No	Particulars	31/03/2021	31/03/2020
1	Building Under Constructions	22840622.79	16201754.77
2	Vehicle	292596.10	0.00
3	Plant & Machinery	0.00	54062162.36
	Total	23133218.89	70263917.13

Note : 15 Non Current Investment

Sr. No	Particulars	31/03/2021	31/03/2020
1	Other Investments Investment in Equity Instruments	24852868.28	25395368.28
	Total	24852868.28	25395368.28

Note : 16 Deffered Tax Asset

Sr. No	Particulars	31/03/2021	31/03/2020
	Deferred Tax Asset on Depreciation		
	Opening Balance	0.00	0.00
	Add: Creation of asset	0.00	0.00
		0.00	0.00

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Note : 16 Deffered Tax Asset

Sr. No	Particulars	31/03/2021	31/03/2020
	<u>Deferred Tax Asset..on Gratuity</u>		
	Opening Balance	0.00	0.00
	Add: Addition during the year	0.00	0.00
	Total	0.00	0.00

Note : 17 Long Term Loans and Advances

Sr. No	Particulars	31/03/2021	31/03/2020
I)	<u>Capital Assets</u>		
	a) Secured, Considered Good :	0.00	0.00
	b) Unsecured, Considered Good :	0.00	0.00
	c) Doubtful Unsecured Considered good	0.00	0.00
II)	Loans & Advances to related parties	0.00	0.00
III)			
IV)	<u>Other Loans & Advances</u>		
	Kanpur Unnao Leather Cluster Develop. Co. Ltd.	0.00	0.00
	Advances to customers	0.00	0.00
	Prepaid Expenses	0.00	0.00
	Total	0.00	0.00

Note : 18 Other Non Current Assets

Sr. No	Particulars	31/03/2021	31/03/2020
1	Security with Telephone	500.00	500.00
2	IPO Expenses	1822653.20	2733979.80
3	Security with BSE	308000.00	308000.00
4	Security with Electricity Deptt.	56000.00	56000.00
	Total	2187153.20	3098479.80

Note : 19 Current Investment

Sr. No	Particulars	31/03/2021	31/03/2020
1	Investments	0.00	0.00
	Total	0.00	0.00

Note : 20 Inventories

Sr. No	Particulars	31/03/2021	31/03/2020
1	Finished Goods	42358470.0 0	22013383.00
2	Work-in-Progress	21673524.0 0	34268573.00
3	Raw materials	72864283.2 1	86164321.21
4	Finished Goods(Chemical)	10189735.5	18332401.63

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		2	
5	Stock in Transit	2744482.00	0.00
	Total	149830494.73	160778678.84

Note : 21 Trade Receivables

Sr. No	Particulars	31/03/2021	31/03/2020
	<u>Unsecured Considered good</u> Trade receivable outstanding for a period of less than six months from the date they are due for payment	125659197.79	69423664.84
	Trade receivable outstanding for a period of more than six months from the date they are due for payment	35307794.69	24192392.36
	Total	160966992.48	93616057.20

Confirmation of Balances from Sundry Debtors have been received in certain cases wherever the confirmation of balances are pending, the balances are appearing in the books of accounts.

Sundry Debtors include dues from the following companies under the same management arising under the normal course of business : NIL

Trade Recievable above Includes:

Particulars	31/03/2021	31/03/2020
Private Company in which the Director of the Company is a director	0.00	0.00
Public Company in which Director of the company is a director	0.00	0.00

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Note : 22 Cash & Cash Equivalent

Sr. No	Particulars	31/03/2021	31/03/2020
1	Balances with Bank		
	Punjab National Bank	20859.70	20859.70
	The J & K Bank Ltd. CD 3551		0.00
	The J & K Bank Ltd. CD 3123		0.00
	State Bank of India (Mumbai)	142112.20	1199255.40
	Punjab National Bank (New Delhi A/c No. 404--576)	347581.74	1039429.60
	Punjab National Bank (New Delhi)		5625.50
	UCO Bank	12185.86	11922.96
	Canara Bank		0.00
	The J & K Bank Ltd. (Share)	9878.10	9878.10
	Axis Bank A/c----852	29576.91	56519.70
	Axis Bank A/c----392		11469.58
	Axis Bank A/c----503	975921.00	34510.00
	Axis Bank A/c----481		27800.38
	Axis Bank EEFC USD-----314	715465.00	0.00
	Axis Bank EEFC EURO-----9291	1304717.00	0.00
	The J & K Bank Ltd. (CD 3122)	89679.78	1297273.29
	The J & K Bank Ltd. (CC-61)	46438.15	151425.38
	J&K Bank B.G.		0.00
	Bank FDR	7151924.00	7371666.00
2	Cash-in-Hand	753612.21	1377869.00
	Total [A + B]	11599951.65	12615504.59

