

AKI INDIA LIMITED

(CIN: L19201UP1994PLC016467)

Reg. Off.: D-115, Defence Colony Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau,
Uttar Pradesh - 208010

Email Id.: info@groupaki.com, Website: www.groupaki.com

Contact No.: +91 512 2463150 / +91 512 2460866

Date: 22nd July, 2025

To,
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400 001

To,
The Manager,
Listing Department,
National Stock Exchange Limited
“Exchange Plaza”, C-1, Block G,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051

Dear Sir / Madam,

Subject: Submission of Annual Report for Financial Year 2024-25

Ref: Security Id: AKI / Code: 542020 / Series: BE

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the 31st Annual General Meeting (“AGM”) of the Company to be held on Wednesday, 13th August, 2025 at 02:00 P.M. through Video Conferencing (“VC”) / Other Audio-Video Means (“OAVM”).

Kindly take the same on your record and oblige us.

Thanking You.

For, AKI India Limited

Mohammad Ajwad
Managing Director
DIN: 07902475

AKI INDIA LIMITED

(LI920IUPI994PLC016467)



D-115, Defence Colony, Jajmau, Shiwans
Tanney, Kanpur Nagar, Jajmau,
Uttar Pradesh, India – 208 010

31ST ANNUAL REPORT

F.Y. 2024-25

INDEX

Sr. No.	Particulars	Page No.
1.	Company Information	4
2.	Notice of Annual General Meeting	5
3.	Board's Report	18
3(a).	Annexure I – AOC-1	32
3(b)	Annexure II – AOC-2	33
3(c).	Annexure III – Management Discussion and Analysis Report	34
3(d).	Annexure IV – Report on Corporate Governance	39
3(e).	Annexure V – Secretarial Audit Report	64
4.	Independent Auditor's Report (Standalone)	69
5.	Financial Statements for the Financial Year 2024-25 (Standalone)	
5(a)	Balance Sheet	81
5(b)	Statement of Profit and Loss	82
5(c)	Cash Flow Statement	83
5(d)	Notes to Financial Statement	84
6.	Independent Auditor's Report (Consolidated)	105
7.	Financial Statement for the Financial Year 2024-25 (Consolidated)	
7(a)	Balance Sheet	113
7(b)	Statement of Profit and Loss	114
7(c)	Cash Flow Statement	115
7(d)	Notes to Financial Statement	116

COMPANY INFORMATION:

Board of Directors	Ms. Sameena Asad Iraqi : Whole-time Director Mr. Mohammad Ajwad : Managing Director Mr. Mohammad Asjad : Non-Executive Director Mr. Aslam Saeed : Independent Director Mr. Javed Iqbal : Independent Director Mr. Raj Krishna Agrawal : Independent Director
Audit Committee	Mr. Javed Iqbal : Chairperson Mr. Aslam Saeed : Member Mr. Raj Krishna Agarwal : Member
Nomination and Remuneration Committee	Mr. Raj Krishna Agarwal : Chairperson Mr. Aslam Saeed : Member Mr. Javed Iqbal : Member
Stakeholders' Relationship Committee	Mr. Aslam Saeed : Chairperson Mr. Javed Iqbal : Member Mr. Raj Krishna Agarwal : Member Ms. Sameena Asad Iraqi : Member
Key Managerial Personnel	Ms. Sameena Asad Iraqi : Whole-time Director Mr. Mohammad Ajwad : Managing Director Ms. Divya Srivastava : Company Secretary Mr. Asad Kamal Iraqi : Chief Executive Officer Mr. Prabodh Sharma : Chief Financial Officer
Statutory Auditor	M/s. R K Parmarthi & Co. Chartered Accountants, Kanpur
Secretarial Auditor	M/s. Jitendra Parmar & Associates, Practicing Company Secretaries, Ahmedabad
Stock Exchange	BSE Limited National Stock Exchange Limited
Share Transfer Agent	MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) C-101, 1st Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra – 400 083
Registered Office	D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India – 208 010

NOTICE OF THE 31ST ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY:

Notice is hereby given that the 31st Annual General Meeting ("AGM") of the Shareholders of **AKI India Limited** ("Company" or "AKI") will be held on Wednesday, 13th August, 2025 at 02:00 P.M. (ISD) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses.

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a The Audited Standalone Financial Statement of the Company for the Financial Year ended on 31st March, 2025 and Statement of Profit and Loss Account together with the notes forming part thereof along with Cash Flow Statement for the Financial Year ended on that date, and the reports of the Board of Directors ("The Board") and Auditor thereon.
- b The Audited Consolidated Financial Statement of the Company for the Financial Year ended on 31st March, 2025 and Statement of Profit and Loss Account together with the notes forming part thereof and Cash Flow Statement for the Financial Year ended on that date.

2. To appoint Ms. Sameena Asad Iraqi (DIN: 01668732), who retires by rotation and being eligible, offers herself for re-appointment.

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT, Ms. Sameena Asad Iraqi (DIN: 01668732), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, and being eligible offers herself for re-appointment, be and is hereby re-appointed as the Director of the Company."

3. To appoint M/s. R K Parmarthi & Co., Chartered Accountants, Kanpur (Firm Registration No. 001121C), as the Statutory Auditor of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, approval of the Members of the Company, be and is hereby accorded for the appointment of M/s R K Parmarthi & Co., Chartered Accountants, Kanpur (Firm Registration No. 001121C) as the Statutory Auditor of the Company to hold office for 5 years i.e. from financial year 2025-26 to 2029-30, from the conclusion of this 31st Annual General Meeting till of 36th Annual General Meeting of the Company to be held in the year 2030, on such remuneration as may be decided by the any of Directors in consultation with the Statutory Auditor of the Company.

SPECIAL BUSINESS:

4. Appointment of M/s. Jitendra Parmar & Associates, Practicing Company Secretaries, Ahmedabad (FRN: S2023GJ903900) as the Secretarial Auditor of the Company for a period of five (5) years:

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT, pursuant to the provisions of Regulation 24A and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’), Section 204 of the Companies Act, 2013 (‘Act’) and other applicable provisions of the Act, if any and the Rules framed thereunder, as amended from time to time, and based on the recommendation of the Audit Committee and the Board of Directors of the Company (hereinafter referred to as the ‘Board’), M/s. Jitendra Parmar & Associates, Practicing Company Secretaries, Ahmedabad (FRN: S2023GJ903900, Peer Review Certificate No. 3523/2023) (Membership No.: FCS – 11336) be and are hereby appointed as the Secretarial Auditor of the Company for an Audit period of five consecutive years commencing from FY 2025-26 until FY 2029-30, on such remuneration as may be mutually agreed upon between the Board and the Secretarial Auditor.

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

Registered Office:

D-115, Defence Colony, Jajmau,
Shiwans Tanney, Kanpur Nagar,
Jajmau, Uttar Pradesh, India – 208 010

**By the Order of the Board of
AKI India Limited**

Place: Kanpur
Date: 22nd July, 2025

**Sd/-
Sameena Asad Iraqi
Whole-time Director
DIN: 01668732**

**Sd/-
Mohammad Ajwad
Managing Director
DIN: 07902475**

NOTES:

1. The relevant statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ("Act") read with Section 110 of the Act and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), each as amended, setting out the material facts relating to the aforesaid Resolutions and the reasons thereof is annexed hereto and forms part of this Notice.
2. The 31st Annual General Meeting ("AGM") will be held on Wednesday, 13th August, 2025 at 02:00 P.M. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"), in compliance with the applicable provisions of the Companies Act, 2013 read with Ministry of Corporate Affairs' ("MCA") General Circular No. 09/2024 dated September 19, 2024 and Circular issued by SEBI vide Circular No. SEBI/HO/CFD/CFDPoD-2/P/CIR/2024/133 dated October 3, 2024 ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The deemed venue for the 31st AGM shall be the Registered Office of the Company.
3. This AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.** Members have to attend and participate in the ensuing AGM through VC/OAVM. However, the Body Corporates are entitled to appoint Authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. Members of the Company under the category of "Institutional Investors" are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to Email at info@groupaki.com or at info@accuratesecurities.com, a certified copy of the Board Resolution / authorization letter authorizing their representative to attend and vote on their behalf at AGM through E-voting.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
8. In line with the Ministry of Corporate Affairs ("MCA") Circular No. 17/2020 dated April 13, 2020, the Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited ("BSE") at www.bseindia.com and National Stock Exchange of India Limited ("NSE") at

www.nseindia.com and Company Website i.e., www.groupaki.com respectively and the AGM Notice is also available on the website of National Securities Depository Limited ("NSDL") (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

9. AGM has been convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
10. The Board of Directors has appointed Mr. Gaurav V Bachani proprietor of M/s. Gaurav Bachani & Associates (Membership No: 61110 ACS, CP No: 22830), Ahmedabad, Company Secretaries, as the Scrutinizer to scrutinize the remote voting and e-voting process in fair and transparent manner.
11. The Scrutinizer will submit his consolidated report to the Chairman, or any other person authorised by him, after completion of scrutiny of the votes cast, and the result of the voting will be announced by the Chairman or any other person authorized by him. The Scrutinizer's decision on the validity of votes cast will be final.
12. The Results declared along with the Scrutinizer's Report shall be communicated to the Stock Exchanges, where the equity shares of the Company are listed viz. BSE Limited ("BSE") be made available on its website viz. www.bseindia.com and National Stock Exchange of India Limited ("NSE") at www.nseindia.com.

13. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

In compliance with the MCA Circulars and SEBI Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Notice of the Annual General Meeting ("AGM") along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2024-25 will be available on website of the Stock Exchange, i.e., BSE Limited ("BSE") at www.bseindia.com and National Stock Exchange of India Limited ("NSE") at www.nseindia.com, Company Website i.e. www.groupaki.com and on the website of NSDL at www.evoting.nsdl.com. **Annual Report will not be sent in physical form.**

14. Members of the Company holding shares, either in physical form or in Dematerialized form, as on Friday, 18th July, 2025 will receive Annual Report for the financial year 2024-25 through electronic mode only.
15. The Register of Members and Share Transfer Books will remain closed from 6th August, 2025 to 13th August, 2025 (both days inclusive) for the purpose of Annual General Meeting ("AGM").
16. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc., to their Depository Participant ("DP"). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company ("RTA") at its following address: MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited), C-101, 1st Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra - 400 083, Email id: mumbai@in.mpms.mufg.com.

17. In terms of the provisions of Section 152 of the Act, Ms. Sameena Asad Iraqi (DIN: 01668732) Whole-Time Director of the Company, who retires by rotation at this Annual General Meeting ("AGM"). Nomination and Remuneration Committee and the Board of Directors of the Company re-commend her re-appointment.

Ms. Sameena Asad Iraqi is interested in the Ordinary Resolutions set out at Item No. 2 of the Notice with regard to his re-appointment. The other relatives of Ms. Sameena Asad Iraqi being shareholders of the Company may be deemed to be interested in the resolutions set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Businesses set out under Item No. 2 of the Notice.

18. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc., to their Depository Participant ("DP"). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company ("RTA") at its following address MUFG Intime India Private Limited (*Formerly Known as Link Intime India Private Limited*), C-101, 1st Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra - 400 083, Email id: mumbai@in.mpms.mufg.com.
19. The Securities and 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 DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
20. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
21. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred / traded only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialize.
22. Members are requested to quote their Folio No. or DP ID / Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.
23. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice as per Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India.
24. As the AGM is to be held through VC / OAVM, Members seeking any information with regard to the accounts or any documents, are requested to write to the Company at least 10 days before the date of AGM through email on info@groupaki.com and / or at info@accuratesecurities.com. The same will be replied / made available by the Company suitably.

25. The business set out in the Notice of AGM will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
26. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
27. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
28. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
29. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
30. The Company has set 6th August, 2025 as the "Cut-off Date" for taking record of the shareholders of the Company who will be eligible for casting their vote on the resolution to be passed in the ensuing "Thirty First" (31st) Annual General Meeting", for both E-Voting.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Sunday, 10th August, 2025 at 9:00 A.M. and ends on Tuesday, 12th August, 2025 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., Wednesday, 6th August, 2025 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 6th August, 2025.

How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below: **Step 1: Access to NSDL e-Voting system***

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1.If you are already registered for NSDL IDeAS facility , please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the " Beneficial Owner "

	<p>icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2.If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>3.Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1.Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>2.After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3.If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.</p> <p>4.Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022 – 2305 8542-43.

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

<p><u>How to cast your vote electronically and join General Meeting on NSDL e-Voting system?</u></p> <ol style="list-style-type: none"> 1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and who’s voting cycle and General Meeting is in active status. 2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”. 3. Now you are ready for e-Voting as the Voting page opens. 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted. 5. Upon confirmation, the message “Vote cast successfully” will be displayed. 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page. 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
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General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csgauravbachani@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@groupaki.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (info@groupaki.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (info@groupaki.com). The same will be replied by the company suitably.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 3:

Appointment of M/s. Jitendra Parmar & Associates Practicing Company Secretaries, Ahmedabad as the Secretarial Auditor of the Company for a period of five (5) years:

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Third Amendment Regulations dated December 12, 2024 and Regulation 24A (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed entity shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary. The Company may appoint an individual as Secretarial Auditor for not more than one term of five consecutive years or a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years.

It is proposed to appoint M/s. Jitendra Parmar & Associates, Practicing Company Secretary, as Secretarial Auditor of the Company for an Audit period of five consecutive years commencing from 2025-26 till 2029-30, at a remuneration as may be mutually agreed upon, between the Board of Directors of the Company and the Secretarial Auditor. The firm has confirmed its eligibility and provided the necessary documents, including the consent letter, peer review certificate, and eligibility confirmation.

The Board and the Audit Committee, while considering the appointment of M/s. Jitendra Parmar & Associates as Secretarial Auditor of the Company, evaluated the firm's credentials, expertise to manage secretarial audits in the sector that the Company operates, its professional standing, technical competence, and the diversity of its client portfolio. Based on this assessment, M/s. Jitendra Parmar & Associates was found to be well-qualified to conduct the Secretarial Audit for the Company.

Registered Office:

D-115, Defence Colony, Jajmau,
Shiwans Tanney, Kanpur Nagar, Jajmau,
Uttar Pradesh, India – 208 010

Place: Kanpur

Date: 22nd July, 2025

**By the Order of the Board of
AKI India Limited**

**Sd/-
Sameena Asad Iraqi
Whole-time Director
DIN: 01668732**

**Sd/-
Mohammad Ajwad
Managing Director
DIN: 07902475**

ANNEXURE:

Relevant details as stipulated under Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of directors seeking appointment / reappointment as director under Resolution No. 2 as under:

Name of the Director	Ms. Sameena Asad Iraqi (DIN: 01668732)
Date of Birth	02/08/1983
Date of first Appointment on the Board	01/10/2002
Qualifications	MBA in Finance
Experience/Brief Resume/ Nature of expertise in specific functional areas	Expertise in field of Finance Management, Business Operations
Terms and Conditions of Appointment along with remuneration sought to be paid	Liable to retire by rotation
Remuneration last drawn by such person, if any	She draws remuneration of Rs. 7,00,000/- during the year
No. of Shares held in the Company as on 31 st March, 2025	57,69,855 Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company/ Disclosure of relationships between directors inter-se	She is the spouse of Asad Kamal Iraqi (Chief Financial Officer) and the mother of Mohammad Ajwad (Managing Director) and Mohammad Asjad (Non-Executive Director).
Number of Meetings of the Board attended during the year	7 - Board Meetings
Directorship / Designated Partner in other Companies / LLPs	-
Chairman/Member of the Committees of Board of other Companies/ Names of listed entities in which the person also holds the directorship and the membership of the Committees of the board	-

DIRECTOR'S REPORT

To,
The Members,
AKI India Limited

Your Directors are pleased to present the 31st Board's Report on the Business and Operations of the Company together with the Audited Financial Statements along with the Auditor's Report for the Financial Year ended on 31st March, 2025.

1. FINANCIAL RESULTS:

The financial performance of the Company for the Financial Year ended on 31st March, 2025 and for the previous financial year ended on 31st March, 2024 are summarized as below:

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	6865.83	6483.64	8096.18	7091.26
Other Income	641.51	300.30	652.39	321.58
Total Income	7507.34	6783.94	8748.57	7412.84
Total Expenses	7245.08	6597.21	8481.89	7225.08
Profit Before Exceptional and Extra Ordinary Items and Tax	262.26	186.73	266.68	187.76
Exceptional Items	0.00	0.00	0.00	0.00
Profit before Extra-Ordinary Items and Tax/ Profit Before Tax	262.26	186.73	266.68	187.76
Tax Expense: Current Tax	84.85	57.61	84.85	57.82
Deferred Tax	14.04	(6.77)	14.05	(6.77)
Total Tax expense	98.89	50.84	98.90	51.05
Profit for the Period	163.37	135.89	167.78	136.71
Earnings Per Share (EPS)				
Basic	0.18	0.15	0.19	0.16
Diluted	0.18	0.15	0.19	0.16

2. OPERATIONS:

- **Standalone Basis:**

The total Income for Financial Year 2024-25 was **Rs. 7507.34 Lakhs** compared to the total Income of **Rs. 6783.94 Lakhs** for previous Financial Year 2023-24. The Company has incurred Profit before tax for Financial Year 2024-25 of **Rs. 262.26 Lakhs** as compared to Profit before tax of **Rs. 186.73 Lakhs** for previous Financial Year. The Net Profit after tax for the Financial Year 2024-25 is **Rs. 163.37 Lakhs** as compared to Net Profit after tax **Rs. 135.89 Lakhs** as compared for previous Financial Year. The Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in the future period.

- **Consolidated Basis:**

The total Income for Financial Year 2024-25 was **Rs. 8748.57 Lakhs** compared to the total Income of **Rs. 7412.84 Lakhs** for previous Financial Year 2023-24. The Company has incurred Profit before tax for Financial Year 2024-25 of **Rs. 266.68 Lakhs** as compared to Profit before tax of **Rs. 187.76 Lakhs** for previous Financial Year. The Net Profit after tax

for the Financial Year 2024-25 is **Rs. 167.78 Lakhs** as compared to Net Profit after tax **Rs. 136.71 Lakhs** as compared for previous Financial Year. The Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in the future period.

3. CHANGE IN NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business during the year under review.

4. WEBLINK OF ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2025 is available on the Company's website at www.groupaki.com.

5. SHARE CAPITAL:

A. AUTHORISED SHARE CAPITAL:

- The authorized share capital of the Company as on 31st March, 2025 is Rs. 25,00,00,000.00/- (Rupees Twenty-Five Crores Only) divided into 12,50,00,000 (Twelve Crores Fifty Lakhs) Equity Shares of Rs. 2.00/- (Rupees Two Only) each.

B. PAID-UP SHARE CAPITAL:

- During the year under the review, paid-up share capital of the Company is increased from Rs. 17,15,28,348.00/- (Rupees Seventeen Crores Fifteen Lakhs Twenty-Eight Thousand Three Hundred Forty-Eight Only) divided into 8,57,64,174 (Eight Crores Fifty-Seven Lakhs Sixty-Four Thousand One Hundred Seventy-Four Only) Equity Shares of Rs. 2.00/- (Rupees Two Only) each to Rs. 17,70,64,348.00/- (Rupees Seventeen Crores Seventy Lakhs Sixty-Four Thousand Three Hundred Forty-Eight Only) divided into 8,85,32,174 (Eight Crores Eighty-Five Lakhs Thirty-Two Thousand One Hundred Seventy-Four) Equity Shares of Rs. 2.00/- (Rupees Two Only) each, was affected through allotment of equity shares on a preferential basis in the Board Meeting held on 28th June, 2024.
- After the completion of the Financial Year 2024-25, the paid-up share capital of the Company increased from Rs. 17,70,64,348/- (Rupees Seventeen Crores Seventy Lakhs Sixty-Four Thousand Three Hundred Forty-Eight Only) divided into 8,85,32,174 (Eight Crores Eighty-Five Lakhs Thirty-Two Thousand One Hundred Seventy-Four) Equity Shares of Rs. 2/- (Rupees Two Only) each to Rs. 20,64,11,912/- (Rupees Twenty Crores Sixty-Four Lakhs Eleven Thousand Nine Hundred and Twelve only) divided into 10,32,05,956 (Ten Crores Thirty-Two Lakhs Five Thousand Nine Hundred and Fifty-Six) Equity shares of Rs. 2/- (Rupees Two Only) each, was affected through allotment of equity shares on a preferential basis in the Board Meeting held on 9th June, 2025.

6. ALLOTMENT OF SHARES:

A. PREFERENTIAL ISSUE OF CONVERTIBLE WARRANTS INTO EQUITY SHARES:

During the year under review, the Company had allotted 27,68,000 Equity shares pursuant to conversion of warrants on Preferential basis having face value of Rs. 2.00/- each, at an issue price of Rs. 18.71/- per share (including Premium of Rs. 16.71/- per share) in the Board Meeting held on 28th June, 2024.

