

NOTICE

NOTICE is hereby given that the 25TH Annual General Meeting of the Members of AKI India Limited will be held on MONDAY, 30TH SEPTEMBER, 2019 at 11.00 A.M. at the Registered Office of the Company to transact the following businesses:-

ORDINARY BUSINESS:

01. To receive, consider and adopt the audited Profit and Loss Account for the year ended on 31st March, 2019 and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
02. To appoint a Director in place of Mr. Aslam Saeed (DIN: 00996483), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment

DATE : 04-09-2019

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**

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.
A person can act as proxy on behalf of the 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 instrument appointing proxies should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified true copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday 23rd September, 2019 to Monday 30th September, 2019** (both days inclusive).
4. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. along with their copy of Annual Report to the meeting.
5. 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.
6. Members are requested to intimate any change in their address to the Registrar and Transfer Agent of the company.
7. 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.eSharex Dynamic (India) Pvt Ltd. or to the Company.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's Registered Office on all working days of the Company, except Saturdays during 10.00 am to 01.00 p.m. upto the date of the Meeting.
9. Members, who have not registered their email addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices and Circulars etc. from the Company electronically.

10. Brief 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.

DATE : 04-09-2019

PLACE: KANPUR

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For AKI INDIA LIMITED**

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

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 a 35 years experience in the manufacturing, exports and marketing of Leather and Leather Products business.
Chairmanship/ Membership of Committees in this Company	A. Audit Committee (Chairman) B. Nomination & Remuneration Committee (Member)
Directorship in Other Companies	Yes
Chairmanship/ Membership of Committees in other Public Limited Companies	None
Shareholding as on 31 st March, 2019	NIL
Seeking Appointment/ Re-Appointment	Retire by Rotation and seeking Re-appointment
Relationship with other Directors	None

DATE : 04-09-2019

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**Registered Office:
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**By Order of the Board
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**[SAMEENA ASAD IRAQI]
WHOLE-TIME DIRECTOR
DIN: 01668732**

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:**

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	31-03-2019	31-03-2018
Gross Revenue and other income	42,94,31,101.22	45,34,24,482.96
Profit Before Tax	1,12,45,611.33	1,22,31,119.33
Profit After Tax	49,66,283.33	30,92,003.33
Equity Share Capital	10,29,70,000.00	7,49,70,000.00
Reserve and Surplus (excluding revaluation reserve)	1,64,42,303.41	1,00,70,325.08
Net Worth	11,94,12,303.41	8,50,40,325.08

5. Export Performance and net foreign exchange collaborations:

The Company has decreased its Exports due to Some Globalisation issues and State Government Compliances. The net Earning in foreign Currency are as under:-

Earning in Foreign Currency	31.03.2019 (Rs.)	31.03.2018(Rs.)
(Export at C.I.F. Value)	234217911.62	262599197.80

6. Foreign Investments and Collaborations, If any:

NIL

DATE : 04-09-2019

PLACE: KANPUR

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By Order of the Board
For AKI INDIA LIMITED

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

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, 2019

FINANCIAL RESULTS:

The summarized standalone financial performance of the Company for the financial year ended March 31, 2019 as compared to previous year was as under::

PARTICULARS	Standalone (Amount in Rs.)	
	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations	39,75,60,652.20	42,15,71,329.18
Other Income	3,18,70,449.02	3,18,53,153.78
Total Income	42,94,31,101.22	45,34,24,482.96
Profit before Interest, Depreciation, Prior Period Items and Tax (PBIDTA)	4,25,44,496.54	3,98,05,032.10
Less: Finance Costs	1,49,64,841.10	1,33,49,813.15
Less: Depreciation and Amortization	1,63,34,044.01	1,42,24,099.62
Profit before Exceptional/ Prior Period Items and Tax	1,12,45,611.33	1,22,31,119.33
Less: Exceptional/ Prior Period Items (Net)	0.00	0.00
Profit Before Taxes (PBT)	1,12,45,611.33	1,22,31,119.33
Less: Tax Expense (Net)	62,79,328.00	,116.00
Profit for the year (PAT)	49,66,283.33	30,92,003.33

FINANCIAL HIGHLIGHTS:

In the year under review, the turnover of the company has decreased to Rs. 39,75,60,652.20 in financial year 2018-19 as compared to Rs. 42,15,71,329.18 in financial year 2017-18 due to Decrease in Exports of Leather Footwear. Operating Profit has increased to Rs. 49,66,283.33 in financial year 2018-19 as compared to Rs. 30,92,003.33 in financial year 2017-18.

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).

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	OSAMA ANWAR	RAJ KRISHNA AGRAWAL
1	30-04-2018	√	√	√	√	√
2	05-07-2018	√	√	√	√	√
3	21-08-2018	√	√	√	√	√

4	12-10-2018	√	√	√	√	√
5	15-12-2018	√	√	√	√	√
6	31-03-2019	√	√	X	√	√

(ii) AUDIT COMMITTEE:

The Audit Committee consists of Mr. AslamSaeed, Mr. JavedIqbal,,and Mr. Raj Krishna Agarwalall 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	30-05-2018	√	√	√	
2	08-08-2018	√	√	√	
3	14-11-2018	√	√	√	
4	14-02-2019	√	x	√	

(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. AslamSaeed, who is independent, non-executive Director. The other members of the Committee are Mrs. SameenaAsad Iraqi, Whole-time Director and Mr. JavedIqbal, Director of the company.

