

ANNUAL REPORT 2022

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present to you AKI's annual report for the financial year ended 31 March 2022 ("FY 2021-22").

Keeping Agile To Seize Opportunities After Crisis

Following the large-scale rollout of vaccination programmes and easing of COVID-19 restrictions, the global economy is gradually rebounding from the 2020 COVID-19 recession. In line with this, we have seen a broad-based recovery in most of our market segments.

Our diversified business model, both in terms of suppliers and customers, has proven robust. Through our agility, AKI was able to seize opportunities as the global economy recovered, and our business was elevated to a new level. Our net profit after tax achieved a 84.59 % growth year-on-year to a record level of Rs. 1.64 Cr. in FY 2022, higher than pre- COVID-19 levels.

Back On Growth Track

For FY 2022, AKI recorded a revenue of Rs. 63.61 Cr., an increase of 32.98% as compared to the Rs. 47.83 Cr. recorded in the previous financial year ended 31 March 2021. This was largely due to higher sales volume and prices from improved business sentiments and recovery in demand. Geographically, growth in sales was broad-based across the various markets recording the largest improvements over FY 2021.

Total operating expenses (excluding finance cost) increased marginally year-on-year, largely due to higher employee remuneration in line with better performance, higher transport charges in line with higher sales, net foreign exchange loss, as well as higher depreciation of right-of-use assets. The increase was partially offset by lower fair value loss from forward exchange contract.

The balance sheet remained sound, with cash and bank balances of Rs. 1.27 Cr. as at 31 March 2022, as compared to Rs. 1.15 Cr. as at 31 March 2021. Overall, our financial discipline has enabled us to maintain a healthy financial position, providing us with financial flexibility.

Dawn Of A New Growth Cycle

As the global economy is gradually recovering from the COVID-19 recession, we are optimistic that this signals the dawn of a new growth cycle for the economy, leather industry and AKI.

However, we are mindful of the ongoing macro volatilities, such as the possibility of further waves of infections from COVID-19 variants, tightening of monetary policies in several economies, rising interest and inflation rates, and war between Russia and Ukraine, that continue to create uncertainties. Barring any unforeseen circumstances, the Group is well poised to capitalise on the growth cycle to elevate our business further.



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We will strive to enhance our product offerings and provide value-added one-stop solutions to all our customers, to better manage the supply chain disruptions together. Besides our strong customer centricity, we will leverage on our diversified business model, track record of operational excellence and good financial discipline to bring about long-term value to our stakeholders.

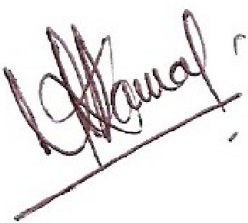
Sustainability

AKI has always regarded sustainability as one of our priorities in creating sustainable long-term value for our stakeholders. We will continue to put sustainability at the forefront of our business, balancing between economic objectives and social responsibility to the best of our abilities.

Words of appreciation

I would like to thank the management team, staff, bankers and business associates for their support and hard work that has enabled us to come this far. I would also like to extend my gratitude to my fellow directors for their contributions to the Group and counsel. Last but not least, I would like to show appreciation to our shareholders for their constant support.

In this dawn of a new growth cycle, I believe that AKI is well-positioned to seize new opportunities as we arise by leveraging on our strengths and comprehensive product range to provide customers with one-stop solutions. We will continue to focus on the execution of our Asia-centric strategy and strive towards a more sustainable specialty chemicals business for our customers.



Asad K Irqai

C.E.O.

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NOTICE

NOTICE is hereby given that the 28TH Annual General Meeting of the Members of AKI INDIA LIMITED will be held on FRIDAY, 30TH SEPTEMBER, 2022 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, 2022 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, 2022 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, 2022 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, 2022 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To re-appoint Mr. ASLAM SAEED (DIN: 00996483), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment

DATE : 07-09-2022

PLACE: KANPUR

Registered Office:

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

**By Order of the Board
For AKI INDIA LIMITED**

**SD/-
[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. Aslam Saeed, 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 Saturday the 24th September, 2022 to Friday the 30th September 2022 (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 2021-22 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 24th September, 2022 to Friday the 30th September 2022 (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 : 07-09-2022