B. PREFERENTIAL ISSUE OF CONVERTIBLE WARRANTS INTO EQUITY SHARES:

After the completion of Financial Year 2024-25, the Company had allotted 1,46,73,782 Equity shares pursuant to conversion of warrants on Preferential basis having face value of Rs. 2.00/- each, at an issue price of Rs. 18.71/- per share (including Premium of Rs. 16.71/- per share) in the Board Meeting held on 9th June, 2025.

7. DIVIDEND:

To conserve resources for future prospect and growth of the Company, your Directors regret to declare any dividend for the Financial Year 2024-25 (Previous Year - Nil).

8. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF"). During the year under review, there was no unpaid or unclaimed dividend in the "Unpaid Dividend Account" lying for a period of seven years from the date of transfer of such unpaid dividend to the said account. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund.

9. TRANSFER TO RESERVES:

The Profit of the Company for the Financial Year ending on 31st March, 2025 is transferred to profit and loss account of the Company under Reserves and Surplus.

10. DISCLOSURES RELATING TO HOLDING, SUBSIDIARY, ASSOCIATE COMPANY AND JOINT VENTURES:

The Company has a Subsidiary Company i.e. AKI UK Limited. The Company has complied with all compliance related to its Subsidiary Company. The Company has policy for determining "Subsidiary Company" which is uploaded on the website of the Company.

Statement containing salient features of the Financial Statement of Associate pursuant to section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 in **Form No. AOC-1** is enclosed herewith as **Annexure I**.

11. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT:

• ALLOTMENT OF EQUITY SHARES PURSUANT TO CONVERTIBLE WARRANTS:

During the year, on 28th June, 2024, the Company, pursuant to a resolution passed at its Board Meeting allotted 27,68,000 (Twenty-Seven Lakhs Sixty-Eight Thousand) Equity shares upon conversion of warrants into Equity shares on a Preferential basis having face value of Rs. 2.00/- (Rupees Two Only) each and were issued at a price of Rs. 18.71/- per share (including Premium of Rs. 16.71/- per share).

Consequently, the Paid-up Share Capital of the Company had increased from Rs. 17,15,28,348/- (Rupees Seventeen Crores Fifteen Lakhs Twenty-Eight Thousand Three Hundred Forty-Eight Only) to Rs. 17,70,64,348/- (Rupees Seventeen Crores Seventy Lakhs Sixty-Four Thousand Three Hundred Forty-Eight Only).

- **ALLOTMENT OF EQUITY SHARES PURSUANT TO CONVERTIBLE WARRANTS:**

After the Completion of Financial Year 2024-25 on 9th June, 2025, the Company, pursuant to a resolution passed at its Board Meeting, allotted 1,46,73,782 (One Crore Forty-Six Lakhs Seventy-Three Thousand Seven Hundred and Eighty-Two) Equity shares upon conversion of warrants into Equity shares on a Preferential basis having face value of Rs. 2.00/- (Rupees Two Only) each and were issued at a price of Rs. 18.71/- per share (including Premium of Rs. 16.71/- per share).

Consequently, the Paid-up Share Capital of the Company had increased from Rs. 17,70,64,348/- (Rupees Seventeen Crores Seventy Lakhs Sixty-Four Thousand Three Hundred Forty-Eight Only) to 20,64,11,912 (Twenty Crore Sixty-four Lakhs Eleven thousand Nine Hundred and Twelve)

12. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation.

13. MEETINGS OF THE BOARD OF DIRECTORS:

The Directors of the Company met at regular intervals at least once in a quarter with the gap between two meetings not exceeding 120 days to take a view of the Company's policies and strategies apart from the Board Matters.

During the year under the review, the Board of Directors met 7 (Seven) times viz. 28th May, 2024, 28th June, 2024, 14th August, 2024, 7th September, 2024, 18th October, 2024, 13th November, 2024, and 14th February, 2025.

14. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, to the best of their knowledge and belief the Board of Directors hereby submit that:

- a. In the preparation of the Annual Accounts, for the year ended on 31st March, 2025 the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there is no material departure from the same;
- 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 financial year and of the profit of the Company for the financial year ended on 31st March, 2025.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 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 are 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.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of section 135 of the Companies Act, 2013 is not applicable to your Company as the Company does not fall under the criteria limits mentioned in the said section of the Act.

Hence, the Company has not taken voluntary initiative towards any activity mentioned for Corporate Social Responsibility.

16. EXPLANATIONS / COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:

i. Auditors' Report:

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

ii. Secretarial Auditor's Report:

The report of the Secretarial auditor has not made any adverse remark in their Audit Report except:

- a) Compliance of SEBI Circular No: SEBI / HO / DDHS / DDHS - RACPOD1 / P / CIR / 2023 / 172 dated October 19, 2023 i.e. Non filing of Annual Disclosures of Non-applicability of Large Corporate for FY 2023-24.

Reply:

The Company **does not fall under the criteria** specified for classification as a "Large Corporate" as per the definitions provided in the circular. Therefore, the requirement to submit the Annual Disclosure in the prescribed format does not arise.

- b) During the period under review, it was noted that the Company had appointed an Independent Director who was not registered with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs (IICA) at the time of appointment, as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014

Reply:

The registration of Independent Directors has not been completed in the database due to a technical issue in the system. The matter has been identified, and the necessary steps are being taken to resolve it at the earliest. Once the issue is rectified, the registration will be completed accordingly.

- c) The Company has not filed Form DPT-3 for the financial year ended 31st March, 2024, as required under Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014, read with Section 73 of the Companies Act, 2013.

Reply:

The filing of DPT-3 was inadvertently overlooked. We acknowledge this oversight and would like to assure you that the company is in the process of completing the necessary filing. We will ensure that the required form is filed promptly and in full compliance with the applicable regulations.

All the observations made by the Secretarial Auditors in their report, including those referred to above, are self-explanatory and do not call for any further comments from the Board.

17. PARTICULARS OF LOANS, GUARANTEES, SECURITIES COVERED OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

During the year Company has made investments under the provisions of section 186 of the Companies Act, 2013 and disclosures for the said investment is provided in the notes to financial statement.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All transactions to be entered by the Company with related parties will be in the ordinary course of business and on an arm's length basis. Further, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014, in **Form No. AOC-2** is enclosed herewith as **Annexure - II**.

19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report, and provides the Company's current working and future outlook as per **Annexure III**.

20. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place adequate internal financial controls with reference to financial statement across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the financial year, such controls were tested and no reportable material weaknesses in the design or operations were observed. The Statutory Auditors of the Company also test the effectiveness of Internal Financial Controls in accordance with the requisite standards prescribed by ICAI. Their expressed opinion forms part of the Independent Auditor's report.

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitized and embedded in the business processes.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts. We believe that these systems provide reasonable assurance that our internal financial controls are designed

effectively and are operating as intended.

During the year, no reportable material weakness was observed.

21. RESERVES & SURPLUS:

(Amount in Lakhs)		
Sr. No.	Particulars	Amount
1.	Balance at the beginning of the year	250.84
2.	Current Year's Profit	163.37
3.	Other Adjustment	(0.84)
4.	Bonus Share Issued	0.00
5.	Adjustment for Income Tax	(19.30)
6.	Expenses not Allowable	0.00
7.	Security Premium	3637.64
8.	Share Warrants Money received	686.37
Total		4718.08

22. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF THE RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has framed formal Risk Management framework for risk assessment and risk minimization for Indian operation which is periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee also reviews the adequacy of the risk management frame work of the Company, the key risks associated with the business and measures and steps in place to minimize the same.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption etc. as required to be given under section 134(3)(m) of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014, is not given as the Company has not taken any major step to conserve the energy etc.

Foreign Exchange Earnings and Outgo:

(Amt in Lacs)		
Sr. No	Foreign exchange earnings and outgo:	F.Y. 2024-25
a.	Foreign exchange earnings	3780.95
b.	CIF Value of Imports	477.79
c.	Expenditure in foreign currency	344.87

24. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice and is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. The Company's Policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 (3) of the Act is available on the website of the Company at www.groupaki.com.

25. SECRETARIAL STANDARDS:

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI). The Company has devised proper systems to ensure compliance with its provisions and is in compliance with the same.

26. REPORTING OF FRAUDS BY THE AUDITORS:

During the year under review, neither the Statutory nor the Secretarial Auditors has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

27. STATE OF COMPANY'S AFFAIRS:

Management Discussion and Analysis Report for the year under review, as stipulated in Regulation 34(2)(e) of SEBI Listing Regulations is given as a separate part of the Annual Report. It contains a detailed write up and explanation about the performance of the Company.

28. STATEMENT ON ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors, pursuant to the provisions of the Act and SEBI Listing Regulations. The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition, and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board / Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Chairman of the Board had one-on-one meetings with each Independent Director and the Chairman of the Nomination and Remuneration Committee had one-on-one meetings with each Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual directors and the Board as a whole.

In the Board meeting that followed the meeting of the independent directors and the meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was discussed.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company

during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management, and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties.

The Board carried out an annual performance evaluation of its own performance and that of its committees and individual directors as per the formal mechanism for such evaluation adopted by the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee.

The performance evaluation of the Chairman, the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The exercise of performance evaluation was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board by way of individual feedback from directors.

The evaluation frameworks were the following key areas:

a) For Non-Executive & Independent Directors:

- Knowledge
- Professional Conduct
- Comply Secretarial Standard issued by ICSI Duties
- Role and functions

b) For Executive Directors:

- Performance as leader
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set investment goal
- Professional conduct and integrity
- Sharing of information with Board.
- Adherence applicable government law

The Directors expressed their satisfaction with the evaluation process.

29. MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:

A. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

B. BUSINESS CONDUCT POLICY:

The Company has framed "Business Conduct Policy". Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the policy. The objective of the policy is to conduct the business in an honest, transparent and in an ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

30. PARTICULARS OF EMPLOYEES:

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as none of the Employees of the Company has received remuneration above the limits specified in the Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 during the financial year 2024-25.

31. LOAN FROM DIRECTOR / RELATIVE OF DIRECTOR:

The Company has not taken Loan from Director and Relative of Director.

32. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Directors and Key Managerial Personnel of the Company are summarized below:

Sr. No.	Name	Designation	DIN / PAN
1.	Ms. Sameena Asad Iraqi	Whole-time Director	01668732
2.	Mr. Mohammad Ajwad ¹	Managing Director	07902475
3.	Mr. Mohammad Asjad	Non-Executive and Non-Independent Director	10052579
4.	Mr. Aslam Saeed ²	Non-Executive and Independent Director	00996483
5.	Mr. Javed Iqbal ²	Non-Executive and Independent Director	01335862
6.	Mr. Raj Krishna Agrawal ²	Non-Executive and Independent Director	08018396
7.	Ms. Divya Srivastava	Company Secretary & Compliance Officer	FRFPS5050F
8.	Mr. Asad Kamal Iraqi	Chief Executive Officer	AAAPI9913Q
9.	Mr. Prabodh Sharma	Chief Financial Officer	ANSPS8312E

¹ Change in designation of Mr. Mohammad Ajwad from Whole-time Director to Managing Director of the Company w.e.f. 7th September, 2024.

² Re-appointment of Mr. Javed Iqbal, Mr. Aslam Saeed and Mr. Raj Agarwal as Non-Executive and Independent Director of the Company w.e.f. 7th September, 2024.

Apart from the above changes, there were no other changes in the composition of the Board of Directors of the Company during the Financial Year 2024-25 and till the date of Board's Report.

As per Companies Act, 2013, the Independent Directors are not liable to retire by rotation.

33. DECLARATION BY INDEPENDENT DIRECTORS:

Mr. Aslam Saeed, Mr. Javed Iqbal and Mr. Raj Agarwal, Independent Directors of the Company have confirmed to the Board that they meet the criteria of Independence as specified under Section 149 (6) of the Companies Act, 2013 and they qualify to be Independent Director. They have also confirmed that they meet the requirements of Independent Director as mentioned under Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The confirmations were noted by the Board.

34. CORPORATE GOVERNANCE:

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance, and a certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as **Annexure IV**.

35. DEPOSITS:

As per Section 73 of the Companies Act, 2013, the Company has neither accepted nor renewed any deposits during the financial year. Hence, the Company has not defaulted in repayment of deposits or payment of interest during the financial year.

36. FORMAL ANNUAL EVALUATION PROCESS BY BOARD:

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, the Board has carried the evaluation of its own performance, performance of Individual Directors, Board Committees, including the Chairman of the Board on the basis of attendance, contribution towards development of the Business and various other criteria as recommended by the Nomination and Remuneration Committee of the Company. The evaluation of the working of the Board, its committees, experience and expertise, performance of specific duties and obligations etc. were carried out. The Directors expressed their satisfaction with the evaluation process and outcome.

In a separate meeting of Independent Directors, the performances of Executive and Non - Executive Directors were evaluated in terms of their contribution towards the growth and development of the Company. The achievements of the targeted goals and the achievements of the expansion plans were too observed and evaluated, the outcome of which was satisfactory for all the Directors of the Company.

37. AUDITORS:

A. Statutory Auditor:

M/s. R K Parmarthi & Co., Chartered Accountants, Kanpur (Firm Registration No. 001121C), were appointed as the Statutory Auditors of the Company for the Financial year 2024-25.

The Board of Director of the Company has been appointed M/s. R K Parmarthi & Co., Chartered Accountants, (FRN: 001121C) as the Statutory Auditor of the Company as on 18th October, 2024.

The Auditor's report for the Financial Year ended 31st March, 2024 has been issued with an unmodified opinion, by the Statutory Auditor.

B. Secretarial Auditor:

The Board of Directors pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed Mr. Jitendra Parmar, Proprietor of M/s. Jitendra Parmar & Associates, Company Secretaries, Ahmedabad as a Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2024-25.

The Secretarial Audit Report for the Financial Year 2024-25 is annexed herewith as **Annexure V** in Form MR-3.

C. Internal Auditor:

The Board of directors has appointed M/s. Shaunak Mall & Associates., (FRN: 004072) Cost Accountant, Kanpur, as the internal auditor of the Company for the Financial Year 2024-25. The Internal Auditor conducts the internal audit of the functions and operations of the Company and reports to the Audit Committee and Board from time to time.

38. DISCLOSURES:

A. Composition of Audit Committee:

During the year under review, meetings of members of the Audit committee as tabulated below, was held on 28th May, 2024, 14th August, 2024, 18th October, 2024, 13th November, 2024, and 14th February, 2025 the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Javed Iqbal	Chairperson	5	5
Mr. Aslam Saeed	Member	5	5
Mr. Raj Krishna Agrawal	Member	5	5

B. Composition of Nomination and Remuneration Committee:

During the year under review, meetings of the members of the Nomination and Remuneration committee, as tabulated below, was held on 7th September, 2024 and the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Raj Krishna Agrawal	Chairperson	1	1
Mr. Aslam Saeed	Member	1	1
Mr. Javed Iqbal	Member	1	1

C. Composition of Stakeholders' Relationship Committee:

During the year under review, meetings of members of Stakeholders' Relationship committee as tabulated below, was held on 7th September, 2024 the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Aslam Saeed	Chairperson	1	1
Mr. Javed Iqbal	Member	1	1
Mr. Raj Krishna Agarwal	Member	1	1
Ms. Sameena Asad Iraqi	Member	1	1

39. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has always been committed to provide a safe and conducive work environment to its employees. Your directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as confirmed by the Internal Complaints Committee as constituted by the Company.

The following no. of complaints was received under the POSH Act and the rules framed thereunder during the year:

- a. number of complaints filed during the financial year - NIL
- b. number of complaints disposed of during the financial year - NIL
- c. number of complaints pending as on end of the financial year – NIL

40. INDUSTRIAL RELATIONS:

The Directors are pleased to report that the relations between the employees and the management continued to remain cordial during the year under review.

41. MAINTENANCE OF COST RECORDS:

According to information and explanation given to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act in respect of activities carried out by the Company.

42. DEMATERIALISATION OF EQUITY SHARES:

As per direction of the SEBI, the shares of the Company are under compulsory demat form. The Company has established connectivity with both the Depositories i.e., National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and the Demat activation number allotted to the Company is **ISIN: INE642Z01026**. Presently shares are held in electronic mode.

43. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code 2016.

44. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE AVAILING LOAN FROM THE BANKS AND FINANCIAL INSTITUTIONS:

During the year under review, there has been no one time settlement of Loans taken from Banks and Financial Institutions.

45. ACKNOWLEDGEMENTS:

Your directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Stakeholders including Financial Institutions, Suppliers, Customers and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company. We look forward for the continued support of every stakeholder in the future.

Registered Office:

D-115, Defence Colony, Jajmau, Shiwans
Tanney, Kanpur Nagar, Jajmau,
Uttar Pradesh, India – 208 010

**By the Order of the Board of
AKI India Limited**

Place: Kanpur

Date: 22nd July, 2025

Sd/-	Sd/-
Sameena Asad Iraqi	Mohammad Ajwad
Whole-time Director	Managing Director
DIN: 01668732	DIN: 07902475

FORM NO: AOC-1**Statement containing salient features of the financial statement of
Subsidiaries/associate companies/joint ventures**

***(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies (Accounts) Rules, 2014)***

Part "A": Subsidiaries

Sr. No.	Name of Subsidiaries	AKI UK Limited
1.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31 st March, 2025
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	GBP to INR @110.7389 INR
3.	Share Capital	2,04,86,696.50
4.	Reserves & Surplus	(3,467,322.93)
5.	Total Assets	5,08,24,989.10
6.	Total Liabilities	4,02,59,189.11
7.	Investments	64,06,245.37
8.	Turnover	12,30,35,770.48
9.	Profit / (Loss) before taxation	4,41,388.57
10.	Provision for taxation	-47,328.21
11.	Profit / (Loss) after taxation	3,94,060.36
12.	Proposed Dividend	0.00
13.	% of Shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – N.A.
- Names of subsidiaries which have been liquidated or sold during the year – N.A.

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**By the Order of the Board of
AKI India Limited**

Place: Kanpur
Date: 22nd July, 2025

**Sd/-
Sameena Asad Iraqi
Whole-time Director
DIN: 01668732**

**Sd/-
Mohammad Ajwad
Managing Director
DIN: 07902475**

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 arm's length transaction under third proviso thereto.

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

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms' length basis.

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

Name (s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
AKI UK Limited	Subsidiary Company	Sales of goods	1 st April, 2024 to 31 st March, 2025	Rs. 1114.13 Lakhs	As per note below	As per note below
AKI UK Limited	Subsidiary Company	Trade Payable	1 st April, 2024 to 31 st March, 2025	Rs. 1351.09 Lakhs	As per note below	As per note below
AKI UK Limited	Subsidiary Company	Trade Receivable	1 st April, 2024 to 31 st March, 2025	Rs. 1078.44 Lakhs	As per note below	As per note below
AKI Hospitalities Private Limited	A Private Company in which a director is Managing Director of our Company	Advance	1 st April, 2024 to 31 st March, 2025	Rs. 463.51 Lakhs	As per note below	As per note below

Note: Appropriate approvals have been taken for related party transactions wherever necessary.

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**By the Order of the Board of
AKI India Limited**

Place: Kanpur
Date: 22nd July, 2025

**Sd/-
Sameena Asad Iraqi
Whole-time Director
DIN: 01668732**

**Sd/-
Mohammad Ajwad
Managing Director
DIN: 07902475**

Management Discussion and Analysis

A. Industry structure and developments:

India's leather industry holds a significant place in the country's manufacturing landscape, contributing consistently to economic development and employment. While its direct contribution to GDP may be modest compared to other industries, its value chain integration—with sectors such as fashion, textiles, and retail—amplifies its broader economic influence. Leather and leather goods also form a core component of India's export portfolio, positioning the country among the leading exporters globally. Markets like the European Union, the U.S., and Japan are major destinations, and the sector accounts for nearly 10–12% of India's total manufactured exports, thereby playing a key role in foreign exchange earnings.

