



# AKM LACE AND EMBROTEX LIMITED

CIN: L17291DL2009PLC196375

Regd. Office: IX/6024, Ram Gali, Subhash Mohalla, Gandhi Nagar, Delhi-110031

Corp. Office: 328-329, RG Complex-II, Plot No.5, Sector-14, Rohini, Delhi-110085

Tel: 011-49856126, 9899173704 | E-mail: akmlace@gmail.com | website: www.akmlace.com

To,  
The Manager-Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001

Date: September 02, 2021

**Scrip Code: 540718**

**Sub: Notice of Twelfth Annual General Meeting of the Company**

Dear Sir/Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), we would like to inform you that the Twelfth Annual General Meeting (AGM) of M/s AKM Lace & Embrotex Limited ("the Company") is scheduled to be held on Tuesday, 28<sup>th</sup> day of September, 2021 at 09:30 A.M at 314, R.G. Mall Sector-9, Rohini New Delhi - 110085 to transact the businesses as set out under the Notice calling Twelfth Annual General Meeting.

With due regards to above, please find enclosed the Annual Report of Financial Year 2020-21 containing Notice of Twelfth Annual General Meeting.

This is submitted for your information and records.

Thanking you,

**For AKM Lace & Embrotex Limited**

  
  
**Anoop Kumar Mangal**  
Managing Director  
DIN: 02816077

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**AKM LACE AND EMBROTEX LIMITED**

*(Formerly known as AKM Lace and Embrotex Private Limited)*

**CIN: L17291DL2009PLC196375; E-Mail Id: [akmlace@gmail.com](mailto:akmlace@gmail.com); Website: [www.akmlace.com](http://www.akmlace.com)**

**Registered Office: IX/6024, Ram Gali, Subhash Mohalla, Gandhi Nagar, Delhi 110031**

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**Corporate Information**

<b>Board of Directors</b>	Mr. Anoop Kumar Mangal Mrs. Purva Mangal Mr. Shambhu Dayal Mangal Mrs. Rinku Goyal Mr. Manoj Kumar	Chairman & Managing Director Whole Time Director Non-Executive Director Independent Director Independent Director
<b>Audit Committee</b>	Mrs. Rinku Goyal Mr. Anoop Kumar Mangal Mr. Manoj Kumar	Chairman Member Member
<b>Nomination &amp; Remuneration Committee</b>	Mr. Manoj Kumar Mr. Shambhu Dayal Mangal Mrs. Rinku Goyal	Chairman Member Member
<b>Stakeholders &amp; Relationship Committee</b>	Mrs. Rinku Goyal Mr. Shambhu Dayal Mangal Mr. Manoj Kumar	Chairman Member Member
<b>CIN</b>	L17291DL2009PLC196375	
<b>Banker/s</b>	<b>Axis Bank Limited</b> D-12, Outer Ring Road, Prashant Vihar, Delhi- 110085	
<b>Chief Financial Officer</b>	Mr. Himanshu Agarwal	
<b>Company Secretary &amp; Compliance Officer</b>	Ms. Firdaus	
<b>Registered Office</b>	IX/6024, Ram Gali, Subhash Mohalla, Gandhi Nagar, Delhi 110031	
<b>Statutory Auditor</b>	M/s V.N. Purohit & Co. (Chartered Accountants) 214, New Delhi House, 2 <sup>nd</sup> Floor, 27, Barakhamba Road, New Delhi-110001 E-mail Id: <a href="mailto:vnpsdelhi@vnpsaudit.com">vnpsdelhi@vnpsaudit.com</a>	
<b>Secretarial Auditor</b>	M/s VMS & Co. (Company Secretaries)	
<b>Registrar and Share Transfer Agent</b>	Skyline Financial Services Private Limited D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 E-mail Id: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a>	
<b>E-mail Id &amp; Website</b>	<a href="mailto:akmlace@gmail.com">akmlace@gmail.com</a> & <a href="http://www.akmlace.com">www.akmlace.com</a>	

## **NOTICE**

NOTICE is hereby given that the **Twelfth Annual General Meeting** of **AKM Lace and Embrotex Limited** will be held on **Tuesday, 28<sup>th</sup> September, 2021** at **09:30 A.M.** at **314, R.G. Mall, Sector-9, Rohini, Delhi-110085** to transact the following business:

### **Ordinary Business:**

#### **1. Adoption of Audited Financial Statements**

To receive, consider and adopt the audited financial statements of the company for the year ended March 31, 2021 i.e. Balance Sheet as on March 31, 2021, the Statement of Profit and Loss Account, Cash Flow Statement for the year ended on March 31, 2021 along with the reports of the Board of Directors and the Auditors thereon.