1.	No. of Complaints received from Investors from 01.04.16 to 31.03.17	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	13-04-2018	√	√	√
2	12-07-2018	√	√	√
3	13-10-2018	√	x	√
4	14-01-2019	√	x	√
5	30-03-2019	√	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. AslamSaeed, Mr. JavedIqbal,, 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

remuneration.

S. No.	Date of Committee Meeting	Attendance of the Directors			
		Aslam Saeed	Javed Iqbal	Raj Krishna Agarwal	
1	30-06-2018	√	√	√	

(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 2018-19 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, 2019 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 September 30, 2015 until conclusion of the AGM of your Company scheduled to be held in the year 2020. 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. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI as required under the provisions of Regulation 33 of the Listing Regulations.

(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 Practising Company Secretary as secretarial auditor for conducting Secretarial Audit for all applicable laws for the Financial Year 2019. The Report of the Secretarial Audit Report to be set out in **Annexure-3** to the Director's Report.

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.

- (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 2018-19

Re-appointment

In accordance with provisions of the Act and the Articles of Association of the Company, Mr. Aslam Saeed (DIN: 00996483) 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 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.

AKI INDIA LIMITED

ANNUAL REPORT 2018-19

DATE : 04-09-2019
PLACE: KANPUR

By Order of the Board
For AKI INDIA LIMITED

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

SD/-

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

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 31.03.2019	For Year ended 31.03.2018
Amount Paid for Power and Fuel	62,47,520.52	5986676.49
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)	31.03.2019	31.03.2018
Value of Import of Raw Material (INR)	47,11,133	33,32,184.32
Value of Export (INR)	294217911.62	262599197.80

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

Form No. MR-3

SECRETARIAL AUDIT

REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019

[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 31.03.2019 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 31.03.2019 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.

- 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 : 30.05.2019

Place: Kanpur

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

SD/-

(Tanvi Jain)

FCS Membership No. 9701

C P No.: 11393

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 : 30.05.2019
Place: Kanpur

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

INDEPENDENT AUDITORS' REPORT

To,
The Members,
AKI Limited Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **AKI India Limited** ("the Company"), which comprise of the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements")

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 31st March, 2019, the Profit 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 Companies Act, 2013. 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.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Management's Responsibility 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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 is 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

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.

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, 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 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 & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - 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 on 31st March, 2019 taken on record by the Board of

Directors, none of the Directors is disqualified as on 31st March, 2019 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, please refer to our separate report in “Annexure B”.
 - g) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position read with Note No. 24 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.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2019.
3. As required by the Companies (Amendment) Act, 2017 in our opinion, according to information and explanation given to us the remuneration paid by the company to its directors is within the limit laid and prescribed under Section 197 and the rules there under.

For **Jaiswal Misra & Company**
Chartered Accountants

CA Rakesh Kumar Jaiswal
Partner
M. No. 078188/ FRN No. 010703C.
Place : Kanpur.
Dated: 15th May, 2019.

Annexure – A to Independent Auditors’ Report

Referred to in paragraph - 1 of the Independent Auditors’ Report of even date to the Members of **AKI India Limited** on the financial statements for the year ended on 31st March, 2019 :-

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note No. N – 8 on Fixed Assets to the financial statements are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has granted unsecured loans to three companies covered in the register maintained under Section 189 of the Act.
 - (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company’s interest.
 - (b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
 - (c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the

meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
(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, Goods and Service-Tax, Duty of Customs, and Duty of Excise or Value Added Tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has raised Rs.2,80,00,000/- divided into 2800000 shares of Rs. 10 each at a premium of Rs.1/- through SME portal of Bombay Stock Exchange.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

- xii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have [not]been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company is required to constitute an Audit Committee under Section 177 of the Act, and as per regulation 18 of the SEBI(LODR)Regulation 2015 and accordingly company has complied with the norms laid there under.
- xiii. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company
- xiv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xv. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Jaiswal Misra & Company**
Chartered Accountants

CA Rakesh Kumar Jaiswal
Partner
M. No. 078188/ FRN No. 010703C.
Place : Kanpur.
Dated: May 15th 2019.

“Annexure B” to the Independent Auditors’ Report of even date on the Financial Statements 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”)**

We have audited the internal financial controls over financial reporting of AKI India Limited (“the Company”) as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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”. 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 Companies Act, 2013.

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 audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

Opinion

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 31st March, 2019, 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”.

for and on behalf of

For **Jaiswal Misra & Company**
Chartered Accountants

CA Rakesh Kumar Jaiswal

Partner

M. No. 078188/ FRN No. 010703C.

Place : Kanpur.

Dated: May 15th 2019.