- **Production and Supply Chain:** India boasts a robust leather production ecosystem that encompasses everything from raw material sourcing and tanning to final manufacturing and distribution. Major leather-producing states include Tamil Nadu, Uttar Pradesh, West Bengal, and Maharashtra. The industry features a blend of organized large-scale enterprises and smaller, informal production units. This structural diversity allows the sector to address a wide range of market demands—from mass-produced goods to high-end, custom-designed products.
- **Domestic Market:** Domestic demand for leather products in India is rising steadily, fueled by higher disposable incomes, rapid urbanization, and evolving fashion preferences. Urban consumers, especially the middle class, are increasingly gravitating toward branded and stylish leather items. Footwear continues to dominate the domestic market, followed by accessories and apparel. A notable trend is the growing consumer awareness and demand for sustainable and environmentally friendly leather alternatives, aligning with broader global trends.
- **Export Market:** Exports form the backbone of India's leather industry, with over half of the output targeted at global markets. The European Union remains the top importer of Indian leather goods, followed by the U.S. and parts of Southeast Asia. Indian leather products are recognized for their superior quality and traditional craftsmanship, giving them a competitive edge in international markets. Nonetheless, Indian exporters face stiff competition from cost-efficient producers in countries like China, Vietnam, and Bangladesh.
- **Global Market Trends:** Globally, the leather goods market is evolving with shifting consumer expectations. Ethical sourcing, eco-conscious production methods, and traceability are becoming critical factors influencing purchasing decisions. Demand is rising for products that offer both style and sustainability. Digitalization, personalization, and faster turnaround times are also shaping the global leather trade.
- **Regional Insights:** Regionally, North America and Europe continue to be strongholds for leather exports due to stable demand and high consumer standards. The Asia-Pacific region is emerging as a high-growth market, driven by increasing affluence and western fashion influence. Trade policies, tariffs, and economic fluctuations across different regions also play a vital role in shaping the industry's growth trajectory.

- **Competitive Landscape:** The competitive environment in the leather sector is intense, with several established Indian and global brands vying for market share. Players compete on parameters such as quality, design innovation, pricing, and delivery capabilities. In recent years, the industry has witnessed strategic collaborations, mergers, and acquisitions aimed at expanding global footprints, improving technological capabilities, and strengthening supply chains.

B. Financial Performance:

- **Revenue Analysis:** The company saw strong revenue growth, especially from footwear and international markets. E-commerce and direct-to-consumer channels performed particularly well.. Highlight any significant growth areas or declines.
- **Cost Structure:** Input costs rose due to higher raw material, labor, and logistics expenses. However, efficient procurement and operational controls helped manage overall cost impact.
- **Profitability:** Gross and operating margins were stable, supported by pricing strategies and volume growth. Net profit improved despite inflationary pressures and currency fluctuations.
- **Capital Expenditure:** Capital Expenditure was directed toward facility upgrades, automation, and R&D. These investments aim to boost efficiency and support future expansion.
- **Product Development:** The company introduced sustainable and fashion-forward leather products, responding to global trends. Innovation focused on both design and functionality.
- **Sales and Marketing:** Marketing efforts emphasized digital platforms, influencer tie-ups, and customer engagement. These strategies improved brand visibility and boosted sales performance.
- **Supply Chain Management:** Global supply chain disruptions were addressed through supplier diversification and inventory planning. Digital tools improved logistics tracking and resilience.

C. Challenges and Opportunities:

A. Environmental and Regulatory Challenges:

- The leather industry consumes large amounts of water and chemicals, leading to issues like pollution and waste management.
- Environmental laws are becoming stricter in India and abroad, requiring manufacturers to shift toward greener processes and invest in sustainable technology.

B. Global Competition:

- Indian leather producers face tough competition from countries like China, Vietnam, and Bangladesh, which offer lower-cost and faster production.
- To stay competitive, Indian firms must enhance quality, design, and innovation while building stronger global branding.
- There's a growing opportunity to lead in sustainable and ethically produced leather goods, which are in increasing demand worldwide.

C. Technological Advancements:

- Embracing automation, digital tools, and advanced machinery can improve production efficiency and reduce labor dependence.
- Investment in technology can lower costs and help meet rising quality and environmental standards.
- E-commerce offers new opportunities to sell directly to international consumers, by passing traditional retail and expanding market reach.

D. Government Support and Initiatives:

A. Policy Initiatives:

The Government of India has rolled out targeted programs like the **Indian Leather Development Programme (ILDP)** to strengthen the sector. The initiative focuses on expanding production capacity, upgrading infrastructure, and improving workforce efficiency across the leather value chain.

Several export-driven policies, including **duty drawback schemes** and **export incentives**, are designed to enhance India's competitiveness in global markets and support exporters with financial benefits.

B. Skill Development:

To address the industry's workforce challenges, the **Leather Sector Skill Council (LSSC)** was set up. It plays a key role in training and certifying workers across various functions, aiming to raise productivity and product quality.

Skill-building efforts now emphasize modern competencies such as sustainable practices, advanced manufacturing, and creative design—ensuring that the Indian workforce remains relevant in a rapidly evolving global market.

C. Investment Promotion:

The leather industry benefits from **100% FDI approval**, which has opened the doors for foreign investors to set up operations in India. This has led to greater capital inflow, introduction of advanced technologies, and improved business practices.

Additionally, the **Productivity Linked Incentive (PLI) scheme** is aimed at driving fresh investments, improving output, and positioning India as a preferred hub for leather production on a global scale.

E. Future Outlook:

A. Growth Prospects:

- The Indian leather sector is expected to witness steady expansion, fueled by increasing domestic consumption and growing demand in international markets. Embracing eco-conscious and ethical manufacturing practices will be essential for unlocking new business opportunities.

- As global markets recover from the disruptions caused by the COVID-19 pandemic, the leather goods segment is likely to see renewed demand—offering a favourable environment for Indian exporters to regain momentum.

B. Strategic Focus Areas:

- **Sustainability:** Environmental responsibility is becoming a central focus, with manufacturers adopting green tanning techniques, improving waste management, and integrating recycling processes. Companies aligning with these sustainable practices will be better positioned in eco-sensitive global markets.
- **Innovation and Technology:** Future success will heavily depend on the industry's ability to modernize. Investing in R&D and upgrading to advanced production systems will enable better product quality, faster turnaround, and the ability to cater to changing consumer trends in both design and material use.
- **Market Diversification:** While traditional markets like the European Union and the United States remain crucial, Indian leather exporters are actively exploring emerging regions such as Latin America, Africa, and Southeast Asia. Expanding into these markets will reduce dependence on a few regions and spread business risk more effectively.

F. Risks and concerns:

The leather industry faces risks from low-cost Chinese imports, rising demand for non-leather substitutes, and counterfeit products. Technology obsolescence is a concern, affecting efficiency and competitiveness. Government policy shifts and global economic instability also impact performance. Diverse consumer preferences worldwide make it challenging to meet all market needs. Maintaining consistent quality while keeping prices competitive is crucial for sustaining growth.

G. Internal control systems and their adequacy:

The Company has implemented internal control systems that are well-aligned with the scale and complexity of its operations. These controls are designed to safeguard company assets, prevent loss or misuse, and ensure that all financial transactions are accurately authorized, recorded, and reported. The systems are regularly reviewed to maintain effectiveness and compliance.

H. Discussion on financial performance with respect to operational performance:

The financial performance of the Company for the Financial Year 2024-25 is described in there as a part of Board of Directors of the Company.

I. Material developments in Human Resources / Industrial Relations front including number of people employed:

The Company follows a people-centric HR philosophy aimed at fostering a high-performance culture where employees are encouraged to reach their full potential. A structured performance management system has been implemented to align individual goals with organizational objectives and drive continuous improvement. The work environment promotes personal growth, accountability, and team collaboration. Industrial

relations during the period remained positive and harmonious. The Company continues to maintain a committed and efficient workforce.

J. Segment-wise or Product-wise performance:

The Company operates in single Segment i.e. Leather & Leather Goods.

K. Key Financial Ratios:

In accordance with the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2018 (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in Key sector specific financial ratios. In this regard, the Company has no significant changes in any key sector specific financial ratios to report.

L. Cautionary Statement:

This Management Discussion and Analysis may contain certain forward-looking statements relating to the Company's objectives, plans, projections, and expectations, as defined under applicable laws and regulations. These statements are based on current assumptions and estimates, and actual results may differ materially due to various known and unknown risks and uncertainties. Factors such as economic conditions, regulatory changes, tax policies, political developments, and natural disasters, many of which are beyond the Company's control and that may significantly impact operational performance and outcomes.

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**By the Order of the Board of
AKI India Limited**

Place: Kanpur
Date: 22nd July, 2025

**Sd/-
Sameena Asad Iraqi
Whole-time Director
DIN: 01668732**

**Sd/-
Mohammad Ajwad
Managing Director
DIN: 07902475**

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company believes that Corporate Governance is an ethical business process that is committed to value aimed at enhancing an organization’s wealth generating capacity. This is ensured by taking ethical business decision and conducting business with firm commitment to values, while meeting stakeholder’s expectations. Corporate Governance is globally recognized as a key component for superior long-term performance of every corporate entity.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to the last. Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company to achieve its vision of being the most respected Company.

We are committed for maximizing stakeholder value by improving good governance, quality and commitment with a spirit of integrity.

Our Corporate Governance framework ensures that we make timely disclosure and share accurate information regarding our financial and performance, as well as leadership and governance of the Company.

The Company’s philosophy on investor service and protection envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, the government and lenders. The Company is committed to achieve the highest standards of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders’ value, over a sustained period of time. The Company continues to take necessary steps towards achieving this goal.

A report on compliance with Corporate Governance principles as prescribed under Regulation 17 to 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations” or “SEBI (LODR) Regulations, 2015”), as applicable, is given below.

2. **BOARD OF DIRECTORS:**

(a) Composition

Name of Directors	Category of Directorship in the Company	No. of other Directorship @	No. of Committee position in other Companies**		No. of Board Meetings attended during 2024-25
			Member	Chairperson	
Ms. Sameena Asad Iraqi	Whole-time Director	-	-	-	7
Mr. Mohammad Ajwad	Managing Director	-	-	-	7
Mr. Mohammad Asjad	Non-Executive Director	-	-	-	7
Mr. Aslam Saeed	Independent Director	-	-	-	7
Mr. Javed Iqbal	Independent Director	-	-	-	7
Mr. Raj Krishna Agrawal	Independent Director	-	-	-	7

@Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.

**for the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

(b) Information on Board of Directors

None of the directors on the board is a member of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the companies in which he/she is a director. None of the Independent Directors serve as an Independent Director in more than seven listed entities provided that any Independent Director who is serving as a whole-time director in any listed entity shall serve as an independent director in not more than three listed entities. Necessary disclosures regarding their Directorship/ Membership in other companies have been made by all directors.

Chart/Matrix setting out the skills/expertise/ competence of the Board of Directors

The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

i. Knowledge:

Understand the Company's businesses, policies and culture (including the Mission, Vision and Values) major risks/ threats and potential opportunities and knowledge of the industry in which the Company operates.

ii. Behavioral Skills:

Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.

iii. Business Leadership:

Leadership experience including in the areas of Business Strategy, Administration, Decision Making and guiding the Company and its senior management towards its vision and values.

iv. Financial Management skills:

Experience in financial management of large corporations with understanding of capital allocation & funding and financial reporting processes.

v. Sales and Marketing:

Experience in developing strategies to grow sales and market share, build brand awareness and thereby enhance enterprise value.

Name of Director	Knowledge	Behavioral Skills	Business Leadership	Financial Management skills	Sales and Marketing
Ms. Sameena Asad Iraqi	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Ajwad	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Asjad	Yes	Yes	Yes	Yes	Yes
Mr. Aslam Saeed	Yes	Yes	Yes	Yes	Yes
Mr. Javed Iqbal	Yes	Yes	Yes	Yes	Yes
Mr. Raj Agrawal	Yes	Yes	Yes	Yes	Yes

(c) Declaration by the Board

In terms of Regulation 25(8) of Listing Regulations, each Independent Director has confirmed that he/she meets the criteria of independence in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations and also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. Based on the declaration received from each Independent Director under Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of Listing Regulations, Board of Directors has confirmed that the Independent Directors fulfill the conditions specified in these sections and regulations and are independent of the management.

(d) Resignation of Independent Director

During the year under review, there is no instance of resignation of an Independent Director.

(e) Board Membership Criteria

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristic, skills and experience required for the Board as a whole and for individual members. Board Members are expected to possess the expertise, skills, and experience to manage and guide a high growth.

(f) Number of meetings of the Board of Directors held and dates on which held

7 (Seven) Board Meetings were held during the year 2024-25. The dates on which the Board meetings were held are: 28th May, 2024, 28th June, 2024, 14th August, 2024, 7th September, 2024, 18th October, 2024, 13th November, 2024, and 14th February, 2025.

The information as required under Regulation 17(7) of SEBI (LODR) Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meetings. Adequate information is circulated as part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the agenda, the same are tabled at the meeting and specific reference to this is made in the agenda. As required under Regulation 17(3) of SEBI (LODR) Regulations, 2015, the Board periodically reviews compliances of various laws applicable to the Company.

Names of the Directors on the Board, their Attendance in the Board Meeting, % of attendance and Attendance in last Annual General Meeting during the year 2024-25 is given below:

No. of Board Meeting held & attended during 2024-25	Name of Director					
	Ms. Sameena Asad Iraqi	Mr. Mohammad Ajwad	Mr. Mohammad Asjad	Mr. Aslam Saeed	Mr. Javed Iqbal	Mr. Raj Agrawal
28-05-2024	Yes	Yes	Yes	Yes	Yes	Yes
28-06-2025	Yes	Yes	Yes	Yes	Yes	Yes
14-08-2024	Yes	Yes	Yes	Yes	Yes	Yes
07-09-2024	Yes	Yes	Yes	Yes	Yes	Yes
18-10-2024	Yes	Yes	Yes	Yes	Yes	Yes
13-11-2024	Yes	Yes	Yes	Yes	Yes	Yes
14-02-2025	Yes	Yes	Yes	Yes	Yes	Yes
Total attended	7	7	7	7	7	7
% of attendance	100.00	100.00	100.00	100.00	100.00	100.00
Whether attended Last AGM held on 30-09-2024	Yes	Yes	Yes	Yes	Yes	Yes

(g) Disclosure of Relationship between Directors inter se

Mr. Mohammad Asjad and Mr. Mohammad Ajwad are son of Ms. Sameena Asad Iraqi.
Mr. Mohammad Asjad is brother of Mr. Mohammad Ajwad.

(h) Shareholding of Non-Executive Directors

Name of Directors	No. of Shares held	% of shareholding as on 31.03.2025
Mr. Mohammad Asjad	11,04,150	1.25%
Mr. Aslam Saeed	0	0.00%
Mr. Javed Iqbal	0	0.00%
Mr. Raj Agrawal	0	0.00%
Total	11,04,150	1.25%

(i) Code of Conduct

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Regulation 17(5) of the SEBI (LODR) Regulations, 2015. A declaration in respect of affirmation on compliance with Code of Conduct, by the Board Members and senior management personnel for the financial year ended on March 31, 2025, duly signed by Managing Director of the Company is attached herewith and forms part of Corporate Governance Report. The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Companies Act, 2013.

(j) Disclosures regarding appointment/re-appointment of Directors

Ms. Sameena Asad Iraqi, Whole-time Director is retiring at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. An agenda seeking shareholders' approval for his re-appointment forms part of the Notice of the Annual Report.

The brief resume and other information required to be disclosed under Regulation 36(3) of SEBI (LODR) Regulations, 2015 is provided in the Notice of the Annual General Meeting.

(k) Familiarization Programme for Independent Director

The Company undertook various steps to make the Independent Directors have full understanding about the Company. The details of such familiarization programmes have been disclosed on the Company's website.

3. AUDIT COMMITTEE

The Audit Committee serves as the link between the Statutory and internal auditors and the Board of Directors. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with the view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

(a) Terms of reference and Powers

Terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures

and ensuring compliance with the regulatory guidelines and also include those specified under the Regulation 18 of SEBI (LODR) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

With the introduction of SEBI Notification No. SEBI/ LAD-NRO/GN/2021/22 dated 5th May, 2021 and SEBI/HO/CFD/PoD2/CIR/P/2023/120 amending SEBI (LODR) Regulations, 2015 which will be effective from different dates in phase manner, the role of the Audit Committee has been amended by addition of one new role of Audit Committee i.e. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders. Accordingly, the Company has revised the role of Audit Committee in the meeting of Board of Directors. Besides, other than role of the Audit Committee, there is no change in other matters including Terms of Reference, the matters which is mandatorily reviewed by the Audit Committee, constitution, etc.

The Committee reviews the information as listed under Regulation 18(3) of SEBI (LODR) Regulations, 2015 read with Schedule II Part C (B) as well as under Section 177 of the Companies Act, 2013 as amended from time to time.

(b) Composition

The Board of Directors of the Company has constituted an Audit Committee on 14th October, 2018. Presently, the Audit Committee comprises qualified and majority independent members of the Board, who have expertise knowledge and experience in the field of accounting and financial management and have held or hold senior positions in other reputed organizations. The constitution, composition and functioning of the Audit Committee also meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. The present composition of the Audit committee is as follow:

Name	Designation	Category
Mr. Javed Iqbal	Chairperson	Independent Director
Mr. Aslam Saeed	Member	Independent Director
Mr. Raj Krishna Agrawal	Member	Independent Director

(c) Audit Committee Meetings

5[Five] Audit Committee Meetings were held during the year 2024-25. The dates on which the Audit Committee Meetings were held are: 28th May, 2024, 14th August, 2024, 18th October, 2024, 13th November, 2024, and 14th February, 2025.

The Statutory Auditors, Internal Auditors of the Company and Finance personnel are invited to attend and participate in the meetings of the Audit Committee. The Committee holds discussions with them on various matters including limited review of results, audit plan for the year, matters relating to compliance with accounting standards, auditors' observations and other related matters. Company Secretary acts as Secretary to the Committee.

Names of the members on the Committee, their Attendance in the Audit Committee Meetings, % of attendance during the year 2024-25 is given below:

Name of Member	No. of Audit Committee Meeting held & attended during 2024-25					Total attended	% of attendance
	28-05-2024	14-08-2024	18-10-2024	13-11-2024	14-02-2025		
Mr. Javed Iqbal	Yes	Yes	Yes	Yes	Yes	5	100
Mr. Aslam Saeed	Yes	Yes	Yes	Yes	Yes	5	100
Mr. Raj Krishna Agrawal	Yes	Yes	Yes	Yes	Yes	5	100

4. NOMINATION AND REMUNERATION COMMITTEE

(a) Composition:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulation, 2015, Nomination and Remuneration Committee has been constituted by the Board of Directors. Presently the “Nomination and Remuneration Committee” comprises following qualified and Independent Directors being a member of the Committee.

Name	Designation	Category
Mr. Raj Krishna Agrawal	Chairperson	Independent Director
Mr. Aslam Saeed	Member	Independent Director
Mr. Javed Iqbal	Member	Independent Director

(b) Nomination and Remuneration Committee Meeting:

During the year under review, Nomination and Remuneration Committee (“NRC”) Meeting was held on 7th September, 2024.

Names of the members on the Committee, their Attendance in the Stakeholders’ Relationship Committee Meetings, % of attendance during the year 2024-25 is given below:

Name	No. of Committee Meeting	Total attendance	% of attendance
	07-09-2024		
Mr. Raj Krishna Agrawal	Yes	1	100
Mr. Aslam Saeed	Yes	1	100
Mr. Javed Iqbal	Yes	1	100

(c) Terms of reference and Powers of the committee inter alia, includes the following:

Terms of Reference and role of the NRC cover the matters specified in SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 as amended from time to time, which, inter alia, includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.

- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- Devising a policy on diversity of board of directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal and carrying out evaluation of performance of every Director.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommending and determining remuneration of the Executive Directors as per the Policy.
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

(d) Performance evaluation criteria for directors:

Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provide certain parameters like attendance, effective participation, domain knowledge and so on, which are considered by the Committee and/or Board while evaluating the performance of each Director.

The performance evaluation of the Independent Directors was carried out by the entire Board as well as Nomination and Remuneration Committee.

(e) Salient features of policy on remuneration of directors, key managerial personnel & senior employees:

The Company has formulated the remuneration policy for its directors, key managerial personnel and Senior Employees keeping in view the following objectives:

- » To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- » To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- » To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

(1) Criteria for Selection of Directors:

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee ("NRC") satisfies itself with regard to the independence nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. NRC ensures that the candidate identified for Appointment / Re- Appointment as an Independent Director is not disqualified for Appointment / Re-Appointment under Section 164 of the Companies Act, 2013.

d. NRC considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

1. Qualification, expertise and experience of the Directors in their respective fields;
2. Personal, Professional or business standing;
3. Diversity of the Board.

e. Board of Directors take into consideration the performance evaluation of the Directors and their engagement level.

(2) Criteria for Selection of KMP/Senior Management:

a. NRC ensures that the candidate possesses the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.

b. NRC considers the practice and encourage professionalism and transparent working environment.

c. NRC considers to build teams and carry the team members along for achieving the goals/ objectives and corporate mission.