#### **2. Re-Appointment of Mrs. Purva Mangal as Whole-Time Director, whose office liable to retire by rotation**

To re-appoint Mrs. Purva Mangal (DIN: 02816099) who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

**By the Order of the Board of Directors  
For AKM Lace and Embrotex Limited**

**Place: New Delhi**

**Date: 02.09.2021**

Sd/-  
**Firdaus**  
**Company Secretary**  
**M. No.: 64896**

**Notes:**

#### **1. Proxy/Authorized Representative**

i. A member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and such proxy need not be a member of the company. The instrument appointing proxy (Proxy Form), in order to be effective must be deposited at the registered office of the company, not less than forty-eight (48) hours before the commencement of the Annual General Meeting ("AGM"). Proxy Form is enclosed with the Notice. Members are requested to note that a person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten (10) percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, during the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, provided that not less than 3 days of notice in writing is to be given to the Company.

- ii. Corporate Members intending to send their Authorized Representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the Meeting.
- iii. Members/Proxies/Authorized Representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- iv. 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.

#### **2. Book Closure**

Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September, 2021 to 28<sup>th</sup> September, 2021 (both days inclusive) for the purpose of AGM.

#### **3. Cut-off Date**

i. This Notice is being sent to all the members whose name appears as on 27<sup>th</sup> August, 2021 in the register of members or beneficial owners as received from **M/s Skyline Financial Services Private Limited, the Registrar and Share Transfer Agent** of the Company.



ii. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on **21<sup>st</sup> September, 2021** (“Cut-off Date”) only shall be entitled to vote through Remote E-voting and at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off date.

#### **5. Communication to Members**

i. The Notice of the AGM along with the Attendance Slip and Proxy Form, and a Copy of Annual Report are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same and also to the Auditors and Directors of the Company. For members who have not registered their email addresses, physical copies of the abridged Annual Report along with aforesaid documents are being sent by the permitted mode.

ii. Abridged and full version of the Annual Report and notice of AGM will also be available on the website of the Company i.e. the web link of the above is [www.akmlace.com](http://www.akmlace.com) and at the website of NSDL. Hard copies of the full annual reports will be sent to those shareholders who will request the same.

iii. All the documents referred to in the accompanying notice and Register of Directors and Key Managerial Personnel and their Shareholding will be open for inspection at the registered office of the Company on all working days except Saturdays and Sunday, between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.

iv. In case you have any query relating to the enclosed annual accounts you are requested to send the same to the Company Secretary at the Registered office of the Company or on E-mail Id “[akmlace@gmail.com](mailto:akmlace@gmail.com)” at least 10 days before the date of AGM so as to enable the management to keep the information ready.

v. In order to implement the Green Initiatives of the Government, whereby Companies have now been allowed to send/serve notice(s)/document(s)/Annual Report(s) etc, to their members through electronic mode, your Company hereby requests all its members to register their email ID with the Registrar and Transfer Agent (in case of Physical holding) and with the Depository Participant (in case of Dematerialized holding), if not yet provided, to promote Green Initiative.

6. The voting for the agenda items as mentioned in the Notice shall be done in the following manner:

i. Members may cast their votes through electronic means by using an electronic voting system from a place other than the venue of AGM (“Remote E-voting”) in the manner provided below during the e-voting period as mentioned below in Para 6(A)(I).

ii. At the venue of AGM, voting shall be done through ballot papers (“Ballot Paper”) and the members attending AGM who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.

iii. A Member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a Member casts votes through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.