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

Balance Sheet as at 31st March, 2019

Particulars	Note No.	31.03.2019	31.03.2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	102,970,000.00	74,970,000.00
(b) Reserves and Surplus	2	16,442,303.41	10,070,325.08
(2) Share Application money pending allotment	3	0.00	0.00
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	65,985,196.00	54,979,854.00
(b) Deferred Tax Liabilities (Net)	5	3,488,792.00	798,074.00
(c) Other Long Term Liabilities	6	0.00	0.00
(d) Long Term Provisions	7	0.00	0.00
(4) Current Liabilities			
(a) Short Term Borrowings	8	122,751,550.00	109,799,804.00
(b) Trade Payables	9	108,493,260.12	95,629,849.62
(c) Other Current Liabilities	10	30,939,101.98	14,047,396.96
(d) Short-Term Provisions	11	3,708,762.00	4,141,467.00
Total Equity & Liabilities		454,778,965.51	364,436,770.66
II. ASSETS			
(1) Non-Current Assets			
<i>(a) Fixed Assets</i>			
(i) Tangible Assets	12	122,888,234.17	71,397,383.87
(ii) Intangible Assets	13	0.00	0.00
(ii) Capital Work in Progress	14	9,112,298.00	39,951,035.50
(b) Non-current investments	15	25,395,368.28	10,903,747.00
(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	3,645,806.40	500.00
(2) Current Assets			
(a) Current Investment	19	0.00	0.00
(b) Inventories	20	139,076,908.03	109,978,840.69
(c) Trade receivables	21	106,740,687.99	100,212,128.96
(d) Cash and cash equivalents	22	9,985,032.99	4,553,858.20
(e) Short-term loans and advances	23	7,547,424.11	13,114,026.19
(f) Other current assets	24	30,387,205.54	14,325,250.25
Total Assets		454,778,965.51	364,436,770.66
Significant Accounting Policies and Notes on Financial Statements	35	-	-

For Jaiswal Misra & Company
Chartered Accountants

For A K I India Limited

(CA. Rakesh Kumar Jaiswal)
Partner
Kanpur
Date: 15/05/2019

Director

Director

AKI INDIA LIMITED

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

Profit & Loss Statement for the Period Ended on 31st March, 2019

Sr. No	Particulars	Note No.	31.03.2019	31.03.2018
I	Revenue from operations	25	397,560,652.20	421,571,329.18
II	Other Income	26	31,870,449.02	31,853,153.78
	III. Total Revenue		429,431,101.22	453,424,482.96
	Expenses:			
	Cost of materials consumed	27	232,819,439.57	306,600,468.32
	Purchase of Stock -in-Trade	28	56,477,390.47	59,849,774.10
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	15,934,776.00	(30,698,748.86)
	Employee Benefit Expense	30	15,956,640.54	12,670,002.00
	Financial Costs	31	14,964,841.10	13,349,813.15
	Depreciation and Amortization Expense	32	16,334,044.01	14,224,099.62
	Other Expenses	33	65,698,358.20	65,197,955.30
	IV. Total Expenses		418,185,489.89	441,193,363.63
V	Profit before exceptional and extraordinary items and tax		11,245,611.33	12,231,119.33
VI	Exceptional Items		0.00	0.00
VII	Profit before extraordinary items and tax		11,245,611.33	12,231,119.33
VIII	Extraordinary Items		0.00	0.00
IX	Profit before tax		11,245,611.33	12,231,119.33
X	Tax expense:			
	(1) Current tax		3,588,610.00	4,044,990.00
	(2) Deferred tax Expenses/(Income)		2,690,718.00	798,074.00
	(3) Deferred tax		0.00	4,296,052.00
	Profit(Loss) for the period from continuing operations		4,966,283.33	3,092,003.33
	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		4,966,283.33	3,092,003.33
	Earning per equity share:	34		
	(1) Basic		0.74	1.09
	(2) Diluted		0.74	1.09

Significant Accounting Policies and Notes on Financial Statements

35

For Jaiswal Misra & Company
Chartered Accountants

For A K I India Limited

(CA. Rakesh Kumar Jaiswal)
Partner
Kanpur
Date: 15/05/2019

Director

Director

Notes to the Financial Statements for the period ended on 31st March, 2019

Note : 1 Share Capital

Sr. No	Particulars	31/03/2019	31/03/2018
1	AUTHORISED CAPITAL 11000000 Equity shares of Rs.10/- each	110000000.00	110000000.00
		110000000.00	110000000.00
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 1,02,97,000 Equity shares of Rs.10/- each	102970000.00	74970000.00
	Total	102970000.00	74970000.00

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	31/03/2019		31/03/2018	
		Number	Amount	Number	Amount
1	EQUITY SHARES OF RS 10 EACH				
	Shares outstanding at the beginning of the year	11000000	110000000.00	5000000	50000000.00
	Shares Increased during the year	0	0.00	6000000	60000000.00
	Shares outstanding at the end of the year	11000000	110000000.00	11000000	110000000.00

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

Sr. No	Particulars	31/03/2019		31/03/2018	
		Number	Amount	Number	Amount
1	EQUITY SHARES OF RS 10 EACH				
	Shares outstanding at the beginning of the year	7497000	74970000.00	4998000	49980000.00
	Shares Issued during the year	2800000	28000000.00	2499000	24990000.00
	Shares outstanding at the end of the year	10297000	102970000.00	7497000	74970000.00

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.

