

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 stiplied 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.