#### **(A) Voting Through Electronic Means**

In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility of Remote E-voting to all its Members, to enable them to cast their votes on all resolutions set forth in this Notice electronically and the business mentioned in the Notice may be transacted through e-voting. Remote E-voting is optional and not mandatory.

The Company has engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing Remote E-voting facility to all its Members.

#### **The instructions for shareholders voting electronically are as under:**

The voting period begins on 25<sup>th</sup> September, 2021 at 09:30 A.M. and ends on 27<sup>th</sup> September, 2021 at 05:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21<sup>st</sup> September, 2021 may cast their vote electronically.





The procedure to login to e-Voting website consists of two steps as detailed hereunder:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting 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.	<p>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 digit demat account number hold 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>App Store</b></p> </div> <div style="text-align: center;">  <p><b>Google Play</b></p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>

<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> 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 <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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>
<p><b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

**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.**

<b>Login type</b>	<b>Helpdesk details</b>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43</p>

**B) Login Method for e-Voting 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***.

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

**c) How to retrieve your 'initial password'?**

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period Now you are ready for e-Voting as the Voting page opens.
3. 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.
4. Upon confirmation, the message “Vote cast successfully” will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

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 [cs.saritasingh2614@gmail.com](mailto:cs.saritasingh2614@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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](http://www.evoting.nsdl.com) to reset the password.

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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories/ company 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 (Company email id).
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 (Company email id). If you are an Individual shareholders 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 for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto: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.

### **(II) Voting Through Ballot Paper**

Members who have not exercised the option of Remote E-voting shall be entitled to participate and vote at the venue of the AGM on the date of the AGM i.e. Tuesday, 28<sup>th</sup> September, 2021. Voting at the venue of AGM shall be done through Ballot Papers and Members attending the AGM shall be able to exercise their voting rights at the meeting through Ballot Papers. After the agenda item has been discussed, the Chairman will instruct the Scrutinizer to initiate the process of voting on all the resolutions through Ballot Papers.

The Ballot Paper/s will be issued to the Shareholders/Proxy holders/Authorized Representatives present at the AGM. The Shareholders may exercise their right of vote by tick marking as (3) against “FOR” or “AGAINST” as his/her choice may be, on the agenda item in the Ballot Paper and drop the same in the Ballot Box(es) kept at the meeting hall for this purpose.

### **7. Scrutinizer**



i. M/s Sarita Singh & Associates, Company Secretaries, CS Sarita Singh (M. No. A55937, COP No. 24682) having consented to act as a scrutinizer has been appointed as scrutinizer ("Scrutinizer") for scrutinizing the voting process (Ballot Paper as well as Remote E-voting) in a fair and transparent manner.

ii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unblock the votes casted through e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within a period not exceeding two days from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

#### **8. Declaration of Results**

Based on the Scrutinizer's Report, the Company will submit within 48 hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the Listing Regulations. The results declared along with the Scrutinizer's Report, will be posted on the website of the Company at [www.akmlace.com](http://www.akmlace.com) and on the website of NSDL immediately after the declaration of the result by the Chairman or any person authorised by him in writing and communicated to the Stock Exchanges.

9. 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 required to submit their PAN to their Depository Participants and Members holding shares in physical form shall submit their PAN to the Company/ R & T Agents.

10. The Members are requested to inform of any change in their addresses immediately to:

- (i) Registrar and Share Transfer Agents (R&T Agents) in case of shares held in Physical Form or
- (ii) Depository Participants in case of shares held in Electronic Form

#### **11. Nomination**

Members holding shares in physical form and desirous of making/ changing a Nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 or any statutory re-enactment thereof, are requested to submit the request in prescribed form SH-13 and SH-14, as applicable for this purpose to the Company's Registrar & Transfer Agents (RTA), M/s Skyline Financial Services Private Limited. (Enclosed with this Notice)

#### **12. Dematerialization**

Pursuant to the directions of the SEBI, trading in the shares of your Company is in compulsory de-materialized form. Members, who have not yet got their shares de-materialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the de-materialization account to the Company's RTA.

#### **13. Additional Information**

Additional Information of Directors seeking re-appointment at the ensuing AGM, as required under Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the SS-2, is annexed to the Notice.