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	31/03/2019		31/03/2018	
		No of shares	% of holding	No of shares	% of holding
1	Equity Shares of Rs 10 Each Fully paid up				
2	Asad Kamal Iraqui	4298520	41.75	4298520	57.34
3	Osama Anwar	569130	5.53	569130	7.59
4	Anwar Kamal Iraqui	1396650	13.56	1396650	18.63
5	Samina Asad	810747	7.87	810747	10.81
6	Saleha Khatoon			421653	5.62
	Total	7075047.00		7496700.00	

No shares have been reserved for issue under options. There are no contracts / commitments for the sale of shares / disinvestment.

FOR AKI INDIA LIMITED

(DIRECTOR) (DIRECTOR)

Notes to the Financial Statements for the period ended on 31st March, 2019

Note : 2 Reserves & Surplus

Sr. No	Particulars	31/03/2019	31/03/2018
1	Surplus		
	Balance brought forward from previous year	10070325.08	31968321.75
	Add: Profit for the period	4966283.33	3092003.33
	Less : Adjustment	(1394305.00)	(24990000.00)
		13642303.41	10070325.08
2	Security Premium	2800000.00	0.00
	Total	16442303.41	10070325.08

Note : 3 Share Application Money Pending Allotment

Sr. No	Particulars	31/03/2019	31/03/2018
	Share Application Money	0.00	0.00
	Total	0.00	0.00

Note : 4 Long Term Borrowings

Sr. No	Particulars	31/03/2019		31/03/2018	
		Non Current	Current	Non Current	Current
1	Secured Loan				
	Kotak Mahindra Prime Ltd.	0.00		0.00	1579854.00
	Tata Capital Finance Limited	2103016.00		0.00	0.00
	AXIS Bank Ltd. T/Loan	10482180.00	0.00		0.00
	Bajaj	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	65985196.00	0.00	53400000.00	1579854.00

The Term Loans with the J & K 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) Ashrafabad in the name of Mr. Anwar Kamal Iraqi, EMG of free hold plot of land & building premises no. 9/6 (II) Ashrafabad in the name of Mr. Asad Kamal Iraqi, EMG of part plot no. 2A (1) A, factory area jajmau, kanpur in the name of Mr. Asad Kamal Iraqi, EMG of part plot no. 2A (1) A, factory area jajmau, 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 Khatoun 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 Khatoun
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.

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: Deferred Tax Liability

Sr. No	Particulars	31/03/2019	31/03/2018
1	<u>Deferred Tax Liability..on Depreciation</u>		
	Opening Balance	798074.00	0.00
	Add: Addition (reversal) during the year	2690718.00	798074.00
	Total	3488792.00	798074.00

Note: 6 Other Long Term Liabilities

Sr. No	Particulars	31/03/2019	31/03/2018
1	Advance from Customers	0.00	0.00
	Total	0.00	0.00

FOR AKI INDIA LIMITED

(DIRECTOR) (DIRECTOR)

Notes to the Financial Statements for the period ended on 31st March, 2019

Note : 7 Long Term Provisions

Sr. No	Particulars	31/03/2019	31/03/2018
1	Provision for Employee Benefit Gratuity (unfunded)	0.00	0.00
	Total	0.00	0.00

Note : 8 Short Term Borrowings

Sr. No	Particulars	31/03/2019	31/03/2018
1	The J & K Bank Ltd. (FBP)	0.00	18899804.00
2	The J & K Bank Ltd. (PCL)	0.00	90900000.00
3	AXIS Bank PCL	112714510.00	0.00
4	AXIS Bank-PCFC	5837040.00	0.00
5	AXIS Bank-ILC	4200000.00	0.00
	Total	122751550.00	109799804.00

Note : 9 Trades Payable

Sr. No	Particulars	31/03/2019	31/03/2018
	<u>Sundry Creditors for Materiel/Supplies:</u>		
1	Sundry Creditors:		
	Upto six month	92308269.04	80598741.38
	More than six month	14681522.44	8220013.24
2	Advance from Customers	1503468.64	6811095.00
	Total	108493260.12	95629849.62

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

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	31/03/2019	31/03/2018
1	Current maturities of long term debt		
	Kotak Mahindra Prime Ltd.	1579854.00	885837.00
	Kotak Mahindra Bank Ltd.	1677213.00	0.00
	Tatal Capital Financial Services Ltd.	1627887.00	1486968.00
	Bajaj Finance Ltd.	618916.00	0.00
	HDFC Bank	0.00	1474584.56
	J & K Bank	0.00	165996.00
	Axis Bank -CC	23690606.46	0.00
	J & K Bank (Due to over issue of Cheques)	0.00	8054789.13
3	Other Payables		
	Directors' Remuneration Payable	67270.00	389539.00
	Telephone Expenses Payable	0.00	23647.27
	Electricity Expenses Payable	324178.00	344488.00
	Audit Fees Payable	75000.00	50000.00
	Salary Payable	1007682.52	900849.00
	Bonus Payable	0.00	0.00
	Manufacturing Exps. Payable	270495.00	270699.00
	Total	30939101.98	14047396.96