(3) Remuneration:

A. Remuneration to Executive Directors and KMP:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

ii) The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the KMP of the Company.

iii) The remuneration structure to the Executive Directors and KMP shall include the following components:

- Basic Pay
- Perquisites and Allowances
- Stock Options
- Commission (Applicable in case of Executive Directors)
- Retiral benefits

B. Remuneration to Non-Executive Directors:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

ii) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive and Independent Directors shall also be entitled to remuneration by way of commission in addition to the sitting fees.

C. Remuneration to Senior Employees:

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

5. REMUNERATION OF DIRECTORS

(a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors that may have potential conflict with the interests of the Company at large.

(b) Disclosures with respect to remuneration:

All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.

Executive & Whole-Time Directors

The Nomination and Remuneration Committee of the Directors is authorized to decide the remuneration of the Managing Director and Whole-time Director, subject to the approval of Members, if required. The remuneration structure of the Company comprises salary/remuneration, perquisites & Allowances etc. The nature of employment of Managing Director and Whole-time Directors is contractual as per the Company's policy.

The Company has One Managing Director and One Whole-time Director on its Board, who is eligible to draw remuneration as per the Board and Shareholder's approval. However, the Managerial Persons viz. Ms. Sameena Asad Iraqi, Whole-time Director draw remuneration of Rs. 7,00,000 during the year and Mr. Mohammad Ajwad, Managing Director draw remuneration of Rs. 8,85,000 during the year from the Company and accordingly no remuneration including any allowances and/or performance linked Bonus/Commission was paid to the Managerial Persons during financial year 2024-2025.

Terms of Appointment of Directors

As required under Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/reappointment are given in Notice of the 31st Annual General Meeting.

I. Non-Executive & Independent Directors

Commission & Sitting fees to Non-executive Directors

The details of payment of commission and sitting fees paid to Non-Executive & Independent Directors for the FY 2024-25 are as under:

(Amount in Lakhs)			
Sr. No.	Name of Director	Commission	Sitting Fees
1	Mr. Mohammad Asjad	Nil	0.00
2	Mr. Aslam Saeed	Nil	0.00
3	Mr. Javed Iqbal	Nil	0.00
4	Mr. Raj Agrawal	Nil	0.00

The Company also reimburses out of pocket expenses incurred by the Directors, if any, for attending Board & Committee meetings.

II. Non-Executive Director

Mr. Mohammad Asjad

Terms of remuneration of Mr. Mohammad Asjad as approved by the Shareholders are as under:

Remuneration paid to Mr. Mohammad Asjad during the year 2024-25: Rs. Nil

Note: As per Regulation 17(6)(ca) of the SEBI (LODR) Regulations, 2015, the approval of the members of the Company by way of special resolution, giving details of remuneration, is required every year for payment of annual remuneration to single non-executive Director exceeding 50% (fifty percent) of the total annual remuneration payable to all non-executive Directors of the Company.

(C) Stock Option

The Company has not granted any stock options to its Directors.

The Criteria of making payment to Non-Executive Directors is placed on the website of the Company.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

(a) Composition

The Company has constituted Stakeholders Relationship Committee. The constitution, composition and functioning of the Stakeholders Relationship Committee also meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. The Committee specifically looks into issues relating to various aspects of shareholders, *inter alia*, share related matters and redressal of grievances of Security holders. The Committee comprises 4 [Four] members and committee functions under the Chairmanship of the Committee. The present composition of the Stakeholders Relationship Committee is as follow:

Name	Designation	Category
Mr. Aslam Saeed	Chairperson	Independent Director
Mr. Javed Iqbal	Member	Independent Director
Mr. Raj Krishna Agrawal	Member	Independent Director
Ms. Sameena Asad Iraqi	Member	Whole-time Director

(b) Stakeholders' Relationship Committee Meetings:

1 [One] meetings were held during the year 2024-25. The dates on which the Stakeholders' Relationship Committee Meetings were held are: 7th September, 2024.

Names of the members on the Committee, their Attendance in the Stakeholders' Relationship Committee Meetings, % of attendance during the year 2024-25 is given below:

Name	No. of Committee Meeting	Total attendance	% of attendance
	07-09-2024		
Mr. Aslam Saeed	Yes	1	100
Mr. Javed Iqbal	Yes	1	100
Mr. Raj Agrawal	Yes	1	100
Ms. Sameena Asad Iraqi	Yes	1	100

(c) Terms of reference, Role and Powers

The Company has adopted terms of reference and role of Stakeholders Relationship Committee as per Section 178 the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.

Role of Stakeholders Relationship Committee:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

(d) Other Information

- To expedite the process of share transfer, transmission, split, consolidation, rematerialization and dematerialization etc. of securities of the Company, the Board of Directors has delegated the powers of approving the same to the Company's RTA namely MUFG Intime India Private Limited, Mumbai under the supervision and control of the Company Secretary/ Compliance Officer of the

Company, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the said Committee.

• **Name, Designation and address of the Company Secretary & Compliance Officer**

Ms. Divya Srivastava, Company Secretary & Compliance Officer

AKI India Limited
D-115, Defence Colony, Jajmau, Shiwans Tanney,
Kanpur Nagar, Jajmau, Uttar Pradesh, India – 208 010
Email: info@groupaki.com

The Company has designated the email id (info@groupaki.com) for grievances redressal and registering complaints by investor.

Quarter-wise Summary of Investors Complaints received and resolved during the Financial Year 2024-25.

Quarter-wise Summary of Investors' Complaints received and resolved

Quarter Period		Opening	Received	Resolved	Pending
From	To				
01-04-2024	30-06-2024	Nil	Nil	Nil	Nil
01-07-2024	30-09-2024	Nil	Nil	Nil	Nil
01-10-2024	31-12-2024	Nil	Nil	Nil	Nil
01-01-2025	31-03-2025	Nil	Nil	Nil	Nil

(e) Non-receipt/Unclaimed dividends

The Company has not declared dividend for any financial year till date and also there are Nil unclaimed dividend as on date.

(f) Amount Transferred to IEPF Account

As per the provision of Section 124(5) and Section 125 of the Companies Act, 2013, the Company is required to transfer the unclaimed Dividends, remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

7. INFORMATION ABOUT GENERAL MEETINGS:

(a) Annual General Meeting

Details of Venue, Date and Time of the Last Three Annual General Meetings are as follows:

Year	Venue	Date	Time
2021-22	9/6(II) Jajmau, Kanpur - 208 010 (U.P.)	30-09-2022	03:30 P.M.
2022-23	Through Video Conferencing (VC) / Other Audio Video Means (OAVM)	30-09-2023	04:00 P.M.

2023-24	Through Video Conferencing (VC) / Other Audio Video Means (OAVM)	30-09-2024	03:00 P.M.
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(b) Special Resolution (without postal ballot) passed at the Last Three AGM

- The Company has passed following special resolution at Annual General Meeting for the Year 2022-23 as on 30th September, 2023:
 1. To consider and approve re-appointment of Ms. Sameena Asad Iraqi (DIN: 01668732) as Whole-time Director of the Company.
 2. Power under Section 186 of the Companies Act, 2013.
- The Company has passed following special resolution at Annual General Meeting for the Year 2023-24 as on 30th September, 2024:
 1. Change in designation of Mr. Mohammad Ajwad (DIN: 07902475) from Whole-time Director to Managing Director of the Company.
 2. Re-appointment of Mr. Javed Iqbal (DIN: 01335862) as Non-Executive and Independent Director of the Company.
 3. Re-appointment of Mr. Aslam Saeed (DIN: 00996483) as Non-Executive and Independent Director of the Company.
 4. Re-appointment of Mr. Raj Krishna Agrawal (DIN:08018396) as Non-Executive and Independent Director of the Company.

(c) Postal Ballot Resolutions

The Company has not passed any resolution through Postal Ballot.

8. MEANS OF COMMUNICATION

(a) Financial Results

The Company regularly intimates quarterly unaudited as well as yearly audited financial results to the stock exchanges and Company website, immediately after the same are taken on record by the Board.

(b) Newspapers wherein result normally published

Results are normally published in the Financial Express Newspaper (English edition) and in Rashtriya Sahara Newspaper (Hindi edition). These are not sent individually to the shareholders.

(c) Website, News Releases, Presentation etc.

The Company's results, annual reports and official news releases are displayed on the Company's website. The said Company's website also containing basic information about the Company includes information about the Company's business, financial information, shareholding pattern, compliance with corporate governance, Company's director, registrar & transfer agent, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc.

The Company had meetings with and made presentations to the institutional investors and analysts during the year and the presentation made to analysts and investors are uploaded on the website of the Company.

BSE Listing Center & NSE Listing Center

BSE Limited and National Stock Exchange of India Limited has also launched a web-based system for corporates to make their periodic submission of compliances online. Your company is also filing the Shareholding Pattern, Financial Result, Corporate Governance Report and all the intimation/disclosures through the BSE Listing Center and NSE Listing Center respectively.

Processing of investor complaints in SEBI Complaints Redress System (SCORES)

SEBI has commenced processing of investor complaints in a centralized web-based complaints redress system "SCORES". By this facility investors can file their complaints on line and also view online movement of their complaints. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

Price Sensitive Information

All price sensitive information and announcements are communicated immediately after the Board decisions to the Stock Exchanges, where the Company's shares are listed, for dissemination to the Shareholders. The said information are also uploaded on the Company's website.

9. OTHER DISCLOSURES:

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

There were no materially significant related party transactions that may have potential conflict with the interests of the Company.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

Your Company has complied with all the requirements of regulatory authorities. No penalty/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market.

(c) Vigil Mechanism/ Whistleblower Policy

The Company has adopted the Whistleblower Policy and has established the necessary vigil mechanism for stakeholders, including individual employees and their representative bodies and directors to report concerns about illegal or unethical practices, unethical behavior, actual or suspect fraud or violation of Code of Conduct. It also provides adequate safeguard against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee. No person has been denied access to the Chairman of Audit Committee. The said policy is uploaded on the Company's website.

(d) Material Subsidiary

The Company has a Subsidiary Company i.e. AKI UK Limited.

The Company has policy for determining “Associate Company” which is uploaded on the website of the Company.

(e) Basis of Related Party Transaction

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large in the financial year 2024-25. Related party transaction during the year have been disclosed vide note of financial statement as per requirement of Ind AS 24 on related party disclosure issued by ICAI.

These transactions are not likely to conflict with the interest of the Company at large. All significant transaction with related parties is placed before audit committee periodically.

The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on arm's length basis and are intended to further the interests of the Company.

(f) Details of compliance with the mandatory requirements and extent of compliance with non-mandatory requirements

• Compliance with the Corporate Governance Code

The Company has complied with all the mandatory Corporate Governance requirements as well as specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015.

- The Company has complied with the requirement of corporate governance report mentioned under sub-para (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations, 2015.

• Extent of compliance with the non-mandatory requirements and Discretionary Requirements specified in Part E of Schedule II

- o **Shareholder's Rights:** Quarterly, Half yearly and yearly financial results including summary of significant events are presently not being sent to the shareholders of the Company. However, quarterly financial results are published in the leading newspapers and are also available on the website of the Company.

- o **Modified Opinion(s) in Audit Report:** There is no qualification on Auditor's report on standalone and consolidated financial statement to the shareholder of the Company.

- o **Reporting of Internal Auditor:** The Board has appointed Internal Auditor of the Company. The Internal Auditor of the Company is regularly invited to the Audit Committee

meeting and regularly attends the meeting. The Internal Auditors give quarterly presentation on their audit observation to the Audit Committee.

The Company has obtained a Certificate from Mr. Jitendra Parmar, Proprietor of M/s. Jitendra Parmar & Associates, Practicing Company Secretaries, Ahmedabad on compliance of conditions of Corporate Governance requirement as required under Schedule V (E) read with Regulation 34 (3) of SEBI (LODR) Regulations, 2015 and has attached the said certificate with the Boards' Report.

(g) Disclosure of accounting treatment in preparation of Financial Statements

Your Company has followed all relevant Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) while preparing financial statement.

(h) MDAR

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

(i) CEO/CFO Certificate

In compliance of the Regulation 17(8) of SEBI (LODR) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company give annual Certification on financial reporting and internal Control to the Board. As per the requirement of Regulation 33(2)(a) of SEBI (LODR) Regulations, 2015 the Managing Director and Chief Financial Officer also gives quarterly Certification on financial results while placing the financial results before the Board.

(j) Risk Management Policy

The Company has framed formal Risk Management framework for risk assessment and risk minimization for Indian operation which is periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee also reviews the adequacy of the risk management frame work of the Company, the key risks associated with the business and measures and steps in place to minimize the same.

(k) Dividend Distribution Policy

As per amendment made in Regulation 43A of SEBI (LODR) Regulations, 2015 vide SEBI Notification No. SEBI/LAD-NRO/GN/2021/22 dated 5th May, 2021, top 1000 companies based on market capitalization (calculated as on March 31 of every financial year) are required to formulate Dividend Distribution Policy. The Board has approved the Dividend Distribution Policy in line with said Regulation which is uploaded on the website of the Company.

(l) Other Policies

The Company has also formulated policy for Preservation & Archival of documents and a policy for determining materiality of event and information for disclosures as per Listing Regulation, 2015.

Policy on Criteria of making payment to Non-Executive Directors.

The Board approved policy on Criteria of making payment to Non-Executive Directors as per Companies Act, 2013 and made amended from time to time.

Further, MCA vide its circulars dated 18th March, 2021 notifies amendment in Section 149(9) and Section 197 including Schedule V of the Companies Act, 2013 which allow the Independent Director to take remuneration in case of Company has no profit or inadequate profit subject to the provisions of Schedule V. Hence, the Company has revised Criteria of making payment to Non-Executive Directors to that extent.

The said policies are available on the website of the Company.

(m) Conflict of Interest

The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

(n) Confirmation and Certification

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee position he/she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from Mr. Jitendra Parmar, Proprietor of M/s. Jitendra Parmar & Associates, Practicing Company Secretaries, Ahmedabad, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

(o) Payment to Statutory Auditors

During 2024-25, total fees for all services paid by the Company and the subsidiaries, on a consolidated basis, to the Statutory Auditors i.e. M/s. R K Parmarthi & Co., Chartered Accountants, Kanpur, as under:

- M/s. R K Parmarthi & Co., – ₹ 1,15,000/-

(p) Sexual Harassment of Women at Workplace

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("Sexual Harassment Act"). Internal Complaints Committee (ICC) has been constituted for the Company's various sites and workplace in compliance with the provisions of Sexual Harassment Act to redress complaints received regarding sexual harassment. There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment Act.

- a. number of complaints filed during the financial year - Nil
- b. number of complaints disposed of during the financial year - Nil
- c. number of complaints pending as on end of the financial year – Nil

(q) SEBI (Prohibition of Insider Trading) Regulations, 2015

The Company has approved/adopted Code of Conduct for Insider Trading, as per SEBI (Prohibition of Insider Trading) Regulations, 2015 ["SEBI (PIT) Regulations"]

(r) Availed services of NSDL to update e-mail ids of shareholders to send notice of 31st Annual General Meeting in compliance with the concern circulars issued by MCA and SEBI

As per MCA and SEBI vide their Circulars allowed Companies to hold Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”), without the physical presence of members at a common venue. Further, the said circulars have also permit to send Annual Report to Shareholders through email only and dispensed with the printing and dispatch of physical copy of annual reports to shareholders.

Accordingly, Notice of AGM along with the Annual Report for FY 2024-25 was being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. In this regard, as a part of Good Corporate Governance, the Company had availed services of Depository viz. National Securities Depository Limited (“NSDL”) to update the e-mail IDs of the shareholders to send Notice of AGM along with the Annual Report for FY 2024-25. By the said services, shareholders can update their email ID directly without approaching their DP, where they maintain their demat account.

(s) During the year, the Board has accepted all the recommendations made by various committees including Audit Committee. There have been no instances during the year where recommendations of the any Committee were not accepted by the Board.

(t) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

The Company confirms that the funds raised through preferential allotment have been utilized as per the objects of the issue stated in the notice of the General Meeting, without any deviation or variation in the stated purpose.

10. GENERAL SHAREHOLDERS' INFORMATION:

Sr. No.	Particulars	Details
1	Registered Office	D-115, Defence Colony, Jajmau, Kanpur, Uttar Pradesh, - 208 010
2	Annual General Meeting	13 th August, 2025 at 02:00 P.M. Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) pursuant to MCA / SEBI Circulars.
3	Financial Year	1 st April, 2024 to 31 st March, 2025
4	Financial Results	
	1 st Quarter	45 days from end of Quarter 30 th June, 2024
	Half Year ended	45 days from end of Quarter 30 th September, 2024
	Nine Months ended	45 days from end of Quarter 31 st December, 2024
	Year ended	60 days from end of Financial Year i.e. 31 st March, 2025
5	Book Closure Dates	6 th August, 2025 to 13 th August, 2025 (both days inclusive)
6	Dividend Payment Date	Not Applicable
7	Listing of Shares on Stock	BSE Limited

	Exchanges	<p>The Company has paid the annual listing fees for the financial year 2024-25 to the Stock Exchange viz. BSE Limited, where the equity shares of the Company are listed.</p> <p>National Stock Exchange of India Limited</p> <p>The Company has paid the annual listing fees for the financial year 2024-25 to the Stock Exchange viz. National Stock Exchange of India Limited, where the equity shares of the Company are listed.</p>
8	Stock Exchange Code	<p>BSE: 542020</p> <p>NSE: Series: BE and Symbol: AKI</p>
9	Registrar and Share Transfer Agents for both Physical and Demat Segment of Equity Shares of the Company:	<p>MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited)</p> <p>C-101, 1st Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra – 400 083</p> <p>Email id: info@groupaki.com</p>

11. Distribution of Shareholding as on 31st March, 2025:

No. of Equity Shares Held	No. of Share Holders	% of Share Holders	No. of Equity Shares Held	% of total Holding
1-500	9711	78.6507	963222	1.0880
501-1000	990	8.0181	809753	0.9146
1001-2000	580	4.6975	888707	1.0038
2001-3000	253	2.0491	635909	0.7183
3001-4000	112	0.9071	405878	0.4585
4001-5000	102	0.8261	479135	0.5412
5001-10000	215	1.7413	1623131	1.8334
10001-∞	384	3.1101	82726439	93.4422
Total	12347	100.00	88532174	100.00

13. Category of Shareholders as on 31st March, 2025:

Category	No. of Shares held	% of Shareholding
Promoters (Directors, Relatives & Group Companies)	4,84,44,801	54.72
Corporate Bodies	66,85,047	7.55
HUF	28,18,555	3.18
Public – Individual	2,65,16,563	29.96
LLP	11,32,662	1.28
Foreign Portfolio Investors Category I	23,98,171	2.71

14. Dematerialization of Shares & Liquidity

The Company's shares are in compulsory demat segment and as on 31st March, 2025, Equity shares of the Company, forming 100.00% of the Company's paid-up equity share capital, is in

dematerialized form. Company's shares are easily traded on the stock exchange i.e. BSE Main Board and NSE Main Board.

15. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

- Allotment of 1,74,41,782 (One Crore Seventy-Four Lakhs Forty-One Thousand Seven Hundred and Eighty-Two) Convertible Warrants, at an issue price of Rs. 18.71/- each (including premium of Rs. 16.71/- each) on 19th January, 2024.
- Conversion date: 18th July, 2025.
- Impact on Equity: Equity shares rank pari passu with the existing equity shares of the Company in all respects.

16. Share Transfer System

All the shares related work is being undertaken by our RTA, MUFG Intime India Private Limited (*Formerly Known as Link Intime India Private Limited*), Mumbai. To expedite the process of share transfer, transmission, split, consolidation, rematerialisation and dematerialisation etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's RTA under the supervision and control of the Company Secretary, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the Stakeholders Relationship Committee.

In terms of Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shares lodged for transfer at the RTA address in physical form are normally processed and approved within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Normally, all the requests for dematerialization of shares are processed and the confirmation is given to the Depository within 15 days. The investors/ shareholders grievances are also taken-up by our RTA.

17. Reconciliation of Share Capital Audit Report

The Reconciliation of Share Capital Audit Report of the Company prepared in terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/ paid-up capital of the Company were placed before the Stakeholders Relationship Committee every quarter and also submitted to the Stock Exchange(s) every quarter.

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

Schedule V (D) of Regulation 34(3) of SEBI (LODR) Regulations, 2015

This is to certify that the Company has laid down the rules for Code of Conduct for the members of the Board and senior management, as per the Regulation 17 of SEBI (LODR) Regulations, 2015.

I hereby further certify that the Company has received affirmation on compliance with rules of Code of Conduct, from the Board Members and senior management personnel for the Financial Year ended on March 31, 2025, as per the requirement of Regulation 26(3) of SEBI (LODR) Regulations, 2015.