#### **14. Other Information**

As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their own copies of the Annual Reports to the meeting.

**By the Order of the Board of Directors  
For AKM Lace and Embrotex Limited**

Place: New Delhi  
Date: 02.09.2021

Sd/-  
Firdaus  
Company Secretary  
M. No.: 64896

### ANNEXURE TO THE NOTICE

*Additional Information of Director seeking re-appointment at the Twelfth Annual General Meeting pursuant to Secretarial Standards and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

<b>Name of the Director</b>	Purva Mangal
<b>Date of Birth</b>	10/08/1983
<b>Occupation:</b>	Business
<b>Remuneration last drawn (In Rupees)</b>	4,20,000
<b>Nature of expertise in specific functional areas</b>	Working in field of sales and management having experience of almost 10 years.
<b>Brief Profile</b>	Mrs. Purva Mangal, aged 38 years, is the Director of our Company. She is the promoter of our Company
<b>Name of the Listed Entities in which the person holds the Directorships</b>	AKM Lace and Embrotex Limited.
<b>Name of the Listed Entities in which the person holds the Memberships of committees of the Board</b>	NIL
<b>Shareholding in the Company (Equity)</b>	121000 shares & 4.02%
<b>Relationship with other Directors/Manager/Key Managerial Personnel</b>	Mrs. Purva Mangal is the wife Mr. Anoop Kumar Mangal is the son of Mr. Shambhu Dayal Mangal.
<b>Number of Board Meetings attended during the FY 2020-2021</b>	5

# **BOARD REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the **Twelfth Annual Report** of your Company with the Audited Financial Statements along with Auditor's Report for the year ended **March 31, 2021**.

## **1. FINANCIAL PERFORMANCE**

The Company's Financial Performance during its Twelfth Years of Operations is summarized below:

<b>Particulars</b>	<b>Period ended 31.03.2021</b>	<b>Period ended 31.03.2020</b>
Revenue from Operations	2,45,69,110	21,057,580
Other Income	8,13,580	1,430,660
Expenses for the period	2,55,13,930	24,357,150
Profit/(Loss) before tax from continuing operations	(1,31,240)	(1,868,910)
Current Income Tax for the period	-	-
Minimum alternate tax	-	-
Deferred Tax	(138,950)	(132,780)
<b>Profit/(Loss) for the period</b>	<b>(2,70,190)</b>	<b>(2,001,690)</b>

## **2. STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK.**

During the year under ended March 31, 2021, Your company has achieved revenue of Rs. 2,45,69,110/- as compared to previous year of Rs. 21,057,580/-. The Company had incurred a Net loss of Rs. (2,70,190/-).

## **3. DIVIDEND**

The Board of Directors of the Company has decided not to recommend any dividend for the financial year under consideration.

## **4. TRANSFER TO GENERAL RESERVES**

The Company has not transferred any sum to the General Reserves Account during the reporting period.

## **5. CHANGES IN THE NATURE OF BUSINESS**

There has been no change in the nature of business during the year under review by the Company.

## **6. MATERIAL CHANGES AND COMMITMENTS**

There is no material change which may affect the financial position of the Company between the financial year and up to the date of this report.

## **7. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were

adequate and effective during the financial year 2020-2021. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

## **8. PUBLIC DEPOSITS**

During the year under review, the company has not accepted any deposit under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

## **9. AUDITORS**

### **A) STATUTORY AUDITOR**

M/s V. N. Purohit & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company to hold office for a period of 5 years i.e. until the conclusion of the Annual General Meeting of the Company to be held in the year 2022.

#### ***Auditor's Report***

The Auditor's Report for Financial Year Ended 31, 2021, does not contain any qualification, reservation or adverse remarks. All Observations made in the Independent Auditors' Report and Notes forming part of the Financial Statements are self-explanatory and do not call for any further comments and also, there is no incident of fraud requiring reporting by the auditors under section 143(12) of the Companies Act, 2013 during the year. The Auditor's report is enclosed with the financial statements.

### **B) SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s VMS & Co., Company Secretaries CS Megha Sharan (CP No.: 12171, FCS: 9802) to undertake the secretarial audit of the Company for the Financial Year 2020-2021.