Note : 11 Short Term Provisions

Sr. No	Particulars	31/03/2019	31/03/2018
	T.D.S. Payable	91873.00	67552.00
	Income Tax Payable	3588610.00	4044990.00
	EPF Payable	21872.00	23061.00
	ESIC Payable	6407.00	5864.00
	Total	3708762.00	4141467.00

FOR AKI INDIA LIMITED

(DIRECTOR) (DIRECTOR)

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

Notes to the Financial Statements for the period ended on 31st March, 2019

Note : 12 Tangible Assets

Sr. No	Particulars	31/03/2019	31/03/2018
1	Tangible Assets	122,888,234.17	71,397,383.87
	Total	122,888,234.17	71,397,383.87

Note : 13 Intangible Assets

Sr. No	Particulars	31/03/2019	31/03/2018
1	Intangible Assets	0.00	0.00
	Total	0.00	0.00

Note : 14 Capital Work in Progress

Sr. No	Particulars	31/03/2019	31/03/2018
1	Building Under Constructions	9,112,298.00	39,951,035.50
2	Plant & Machinery	0.00	0.00
	Total	9,112,298.00	39,951,035.50

Note : 15 Non Current Investment

Sr. No	Particulars	31/03/2019	31/03/2018
1	Other Investments Investment in Equity Instruments	25,395,368.28	10,903,747.00
	Total	25,395,368.28	10,903,747.00

Note : 16 Deferred Tax Asset

Sr. No	Particulars	31/03/2019	31/03/2018
	Deferred Tax Asset on Depreciation		
	Opening Balance	0.00	4296052.00
	Add: Creation of asset	0.00	-4296052.00
	Total	0.00	0.00

Note : 16 Deferred Tax Asset

Sr. No	Particulars	31/03/2019	31/03/2018
	Deferred Tax Asset on Gratuity		
	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	31/03/2019	31/03/2018
	I) Capital Assets		
	a) Secured, Considered Good :	0.00	0.00
	b) Unsecured, Considered Good :	0.00	0.00
	c) Doubtful	0.00	0.00
	II) Unsecured Considered good	0.00	0.00
	III) Loans & Advances to related parties	0.00	0.00
	IV) Other Loans & Advances		
	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	31/03/2019	31/03/2018
1	Security with Telephone	500.00	500.00
2	IPO Expenses	3645306.40	0.00
	Total	3645806.40	500.00

FOR AKI INDIA LIMITED

(DIRECTOR)

(DIRECTOR)

AKI INDIA LIMITED
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Notes to the Financial Statements for the period ended on 31st March 2019

Note : 19 Current Investment

Sr. No	Particulars	31/03/2019	31/03/2018
1	Investments	0.00	0.00
	Total	0.00	0.00

Note : 20 Inventories

Sr. No	Particulars	31/03/2019	31/03/2018
1	Finished Goods	11938000.00	24887090.00
2	Work-in-Progress	31814000.00	38031196.00
3	Raw materials	84201294.09	39168450.75
4	Traded Goods	11123613.94	7892103.94
	Total	139076908.03	109978840.69

Note : 21 Trade Receivables

Sr. No	Particulars	31/03/2019	31/03/2018
	<u>Unsecured Considered good</u>		
	Trade receivable outstanding for a period of less than six months from the date they are due for payment	83,374,484.31	87,675,030.06
	Trade receivable outstanding for a period of more than six months from the date they are due for payment	23366203.68	12537098.90
	Total	106740687.99	100212128.96

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 Receivable above Includes:

Particulars	31/03/2019	31/03/2018
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

Note : 22 Cash & Cash Equivalent

Sr. No	Particulars	31/03/2019	31/03/2018
1	Balances with Bank		
	Punjab National Bank	20,859.70	20,859.70
	The J & K Bank Ltd. CD 3551	6,501.70	6,973.88
	The J & K Bank Ltd. CD 3123	14,882.05	47,790.21
	State Bank of India (Mumbai)	946,062.50	77,262.50
	Punjab National Bank (New Delhi A/c No. 404-576)	114,114.00	98,173.00
	Punjab National Bank (New Delhi)	5,625.50	5,625.50
	UCO Bank	27,316.11	4,290.26
	Canara Bank	77,679.26	262,306.74
	The J & K Bank Ltd. (Share)	9,878.10	9,878.10
	Axis Bank A/c---852	232,477.60	0.00
	Axis Bank A/c---392	175,996.58	0.00
	Axis Bank A/c---503	601,681.00	0.00
	Axis Bank A/c---481	132,709.38	0.00
	The J & K Bank Ltd. EEFC	1,803,401.00	0.00
	The J & K Bank Ltd. (Gurgaon)	17,665.14	17,665.14
	The J & K Bank Ltd. (CD 3122)	780,159.27	0.00
	The J & K Bank Ltd. (CC-61)	3,711.10	0.00
	J&K Bank B.G.	200,000.00	200,000.00
	Bank FDR	3,761,953.00	2,946,646.00
2	Cash-in-Hand	1,052,360.00	856,387.17
	Total [A + B]	9,985,032.99	4,553,858.20

Note:23 Short Terms Loans and Advances

Sr. No	Particulars	31/03/2019	31/03/2018
	<u>Unsecured considered good</u>		
1	Other Advance	2405015.11	3130278.00
2	Advances to Suppliers	5142409.00	9983748.19
	Total	7547424.11	13114026.19