Registered Office:

D-115, Defence Colony, Jajmau,
Shiwans Tanney, Kanpur Nagar, Jajmau,
Uttar Pradesh, India – 208 010

**By the Order of the Board of
AKI India Limited**

Place: Kanpur
Date: 22nd July, 2025

Sd/-
Sameena Asad Iraqi
Whole-time Director
DIN: 01668732

Sd/-
Mohammad Ajwad
Managing Director
DIN: 07902475

DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31st March, 2025.

Registered Office:

D-115, Defence Colony, Jajmau,
Shiwans Tanney, Kanpur Nagar,
Jajmau, Uttar Pradesh, India –
208 010

**By the Order of the Board of
AKI India Limited**

Place: Kanpur
Date: 22nd July, 2025

**Sd/-
Sameena Asad Iraqi
Whole-time Director
DIN: 01668732**

**Sd/-
Mohammad Ajwad
Managing Director
DIN: 07902475**

Chief Financial Officer (“CFO”) Certification

We, Prabodh Sharma – Chief Financial Officer and Mr. Asad Kamal Iraqi – Chief Executive Officer of AKI India Limited (**“the Company”**), to the best of our knowledge and belief, certify that:

- A. We have reviewed the Financial Statements (standalone and consolidated) and the Cash Flow Statements (standalone and consolidated) for the year April 1, 2024 to March 31, 2025 and to the best of our knowledge and belief:
 - 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - 2. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year i.e. April 1, 2024 to March 31, 2025, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 - 1. Significant changes in internal control over financial reporting during the year i.e. April 1, 2024 to March 31, 2025;
 - 2. Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
 - 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Registered Office:

D-115, Defence Colony, Jajmau,
Shiwans Tanney, Kanpur Nagar, Jajmau,
Uttar Pradesh, India – 208 010

**By the Order of the Board of
AKI India Limited**

Place: Kanpur

Date: 22nd July, 2025

Sd/-

**Asad Kamal Iraqi
Chief Executive Officer**

Sd/-

**Prabodh Sharma
Chief Financial Officer**

Jitendra Parmar & Associates

Company Secretaries

Mo.: +91 9408 555 517

E-mail : csjitendraparmar@gmail.com



CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
AKI India Limited
CIN: L19201UP1994PLC016467
Registered Office Address:
D-115, Defence Colony,
Shiwans Tanney, Kanpur Nagar,
Jajmau – 208 010,
Uttar Pradesh, India

We have examined the compliance of conditions of Corporate Governance by **AKI India Limited** (“the Company”) having **CIN:** L19201UP1994PLC016467 for the year ended on March 31, 2025, as stipulated Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended for the year ended on March 31, 2025.

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

For,
M/s Jitendra Parmar and Associates
Practicing Company Secretary

Jitendra Parmar
Proprietor

FRN No.: S2023GJ903900
COP No.: 15863
Membership No: F11336
Peer Review Number: 3523/2023
UDIN: F011336G000834037

Place: Ahmedabad
Date: July 22, 2025



Form No. MR-3

**SECRETARIAL AUDIT REPORT OF AKI INDIA LIMITED FOR THE
FINANCIAL YEAR ENDED ON MARCH 31, 2025**

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

To,
The Members,
AKI India Limited
CIN: L19201UP1994PLC016467
Registered Office Address:
D-115, Defence Colony,
Shiwans Tanney, Kanpur Nagar,
Jajmau – 208 010,
Uttar Pradesh, India

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2025, generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2025 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

Jitendra Parmar & Associates

Company Secretaries

Mo.: +91 9408 555 517

E-mail. : csjitendraparmar@gmail.com



- 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, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period)
 - and
 - h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- vi. Other laws applicable specifically to the Company namely:
- a) Factories Act, 1948;
 - b) Acts prescribed under prevention and control of pollution;
 - c) Acts prescribed under Environmental protection.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except –

- Compliance of SEBI Circular No: SEBI / HO / DDHS / DDHS - RACPOD1 / P / CIR / 2023 / 172 dated October 19, 2023 i.e. Non filing of Annual Disclosures of Non-applicability of Large Corporate for FY 2023-24.
- The Board had proposed the appointment of a new Statutory Auditor after the expiry of the term of the previous auditor; however, the said appointment was not approved by the shareholders in the ensuing General Meeting. Accordingly, Form ADT-1 was not filed as the appointment was not finalized.
- During the period under review, it was noted that the Company had appointed an Independent Director who was not registered with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs (IICA) at the time of appointment,

Jitendra Parmar & Associates

Company Secretaries

Mo.: +91 9408 555 517

E-mail. : csjitendraparmar@gmail.com



as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

- The Company has not filed Form DPT-3 for the financial year ended 31st March, 2024, as required under Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014, read with Section 73 of the Companies Act, 2013.

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 was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.

As per the minutes, decisions at the Board Meetings were taken unanimously.

We 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, guidelines, etc.

We further report that:

During the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- a) The Company has received the Trading Approval of 18833679 from both BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') for the Preferential Issue of Fully Paid-up Equity shares on May 24, 2024.
- b) The Company has Allotted 2768000 equity shares by way of conversion of warrants out of 17441782 warrants on preferential basis to Promoter and Non-Promoters in Board Meeting dated June 28, 2024.
- c) Board passed resolution Change in designation of Mr. Mohammad Ajwad (DIN: 07902475) from Whole-time Director to Managing Director of the Company w.e.f. 6th September, 2024.
- d) Board passed resolution for Re-appointment of Mr. Javed Iqbal (DIN: 01335862) as Non-Executive Independent Director of the Company w.e.f. 6th September, 2024.
- e) Board passed resolution Re-appointment of Mr. Aslam Saeed (DIN: 00996483) as Non-Executive Independent Director of the Company w.e.f. 6th September, 2024.
- f) Board passed resolution Re-appointment of Mr. Raj Krishna Agrawal (DIN:08018396) as Non-Executive Independent Director of the Company w.e.f. 6th September, 2024.
- g) The Company has convened an 30th Annual General Meeting on **September 30, 2024**, wherein a **Special Resolution** was passed for-

Jitendra Parmar & Associates

Company Secretaries

Mo.: +91 9408 555 517

E-mail. : csjitendraparmar@gmail.com



- Change in designation of Mr. Mohammad Ajwad (DIN: 07902475) from Whole-time Director to Managing Director of the Company w.e.f. 6th September, 2024.
 - Re-appointment of Mr. Javed Iqbal (DIN: 01335862) as Non-Executive Independent Director of the Company w.e.f. 6th September, 2024.
 - Re-appointment of Mr. Aslam Saeed (DIN: 00996483) as Non-Executive Independent Director of the Company w.e.f. 6th September, 2024.
 - Re-appointment of Mr. Raj Krishna Agrawal (DIN:08018396) as Non-Executive Independent Director of the Company w.e.f. 6th September, 2024.
- h) The Company has received the Trading Approval of 2768000 from both BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') for the Preferential Issue of Fully Paid-up Equity shares on October 17, 2024.
- i) The Board of Directors of the Company has given approval on October 18, 2024 for appointment of M/s. R K Parmar & Co., (FRN: 001121C), Kanpur, as the Statutory Auditor of the Company, due to completion of term of previous Statutory Auditor M/s. Jaiswal Misra & Co., (FRN: 010703C), Kanpur.

For,
M/s Jitendra Parmar and Associates
Practicing Company Secretary

Jitendra Parmar
Proprietor

FRN No.: S2023GJ903900
COP No.: 15863
Membership No: F11336
Peer Review Number: 3523/2023
UDIN: F011336G000833476

Place: Ahmedabad
Date: July 22, 2025

Note:

This report is to be read with our letter of even date which is annexed as **Annexure - A** and forms an integral part of this report.

Jitendra Parmar & Associates

Company Secretaries

Mo.: +91 9408 555 517

E-mail : csjitendraparmar@gmail.com



Annexure – A

To,
The Members,
AKI India Limited
CIN: L19201UP1994PLC016467
Registered Office Address:
D-115, Defence Colony,
Shiwans Tanney, Kanpur Nagar,
Jajmau – 208 010,
Uttar Pradesh, India

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 process 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 process 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. Where ever 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 procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For,
M/s Jitendra Parmar and Associates
Practicing Company Secretary

Jitendra Parmar
Proprietor

FRN No.: S2023GJ903900
COP No.: 15863
Membership No: F11336
Peer Review Number: 3523/2023
UDIN: F011336G000833476

Place: Ahmedabad
Date: July 22, 2025

		<p><i>R K Parmar & Co.</i> <i>Chartered Accountants</i> 518, 5th Floor, Kalpana Plaza, Birhana Road, Kanpur-208001, Email-Id: caarvindawasthi@gmail.com Contact: 7355473730</p>
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INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS

**TO THE MEMBERS OF
AKI INDIA LIMITED**

OPINION

We have audited the accompanying Standalone Financial Statements of **AKI INDIA LIMITED** (“the Company”), which comprise the Standalone Balance Sheet as at March 31, 2025, the Standalone Statement of Profit and Loss for the year ended on March 31, 2025, the Standalone Statement Cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information.


In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act & other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its Profit and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the Standalone financial statements under the provision of the Act, and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

		<p><i>R K Parmarhi & CO.</i> <i>Chartered Accountants</i> 518, 5th Floor, Kalpana Plaza, Birhana Road, Kanpur-208001, Email-Id: caarvindawasthi@gmail.com Contact: 7355473730</p>
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INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON.

The company's board is responsible for the preparation of the other information. The other information comprises the information included Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Standalone Financial Statements and our Auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.


If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements to give a true and fair view of the financial position, financial performance, & cash flows of the Company in accordance with accounting standard & accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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.

		<p><i>R K Parmar & Co.</i> <i>Chartered Accountants</i> 518, 5th Floor, Kalpana Plaza, Birhana Road, Kanpur-208001, Email-Id: caarvindawasthi@gmail.com Contact: 7355473730</p>
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AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone 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 decision of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatements of the Standalone 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 financial controls 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 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 Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i)

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planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS


1. As required by Section 143(3) of the Act, based on our audit 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss & Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone 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 March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of internal financial control over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

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- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to other matters to be included in the Auditor's 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 explanation given to us:
- (i) The Company has made provision, as at March 31, 2025 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
- (ii) The Company is not liable to transfer any amounts, to the Investor Education and Protection Fund during the year ended March 31, 2025.
- (iii) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iv) The company has not declared and paid any dividend during the year 2024-25.
- (v) As per proviso to Rule 3 of the Companies (Accounts) Rules, 2014 and under Rule 11(g) of the Companies (Audit & Auditors) Rules, 2014 for maintaining audit trail, we conclude that based on our examination which included test checks, the company has used an accounting software (Tally Prime) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in

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the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For R K Parmarathi & Co.
Chartered Accountants

(CA. Arvind Awasthi)
Partner
M. No. 424004 / FRN No. 001121C
UDIN: 25424004BMIGIT2976

Place: Kanpur
Dated: 22/05/2025

		<p><i>R K Parmarathi & CO.</i> <i>Chartered Accountants</i> 518, 5th Floor, Kalpana Plaza, Birhana Road, Kanpur-208001, Email-Id: caarvindawasthi@gmail.com Contact: 7355473730</p>
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ANNEXURE “A” TO THE AUDITOR’S REPORT

Report on the Internal Financial Control under clause (i) of sub section 3 of Section 143 of companies Act , 2013 (‘The Act’)

We have audited the internal financial control over financial reporting of AKI INDIA LIMITED (‘the company’) as of 31st March, 2025 in conjunction with our audit of the Standalone financial statement of the company for the year ended on that date.

Management 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 Control 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”) issued by ICAI and the standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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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 authorizations 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 March 31, 2025, 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 Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R K Parmarathi & Co.
Chartered Accountants

(CA. Arvind Awasthi)
Partner
M. No. 424004 / FRN No. 001121C
UDIN: 25424004BMIGIT2976

Place: Kanpur
Dated: 22/05/2025


		<p><i>R K Parmar & Co.</i> <i>Chartered Accountants</i> 518, 5th Floor, Kalpana Plaza, Birhana Road, Kanpur-208001, Email-Id: caarvindawasthi@gmail.com Contact: 7355473730</p>
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ANNEXURE “B” TO THE AUDITOR’S REPORT


Referred to in Paragraph 2 Under “Report on Other Legal and Regulatory Requirements” of Our Report to the member of AKI INDIA LIMITED of Even Date

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:


- 1) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
 - (d) The company has not revalued its Property, Plant & Equipment (including Right of use assets) or intangible assets during the year.
 - (e) No proceeding have been initiated or are pending against the company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- 3) In our opinion the investments made by the company are prima facie, not prejudicial to the interest of the company. Further the company has not, provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLP or other parties covered in register maintained under section 189 of the companies act 2013. Hence the question of reporting such loans are not prejudicial to the company’s interest or whether the receipt of the principal amount and interest are regular and whether reasonable steps for recovery of overdues of such loan are taken, does not arise.

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- 4) 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 loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- 7)
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods & Service Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities and no statutory dues were outstanding as at 31st March, 2025 for a period of more than six months from the date they became payable.
 - b) According to the information and explanation given to us, there are no dues of income tax, Goods & service tax & duty of customs outstanding on account of any dispute.
- 8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 9)
 - a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c) The Company has taken term loan during the year. In our opinion and according to the information and explanations given to us, the Company has utilised the money obtained by way of term loans during the year for the purposes for which they were obtained.
 - d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

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- 10)
 - a) The Company has not raised money by way of initial public offer during the year.
 - b) During the year, the Company has made an allotment of 2768000 @ Rs. 18.71/- per share duly received by the company against the convertible share warrents issued by the company.
- 11)
 - a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - b) No report under sub section (12) of section 143 of the companies act has been filed in Form ADT-4 as prescribed under rule 13 of companies (Audit and Auditors) Rules, 2014 with the central Government during the year and up to the date of this report..
 - c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- 12) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14)
 - a) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
 - b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 15) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16)
 - (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
 - (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17) The company has not incurred cash losses in the financial year and in the immediately preceding

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financial year.

- 18) During the year under review, there has been no resignation of statutory auditors.
- 19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) As per section 135 of the Companies Act, the company has no obligation under Corporate Social Responsibility

For R K Parmarathi & Co.
Chartered Accountants

(CA. Arvind Awasthi)
Partner
M. No. 424004 / FRN No. 001121C
UDIN: 25424004BMIGIT2976

Place: Kanpur
Dated: 22/05/2025

AKI INDIA LIMITED			
Regd. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010			
CIN : L19201UP1994PLC016467			
Balance Sheet as of 31st March, 2025			
(all figures are in lacs of rupees unless otherwise stated)			
Particulars	Notes Number	As At 31/03/2025	As At 31/03/2024
Assets			
(1) Non-current assets			
(a) Property Plant & Equipment	2	1,163.08	1,272.55
(b) Capital work-in-progress	2(A)	877.16	700.41
(c) Intangible assets (Other than Goodwill)		-	-
(d) Intangible assets Under Development		-	-
(e) Investment in Subsidiaries, associates/ Joint Ventures	3	144.75	144.75
Financial Assets		-	-
(i) Investments	3	113.78	102.78
(ii) Others		-	-
(g) Deferred tax assets (net)	4	0.83	14.87
(h) Other non-current assets	5	1,104.99	1,276.87
Total Non Current Assets (A)		3,404.59	3,512.23
(2) Current assets			
(a) Inventories	6	2,948.68	2,696.29
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	7	2,486.56	1,834.98
(iii) Cash and cash equivalents	8	236.30	170.92
(iv) Bank Balances other than (iii) above			
(v) Loans	9	1,576.44	1,679.24
(vi) Others			
(c) Current Tax Assets (Net)	10	356.49	339.77
(d) Other current assets			
Total Current Assets (B)		7,604.47	6,721.20
Total Assets (A+B)		11,009.06	10,233.43
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	11	1,770.64	1,715.28
(b) Other Equity	12	4,718.08	4,241.79
Total Equity (A)		6,488.72	5,957.07
(2) Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	313.70	109.08
(ii) Other Financial Liabilities		-	-
(b) Provisions			
Total Non Current Liabilities (B)		313.70	109.08
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,602.81	1,697.60
(ii) Trade payable	15	1,985.78	1,908.18
(iii) Other Financial Liabilities			
(b) Other Current Liabilities	16	453.23	470.80
(c) Provisions	13	164.82	90.70
Total Current Liabilities (C)		4,206.64	4,167.28
Total Liabilities (B+C)		4,520.34	4,276.36
Total Equity & Liabilities (A+B+C)		11,009.06	10,233.43
Significant Accounting Policies:			
The accompanying Notes are integral part of Financial Statements 1-30			
As per our Auditor Report of even date attached hereto.			
For R K Parmarthi & Co.		For & on behalf of Board of Directors of	
Chartered Accountants		AKI INDIA LIMITED	
FRN. No.: 001121C			
CA. Arvind Awasthi		Mohammad Ajwad	
Partner		Managing Director	
M.No. 424004		DIN - 07902475	
UDIN:25424004BMIGIT2976		Sameena Asad Iraqi	
Place : Kanpur		Whole-time Director	
Date : 22.05.2025		DIN - 01668732	
		Divya Srivastava	
		Company Secretary	
		Prabodh Sharma	
		CFO	

AKI INDIA LIMITED			
Regd. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010			
CIN : L19201UP1994PLC016467			
Statement of Profit and Loss for the Period Ended 31st March, 2025			
(all figures are in lacs of rupees unless otherwise stated)			
Particulars	Notes Number	As At 31/03/2025	As At 31/03/2024
I. Revenue from operations	14	6,865.83	6,483.64
II. Other Income	15	641.51	300.30
III. Total Revenue (I+II)		7,507.34	6,783.94
IV. Expenses:			
Cost of materials consumed	16	4,412.36	3,794.15
Purchase of Stock-in-Trade	17	1,162.42	1,184.84
Changes in inventories of finished goods,work-in-progress and Stock-in-Trade	18	(234.81)	25.25
Employee benefit expense	19	251.15	268.60
Finance costs	20	187.96	179.42
Depreciation and amortization expense	2	180.85	185.28
Other expenses	21	1,285.15	959.67
Total Expenses		7,245.08	6,597.21
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		262.26	186.73
VI. Exceptional Items		-	-
VII. Profit/(Loss) before extraordinary items and tax (V-VI)		262.26	186.73
VIII. Extraordinary Items		-	-
IX. Profit before tax		262.26	186.73
X. Tax expense:			
(a) Current tax		84.85	57.61
(b) Deferred tax		14.04	(6.77)
XI. Profit/(Loss) from the period from continuing operations (IX-X)		163.37	135.89
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations +B47		-	-
XIV Profit/(Loss) from Discontinuing operations (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		163.37	135.89
XVI Earning per equity share:			
(a) Basic		0.18	0.15
(b) Diluted		0.18	0.15
Significant Accounting Policies:			
The accompanying Notes are integral part of Financial Statements 1-35			
As per our Auditor Report of even date attached hereto.			
For R K Parmarathi & Co.		For & on behalf of Board of Directors of	
Chartered Accountants		AKI INDIA LIMITED	
FRN. No.: 001121C			
CA. Arvind Awasthi		Mohammad Ajwad	Sameena Asad Iraqi
Partner		Managing Director	Whole-time Director
M.No. 424004		DIN - 07902475	DIN - 01668732
UDIN:25424004BMIGIT2976			
Place : Kanpur		Divya Srivastava	Prabodh Sharma
Date : 22.05.2025		Company Secretary	CFO

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST. MARCH. 2025

(Amt. in Lacs)

Sr. No.	PARTICULARS	31.03.2025	31.03.2024
A.	Cash flow from Operating Activities :		
	Net Profit before taxation and extra ordinary items	262.27	186.73
	<u>Adjustment for :</u>		
	Depreciation	180.85	185.28
	Operating profit before working capital changes	443.12	372.01
	<u>Adjustments for movement in working Capital :</u>		
	(Increase)/Decrease in inventory	-252.38	-794.47
	(Increase)/Decrease in Debtors	-651.58	-77.82
	(Increase)/Decrease in Short Term Loans & Advances	102.80	-1552.71
	(Increase)/Decrease in Other Current Assets	-16.72	-16.43
	Increase/(Decrease) in Trade Payable	129.01	349.34
	Increase/(Decrease) in Other Current Liabilities	-21.61	11.27
	Increase/(Decrease) in short term provisions	26.75	7.82
	Cash generated from Operations	-240.61	-1700.99
	Direct Tax Paid	-84.85	-57.61
	Net cash from operating activities (A)	-325.46	-1758.60
B.	Cash flow from Investing Activities		
	Increase/(Decrease) in Fixed Assets	-71.38	-242.16
	Additions in Capital work in progress	-176.75	-253.51
	(Increase)/Decrease in Investment	-11.00	0.00
	Increase/(Decrease) in Long term loans and advances	180.30	-1266.40
	(Increase)/Decrease in Non-Current Assets	-8.42	-6.83
	Other Adjustment (Expenses not allowable)	-0.84	-10.66
	Other Adjustment (Income Tax)	-19.29	-0.59
	Net cash from investing activities (B)	-107.38	-1780.15
C.	Cash flow from Financing Activities		
	Increase/(Decrease) in short term Borrowings	-94.79	128.79
	Increase/(Decrease) in long term Borrowings	204.60	-903.11
	Increase/(Decrease) in shareholders fund :		
	share warrant money received	-129.48	815.84
	share capital issued	55.36	376.67
	security premium received	462.53	3147.11
	Net cash from financing activities (C)	498.22	3565.30
	Net increase in cash and cash equivalents (A + B + C)	65.38	26.55
	Cash and cash equivalents at beginning of period	170.92	144.37
	Cash and cash equivalents at end of period	236.30	170.92