Note:23 Short Terms Loans and Advances

Sr. No	Particulars	31/03/2021	31/03/2020
	<u>Unsecured considered good</u>		
1	Other Advance	1363890.00	1581494.79
2	Advance for Land	1619900.00	0.00
3	Advances to Contractors	18214.00	0.00
4	Advances to Suppliers	7554971.17	2868969.91
	Total	10556975.17	4450464.70

Note :24 Other Current Assets

Sr. No	Particulars	31/03/2021	31/03/2020
1	Input Vat Credit	984173.72	984173.72
2	Advance Income Tax	3900000.00	3750000.00
3	Duty Draw Back	2877208.57	667126.57

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	Receivable		
4	TDS Receivable	182319.62	666140.00
	TDS Receivable on NBFC		
5	Loan	101179.81	0.00
6	TCS Receivable	92856.02	0.00
	Insurance Claim		
7	Receivable	854735.00	0.00
8	GST Receivable	25312820.13	18854694.97
	Vat on Capital Goods		
9	Receivable (15-16)	41077.00	41077.00
	Vat on Capital Goods		
10	Receivable (16-17)	62840.20	62840.20
	Vat on Capital Goods		
11	Receivable (17-18)	21127.00	21127.00
	Total	34430337.07	25047179.46

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AKI INDIA LIMITED

Regd. Office: 9/6 (II) Asharfabad, Jajmau, Kanpur

Notes to the Financial Statements for the period ended on 31st March, 2021

Note : 25 Revenue from Operations

Sr. No	Particulars	31/03/2021	31/03/2020
1	Sales of products		
i)	Finished Goods -Export	298949972.24	242,703,945.19
ii)	Finished Goods -Indigeneous	72715990.22	124,718,260.04
iii)	Traded goods	68100960.96	42,943,996.87
2	Sale of Services		
i)	Income from Job Work	7898568.61	0.00
3	Loss of Stock	854735.00	0.00
	Total	448,520,227.03	410,366,202.10

Note : 26 Other Income

Sr. No	Particulars	31/03/2021	31/03/2020
1	Duty Draw Back	5249012.00	4285068.57
2	Rebate & Discount Recd.	398061.00	47943.50
3	Exchange Rate Difference	2767856.92	3692283.84
4	Export Promotion Bureau - Claim	0.00	278000.00
5	Central Leather Research Institute	7220412.00	0.00
6	Freight Received	2077233.50	2339124.20
7	M.D.A. / Spoga Fair Claim	275000.00	0.00
8	Sale of Licence	6271752.00	7519743.00
9	Round Off	0.00	790.81
10	Interest on FDR	250842.00	454365.00
11	Interest on Security (B & L)	58629.00	0.00
12	Balances written off	2458491.23	658657.15
13	Training Fee	113500.00	62500.00
14	Marketing Development Incentive	0.00	472684.00
15	Income on forward Currency Contract	244815.75	208737.00
16	Incentive on Purchase	2174660.50	213983.00
17	Other Charges	97624.00	0.00
18	Claim for Charges & Interest	0.00	276132.00
19	Sale of Scrap/FOC	143510.00	8404.00
	Total	29801399.90	20518416.07

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Note: 27 Cost of Material Consumed

Sr. No	Particulars	31/03/2021	31/03/2020
1	<u>A. RAW MATERIALS</u>		
	Opening stock	86164321.21	84201294.09
	Purchases	254492508.68	249055560.01
		340656829.89	333256854.10
	Less: Closing stock	72864283.21	86164321.21
	(A)	267792546.68	247092532.89
2	<u>B. STORES AND SPARES</u>		
	Opening stock	0.00	0.00
	Purchases	0.00	0.00
		0.00	0.00
	Less: Closing stock	0.00	0.00
	(B)	0.00	0.00
	Total (A+B)	267792546.68	247092532.89