Note :24 Other Current Assets

Sr. No	Particulars	31/03/2019	31/03/2018
1	Input Vat Credit	984173.72	984173.72
2	Advance Income Tax	3400000.00	3000000.00
3	Duty Draw Back Receivable	1180215.60	1615260.00
4	TDS Receivable	332861.00	131158.00
5	GST Receivable	24364911.02	8469614.33
6	Vat on Capital Goods Receivable (14-15)	0.00	0.00
7	Vat on Capital Goods Receivable (15-16)	41077.00	41077.00
8	Vat on Capital Goods Receivable (16-17)	62840.20	62840.20
9	Vat on Capital Goods Receivable (17-18)	21127.00	21127.00
	Total	30387205.54	14325250.25

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Notes to the Financial Statements for the period ended on 31st March, 2019

Note : 25 Revenue from Operations

Sr. No	Particulars	31/03/2019	31/03/2018
1	Sales of products		
i)	Finished Goods	355,185,651.25	371,686,647.59
ii)	Traded goods	42,375,000.95	49,884,681.59
	Total	397,560,652.20	421,571,329.18

Note : 26 Other Income

Sr. No	Particulars	31/03/2019	31/03/2018
1	Duty Draw Back	5433507.60	11573216.00
2	Rebate & Discount Recd.	0.00	4563423.33
3	Exchange Rate Difference	7389006.26	269347.06
4	Export Promotion Bureau	0.00	305658.00
5	ECGC	147241.00	129864.00
6	Freight Received	2496885.00	731460.00
7	Sale of Licence	15154841.00	3681043.00
8	Round Off	-	50.84
9	Other Income (FDR Intt.)	295771.00	507764.00
10	Balances written off	826866.16	8969933.55
11	Discount Received	26331.00	0.00
12	Other Income(MDA)	100000.00	1121394.00
	Total	31870449.02	31853153.78

Note: 27 Cost of Material Consumed

Sr. No	Particulars	31/03/2019	31/03/2018
1	<u>A. RAW MATERIALS</u>		
	Opening stock	39168450.75	80656268.40
	Purchases	277852282.91	265112650.67
		317020733.66	345768919.07
	Less:Closing stock	84201294.09	39168450.75
	(A)	232819439.57	306600468.32
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)	232819439.57	306600468.32

Note : 28 Purchase of Stock-in-Trade

Sr. No	Particulars	31/03/2019	31/03/2018
1	Purchase of Traded Goods (Chemical)	56,477,390.47	59,849,774.10
	Total	56,477,390.47	59,849,774.10

FOR AKI INDIA LIMITED

(DIRECTOR) (DIRECTOR)

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Note: 29 Change in Inventories

Sr. No	Particulars	31/03/2019	31/03/2018
1	<u>A.Finished Goods</u>		
	Closing stock	11938000.00	24887090.00
	Opening stock	24887090.00	18615851.00
	(A)	12949090.00	(6271239.00)
2	<u>B.Work in Process</u>		
	Closing stock	31814000.00	38031196.00
	Opening stock	38031196.00	14680350.00
	(B)	6217196.00	(23350846.00)
3	<u>B.Stock in Trade</u>		
	Closing stock	11123613.94	7892103.94
	Opening stock	7892103.94	6815440.08
		(3231510.00)	(1076663.86)
		15934776.00	(30698748.86)

Notes to the Financial Statements for the period ended on 31st March, 2019

Note : 30 Employee Benefit Expenses

Sr. No	Particulars	31/03/2019	31/03/2018
1	Salaries and Wages	15287839.54	11739764.00
2	Staff & Workmen welfare	137110.00	180736.00
3	EPF & ESIC Expenses	423810.00	358702.00
4	Bonus	107881.00	390800.00
	Total	15956640.54	12670002.00

Note : 31 Financial Cost

Sr. No	Particulars	31/03/2019	31/03/2018
1	Interest Expense	9,512,354.38	8,310,609.29
2	Other Borrowing Cost (Bank Charges)	5,452,486.72	5,039,203.86
	Total	14,964,841.10	13,349,813.15

Note : 32 Depreciation & Amortised Cost

Sr. No	Particulars	31/03/2019	31/03/2018
	Depreciation Expense	16,334,044.01	14,224,099.62
	Total	16,334,044.01	14,224,099.62

Note : 33 Other Expenses

Sr. No	Particulars	31/03/2019	31/03/2018
(A)	<u>DIRECT/PRODUCTIONS EXPENSES</u>		
1	Power and Fuel	6,247,520.52	5,986,676.49
2	Freight and Cartage	8,247,291.14	7,934,908.68
3	Fabrication Charges	11,682,462.00	10,335,149.00
4	Job work paid	2,003,643.25	2,426,611.70
5	Clearing & Forwarding Import Expenses	755,054.40	0.00
6	Import Duty	57,665.17	0.00
7	Custom Duty Import	34,814.28	0.00
8	Import Expenses	0.00	226,956.85
9	Consumable Material	265,125.00	0.00
10	GST Expenses	130,563.40	3,094,342.00
		29,424,139.16	30,004,644.72