PLACE: KANPUR

Registered Office:
9/6 (11),
Asharfabad Jajmau
Kanpur-208010

By Order of the Board
For AKI INDIA LIMITED

SD/-

[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	ASLAM SAEED
Director's Identification No. (DIN)	00996483
PAN	ACYPS0467K
Date of Birth	05/05/1955
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 HABIB TANNERY PVT. LTD.
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 : 07-09-2022

PLACE: KANPUR

Registered Office:

**9/6 (11), Asharfabad Jajmau
Kanpur-208010**

**By Order of the Board
For AKI INDIA LIMITED
SD/-**

**[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	31-03-2022	31-03-2021
Gross Revenue and other income	63,61,02,502.93	47,83,21,626.93
Profit Before Tax	1,74,71,811.11	1,70,63,408.47
Profit After Tax	1,64,63,955.11	89,19,079.47
Equity Share Capital	10,29,70,000.00	10,29,70,000.00
Reserve and Surplus (excluding revaluation reserve)	2,53,41,650.48	3,76,51,816.95
Net Worth	14,06,21,816.95	12,83,11,650.48
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	31.03.2022 (Rs.)	31.03.2021(Rs.)
(Export at C.I.F. Value)	39,66,30,000	29,89,50,000
6. **Foreign Investments and Collaborations, If any:**
NIL

DATE : 07-09-2022

PLACE: KANPUR

By Order of the Board
For AKI INDIA LIMITED
SD/-

Registered Office:
9/6 (11),
Asharfabad Jajmau
Kanpur-208010

[SAMEENA ASAD IRAQI]

WHOLE-TIME DIRECTOR
DIN: 01668732

ANNUAL REPORT 2022

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, 2022

Director's Report

FINANCIAL RESULTS:

The summarized standalone financial performance of the Company for the financial year ended March 31, 2022 as compared to previous year was as under::

	Standalone (Amount in Rs.)	
PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations	60,93,94,282.81	44,85,20,227.03
Other Income	2,67,08,220.12	2,98,01,399.90
Total Income	63,61,02,502.93	47,83,21,626.93
Profit before Interest, Depreciation, Prior Period Items and Tax (PBIDTA)	4,99,69,179.21	4,54,23,579.80
Less: Finance Costs	13,876,399.21	13,276,051.86
Less: Depreciation and Amortization	22,299,968.89	22,672,199.47
Profit before Exceptional/ Prior Period Items and Tax	1,37,92,811.11	94,75,408.47
Less: Exceptional/ Prior Period Items (Net)	0.00	0.00
Add: Extra-ordinary Items	36,79,000.00	75,88,000.00
Profit Before Taxes (PBT)	1,74,71,811.11	1,70,63,408.47
Less: Tax Expense Current	58,17,900.00	53,78,240.00
Deferred Tax	48,10,044.00	27,66,089.00
Profit for the year (PAT)	164,63,955.11	89,19,079.47

FINANCIAL HIGHLIGHTS:

In the year under review, the turnover of the company has increased to Rs 60,93,94,282.03. in financial year 2021-2022 as compared to Rs. 44,85,20,227.03 in financial year 2020-21.

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.

BONUS

Your company has issued Bonus Shares in the ratio of 3:10 i.e. Three Equity Shares for every Ten equity shares held in the financial year 2022-23

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TRANSFER TO RESERVES

During the year under review Rs. 16463955.11 has been transferred to the General Reserves (Statutory Reserve).

COMPANIES POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

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 provided 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

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(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	16-04-2021	√	√	√	X	√
2	28-06-2021	√	√	√	X	√
3	03-09-2021	√	√	√	X	√
4	11-11-2021	√	√	√	X	√
5	23-12-2021	√	√	√	√	√
6	11.02.2022	√	√	√	√	√
6	05-03-2022	√	√	√	√	√

(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	15-04-2021	√	√	√	
2	17-08-2021	√	√	√	
3	10-11-2021	√	√	√	
4	16-02-2022	√	√	√	

(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	11-04-2021	√	√	√
2	17-07-2021	√	√	√
3	14-10-2021	√	√	x
4	05-01-2022	√	√	√
5	30-03-2022	√	√	x