Note : 28 Purchase of Stock-in-Trade

Sr. No	Particulars	31/03/2021	31/03/2020
1	Purchase of Traded Goods (Chemical)	70800826.36	69973688.80
	Total	70,800,826.36	69,973,688.80

Note: 29 Change in Inventories

Sr. No	Particulars	31/03/2021	31/03/2020
1	<u>A. Finished Goods</u>		
	Closing stock	42358470.00	22013383.00
	Opening stock	22013383.00	11938000.00
	(A)	(20345087.00)	(10075383.00)
2	<u>B. Work in Process</u>		
	Closing stock	21673524.00	34268573.00
	Opening stock	34268573.00	31814000.00
	(B)	12595049.00	(2454573.00)
3	<u>B. Stock in Trade</u>		
	Closing stock	10189735.52	18332401.63
	Opening stock	18332401.63	11123613.94
		8142666.11	(7208787.69)
		392628.11	(19738743.69)

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Notes to the Financial Statements for the period ended on 31st March, 2021

Note : 30 Employee Benefit Expenses

Sr. No	Particulars	31/03/2021	31/03/2020
1	Salaries and Wages	17753564.20	18510199.00
2	Staff & Workmen welfare	158672.17	244882.18
3	EPF & ESIC Expenses	455357.00	524845.20
4	Bonus	157285.00	138140.00
	Total	18524878.37	19418066.38

Note : 31 Financial Cost

Sr. No	Particulars	31/03/2021	31/03/2020
1	Interest Expense	12072138.79	10659750.64
2	Other Borrowing Cost (Bank Charges)	1203913.07	2296723.84
	Total	13276051.86	12956474.48

Note : 32 Depreciation & Amortised Cost

Sr. No	Particulars	31/03/2021	31/03/2020
	Depreciation Expense	22672119.47	17492005.93
	Total	22672119.47	17492005.93

Note : 33 Other Expenses

Sr. No	Particulars	31/03/2021	31/03/2020
(A)	<u>DIRECT/PRODUCTIONS EXPENSES</u>		
1	Power and Fuel	9379153.35	9664119.97
2	Freight and Cartage	8537340.00	9017319.70
3	Fabrication Charges	15001381.00	17564624.00
4	Job work paid	60484.00	770881.00
5	Clearing & Forwarding Import Expenses	459346.39	216530.17
6	Custom / Import Duty	707092.97	401784.10
7	GST Expenses	151654.00	165021.60
		34296451.71	37800280.54
(B)	<u>Administrative, Selling & Distribution Expenses</u>		
1	Advertisement Expenses	15000.00	21000.00
2	Audit fee	75000.00	75000.00
3	Books Paper & Periodicals	1520.00	1424.00
4	Stock Exchange Expenses	501877.50	372435.00
5	Business Promotion/Export Promotion/Website	209703.00	117503.00
6	Clearing & Forwarding Expenses	4286298.75	5013695.50
7	Clearing Sea Freight	4011412.00	2453494.00

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8	Commission on Exports	12144757.02	9852967.90
9	Computer Maintenance	431783.67	67777.18
10	Conveyance	244334.00	224624.00
11	Director Remuneration	1290000.00	1800000.00
12	Electrical Expenses	645142.67	255902.11
13	Freight & Cartage Outward	953201.00	984755.00
14	Generator Running & Maintenance	38140.00	97756.24
15	Govt. Fee	7700.00	78123.73
16	GST Expenses	338606.95	14087.80
17	Rates & Taxes	126128.00	179674.00
18	Insurance charges	814728.00	548125.00
19	Interest on T D S	243.00	8419.00
20	Interest on Income Tax Paid	0.00	6927.00
21	Internet Expenses	41730.00	42903.00
22	IPO Expenses	911326.60	911326.60
23	Legal & Professional Charges	373870.00	710593.00
24	Loading & Unloading Expenses	450747.00	515897.00
25	License Expenses	77805.00	0.00
26	Loss on Sale of Car	72078.00	0.00
27	Membership Fees	77319.57	67465.82
28	Miscellaneous / General Exps	138609.00	208492.91
29	MEIS & DBK Surrender	0.00	260275.00
30	Office Maintenance Charges	93063.50	83240.00
31	Enviroment/ Pollution Expenses	519420.20	448121.60
32	Postage and Courier Charges	12316.00	11991.00
33	Printing & Stationary	123893.00	155734.57
34	R O C Expenses	27900.00	15000.00
35	Rebate & Discount	567533.00	116.25
36	Repairs & maintenance - Building	1440134.82	215596.00
37	Repairs & Maintenance - Plant & Machinery	8180611.04	5147798.26
38	Round Off	31.21	4.66
39	Social/ Environmental Responsibility	510255.00	106996.00
40	Telephone / Internet/Telex Exps	146206.01	174910.64
41	Testing Fee	196350.00	206469.00
42	Tools,Dies & Moulds	82573.40	116747.00
43	Trade Fair Expenses	0.00	980481.96
44	Travelling Expenses (Foreign)	499198.82	1728168.46
45	Travelling Expenses (Local)	10525.00	219502.54
46	Vehicle Running & Maintenance	401644.17	818437.51
		41090715.90	35319959.24
	Total	75387167.61	73120239.78