#### ***Secretarial Audit Report***

The Secretarial Audit Report for the Financial Year Ended March 31, 2021 does not contain any qualification, reservation or adverse remark. A copy of the Secretarial Audit Report (Form MR-3) as provided by the Company Secretary in Practice has been annexed to the Report. ***(Annexure-I)***

### **C) INTERNAL AUDITOR**

Pursuant to provisions of Section 138 read with rules made there under, the Board has appointed M/s Anil Hariram Gupta & Co., Chartered Accountants, as an Internal Auditor of the Company, to check the internal controls and functioning of the activities of the Company and also recommends way of improvement. They have provided Internal Audit Report of the Company for the financial year ended March 31, 2021. The Internal audit is carried out quarterly basis and the report is placed in the Audit Committee Meeting and Board Meeting for their consideration and direction.

### **D) COST AUDITOR**

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit is not applicable to the Company.

## **10. SHARE CAPITAL**

During the year under review, the Authorized Share Capital of the Company is Rs. 3,20,00,000 and the paid up equity share capital is Rs. 3,01,21,750/-.

### **A. Issue of equity shares with differential rights**

The Company has not issued any equity shares with differential rights so no disclosure is required as per Rule 4 (4) of the Companies (Share Capital and Debentures) Rules 2014.

### **B. Issue of sweat equity shares**

The Company has not issued sweat equity shares, so no disclosure is required as per Rule 8(13) of the Companies (Share Capital and Debentures) Rules 2014.

**C. Issue of employee stock options**

The Company has not issued employee stock options, so no disclosure is required as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules 2014.

**D. Provision of money by company for purchase of its own share by employees or by trustee for the benefit of employees**

The Company has not made any provision for purchase of its own share of employees or by the trustee for the benefit of employees so no disclosure is required as per Rule 16(4) of the Companies (Share Capital and Debentures) Rules 2014.

**E. Issue of shares on preferential basis**

The Company has not issued any share on preferential basis during the year.

**F. Issue of Bonus Shares**

During the year, pursuant to Section 63 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules 2014, the Company has not issued bonus shares.

**11. LISTING FEES**

Listing fees for financial year 2020-21 have been paid to BSE SME on which the shares of the Company are listed.

**12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of conservation of energy, technology absorption, foreign exchange and outgo are as follows:

**A. Conservation of energy**

The company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, regarding conservation of energy are not applicable.

**B. Technology absorption**

The company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, regarding technology absorption are not applicable.

**C. Foreign exchange earnings and outgo**

There has been no expenditure and/or earning in foreign exchange.

**13. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED**

During the financial year 2020-21, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in the future.

**14. CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to provisions of Section 135 of the Companies Act, 2013, every company having a Net Worth of Rupees Five Hundred Crore (Rs.500 Crore) or more; or Turnover of Rupees One Thousand Crore (Rs.1000 Crore) or more; or Net Profit is Rupees Five Crore (Rs.5 Crore) or more during the immediately preceding financial year, is required to constitute a Corporate Social Responsibility Committee ("CSR Committee") of the Board. But this provision is not applicable to your company; as during the immediately preceding financial year, company has not reached this limit.



## 15. BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, top one thousand (1000) listed entities based on market capitalization shall contain the Business Responsibility Report in their Annual Report. As the Company does not fall under top 500 listed Companies based on market capitalization, therefore, this regulation is not applicable to the Company.

## 16. EXTRACT OF THE ANNUAL RETURN

The extract of annual return in Form MGT 9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at [www.akmlace.com](http://www.akmlace.com).

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in Form No. MGT – 9 as 'Annexure-IP' has been enclosed with the Board's Report.

## 17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the Regulation 34(2)(e) of SEBI( Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis Report (MDAR) is set out in the Annual Report.