For R K Parmarthi & Co.
Chartered Accountants
FRN. No.: 001121C

For & on behalf of Board of Directors of
AKI INDIA LIMITED

CA. Arvind Awasthi
Partner
M.No. 424004
UDIN:25424004BMIGIT2976
Place : Kanpur
Date : 22.05.2025

Mohammad Ajwad
Managing Director
DIN - 07902475

Sameena Asad Iraqi
Whole-time Director
DIN - 01668732

Divya Srivastava
Company Secretary

Prabodh Sharma
CFO

AKI INDIA LIMITED
CIN : L19201UP1994PLC016467

Regd. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010

Notes forming integral part of the financial statements

(all figures are in lacs of rupees unless otherwise stated)

2: Tangible Assets:

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 1.04.2024	Addition	Sales/ Adjust- ment	IDLS Subsidy Recd.	As on 31.03.2025	As on 1.04.2024	For the year	Sales/ Adjust- ment	Upto 31.03.2025	As on 31.03.2025	As On 31.03.2024
Land	243.58	-	-		243.58	-	-	-	-	243.58	243.58
Factory Building	399.51	-	-		399.51	179.97	20.86	-	200.83	198.68	219.54
Computer	14.59	3.17	-		17.76	11.92	3.10	-	15.02	2.74	2.67
Vehicles	136.64	71.18	18.46		189.36	114.21	14.55	14.64	114.12	75.24	22.43
Furniture & Fixture	21.02	-	-		21.02	14.32	1.69	-	16.01	5.01	6.70
Office Equipment	21.43	1.50	-		22.93	19.69	0.90	-	20.59	2.34	1.74
Plant & Machinery	2,055.19	57.71	81.40	47.25	1,984.25	1,290.59	135.95	63.92	1,362.62	621.62	764.60
Electrical Equipment & Installation	37.20	6.38	-		43.58	25.91	3.80	-	29.71	13.87	11.29
TOTAL	2,929.16	139.94	99.86	47.25	2,921.99	1,656.61	180.85	78.56	1,758.90	1,163.08	1,272.55
PREVIOUS YEAR	2,687.00	242.16	0.00	0.00	2,929.16	1,471.33	185.28	0.00	1,656.61	1,272.55	1,215.67

2(A) : Capital work-in-progress

Building under Construction	683.08	112.41			795.49	-	-	-	-	795.49	683.08
Plant & Machinery (under installation)	17.33	64.34			81.67	-	-	-	-	81.67	17.33
TOTAL	700.41	176.75	0.00	0.00	877.16	0.00	0.00	0.00	0.00	877.16	700.41
PREVIOUS YEAR	446.90	253.51	0.00	0.00	700.41	0.00	0.00	0.00	0.00	700.41	446.90

GRAND TOTAL	3,629.57	316.69	99.86	47.25	3,799.15	1,656.61	180.85	78.56	1,758.90	2,040.24	1,972.96
PREVIOUS YEAR	3,133.90	495.67	0.00		3,629.57	1,471.33	185.28	0.00	1,656.61	1,972.96	1,662.57

AKI INDIA LIMITED

Regd. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010

CIN : L19201UP1994PLC016467

Notes forming integral part of the financial statements

(all figures are in lacs of rupees unless otherwise stated)

Particulars		As At 31/03/2025	As At 31/03/2024
3	Investments		
3.1	Investment in Subsidiaries	144.75	144.75
3.2	Other investments	113.78	102.78
		258.53	247.53
4	Deferred tax assets (net)	0.83	14.87
5	Other non-current assets		
5.1	Long Term Loans & Advances	1,086.10	1,266.40
5.2	Security Deposits	18.89	10.47
		1,104.99	1,276.87
6	Inventories		
6.1	Raw Materials	1,910.30	1,892.73
6.2	Finished Goods	409.81	248.52
6.3	Work in Progress	526.80	470.66
6.4	Trading Stock	101.77	84.38
		2,948.68	2,696.29
7	Trade Receivable (Unsecured considered goods:)		
7.1	i Debts outstanding for over six months	517.52	323.34
	ii Other debts	1,969.04	1,511.64
		2,486.56	1,834.98
8	Cash and Bank Balances		
8.1	Balance With Banks:		
	In current accounts.	68.72	49.07
	In fixed deposit accounts	160.41	106.38
8.2	Cash in Hand	7.17	15.47
		236.30	170.92
9	Short term Loans and Advances		
9.1	Unsecured considered good		
9.1.1	Advances to Suppliers & Other Advances	1,576.44	1,679.24
		1,576.44	1,679.24
10	Current Tax Assets (Net)		
10.1	TDS	17.55	7.32
10.2	TCS	0.85	0.17
10.3	GST	170.02	195.85
10.4	Income Tax (Adv.& Refund)	80.00	67.98
10.5	Duty Draw Back	57.61	36.31
10.6	Govt. Subsidy	30.46	32.14
		356.49	339.77

(all figures are in lacs of rupees unless otherwise stated)

11 Share Capital

11.1 Classification

11.1.1 Authorised share capital 125000000 Equity shares of Rs.2 each	2,500.00	2,500.00
	2,500.00	2,500.00
11.1.2 Issued Capital 85764174 Equity shares of Rs.2/- each 88532174 Equity shares of Rs.2/- each	- 1,770.64	1,715.28 -
	1,770.64	1,715.28
11.1.3 Subscribed Capital 85764174 Equity shares of Rs.2/- each 88532174 Equity shares of Rs.2/- each	- 1,770.64	1,715.28 -
	1,770.64	1,715.28
11.1.4 Paid up Capital 85764174 Equity shares of Rs.2/- each 88532174 Equity shares of Rs.2/- each	- 1,770.64	1,715.28 -
	1,770.64	1,715.28

11.2 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

1	Asad Kamal Iraqi	40671843 Shares	40671897 Shares
		45.94%	47.42%
2	Samina Asad Iraqi	5769855 Shares	5269855 Shares
		6.52%	6.14%

11.3 Rights, preferences and restrictions attached to equity shares:

The Group has only one class of Equity Shares having par value of Rs. 2/- each. Each holder of equity shares is entitled to one vote per equity share held. All equity shares ranks pari passu with respect to the dividend, voting rights and other terms. The Dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, normally the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

12 Reserves and surplus

12.1 Surplus in the Statement of Profit & Loss

Balance at the beginning of the year	250.84	126.21
Add: Profit of the year	163.37	135.89
Less: Bonus Shares Issued	-	-
Less: Adjustment for Income Tax	19.30	0.59
Less: Expenses not Allowable	-	10.50
Less: Other Adjustment	0.84	0.17
	394.07	250.84

12.2 Security Premium

3,637.64	3,175.11
4,031.71	3,425.95

12.3 Share Warrants Money received

686.37	815.84
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Total Other Equity **4,718.08** **4,241.79**

13 Long Term Borrowings

13.1 Borrowings

Secured Loans	305.90	101.28
Unsecured Loans from KMP	7.80	7.80
Unsecured Loans from Directors' Interested	0.00	0.00
	313.70	109.08

13.2 Other Financial Liabilities 0.00 0.00

14 Short Term Borrowings

14.1 From Banks- Axis(C/C A/c)	-	416.45
From Banks- Axis(ILC A/c)	-	85.01
From Banks- Axis(PCFC/PCL A/c)	-	1,196.14
From Banks- icici(PCFC USD)	51.31	-
From Banks- icici(PLC)	1,262.02	-
From Banks- icici OCC	289.48	-
	1,602.81	1,697.60

Particulars		As At 31/03/2025	As At 31/03/2024
15 Trade Payables			
Trade Payables for Goods & Services (CrS)		1,985.78	1,908.18
		1,985.78	1,908.18
16 Other current liabilities			
16.1 TDS Payables		2.40	2.60
16.2 TCS Payables		-	0.24
16.3 Current maturities of long term debt		308.71	377.25
16.4 Advance From Customers		142.12	90.71
		453.23	470.80
17 Short Term Provisions			
17.1 Provision for Audit Fees		1.15	1.00
17.2 Provision for Income Tax		84.85	57.61
17.3 Provision for Bonus		4.27	4.70
17.4 Provision for P.F. & ESI		0.86	0.92
17.5 Provision for Expenses		73.69	26.47
		164.82	90.70
14 Revenue From Operations			
(a) Sale of products		6,572.37	6,347.23
		-	-
(b) Other operating revenues (Job Work)		293.46	136.41
		6,865.83	6,483.64
15 Other Income			
Duty Draw Back		204.22	118.88
Rebate & Discount Recd.		0.59	0.11
Exchange Rate Difference		49.46	0.00
Freight Received		17.17	18.53
M.D.A. / Spoga Fair Claim		0.00	8.00
Sale of Licence		0.00	41.81
Interest on FDR		24.98	5.06
Interest on IT Refund		1.04	0.00
Balances written off		0.00	22.57
RODTAPE License		48.95	30.29
Interest from parties		79.50	17.92
Incentive on Purchase		0.00	19.46
Profit on sale of assets		82.63	0.00
Profit on forward booking cancellation		1.96	0.00
Sale of Scrap/FOC		8.37	15.85
Courier subsidy		0.09	0.55
Container subsidy		3.01	1.30
Air freight subsidy		5.23	0.00
Exhibition subsidy		2.52	0.00
Free Trade sample subsidy		0.78	0.00
Rental Income		8.00	0.00
Commission on ACE Export Sales		101.23	0.00
Other Income		1.78	0.00
		641.51	300.30
16 Cost of Raw Material Consumed			
Opening Stock		1,892.73	1,073.01
Add: Purchases		4,429.93	4,613.87
		6,322.66	5,686.88
Less: Closing Stock		1,910.30	1,892.73
		4,412.36	3,794.15
17 Purchase of Stock-in-Trade			
		1,162.42	1,184.84
		1,162.42	1,184.84
18 Changes in Inventories of Finished Goods, Work-In-Process & Stock-In-Trade			
A. Opening Stock			
Finished Goods		248.52	217.30
Work-In-Process		470.66	280.26
Stock-In-Trade		84.38	331.25
		803.56	828.81
B. Closing Stock			
Finished Goods		409.81	248.52
Work-In-Process		526.80	470.66
Stock-In-Trade		101.77	84.38
		1,038.38	803.56
Change in Inventories (A-B)		(234.81)	25.25
19 Employee Benefits Expenses			
Salaries & Wages		232.86	249.93
Contribution to EPF & ESIC		10.24	10.72
Staff Welfare Expenses		3.54	3.25
Bonus		4.51	4.70
		251.15	268.60
20 Finance Costs			
Interest on C/C, P/C, WCL		160.74	163.82
Bank Charges		27.22	15.60
		187.96	179.42

AKI INDIA LIMITED
CIN : L19201UP1994PLC016467
Notes forming integral part of the financial statements

(all figures are in lacs of rupees unless otherwise stated)

	Particulars	As At 31/03/2025	As At 31/03/2024
21	Other Expenses		
	Power & Fuel	112.33	124.96
	Freight and Cartage	210.13	226.35
	Fabrication Charges	150.12	144.04
	Job work paid	24.46	11.90
	Clearing & Forwarding Import Expenses	34.11	3.90
	Custom / Import Duty	47.88	14.63
	GST Expenses	0.01	0.00
	Consumable Material	0.00	0.01
	Advertisement Expenses	0.88	0.17
	Audit fee	1.15	1.00
	Stock Audit Fees	0.00	0.13
	Books Paper & Periodicals	0.00	0.02
	Balance written off	7.24	0.00
	Stock Exchange Expenses	10.05	20.96
	Business Promotion/Export Promotion/Website	23.83	9.65
	Clearing & Forwarding Expenses	76.28	69.73
	Clearing Sea Freight	68.41	20.95
	Commission on Exports	322.00	145.66
	Commission on Sales	0.96	1.43
	Computer Maintenance/Software Exp.	2.21	0.67
	Conveyance	1.67	6.85
	Charity & Donation	0.11	0.00
	Warehousing Expenses	4.42	0.00
	Credit Rating Expenses	0.00	0.00
	Director Remuneration	15.85	11.85
	Drawback Expenses	1.47	0.72
	Electrical Expenses	3.10	8.61
	Exchange Rate Diff.	0.00	0.93
	EPCG Expenses	0.00	0.53
	Freight & Cartage Outward	6.80	18.19
	Generator Running & Maintenance	0.74	0.01
	Govt. Fee	0.06	0.24
	Rent, Rates & Taxes	1.21	1.36
	Insurance charges	14.79	5.19
	Interest on T D S	0.10	0.08
	Internet Expenses	0.00	0.31
	Professional Charges & legal	12.05	15.09
	Amazone FBA Charges	1.22	0.00
	Loading & Unloading Expenses	5.24	7.16
	Loss on Forward Currency Contract	0.00	5.82
	License Expenses	0.47	0.58
	Membership / Subscription Fees	12.67	1.37
	Miscellaneous / General Exps	1.10	1.82
	Office Expenses	0.66	0.09
	Office Maintenance Expenses	0.00	0.69
	Environment/ Pollution Expenses	0.30	0.02
	Postage and Courier Charges	0.31	0.45
	Printing & Stationary	1.55	1.68
	R O C Expenses	0.11	3.79
	Security Expenses	2.48	1.41
	Research and development charges	1.59	0.05
	Repairs & maintenance - Building	2.51	0.07
	Repairs & Maintenance - Plant & Machinery	66.55	33.71
	Social/ Environmental Responsibility	0.86	0.73
	Spoga/Trade Fair Expenses	0.00	9.80
	Telephone / Internet/Telex Exps	1.64	1.28
	Testing Fee	1.15	0.93
	Tools,Dies & Moulds	7.02	2.49
	Travelling Expenses (Foreign)	13.94	16.45
	Travelling Expenses (Local)	1.00	1.41
	Vehicle Running & Maintenance	8.35	1.78
	Total	1285.15	959.67

AKI INDIA LIMITED
Regd. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010
CIN : L19201UP1994PLC016467
Notes forming integral part of the financial statements

(all figures are in lacs of rupees unless otherwise stated)

	Particulars	As At 31/03/2025	As At 31/03/2024
23.1	CONTINGENT LIABILITIES:		
	For bank Guarantee Given	0	0

24 Earning Per Share

	Particulars	Rs.	Rs.
24.1	Numerator		
	Profit after tax	163.37	135.89
24.2	Denominator		
	Weighted average number of equity shares (Fully Paid)	8,85,32,174	8,57,64,174
24.3	Earning per share (EPS)	0.18	0.15
	Basic & diluted (a/b)		
	Nominal Value of share	2/-	2/-

25 (I) Value of Imports calculated on F O B Basis

(a)	Raw Materials	173.30	86.34
(b)	Components & Spares Parts	14.51	32.40
(c)	Plant & Machinery	16.03	146.06

(II) Earning in Foreign Currency

Export (at FOB value)	3,780.95	3,118.47
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26 Value of raw Materials,consumable stores Consumed - Indigenous :

(a)	Raw Materials	4,412.36	3,794.15
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27 Trade Payable Ageing Schedule

Particulars	Outstanding for the following periods from the due date				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-
Others	1,985.78	-	-	-	1,985.78
Dispute Dues - MSME	-	-	-	-	-
Dispute Dues - Others	-	-	-	-	-

28 Remuneration to Auditors :

Particulars	As at 31/03/2025	As at 31/03/2024
Statutory Audit Fees	1.15	1.00
Total	1.15	1.00

(A) Name of Related Parties and nature of relationship

i. Related parties over which control exist (Subsidiaries)	AKI (U.K.) Ltd.
ii. Joint Ventures	Nil
iii. Associates with whom transactions were carried out during the year	Nil
iv. Key Management Personnel (KMP) & Relatives:	
a) Mr. Asad Kamal Iraqi (C.E.O.)	
b) Mr. Prabodh Sharma (C.F.O.)	
c) Mrs Samina Asad Iraqi (Wholetime Director)	
d) Mr. Mohd. Ajwad (Director)	
f) Mrs Geeta Sharma	
e) Miss Divya Srivastava (Company Secretary & Compliance Officer)	
v. Others: Enterprise over which KMP or relatives of KMP are able to exercise significant influence:	
a) AKI Hospitalities Pvt. Ltd.	

(B) Detail of related party transactions during the year (in ordinary course of business at arm length price)

Name of related party & Transactions	KMP and Relatives	KMP and Relatives
	As at 31.03.2025	As at 31.03.2024
<u>Sale of materials / finished goods</u>		
AKI UK LTD.	1114.13	838.28
<u>Key Managerial Remuneration</u>		
a) Mr. Asad Kamal Iraqi (C.E.O.)	35.00	23.50
b) Mr. Prabodh Sharma (C.F.O.)	11.87	9.40
c) Mrs Samina Asad Iraqi (Wholetime Director)	7.00	4.80
d) Mrs Geeta Sharma	5.76	5.76
e) Mr. Mohd Ajwad (Director)	8.85	7.05
f) Miss Divya Srivastava (Company Secretary & Compliance Officer)	1.20	1.20
<u>Payable</u>		
AKI UK LTD.	1351.09	880.13
AKI Hospitalities Pvt. Ltd.	0.00	0.00
<u>Receivable</u>		
AKI UK LTD.	1078.44	819.54
AKI Hospitalities Pvt. Ltd.		
-Received during the year	463.51	99.79
-Paid during the year	463.51	149.79

AKI INDIA LIMITED
CIN : L19201UP1994PLC016467

Notes forming integral part of the financial statements

30 Ratios:

(all figures are in lacs of rupees unless otherwise stated)

S.No.	Ratios	Formula	Numerator	Denominator	Ratio
1)	Current Ratio	Current Assests/Current Liability	7,604.47	4,206.64	1.81
2)	Debt- Equity Ratio	(Long Term+Short Term)Loans/ Total Shareholders Equity	1,988.92	6,488.72	0.31
3)	Debt Service Coverage Ratio	EBITDA/(Principal+Interest)	484.75	558.00	0.87
4)	Return on Equity Ratio	Net Income/ Share holder Equity	262.26	6,488.72	0.04
5)	Inventory Turnover Ratio	Cost of goods sold/ Average Inventory	5,557.39	2,822.49	1.97
6)	Trade Receivables Turnover Ratio	Net credit Sales/Average Accounts Receivable	6,842.67	2,160.77	3.17
7)	Trade Payable Turnover Ratio	Net Credit Purchases/Average Accounts Payable	5,592.35	1,946.98	2.87
8)	Net Profit Ratio	Net Profit/Revenue	262.26	6,865.83	0.04
9)	Return on Capital Employed	EBIT/Capital Employed	450.22	6,802.42	0.07

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE 1.

A. CORPORATE INFORMATION

AKI INDIA LIMITED ("the company") is a public limited company having its registered office situated at **Regd. Office: D-115 Defence Colony, Jajmau, Kanpur Nagar 208010.**

The Company's equity shares are listed at the **portal of Bombay Stock Exchange (BSE) and NSE.**

The principal activities of the company are manufacturing and export 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.

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:

- 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.

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

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumption that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the

year. Actual results could differ from those estimates. The estimates and underlying assumption are reviewed on an ongoing basis.

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.

4. 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.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these during more than a period of 12 months.

5. 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 non-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.

6. 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

7. Intangible Assets

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

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

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

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

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.

8 Impairment of Assets Impairment of property, plant and equipment and intangible assets Other than goodwill

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased.

If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

9 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

10 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.

11. Foreign Currencies:

(a) Functional & Presentation Currency :

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR/Rupees), which is the Company's functional and presentation currency.

(b) Transaction & Balances :

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

12. Investment in subsidiaries and Associates

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

13. 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.

14. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortised cost

Debt instruments such as trade and other receivables, security deposits and loans given are measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instruments at Fair value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments excluding investments in subsidiary and associate companies. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognised in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when ;

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - The Company has transferred substantially all the risks and rewards of the asset, or
 - The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

15 Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets measured at fair value through other comprehensive income.

In case of other assets (listed as a) above), the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

16. Financial Liabilities :

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial Liabilities at amortised cost

Financial liabilities classified and measured at amortised cost such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition :

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

17. Derivative financial instruments

The Company uses derivative financial instruments to manage the commodity price risk and exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with changes being recognized in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken through profit and loss.

18. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in Profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw down occurs.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any non cash asset transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

19. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

Interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they occur.

20. Offsetting Of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company, or the counter party.

21. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

22. Provisions, Contingent liabilities and Capital Commitments

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

23. Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

A government grant that becomes receivable as compensation for expenses or losses incurred in previous period(s). Such a grant is recognised in profit or loss of the period in which it becomes receivable.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets or other relevant basis.

Government grants by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

24. Revenue Recognition :

Sale of Goods and services

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when (a) control is transferred to the customer, which is mainly upon delivery in case of domestic sales and on issuance of Shipping Bill in case of export sales.

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns, rebates and discounts to customers.

Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as sales Tax/ value added tax/Goods & Services Tax.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Accordingly, the comparative information in the statement of profit and loss is not restated. There is no impact of the adoption of the standard on the financial statements of the Company.

Interest Income

Interest income is accrued on using on a time basis by the effective interest rate with reference to the principal outstanding.

Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Export Incentives

Export Incentives are recognised when certainty of receipt is established.

Insurance Claim

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain and in such cases it is accounted for on receipt basis.

25. Employee benefits

The Company makes contributions to both defined benefit and defined contribution schemes which are mainly administered through/by duly constituted and approved Trusts and the Government.

Defined Contribution Scheme

In case of provident fund administered through Regional Provident Fund Commissioner, the Company has no obligation, other than the contribution payable to the provident fund.

In case of members of constituted and approved trusts, the Company recognises contribution payable to such trusts as an expense including any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India.

The Company's contributions paid / payable during the year to provident fund administered through Approved Trust, Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are recognised in the Statement of Profit and Loss as an expense when employees have rendered services entitling them to contributions.

Defined Benefit Scheme

Gratuity: Cost of providing the Benefit is determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined by independent actuary using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. It is included in retained earnings in the statement of changes in equity and in the balance sheet.

Leave encashment: Leave balance as at the end of the calendar year is encashed and balance leaves earned thereafter to the extent not availed by the employees are provided in the accounts.

26. Research and Development Expenditure

Expenditure on research of revenue nature is charged to Statement of Profit and Loss and that of capital nature is capitalized as fixed assets.

27. Taxes on Income

Current tax is the amount of tax payable determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an deferred tax asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

28. Dividend Distribution

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

29. Cash Flow Statement

Cash flows statement is prepared as per the Indirect Method specified in Ind AS 7 on Cash Flows. Cash and cash equivalents (including bank balances) shown in statement of cash flows exclude item which are not available for general use on the date of balance sheet.

30. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

For R K Parmarthi & Co.
Chartered Accountants

For AKI INDIA LTD


(CA. Arvind Awasthi)
Partner
M. No. 424004 / FRN No. 001121C
UDIN: 25424004BMIGIT2976
Place: Kanpur
Dated: 22/05/2025

Mohammad Ajwad
Managing Director
DIN - 07902475

Sameena Asad Iraqi
Whole-time Director
DIN - 01668732

Divya Srivastava
Company Secretary

Prabodh Sharma
CFO

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Independent Auditor's Report

To

The Members of AKI India Limited

Opinion

We have audited the accompanying consolidated financial statements of AKI India Limited(hereinafter referred to as the "Holding Company")and its subsidiaries (Holding Company and its subsidiaries together referred as a "Group") and its associates, which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").


In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group and its associates as at 31 March 2025, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. We draw the attention regarding non provisioning of Interest payable on Unsecured Loan & Advances taken from Related Parties and other parties' u/s. 186 of the Companies Act, 2013.

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2. The company has granted/ renewed loans and advances to other companies. Accordingly, company has recognized interest income from the same.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements


The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements


Our objectives are to obtain reasonable assurance about whether the consolidated 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

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reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group and its associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate and joint ventures and joint operations to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by

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other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of subsidiary (AKI UK LTD.), whose Audited financial statements confers her total Assets of Rs 572.31 lacs and total revenue of Rs 1230.36 lacs with a net profit of Rs 4.41 lacs for the year ended on 31st March 2025 , as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associates is based solely on the audit reports of other auditors.

The subsidiary located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by

		<p><i>R K Parmar & Co.</i> <i>Chartered Accountants</i> 518, 5th Floor, Kalpana Plaza, Birhana Road, Kanpur-208001, Email-Id: caarvindawasthi@gmail.com Contact: 7355473730</p>
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the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Holding Company's Management.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give a statement on the matters specified in paragraphs 3 and 4 of the Order as enumerated at point 4.

2. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and an explanation which is to the best of our knowledge and beliefs 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 appears from our examination of those books.


c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended

e) On the basis of written representations received from the directors as on 31st March, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the other matters included in the Auditor's Report and to our 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. ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

		<p><i>R K Parmarathi & CO.</i> <i>Chartered Accountants</i> 518, 5th Floor, Kalpana Plaza, Birhana Road, Kanpur-208001, Email-Id: caarvindawasthi@gmail.com Contact: 7355473730</p>
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iii. There is no amount required to be transferred, to the investor's education & Protection Fund by the Company.

3. In accordance with the Ministry of Corporate Affairs (MCA) mandate effective from 1 April 2023, companies are required to maintain an audit trail for transactions affecting books of accounts. It is noted that AKI India Limited has implemented this audit trail reporting feature. This information is disclosed for transparency in our audit report.
4. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we report that there are no disqualifications or adverse remarks.

For R K Parmarathi & Co.
Chartered Accountants

(CA. Arvind Awasthi)
Partner
M. No. 424004 / FRN No. 001121C
UDIN: 25424004BMIGIU5548

Place: Kanpur
Dated: 22/05/2025

		<p><i>R K Parmar & Co.</i> <i>Chartered Accountants</i> 518, 5th Floor, Kalpana Plaza, Birhana Road, Kanpur-208001, Email-Id: caarvindawasthi@gmail.com Contact: 7355473730</p>
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ANNEXURE “A” TO THE AUDITOR’S REPORT

Report on the Internal Financial Control under clause (i) of sub section 3 of Section 143 of companies Act , 2013 (‘The Act’)

We have audited the internal financial control over financial reporting of AKI INDIA LIMITED (‘the company’) as of 31st March, 2025 in conjunction with our audit of the Standalone financial statement of the company for the year ended on that date.

Management 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 Control 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”) issued by ICAI and the standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

		<p><i>R K Parmarathi & Co.</i> <i>Chartered Accountants</i> 518, 5th Floor, Kalpana Plaza, Birhana Road, Kanpur-208001, Email-Id: caarvindawasthi@gmail.com Contact: 7355473730</p>
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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 authorizations 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 March 31, 2025, 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 Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R K Parmarathi & Co.
Chartered Accountants

(CA. Arvind Awasthi)
Partner
M. No. 424004 / FRN No. 001121C
UDIN: 25424004BMIGIU5548

Place: Kanpur
Dated: 22/05/2025

AKI INDIA LIMITED
Reg. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010
CIN : L19201UP1994PLC016467
Consolidated Balance Sheet as of 31st March, 2025

(all figures are in lacs of rupees unless otherwise stated)

Particulars	Notes Number	As At 31/03/2025	As At 31/03/2024
Assets			
(1) Non-current assets			
(a) Property Plant & Equipment	2	1,163.08	1,272.55
(b) Capital work-in-progress	2(A)	877.16	700.41
(c) Intangible assets (Other than Goodwill)		-	-
(d) Intangible assets Under Development		-	-
(e) Investment in Subsidiaries, associates/ Joint Ventures	3	-	-
Financial Assets		-	-
(i) Investments	3	113.78	102.79
(ii) Others		-	-
(g) Deferred tax assets (net)	4	0.83	14.87
(h) Other non-current assets	5	1,169.06	1,276.87
Total Non Current Assets (A)		3,323.91	3,367.49
(2) Current assets			
(a) Inventories	6	3,042.87	2,733.96
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	7	2,858.80	2,109.34
(iii) Cash and cash equivalents	8	278.12	181.30
(iv) Bank Balances other than (iii) above			
(v) Loans	9	1,576.44	1,679.24
(vi) Others			
(c) Current Tax Assets (Net)	10	356.49	339.77
(d) Other current assets			
Total Current Assets (B)		8,112.72	7,043.61
Total Assets (A+B)		11,436.63	10,411.10
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	1,770.64	1,715.28
(b) Other Equity	12	4,743.05	4,256.13
Total Equity (A)		6,513.69	5,971.41
Liabilities			
(1) Non-Current Liabilities			
(a)	13	330.64	109.08
(ii) Other Financial Liabilities		-	-
(b) Provisions			
Total Non Current Liabilities (B)	Divya Srivastava	330.64	109.08
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,602.81	1,697.60
(ii) Trade payable	15	2,243.19	2,079.01
(iii) Other Financial Liabilities			
(b) Other Current Liabilities	16	487.94	463.29
(c) Provisions	13	258.36	90.71
Total Current Liabilities (C)		4,592.30	4,330.61
Total Liabilities (B+C)		4,922.94	4,439.69
Total Equity & Liabilities (A+B+C)		11,436.63	10,411.10

Significant Accounting Policies:

The accompanying Notes are integral part of Financial Statements 1-30
As per our Auditor Report of even date attached hereto.

For R K Parmarthy & Co.
Chartered Accountants
FRN. No.: 001121C

For & on behalf of Board of Directors of
AKI INDIA LIMITED

CA. Arvind Awasthi
Partner
M.No. 424004
UDIN:25424004BMIGIU5548
Place : Kanpur
Date : 22.05.2025

Mohammad Ajwad
Managing Director
DIN - 07902475

Divya Srivastava
Company Secretary

Sameena Asad Iraqi
Whole-time Director
DIN - 01668732

Prabodh Sharma
CFO

AKI INDIA LIMITED				
Reg. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010				
CIN : L19201UP1994PLC016467				
Consolidated Statement of Profit and Loss for the Period Ended 31st March, 2025				
(all figures are in lacs of rupees unless otherwise stated)				
Particulars		Notes Number	As At 31/03/2025	As At 31/03/2024
I.	Revenue from operations	14	8,096.18	7,091.26
II.	Other Income	15	652.39	321.58
III.	Total Revenue (1+2)		8,748.57	7,412.84
IV.	Expenses:			
	Cost of materials consumed	16	4,412.36	3,855.48
	Purchase of Stock-in-Trade	17	2,429.72	1,743.77
	Changes in inventories of finished goods,work-in-progress and Stock-in-Trade	18	(291.34)	(12.41)
	Employee benefit expense	19	251.15	291.78
	Finance costs	20	189.37	182.53
	Depreciation and amortization expense	2	180.85	185.28
	Power & Fuel	21	112.33	124.96
	Other expenses	21	1,197.45	853.69
	Total Expenses		8,481.89	7,225.08
V.	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		266.68	187.76
VI.	Exceptional Items		-	-
VII.	Profit/(Loss) before extraordinary items and tax (V-VI)		266.68	187.76
VIII.	Extraordinary Items		-	-
IX.	Profit before tax		266.68	187.76
X.	Tax expense:			
	(a) Current tax		84.85	57.82
	(b) Deferred tax		14.05	(6.77)
XI.	Profit/(Loss) from the period from continuing operations (IX-X)		167.78	136.71
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Tax expense of discounting operations +B47		-	-
XIV.	Profit/(Loss) from Discontinuing operations (XII-XIII)	Divya Srivastava	-	-
XV.	Profit/(Loss) for the period (XI+XIV)		167.78	136.71
XVI.	Earning per equity share:			
	(a) Basic		0.19	0.16
	(b) Diluted		0.19	0.16
Significant Accounting Policies:				
The accompanying Notes are intergral part of Financial Statements 1-35				
As per our Auditor Report of even date attached hereto.				
For R K Parmarhi & Co. Chartered Accountants FRN. No.: 001121C			For & on behalf of Board of Directors of AKI INDIA LIMITED	
CA. Arvind Awasthi Partner M.No. 424004 UDIN:25424004BMIGIU5548 Place : Kanpur Date : 22.05.2025			Mohammad Ajwad Managing Director DIN - 07902475 Divya Srivastava Company Secretary	Sameena Asad Iraqi Whole-time Director DIN - 01668732 Prabodh Sharma CFO

AKI INDIA LIMITED

Reg. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010
CIN : L19201UP1994PLC016467

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD OF 01/04/2024 TO 31/03/2025

(all figures are in lacs of rupees unless otherwise stated)

Particulars	2024-25	2023-24
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	266.68	187.76
Adjustment For :		
Depreciation of property, plant & equipment	180.85	185.28
Other Adjustment (Revaluation of Investments)	6.21	
Other Adjustment	(20.14)	(3.74)
Other Comprehensive Expense		
(Profit) / Loss on sale of property, plant & equipment		
Operating Profit before working capital changes	433.60	369.30
Adjustment For :		
(a) (Increase)/Decrease in Inventories	(308.91)	(770.81)
(b) (Increase)/Decrease in Trade Receivables	(749.46)	(121.33)
(c) (Increase)/Decrease in Other Current Assets	(16.72)	(16.43)
(d) Increase /(Decrease) in Short Term Advances	102.80	(1552.71)
(e) Increase /(Decrease) in Other Current Liabilities	71.91	11.28
(f) Increase /(Decrease) in Short Term Provisions	26.75	7.82
(g) Increase /(Decrease) in Trade Payable	257.82	368.31
CASH GENERATED FROM OPERATIONS	(182.21)	(1704.57)
Less : (a) Income Tax Paid	(84.85)	(57.82)
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	(267.06)	(1762.39)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(a) Increase/(Decrease) of Fixed Assets	(71.39)	(242.16)
(b) Work in Progress of Fixed Assets	(176.75)	(253.51)
(c) Sale of Fixed Assets	0.00	0.00
(d) (Increase)/Decrease in Investment	(11.00)	0.00
(d) (Increase)/Decrease in Long Term Loans and advances	116.24	(1266.40)
(e) Non Current Assets	(8.42)	(6.82)
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	(151.32)	(1768.89)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(a) Proceeds/(Repayment) from Borrowings	221.56	(903.11)
(b) Increase /(Decrease) in Short Term Borrowings	(94.79)	128.79
(c) Subsidy Received	0.00	0.00
(d) Proceeds from Issue of Share Capital	55.36	376.67
(d) Proceeds from Security Premium	462.53	3147.11
(e) Money Recd. Against Share Warrants	(129.47)	815.84
NET CASH INFLOW/ (OUTFLOW) IN FINANCING ACTIVITIES (C)	515.19	3565.30
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	96.81	34.02
OPENING BALANCE – CASH & CASH EQUIVALENT	181.31	147.29
CLOSING BALANCE - CASH & CASH EQUIVALENT	278.12	181.31

For R K Parmarthy & Co.

Chartered Accountants

FRN. No.: 001121C

CA. Arvind Awasthi

Partner

M.No. 424004

UDIN:25424004BMIGIU5548

Place : Kanpur

Date : 22.05.2025

Mohammad Ajwad

Managing Director

DIN - 07902475

Divya Srivastava

Company Secretary

Sameena Asad Iraqi

Whole-time Director

DIN - 01668732

Prabodh Sharma

CFO

AKI INDIA LIMITED
Reg. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010
CIN : L19201UP1994PLC016467
Notes forming integral part of the Consolidated financial statements

(all figures are in lacs of rupees unless otherwise stated)

Particulars	As At 31/03/2025	As At 31/03/2024
3 Investments		
3.1 Investment in Subsidiaries	-	-
3.2 Other investments	113.78	102.79
	113.78	102.79
4 Deferred tax assets (net)	0.83	14.87
5 Other non-current assets		
5.1 Long Term Loans & Advances	1,150.16	1,266.40
5.2 Security Deposits	18.90	10.47
	1,169.06	1,276.87
6 Inventories		
6.1 Raw Materials	1,910.30	1,892.73
6.2 Finished Goods	409.81	248.53
6.3 Work in Progress	526.80	470.66
6.4 Trading Stock	195.96	122.04
	3,042.87	2,733.96
7 Trade Receivable (Unsecured considered goods:)		
7.1 i Debts outstanding for over six months	2,341.28	323.34
ii Other debts	517.52	1,786.00
	2,858.80	2,109.34
8 Cash and Bank Balances		
8.1 Balance With Banks:		
In current accounts.	109.83	49.07
In fixed deposit accounts	160.41	106.37
8.2 Cash in Hand	7.88	25.86
	278.12	181.30
9 Short term Loans and Advances		
9.1 Unsecured considered good		
9.1.1 Advances to Suppliers & Other Advances	1,576.44	1,679.24
	1,576.44	1,679.24
10 Current Tax Assets (Net)		
10.1 TDS	17.55	7.32
10.2 TCS	0.85	0.17
10.3 GST	170.02	195.85
10.4 Income Tax (Adv.& Refund)	80.00	67.98
10.5 Duty Draw Back	57.60	36.31
10.6 Govt. Subsidy	30.47	32.14
	356.49	339.77

Divya Srivastava

Notes forming integral part of the Consolidated financial statements

(all figures are in lacs of rupees unless otherwise stated)

Particular		As At 31/03/2025	As At 31/03/2024
11 Share Capital			
11.1 Classification			
11.1.1 Authorised share capital			
125000000 equity shares of Rs.2 each	2,500.00	2,500.00	
	2,500.00	2,500.00	
11.1.2 Issued Capital			
85764174 Equity shares of Rs.2/- each	-	1,715.28	
88532174 Equity shares of Rs.2/- each	1,770.64	-	
	1,770.64	1,715.28	
11.1.3 Subscribed Capital			
85764174 Equity shares of Rs.2/- each	-	1,715.28	
88532174 Equity shares of Rs.2/- each	1,770.64	-	
11.1.4 Paid up Capital			
85764174 Equity shares of Rs.2/- each	-	1,715.28	
88532174 Equity shares of Rs.2/- each	1,770.64	-	
	1,770.64	1,715.28	
11.2 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company			
1 Asad Kamal Iraqui	40671843 Shares	40671897 Shares	
	45.94%	47.42%	
2 Samina Asad	5769855 Shares	5269855 Shares	
	6.52%	6.14%	
11.3 Rights, preferences and restrictions attached to equity shares:			
The Group has only one class of Equity Shares having par value of Rs. 2/- each. Each holder of equity shares is entitled to one vote per equity share held. All equity shares ranks pari passu with respect to the dividend, voting rights and other terms. The Dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, normally the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.			
12 Reserves and surplus			
12.1 Surplus in the Statement of Profit & Loss			
Balance at the beginning of the year	265.18	134.25	
Add: Profit of the year Divya Srivastava	167.78	136.71	
Add: Other Adjustment (Revaluation of I)	6.21	5.48	
Less: Adjustment for Income Tax	(19.29)	(0.59)	
Less: Expenses not Allowable	-	(10.50)	
Less: Other Adjustment	(0.84)	(0.17)	
	419.04	265.18	
12.2 Security Premium	3,637.64	3,175.11	
	4,056.68	3,440.29	
12.3 Share Warrants Money received	686.37	815.84	
Total Other Equity	4,743.05	4,256.13	
13 Long Term Borrowings			
13.1 Borrowings			
Secured Loans	322.84	101.28	
Unsecured Loans from KMP	7.80	7.80	
Unsecured Loans from Directors' Interested	0.00	0.00	
	330.64	109.08	
13.2 Other Financial Liabilities	0.00	0.00	
14 Short Term Borrowings			
14.1 From Banks- ICICI/Axis(C/C A/c)	289.48	416.45	
From Banks- ICICI/Axis(ILC A/c)	-	85.01	
From Banks- ICICI/Axis(PCFC/PCL A/c)	1,313.33	1,196.14	
	1,602.81	1,697.60	