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Note : 34 Earning Per Share

Sr. No	Particulars	44286.00	43921.00
	Net Profit or loss as per the statement of profit and Loss Account attributable to Equity Share holders	11685168.47	6316724.60
	Weighted Average number of Equity shares used as denominator for calculating EPS	10297000.00	10297000.00
	Basic and Diluted Earning Per share	1.13	0.61
	Face value per equity share	10.00	10.00

For **A K I India Limited**

For Jaiswal Misra & Company
Chartered Accountants
FRN. No.: 010703C

(Director)

(Director)

CA. Rakesh Kumar Jaiswal
Partner
M.No. 078188

Place: Kanpur

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1 .

A. CORPORATE INFORMATION

AKI INDIA LIMITED (“the company”) is a public limited company having its registered office situated at 9/6(II) ASHARFABAD, JAJMAU, KANPUR-208010(U.P.)

The Company’s equity shares are listed at the SME portal of Bombay Stock Exchange(BSE).

The principal activities of the company are manufacturing and exports of Leather, Leather Goods etc.

B. SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act) read with the companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. In addition, the guidance notes/announcements issued by the Institute of chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

Up to the year ended March 31, 2017, the company has prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the companies (Accounting Standards) Rules, 2006 and other relevant provision of the Act.

2. Basis of preparation

The financial statements have been prepared on the historical cost convention on accrual basis except for following assets and liabilities which have been measured at fair value amount:

- ☐ Certain financial assets and liabilities (Including derivative instruments).
- ☐ Defined benefit plans – plan assets

Historical cost is generally based on the fair value of the consideration given in exchange of goods or 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.

3. Operating cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current according to the Company’s operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months.

4. Company’s financial statements are presented in Indian rupees, which is also its functional currency.

5. The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumption that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumption are reviewed on an ongoing basis.

6. Revision to accounting estimates are recognized prospectively in the period in which the estimate is revised if the revision affects only that period; they are recognized in the period of the revision and future periods if the revision affects both current and future periods.

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7. Property, plant and equipment(PPE)

PPE are stated at cost of acquisition less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, levies and all incidental expenses attributable to the acquisition of assets up to the date of commissioning of the assets.

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, freight, duties, levies and all incidental expenses including borrowing costs attributable to the acquisition of assets up to the date of commissioning of the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

8. Investment Property

Property that is held for long term rental yields or for capital appreciation or both , and that is not occupied by the Company, is classified as investment property.

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. For this purpose, cost includes deemed cost which represent the carrying value of property, plant and equipment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as no current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Non-Current investments are carried at cost.

However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments

A provision for diminution in the value of investments is made only when the management is of the opinion that it is of a permanent nature.

Such costs includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use , net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

An item of property , plant and equipment or any significant part initially recognized of such item of property plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the income statement when the assets is derecognized.

9. Depreciation

Depreciable amount for assets is the cost of an asset, or other amounts substituted for cost, less its estimated residual value. Depreciation on tangible Properties has been provided on the W.D.V. in the manner and as per the useful life specified in schedule II to the Companies Act, 2013.

Depreciation is calculated on pro-rata basis only in respect of additions of the assets during the year.

No depreciation is provided on assets sold, discarded, etc during the year.

Depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for property, plant and equipment which, in many cases, are

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different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements Depreciation is calculated on pro-rata basis only in respect of additions of the assets during the year. No depreciation is provided on assets sold, discarded, etc during the year

10. Intangible Assets

Intangible assets are started at cost of acquisition net of recoverable taxes, trade discount and prebakes less accumulated amortization/depletion and impairment losses, if any. Such cost includes purchase price , borrowing costs, and any cost directly attributable to bring the assets to its working condition for the intended use, net charges of foreign exchange contracts and adjustments arising from exchange rate variation attributable to the intangible assets

Subsequent costs are include in the asset's carrying amount or recognized as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Gains and losses arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceed and the Carrying amount of the asset and are recongnised in the statement of Profit and Loss when the assets is derecognized.

Intangible assets being computer software is amortized on straight line method over the period of five years.

The Company has effected to continue with the carrying value of all of its intangibles assets recognized as on April 1.2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each period and adjusted prospectively if appropriate.

The amortisation expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

11 **Impairment of Assets Impairment of property, plant and equipment and intangible assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

12 **Lease Rentals**

Accounting for lease is depending on classification of lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. All other leases are classified as operating leases. Classification is made at the inception of the lease.

Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form. Situations that would normally lead to a lease being classified as a finance lease include the following:

Other situations that might also lead to classification as a finance lease are:

- ☐ if the lessee is entitled to cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee
- ☐ gains or losses from fluctuations in the fair value of the residual fall to the lessee (for example, by means of a rebate of lease payments)
- ☐ the lessee has the ability to continue to lease for a secondary period at a rent that is substantially lower than market rent

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13. Inventories

Inventories are valued at cost or not realizable value whichever is lower. The basis of determining the cost for various categories of inventory is as follows.

- (a) Raw materials , chemicals , components , stores & spares and stock in trade – cost includes cost of purchase (Net of recoverable taxes) and other costs incurred in bringing the inventories of their present location and condition , Cost is determined on FIFO basis.
- (b) Stock in process and finished goods – Direct cost plus appropriate share of overheads.
- (c) Saleable Scrap/ Waste/By products_ At estimated realizable value
- (d) Inter unit goods transfer-transfer price
- (e) Import Entitlement / Licenses –At estimated realizable/Utilization value

Netrealizable value is the estimated selling price in the ordinary course of business. Less estimated costs of completion and the estimated costs necessary to make the sale.

14. Foreign Currencies

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, re translated using the exchange rate at the date when such value was determined

iii) Exchange Differences

All exchange differences pertaining to monetary items are recognized as income or as expenses in the period in which they arise.

15. Investment in subsidiaries and Associates

Investment in subsidiaries and Associates are carried at cost less accumulated impairment, if any.

16. Fair Value measurement

Fair value is the prices 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either.

- . In the principal market for the asset or liability or
- . In the absence of a principal market .in the most advantageous market which can be accessed by the Company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economics best interest.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available in measure fair value maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows. Based on the lowest level input that is significant to the fair value measurement as a whole.

17. Gratuity

Provision has been made for employees who have completed five years of employment and are eligible for Gratuity payment.

18. Exchange Rate Difference

a) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.

b) Current assets and Current Liabilities being monetary items in foreign currency remaining unsettled at the year end are converted at the year end rates.

19. Earning per Share

The earning considered in ascertaining the company's earning per share comprises the net profit/(loss) for the period attributable to equity shareholders. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year.

20. Provision for Current and Deferred Tax

Provision for current income tax is made on the taxable income using the applicable tax rules and tax laws. Deferred tax arising on account of timing difference and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have enacted or substantively enacted. Deferred tax assets are not recognised unless there is sufficient assurance with respect to reversal of the same in future years.

21. Segment Reporting

Operating segments are reported in consistent manner with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the company. The CODM is responsible for allocating resources and assessing performance of the company.