## 18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company was duly constituted in accordance with the provisions of the Companies Act, 2013. As of the date of the report, your company has the following Directors on its Board:

S. No.	Name of Director	Designation	DIN	Date of Appointment at current designation
1	Anoop Kumar Mangal	Managing Director	02816077	28.04.2017
2	Purva Mangal	Whole Time Director	02816099	28.04.2017
3	Shambhu Dayal Mangal	Director	02816124	26.11.2009
4	Rinku Goyal	Independent Director	06946633	05.07.2017
5	Manoj Kumar	Independent Director	07812880	05.07.2017

### A. Directors

During the financial year 2020-2021, there was no appointment or resignation of director of the company.

#### *Director's retiring by Rotation*

Mrs. Purva Mangal (DIN: 02816099), will be retiring by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee recommends the re-appointment of aforesaid Director to the Members of the Company at the ensuing Annual General Meeting.

### B. Chief Financial Officer

During the Financial Year 2020-21 under review, there is no change in appointment, resignation of Chief Financial Officer of the Company.

### C. Company Secretary & Compliance Officer

During the year under review, Mr. Roshan Jha was appointed as Company Secretary and Compliance Officer of the company w.e.f. June 01, 2020.

Further, Mr. Roshan Jha had resigned from the post of Company Secretary and Compliance Officer of the company w.e.f. July 31, 2021 and Company had appointed Ms. Firdaus as Company Secretary and Compliance Officer of the Company w.e.f. August 02, 2021.

#### **D. Independent Director**

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has Two Non-Promoter Non-Executive Independent Directors in line with the act. The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Act. Further, all the Independent Directors of the Company have registered themselves in the Independent Director Data Bank.

A separate meeting of Independent Directors was held on February 18, 2021 to review the performance of Non Independent Directors and Board as whole and performance of Chairman of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board.

#### **E. Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out an annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process. The Board of Directors reviewed all the laws applicable to the company, prepared by the company and taking steps to rectify instances of non-compliances.

#### **19. NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors duly met five (5) times i.e. 01.06.2020, 29.06.2020, 31.08.2020, 11.11.2020 and 10.02.2021 during the year, in respect of which notices were given and the proceedings were recorded and signed. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. Following are the details of the directors who have attended meetings during the year:

Name	Designation	Category	Board Meetings during the period & Attendance at Board Meetings (2020-2021)	
			Held	Attended
Mr. Anoop Kumar Mangal	Managing Director	Executive Director	5	5
Mrs. Purva Mangal	Whole Time Director	Executive Director	5	5
Mr. Shambhu Dayal Mangal	Director	Non-Executive Director	5	5
Mrs. Rinku Goyal	Independent Director	Non-Executive Director	5	5
Mr. Manoj Kumar	Independent Director	Non-Executive Director	5	5

#### **20. COMMITTEES AND THEIR MEETINGS**

##### **A. Audit Committee**

The Company has a Audit Committee of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee comprises of:

- Mrs. Rinku Goyal (Chairman & Independent Director),
- Mr. Anoop Kumar Mangal (Member & Managing Director),
- Mr. Manoj Kumar (Member & Independent Director) and
- Mr. Roshan Jha (Secretary of the Audit Committee).

The terms of reference of the Audit Committee inter alia include overseeing the financial reporting process, reviewing the financial statements and recommending the appointment of Auditors. All the recommendations made by Audit Committee were accepted.

During the year, (4) four meetings of the members of the Audit Committee were held i.e. 29.06.2020, 31.08.2020, 11.11.2020 and 10.02.2021.

Name of Member	Designation	Committee Meetings during the period & Attendance at Committee Meetings	
		Held	Attended
Mrs. Rinku Goyal	Chairman, (Independent Director)	4	4
Mr. Anoop Kumar Mangal	Member (Managing Director)	4	4
Mr. Manoj Kumar	Member (Independent Director)	4	4

### ***Vigil Mechanism***

The Company has a well framed vigil mechanism/whistle blower policy for its directors and employees. The company believes in honesty, integrity, ethics, transparency and good conduct in its professional environment and provides such kind of environment to its employees and directors and always encourages its team to follow such standards in their activities. The directors, employees and other team members are free to report on the issues which require genuine concern. An Audit Committee of the Board of directors has the responsibility to review the functioning of vigil mechanism and the same has been performed by the committee periodically.