(B)	<u>Administrative, Selling & Distribution Expenses</u>		
1	Advertisement Expenses	13,700.00	0.00
2	Audit fee	75,000.00	50,000.00
3	Balances W/off	0.00	36,001.57
4	Books Paper & Periodicals	1,194.00	0.00
5	Stock Exchange Expenses	18,674.50	0.00
6	Business Promotion/Export Promotion/Website	22,973.90	138,441.00
7	C.L.E.Expenses	10,000.00	164,486.00
8	Certification Charges	0.00	4,455.00
9	Clearing & Forwarding Expenses	6,008,724.54	6,196,577.81
10	Commission on Exports	11,332,297.00	9,200,399.00
11	Commission on Locas Sales	0.00	94,100.00
12	Computer Maintenance	117,599.89	104,323.72
13	Conveyance	351,954.52	662,266.35
14	Custome Duty Expenses	0.00	33,568.00
15	Damorage Charges	0.00	167,661.00
16	Director Remuneration	1,800,000.00	4,032,258.00
17	ECGC & EPCG Charges	181,408.00	483,523.00
18	Electrical Expenses	176,441.38	92,014.00
19	Freight & Cartage Outward	851,702.74	1,467,908.26
20	Generator Running & Maintenance	19,716.95	73,673.00
21	Govt. Fee	80,865.00	46,822.00
22	GST Expenses	156,189.54	55,116.26
23	Rates & Taxes	311,128.00	169,860.00
24	Insurance charges	658,135.00	756,471.00
25	Interest on T D S	0.00	1,429.00
26	IPO Expenses	911,326.00	766,827.00
27	Legal & Professional Charges	749,879.00	270,816.00
28	Loading & Unloading Expenses	383,367.00	269,516.00
29	Loss on Sale of Car	0.00	298,450.00
30	Loss on Sale of Investments	15,781.50	0.00
31	Membership Fees	111,650.00	23,694.00
32	Miscellaneous / General Exps	106,334.75	130,551.30
33	Office Maintenance Charges	41,178.00	31,307.00
34	Enviroment/ Pollution Expenses	569,684.00	198,291.00
35	Postage and Courier Charges	24,900.00	250,720.49
36	Printing & Stationary	103,114.00	109,076.50
37	R O C Expenses	131,300.00	543,549.60
38	Rebate & Discount	166,030.96	114,468.00
39	Repairs & maintenance - Building	479,789.00	490,473.52
40	Repairs & Maintenance - Plant & Machinery	3,532,023.69	3,469,058.45
41	Round Off	156.91	53.82
42	Sample Charges	666.00	29,715.00
43	Service Tax	0.00	298,466.00
44	Social Responsibility	80,623.00	70,000.00
45	Telephone / Internet/Telex Exps	175,142.12	230,778.51
46	Testing Fee	154,169.00	108,250.00
47	Tools,Dies & Moulds	402,659.00	47,680.00
48	Trade Fair Expenses	1,395,328.00	826,676.00
49	Travelling Expenses (Foreign)	3,676,119.06	2,091,631.36
50	Travelling Expenses (Local)	117,504.00	126,529.50
51	Vehicle Running & Maintenance	757,789.09	365,377.56
		36,274,219.04	35,193,310.58
	Total	65,698,358.20	65,197,955.30

Note : 34 Earning Per Share

Sr. No	Particulars	31/03/2019	31/03/2018
	Net Profit or loss as per the statement of profit and Loss Account attributable to Equity Share holders	7,657,001.33	8,186,129.33
	Weighted Average number of Equity shares used a	10,297,000	7,496,700
	Basic and Diluted Earning Per share	0.74	1.09
	Face value per equity share	10	10

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Sl. No.	Particular	Useful Life	Rate of Depreciation	Original Cost					Depreciation			NET BLOCK		
				Original Cost	Additions	Acquisitions through business combinations	Deletions	Total Cost	UP TO 31/03/2018	During The Year	Total	As On 31/03/2019	As On 31/03/2018	
	Depriciable Assets - Useful Life not Expired :													-
	Non Depriciable Assets :													-
	LAND			12,963,700.00	-	-	-	12,963,700.00	-	-	-	12,963,700.00	12,963,700.00	
	Depriciable Assets - Useful Life Expired :													
	Office Equipment	10		817604.00	-	-	-	817,604.00	781,408.00	-	781,408.00	36,196.00	36,196.00	
	Computer	3		884886.22	-	-	-	884,886.22	864,262.22	(0.82)	864,262.22	20,625.00	20,624.18	
	Furniture & Fixtures	10		336186.00	-	-	-	336,186.00	319,378.00	-	319,378.00	16,808.00	16,807.00	
	Plant & Machinery	15		4332840.57	-	-	-	4,332,840.57	4,321,710.57	-	4,321,710.57	11,130.00	11,130.00	
	Vehicles	8		1109064.00	-	-	-	1,109,064.00	1,073,024.45	-	1,073,024.45	11,637.00	11,637.00	
	Plant & Machinery	15		89732725.85	0	0	0	89732725.85	35438656	9804862.85	45243518.85	44489207	54294068.25	
	Office Equipments	10		2324055.96	-	-	-	2,324,055.96	1,378,196.29	288,622.67	1,666,818.96	657,237.00	945,861.67	
	Furniture & Fixtures	10		18200.00	-	-	-	18,200.00	8,495.00	2,513.00	11,008.00	7,192.00	9,705.00	
	Computers	3		80515.00	-	-	-	80,515.00	59,671.00	12,620.00	72,291.00	8,224.00	20,844.00	
	Vehicles	8		10097306.00	-	-	-	10,097,306.00	6,969,073.00	981,343.00	7,950,416.00	2,085,468.00	3,066,811.00	
				122697083.60	0.00	0.00	0.00	122697083.60	51213874.53	11089960.70	62303836.05	60307424.00	71397384.10	