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AKI INDIA LIMITED

Regd. Office: 9/6 (II) Asharfabad, Jajmau, Kanpur

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31st MARCH, 2021

Sl. No.	PARTICULARS	31.03.2021	31.03.2020
A.	<u>Cash flow from Operating Activities :</u>		
	Net Profit before taxation and extra ordinary items	9,475,408.47	10,570,353.60
	<u>Adjustment for :</u>		
	Depreciation	22,672,119.47	17,492,005.93
	Operating profit before working capital changes	32,147,527.94	28,062,359.53
	<u>Adjustments for movement in working Capital :</u>		
	(Increase)/Decrease in inventory	10,948,184.11	(21,701,770.81)
	(Increase)/Decrease in Debtors	(67,350,935.28)	13,124,630.79
	(Increase)/Decrease in Short Term Loans & Advances	(6,106,510.47)	3,096,959.41
	(Increase)/Decrease in Other Current Assets	(9,383,157.61)	5,340,026.08
	Increase/(Decrease) in Trade Payable	(3,559,664.63)	38,983,402.04
	Increase/(Decrease) in Other Current Liabilities	(1,599,774.32)	10,430,614.40
	Increase/(Decrease) in short term provisions	1,088,591.15	719,520.20
	Cash generated from Operations	(43,815,739.11)	78,055,741.64
	Direct Tax Paid	(5,378,240.00)	(4,253,629.00)
	Net cash from operating activities (A)	(49,193,979.11)	73,802,112.64
B.	<u>Cash flow from Investing Activities</u>		
	Additions in Fixed Assets	(18,377,640.78)	(64,225,411.06)
	Increase/(Decrease) in Capital	-	-
	Increase/(Decrease) in Investments	542,500.00	-
	(Increase)/Decrease in Non-Current Assets	911,326.60	547,326.60
	Sale of Fixed Assets	144,112.00	-
	Other Adjustment (Income Tax)	22,586.00	-
	Net cash from investing activities (B)	(16,757,116.18)	(63,678,084.46)
C.	<u>Cash flow from Financing Activities</u>		
	Increase/(Decrease) in short term Borrowings	58,091,408.06	(12,249,391.29)
	Increase/(Decrease) in long term Borrowings	6,844,134.29	4,755,834.71
	Net cash from financing activities (C)	64,935,542.35	(7,493,556.58)
	Net increase in cash and cash equivalents (A + B + C)	(1,015,552.94)	2,630,471.60

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Cash and cash equivalents at beginning of period	12,615,504.59	9,985,032.99
Cash and cash equivalents at end of period	11,599,951.65	12,615,504.59

For **A K I India Limited**

For Jaiswal Misra & Company
Chartered Accountants
FRN. No.: 010703C

(Director)

(Director)

CA. Rakesh Kumar Jaiswal
Partner
M.No. 078188

Place: Kanpur

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ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

(Annual General Meeting - 30th September, 2021)

I/We hereby record my/ our presence at the **Annual General Meeting of “AKI INDIA LIMITED”** held on, **30th September, 2021** at 3.30 P.M. at registered office of the company.

FullNameofthemember(inBLOCKLETTERS):_____

FolioNo._____

DPIDNo._____

ClientIDNo._____

FullNameofProxy(inBLOCKLETTERS):_____

Memberf Proxy(s)Signature:_____

(Please cut here and bring the Attendance Slip duly Signed, to the meeting and hand it over the entrance. Duplicate slips will not be issued at the venue of the meeting.)

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AKI INDIA LIMITED

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FORM NO. MGT-11

Proxy Form

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

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / *DP-ID & Client	
No. of Equity Shares Held	

**Applicable for Investors holding shares in electronic form.*

I / We, being the member (s) of shares of the AKI INDIA LIMITED, hereby appoint:

1.	Name:	Address:
	E-mail Id:	Signature:
Or falling him		
2.	Name:	Address:
	E-mail Id:	Signature:
Or falling him		
3.	Name:	Address:
	E-mail Id:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting, **Thursday the 30th day of September, 2021 at 03:30 P.M. at Registered Office of company**, and at any adjournment thereof in respect of such resolutions as is/are indicated below:-

**** I/We wish my/our above Proxy to vote in the manner as indicated in the box below:-**

Item No.	Resolution(s)	For	Against
1.	Ordinary Resolution to consider and adopt Balance Sheet and Statement of Profit & Loss, Cash Flow Statement together with Directors and Auditors Report for the Year ended March 31, 2021		
2.	Ordinary Resolution Seeking Approval for Re-Appointment of Director Mr. Javed Iqbal, who retires by rotation and being eligible offers himself for re-appointment.		

Signed this day of 2021.

Signature of Shareholder

Affix
Re.1
Revenue
Stamp

Signature of 1st Proxy holder(s):

Signature of 2nd Proxy holder(s):

Signature of 3rd Proxy holder(s):

Notes:

- 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.***

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ROUTE MAP OF VENUE OF ANNUAL GENEREAL MEETING