Particulars		As At 31/03/2025	As At 31/03/2024
15 Trade Payables			
Trade Payables for Goods & Services (Crs)		2,243.19	2,079.01
		2,243.19	2,079.01
16 Other current liabilities			
16.1 TDS Payables		2.40	2.60
16.2 TCS Payables		-	0.24
16.3 Current maturities of long term debt		308.70	377.25
16.4 Advance From Customers		176.84	83.20
		487.94	463.29
17 Short Term Provisions			
17.1 Provision for Audit Fees		1.15	1.00
17.2 Provision for Income Tax		84.85	57.61
17.3 Provision for Bonus		4.27	4.70
17.4 Provision for P.F. & ESI		0.86	0.92
17.5 Provision for Expenses		167.23	26.48
		258.36	90.71
14 Revenue From Operations			
(a) Sale of products		7,802.71	6,954.85
		-	-
(b) Other operating revenues		293.47	136.41
		8,096.18	7,091.26
15 Other Income			
Duty Draw Back		204.22	118.87
Rebate & Discount Recd.		0.61	0.10
Exchange Rate Difference		49.46	0.00
Freight Received		17.17	18.52
M.D.A. / Spoga Fair Claim		0.00	8.00
Sale of Licence		0.00	41.81
Interest on FDR		24.98	5.06
Interest on Income Tax Refund		1.04	0.00
Balances written off		3.41	22.57
RODTAPE License		48.95	30.29
Interest from parties		79.56	17.92
Profit on Sales of Fixed Assets		82.64	0.00
Profit on Forward Cancellation		1.96	0.00
Incentive on Purchase		0.00	19.46
Other Charges		0.00	0.00
Packing Charges		0.00	0.00
Sale of Scrap/FOC		8.37	15.85
Subsidy Received		11.63	1.86
Rent Received		8.00	0.00
Commission on ACS Export Sales		101.23	0.00
Other Income		1.78	0.00
Commission on Sales (UK)		7.38	0.00
Other Operative Income		0.00	21.27
		652.39	321.58
16 Cost of Raw Material Consumed			
Opening Stock		1,892.73	1,134.34
Add: Purchases		4,429.93	4,613.86
		6,322.66	5,748.20
Less: Closing Stock		1,910.30	1,892.73
		4,412.36	3,855.48
17 Purchase of Stock-in-Trade			
		2,429.72	1,743.77
		2,429.72	1,743.77
18 Changes in Inventories of Finished Goods, Work-In-Process & Stock-In-Trade			
A. Opening Stock			
Finished Goods		248.53	217.29
Work-In-Process		470.66	280.26
Stock-In-Trade		122.04	331.26
		841.23	828.81
B. Closing Stock			
Finished Goods		409.81	248.53
Work-In-Process		526.80	470.66
Stock-In-Trade		195.96	122.04
		1,132.57	841.23
Change in Inventories (A-B)		(291.34)	(12.41)
19 Employee Benefits Expenses			
Salaries & Wages		232.86	273.11
Contribution to EPF & ESIC		10.24	10.72
Staff Welfare Expenses		3.54	3.25
Bonus		4.51	4.70
		251.15	291.78
20 Finance Costs			
Interest on C/C, P/C & TL		161.64	165.32
Bank Charges		27.73	17.21
		189.37	182.53

AKI INDIA LIMITED

Reg. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010

CIN : L19201UP1994PLC016467

Notes forming integral part of the Consolidated financial statements

	Particulars	As At 31/03/2025	As At 31/03/2024
21	Other Expenses		
	Power & Fuel	112.33	124.96
	Freight and Cartage	210.14	226.34
	Fabrication Charges	150.12	144.04
	Job work paid	24.46	11.90
	Clearing & Forwarding Import Expenses	34.11	3.90
	Custom / Import Duty	47.88	14.63
	Consumable Material	0.00	0.01
	Other Direct Cost	0.00	0.00
	Advertisement Expenses	0.88	0.31
	Audit fee	5.59	1.00
	Stock Audit Fees	0.00	0.13
	Books Paper & Periodicals	0.00	0.02
	Balance Writen off	7.25	0.00
	Stock Exchange Expenses	10.05	20.96
	Business Promotion/Export Promotion/Website	23.83	9.65
	Clearing & Forwarding Expenses	76.28	69.73
	Clearing Sea Freight	68.41	20.95
	Commission on Exports	322.00	145.66
	Commission on Sales	0.96	17.12
	Computer Maintenance/Software Exp.	2.21	0.67
	Conveyance	1.67	6.85
	Charity & Donation	0.11	0.00
	Warehousing Expenses	4.43	0.00
	Director Remuneration	34.40	11.85
	Drawback Expenses	1.47	0.72
	Electrical Expenses	3.10	8.61
	Exchange Rate Diff.	1.64	3.30
	EPCG Expenses	0.00	0.53
	Freight & Cartage Outward	6.80	18.19
	Generator Running & Maintenance	0.74	0.01
	Govt. Fee	0.06	0.24
	GST Expenses	0.01	0.00
	Rent, Rates & Taxes	1.21	1.36
	Insurance charges	14.79	5.19
	Interest on T D S	0.10	0.08
	Internet Expenses	0.00	0.31
	IPO Expenses	0.00	0.00
	Professional Charges & Legal Charges	12.05	15.09
	Amazone FBA Charges	1.22	0.00
	Loading & Unloading Expenses	5.23	7.16
	Loss on Forward Currency Contract	0.00	5.82
	License Expenses	0.47	0.58
	Membership / Subscription Fees	12.67	1.67
	Miscellaneous / General Exps	1.09	1.83
	Office Expenses	0.66	0.09
	Office Maintenance Expenses	0.00	0.69
	Enviroment/ Pollution Expenses	0.30	0.02
	Postage and Courier Charges	0.31	0.45
	Printing & Stationary	1.55	1.76
	R O C Expenses	0.11	3.79
	Security Expenses	2.48	1.41
	Research and development charges	1.59	0.05
	Rebate & Discount	0.00	0.00
	Repairs & maintenance - Building	2.51	0.07
	Repairs & Maintenance - Plant & Machinery	66.55	33.71
	Round Off	0.00	0.00
	Social/ Environmental Responsibility	0.86	0.73
	Soil Testing Charges	0.00	0.00
	Spoga/Trade Fair Expenses	0.00	9.80
	Telephone / Internet/Telex Exps	1.64	1.29
	Testing Fee	1.15	0.93
	Tools,Dies & Moulds	7.02	2.49
	Trademark Expenses	0.00	0.00
	Travelling Expenses (Foreign)	13.94	16.83
	Travelling Expenses (Local)	1.00	1.41
	Vehicle Running & Maintenance	8.35	1.78
	Accountancy Fees	0.00	0.00
	Total	1309.78	978.65

Divya Srivastava

AKI INDIA LIMITED

Reg. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010

CIN : L19201UP1994PLC016467

Notes forming integral part of the Consolidated financial statements

2: Tangible Assets:

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.04.2024	Addition	Sales/ Adjust- ment	As on 31.03.2025	As on 1.04.2024	For the year	Sales/ Adjust- ment	Upto 31.03.2025	As on 31.03.2025	As On 31.03.2024
Land	243.58	-	-	243.58	-	-	-	-	243.58	243.58
Factory Building	399.51	-	-	399.51	156.92	-	-	156.92	242.59	242.59
Computer	14.59	-	-	14.59	11.27	-	-	11.27	3.32	3.32
Vehicles	136.64	-	-	136.64	105.09	-	-	105.09	31.55	31.55
Furniture & Fixture	18.56	-	-	18.56	12.28	-	-	12.28	6.28	6.28
Office Equipment	21.12	-	-	21.12	18.84	-	-	18.84	2.28	2.28
Plant & Machinery	1,820.63	-	-	1,820.63	1,144.59	-	-	1,144.59	676.04	676.04
Electrical Equipment & Installation	34.80	-	-	34.80	22.34	-	-	22.34	12.46	12.46
TOTAL	2,689.43	0.00	0.00	2,689.43	1,471.33	180.85	0.00	1,471.33	1,163.08	1,272.55
PREVIOUS YEAR	2,654.85	32.15	0.00	2,687.00	1,281.39	185.28	0.00	1,471.33	1,215.67	1,373.46

2(A) : Capital work-in-progress

Building under Construction	446.90	236.18		683.08	-	-	-	-	683.08	446.90
Plant & Machinery (under installation)		17.33		17.33	-	-	-	-	17.33	-
TOTAL	446.90	253.51	0.00	700.41	0.00	0.00	0.00	0.00	877.16	700.41
PREVIOUS YEAR	251.27	195.63	0.00	446.90	0.00	0.00	0.00	0.00	446.90	251.27

GRAND TOTAL	3,136.33	253.51	0.00	3,389.84	1,471.33	180.85	0.00	1,471.33	2,040.24	1,972.96
PREVIOUS YEAR	2,906.12	227.78	0.00	3,133.90	1,281.39	185.28	0.00	1,471.33	1,662.57	1,624.73

AKI INDIA LIMITED

Reg. Office: D-115, Defence Colony, Jajmau, Shiwans Tanney, Kanpur Nagar, Jajmau, Uttar Pradesh, India - 208 010

CIN : L19201UP1994PLC016467

Notes forming integral part of the Consolidated financial statements

Particulars		As At 31/03/2025	As At 31/03/2024			
23.1	CONTINGENT LIABILITIES: For bank Guarantee Given (Gaurantee given by PNB Bank to Customs for EPCG License)	0	0			
24	Earning Per Share Particulars	Rs.	Rs.			
24.1	Numerator Profit after tax	167.78	136.71			
24.2	Denominator Weighted average number of equity shares (Fully Paid)	8,85,32,174	8,57,64,174			
24.3	Earning per share (EPS) Basic & diluted (a/b) Nominal Value of share	0.19 2/-	0.16 2/-			
25	(1) Value of Imports calculated on F O B Basis					
	(a) Raw Materials	173.3	86.34			
	(b) Components & Spares Parts	14.51	32.40			
	(c) Plant & Machinery	16.03	146.06			
	(II) Earning in Foreign Currency Export (at FOB value)	3780.95	3,118.47			
26	Value of raw Materials,consumable stores Consumed - Indigenous :					
	(a) Raw Materials	4412.36	3,794.15			
27	Trade Payable Ageing Schedule					
Particulars		Outstanding for the following periods from the due date				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME		-	-	-	-	-
Others		2,079.01	-	-	-	2,079.01
Dispute Dues - MSME		-	-	-	-	-
Dispute Dues - Others		-	-	-	-	-
28	Remuneration to Auditors :					
Particulars		As at 31/03/2025	As at 31/03/2024			
Statutory Audit Fees		1.15	1.00			
Total		1.15	1.00			

29 Related Party Disclosures :

(A) Name of Related Parties and nature of relationship

i. Related parties over which control exist (Subsidiaries)	AKI (U.K.) Ltd.
ii. Joint Ventures	Nil
iii. Associates with whom transactions were carried out during the year	Nil
iv. Key Management Personnel (KMP) & Relatives:	
a) Mr. Asad Kamal Iraqi (C.E.O.)	
b) Mr. Prabodh Sharma (C.F.O.)	
c) Mrs Samina Asad Iraqi (Wholetime Director)	
d) Mr. Mohd. Ajwad (Director)	
f) Mrs Geeta Sharma	
e) Miss Divya Srivastava (Company Secretary & Compliance Officer)	
v. Others: Enterprise over which KMP or relatives of KMP are able to exercise significant influence:	
a) AKI Hospitalities Pvt. Ltd.	

(B) Detail of related party transactions during the year (in ordinary course of business at arm length price)

Name of related party & Transactions	KMP and Relatives	KMP and Relatives
	As at 31.03.2025	As at 31.03.2024
<u>Sale of materials / finished goods</u>		
AKI UK LTD.	1114.13	838.28
<u>Key Managerial Remuneration</u>		
a) Mr. Asad Kamal Iraqi (C.E.O.)	35.00	23.50
b) Mr. Prabodh Sharma (C.F.O.)	11.87	9.40
c) Mrs Samina Asad Iraqi (Wholetime Director)	7.00	4.80
d) Mrs Geeta Sharma	5.76	5.76
e) Mr. Mohd Ajwad (Director)	8.85	7.05
f) Miss Divya Srivastava (Company Secretary & Compliance Officer)	1.20	1.20
<u>Payable</u>		
AKI UK LTD.	1351.09	880.13
<u>Receivable</u>		
AKI UK LTD.	1078.44	819.54
AKI Hospitalities Pvt. Ltd.		
-Received during the year	463.51	99.79
-Paid during the year	463.51	149.79

AKI INDIA LIMITED

Reg. Office: D-115, Defence Colony, Jaimau, Shiwans Tanney, Kanpur Nagar, Jaimau, Uttar Pradesh, India - 208 010

CIN : L19201UP1994PLC016467

30 Ratios

0

S.No.	Ratios	Formula	Numerator	Denominator	Ratio
1)	Current Ratio	Current Assests/Current Liability	8,112.72	4,592.30	1.77
2)	Debt- Equity Ratio	(Long Term+Short Term)Loans/ Total Shareholders Equity	1,964.03	6,513.69	0.30
3)	Debt Service Coverage Ratio	EBITDA/(Principal+Interest)	517.64	523.00	0.99
4)	Return on Equity Ratio	Net Income/ Share holder Equity	266.68	6,513.69	0.04
5)	Inventory Turnover Ratio	Cost of goolds sold/ Average Inventory	6,768.16	2,888.42	2.34
6)	Trade Receivables Turnover Ratio	Net credit Sales/Average Accounts Receivable	8,073.02	2,484.07	3.25
7)	Trade Payable Turnover Ratio	Net Credit Purchases/Average Accounts Payable	6,859.65	2,161.10	3.17
8)	Net Profit Ratio	Net Profit/Revenue	266.68	8,096.18	0.03
9)	Return on Capital Employed	EBIT/Capital Employed	456.05	6,844.33	0.07

AKI INDIA LIMITED
Regd. Office: D-115 Defence Colony, Jajmau, Kanpur Nagar 208010
CIN : L19201UP1994PLC016467
STATEMENT OF CHANGES IN EQUITY AS OF 31st MARCH, 2025

(A) EQUITY SHARE CAPITAL

(all figures are in lacs of rupees unless otherwise stated)

Particulars	Amount
As at 31st March 2023	1,338.61
Changes in Equity Share Capital(Addition)	376.67
As at 31st March 2024	1,715.28
Changes in Equity Share Capital(Addition)	55.36
As at 31st March 2025	1,770.64

(B) OTHER EQUITY

(all figures are in lacs of rupees unless otherwise stated)

Particulars	Retained Earnings
Balance as at 31st March 2023	134.25
Add : Profit for the year 2023-24	136.71
Add : Other Comprehensive Income (net of tax)	-
Add : Security Premium Recd.	3,175.11
Add : Share warrant money Recd.	815.84
Less : Income Tax Adjustment (Net)	-0.59
Less : Expenses not allowable	-10.50
Add : Other Adjust. (Revaluation of Investment)	5.48
Less : Other Adjustment	-0.17
Balance as at 31st March 2024	4,256.13
Add : Profit for the year 2024-25	167.78
Add : Other Comprehensive Income (net of tax)	-
Add : Security Premium Recd.	462.53
Less : Share warrant money Recd.	-129.47
Less : Income Tax Adjustment (Net)	-19.29
Less : Expenses not allowable	-
Add : Other Adjust. (Revaluation of Investment)	6.21
Less : Other Adjustment	-0.84
Balance as at 31st March 2025	4,743.05

For R K Parmarthi & Co.
Chartered Accountants
FRN. No.: 001121C

For & on behalf of Board of Directors of
AKI INDIA LIMITED

CA. Arvind Awasthi
(Partner)
M.No. 424004
Place : Kanpur
Dated:22.05.2025

Mohammad Ajwad	Sameena Asad Iraqi
Director	Director
DIN - 0007902475	DIN - 0001668732

Divya Srivastava	Prabodh Sharma
Company Secretary	CFO

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2025**

NOTE 1.

A. CORPORATE INFORMATION

The consolidated financial statements comprise of AKI India Limited (the company/parent company) and its subsidiaries (collectively, "the Group") for the year ended March 31, 2025. Group is primarily engaged in the business of manufacturing and trading of Leather and Leather Goods.

AKI INDIA LIMITED ("the company") is a public limited company having its registered office situated at **Regd. Office: D-115 Defence Colony, Jajmau, Kanpur Nagar 208010.**

The Company's equity shares are listed at the **portal of Bombay Stock Exchange (BSE) and NSE.**

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.

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:

- 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. Consolidation Procedure:

- The consolidated financial Statements incorporate the financial Statements of the Parent company and its subsidiaries. For this purpose, an entity which is directly or indirectly, controlled by the Parent company is treated as subsidiary. The Parent company together with its subsidiaries constitute the Group.
- The consolidated financial statements of the group combines financial statements of the Parent company and its subsidiary by adding together the like items of assets, liabilities, income and expenses.
- In case of foreign subsidiary, all assets (except fixed assets and share capital) and liabilities are converted at the rates prevailing at the end of the year.

4. 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.

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

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

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.

5. 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.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these during more than a period of 12 months.

6. 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 non-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.

7. 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

8. Intangible Assets

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

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

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

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

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.

9. Impairment of Assets Impairment of property, plant and equipment and intangible assets Other than goodwill

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased.

If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

10. 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

11. 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.

12. Foreign Currencies:

(a) Functional & Presentation Currency :

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR/Rupees), which is the Company's functional and presentation currency.

(b) Transaction & Balances :

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

13. Investment in subsidiaries and Associates

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

14. 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.

15. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortised cost

Debt instruments such as trade and other receivables, security deposits and loans given are measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment

are recognised in the profit or loss.

Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instruments at Fair value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments excluding investments in subsidiary and associate companies. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognised in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when ;

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

16. Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

- b) Financial assets measured at fair value through other comprehensive income.

In case of other assets (listed as a) above), the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

17. Financial Liabilities :

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial Liabilities at amortised cost

Financial liabilities classified and measured at amortised cost such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition :

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

18. Derivative financial instruments

The Company uses derivative financial instruments to manage the commodity price risk and exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with changes being recognized in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken through profit and loss.

19. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in Profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw down occurs.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any non cash asset transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

20. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

Interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they occur.

21. Offsetting Of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and

there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company, or the counter party.

22. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

23. Provisions, Contingent liabilities and Capital Commitments

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

24. Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

A government grant that becomes receivable as compensation for expenses or losses incurred in previous period(s). Such a grant is recognised in profit or loss of the period in which it becomes receivable.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets or other relevant basis.

Government grants by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

25. Revenue Recognition :

Sale of Goods and services

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when (a) control is transferred to the customer, which is mainly upon delivery in case of domestic sales and on issuance of Shipping Bill in case of export sales.

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns, rebates and discounts to customers.

Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as sales Tax/ value added tax/Goods & Services Tax.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Accordingly, the comparative information in the statement of profit and loss is not restated. There is no impact of the adoption of the standard on the financial statements of the Company.

Interest Income

Interest income is accrued on using on a time basis by the effective interest rate with reference to the principal outstanding.

Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Export Incentives

Export Incentives are recognised when certainty of receipt is established.

Insurance Claim

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain and in such cases it is accounted for on receipt basis.

26. Employee benefits

The Company makes contributions to both defined benefit and defined contribution schemes which are mainly administered through/by duly constituted and approved Trusts and the Government.

Defined Contribution Scheme

In case of provident fund administered through Regional Provident Fund Commissioner, the Company has no obligation, other than the contribution payable to the provident fund.

In case of members of constituted and approved trusts, the Company recognises contribution payable to such trusts as an expense including any shortfall in interest between the amount of

interest realised by the investment and the interest payable to members at the rate declared by the Government of India.

The Company's contributions paid / payable during the year to provident fund administered through Approved Trust, Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are recognised in the Statement of Profit and Loss as an expense when employees have rendered services entitling them to contributions.

Defined Benefit Scheme

Gratuity: Cost of providing the Benefit is determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined by independent actuary using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. It is included in retained earnings in the statement of changes in equity and in the balance sheet.

Leave encashment: Leave balance as at the end of the calendar year is encashed and balance leaves earned thereafter to the extent not availed by the employees are provided in the accounts.

27. Research and Development Expenditure

Expenditure on research of revenue nature is charged to Statement of Profit and Loss and that of capital nature is capitalized as fixed assets.

28. Taxes on Income

Current tax is the amount of tax payable determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an deferred tax asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

29. Dividend Distribution

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

30. **Cash Flow Statement**

Cash flows statement is prepared as per the Indirect Method specified in Ind AS 7 on Cash Flows. Cash and cash equivalents (including bank balances) shown in statement of cash flows exclude item which are not available for general use on the date of balance sheet.

31. **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and SSothor charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

For R K Parmarthi & Co.
Chartered Accountants

For AKI INDIA LTD

(CA. Arvind Awasthi)
Partner

Mohammad Ajwad
Managing Director
DIN - 07902475

Sameena Asad Iraqi
Whole-time Director
DIN - 01668732

M. No. 424004 / FRN No. 001121C
UDIN: 25424004BMIGIU5548
Place: Kanpur
Dated: 22/05/2025

Divya Srivastava
Company Secretary

Prabodh Sharma
CFO