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STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share capital

Sr. No	Particulars	31/03/2019		31/03/2018	
		Number	Amount	Number	Amount
1	ISSUED , SUBSCRIBED & PAID UP CAPITAL				
	Shares outstanding at the beginning of the year	7497000	74970000.00	4998000	49980000.00
	Shares Issued during the year	2800000	28000000.00	2499000	24990000.00
	Shares outstanding at the end of the year	10297000	102970000.00	7497000	74970000.00

B. OTHER EQUITY

Sr. No	Particulars	31/03/2019	31/03/2018
	RESERVE AND SURPLUS		
1	Surplus		
	Balance brought forward from previous year	14366377.08	31968321.75
	Add: Profit for the period	10451247.70	7388055.33
	Less : Adjustment	(1394305.00)	(24990000.00)
		23423319.78	14366377.08
2	Security Premium	2800000.00	0.00
	Total	26223319.78	14366377.08

Significant Accounting Policies and Notes on Financial Statements 35

See accompanying Notes to the standalone Financial Statement
As per our reports on even date

For Jaiswal Misra & Company
Chartered Accountants

For A K I India Limited

(CA. Rakesh Kumar Jaiswal)
Partner

Director

Director

Kanpur
Date: 15/05/2019

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 assumptions 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 assumptions 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.

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 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 rebates 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 included in the asset's carrying amount or recognized as a separate asset, 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 asset are measured as the difference between the net disposal proceeds and the Carrying amount of the asset and are recognized in the statement of Profit and Loss when the asset 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 intangible 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

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

Net realizable 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.

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.

SEGMENTWISE REVENUE, RESULT, ASSET AND LIABILITIES

Rs. In Lakhs

Particulars	Standalone	
	31.03.2019 (Audited)	31.03.2018 (Audited)
Segment Revenue		
Segment (A)		
Saddlery Goods		
(A) Export & domestic Sale - Make to order	304.65	366.18
Segment (B)		
Footwear		
(A) Export & domestic Sale - Make to order	286.91	244.51
Segment (C)		
Leather		
(A) Export & domestic Sale - Make to order	2,960.30	3,106.17
Segment (D)		
Chemical		
(A) Domestic Sale	423.75	498.85
Income From Operations	3,975.61	4,215.71

Segment Results (Profit before interest & tax)		
Segment (A)		
Saddlery Goods		
(A) Export & domestic Sale - Make to order	(35.85)	(1.54)
Segment (B)		
Footwear		
(A) Export & domestic Sale - Make to order	10.41	45.62
Segment (C)		
Leather		
(A) Export & domestic Sale - Make to order	232.77	151.17
Segment (D)		
Chemical	54.77	60.55
(A) Demostic Sale		
Total Profit before interest & tax	262.10	255.80
Less: Interest	149.65	133.49
Total Profit /(Loss) Before tax	112.45	122.31
Segment Assets		
Saddlery Goods		
(A) Export & domestic Sale - Make to order	564.75	415.32
Segment (B)		
Footwear		
(A) Export & domestic Sale - Make to order	478.02	317.67
Segment (C)		
Leather		
(A) Export & domestic Sale - Make to order	3,009.25	2,262.33
Segment (D)		
Chemical		
(A) Demostic Sale	495.76	649.04
Total Assets	4,547.78	3,644.36
Segment Liabilites		
Saddlery Goods		
(A) Export & domestic Sale - Make to order	135.07	446.85
Segment (B)		
Footwear		
(A) Export & domestic Sale - Make to order	172.75	296.90
Segment (C)		
Leather		
(A) Export & domestic Sale - Make to order	2,931.76	1,753.53
Segment (D)		
Chemical		
(A) Demostic Sale	114.08	296.68
Total Liabilities	3,353.66	2,793.96

ATTENDANCE SLIP

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

(Annual General Meeting – 30th September, 2019)

I/We hereby record my/ our presence at the **Annual General Meeting of “AKI INDIA LIMITED”** held on, **30th September, 2019** at 11.00 A.M. at registered office of the company.

FullNameofthember(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.)

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, **Monday the 30th day of September, 2019 at 11.00 A.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, 2019		
2.	Ordinary Resolution Seeking Approval for Re-Appointment of Director Mr. ASLAM SAEED (DIN: 00996483), who retires by rotation and being eligible offers himself for re-appointment.		

Signed this day of 2019.

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.***

ROUTE MAP OF VENUE OF ANNUAL GENEREAL MEETING