This policy is posted on the website at [www.akmlace.com](http://www.akmlace.com).

### **B. Nomination and Remuneration Committee**

The Company has a Nomination & Remuneration Committee of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee's scope of work includes nominate the directors as per their qualifications, experience and positive attributes, deciding on remuneration and policy matters related to remunerations of Directors and laying guidelines for remuneration package or compensation etc.

The Committee comprises of:

- Mr. Manoj Kumar (Chairman & Independent Director),
- Mr. Shambhu Dayal Mangal (Member, Non-Executive Director) and
- Mrs. Rinku Goyal (Member, Independent Director).

During the year, one (1) meeting of the members of the Nomination and Remuneration Committee was held on 31.08.2020.

Name of Member	Designation	Committee Meetings during the period & Attendance at Committee Meetings	
		Held	Attended
Mr. Manoj Kumar	Chairman, (Independent Director)	1	1
Mr. Shambhu Dayal Mangal	Member (Non-Executive Director)	1	1
Mrs. Rinku Goyal	Member (Independent Director)	1	1

### **Nomination and Remuneration Policy:**

Nomination and Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors and Key Managerial Personnel. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at [www.akmlace.com](http://www.akmlace.com).



## Remuneration of Director:

The details of remuneration paid during the financial year 2020-21 to Managing Director of the Company are provided in the Annual Return.

### C. Stakeholders Relationship Committee

The Company has a Stakeholder Relationship Committee of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to look into the Redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices / annual reports, etc.

The Committee comprises of:

- Mrs. Rinku Goyal (Chairman & Independent Director),
- Mr. Shambhu Dayal Mangal (Member, Non- Executive Director) and
- Mr. Manoj Kumar (Member, Independent Director).

During the year, one (1) meeting of the members of the Stakeholders Relationship Committee was held on 11.11.2020

Name of Member	Designation	Committee Meetings during the period & Attendance at Committee Meetings	
		Held	Attended
Mrs. Rinku Goyal	Chairman, (Independent Director)	1	1
Mr. Shambhu Dayal Mangal	Member (Non-Executive Director)	1	1
Mr. Manoj Kumar	Member (Independent Director)	1	1

### 21. DETAILS OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANIES

The Company does not have any Subsidiary/ Joint Venture/ Associate Companies.

### 22. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company has no subsidiaries, Joint Venture Companies so there is no requirement of description of the performance of Subsidiaries and Joint Venture Companies.

### 23. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statement and same is provided in this Annual Report.

### 24. PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES

The Company has entered into contracts and arrangements with related parties and complied with the provisions of section 188 of the Companies Act, 2013. Details of Such Contracts and Arrangements are enclosed as *Annexure-III* in **Form AOC-2**.

### 25. PARTICULARS OF EMPLOYEES

None of the employees of the Company were in receipt of remuneration in excess of limits as prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are mentioned below:

#### **(A) Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase in remuneration during the financial year, Ratio of remuneration of Directors to the Median Remuneration of employees.

Name of the Director/ and KMP	Designation	Remuneration (Rs.) 2020-2021	Increase (%)	Ratio of Director's Remuneration to Median remuneration
Mr. Anoop Kumar Mangal	Managing Director	8,40,000/-		
Mrs. Purva Mangal	Whole Time Director	4,20,000/-		
Mr. Shambhu Dayal Mangal	Non-Executive Director	-	-	
Mrs. Rinku Goyal	Independent Director	-	-	
Mr. Manoj Kumar	Independent Director	-	-	
Mr. Himanshu Agarwal	Chief Financial Officer	2,40,000/-		
Mr. Roshan Jha	Company Secretary	1,50,000/-	-	

2. The median remuneration of the Company for all its employees is Rs. 2,40,000/-for the financial year 2020-2021

3. The Percentage decrease in median remuneration of employees in the Financial Year: 33.33%

4. Number of permanent employees on the rolls of the Company: Two (As at March 31, 2021).

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is NIL and its comparison with the percentile increase in the managerial remuneration and justification thereof, and point out if there are any exceptional circumstances for increase in the managerial remuneration

6. Affirmation Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel is as per the remuneration policy of the Company.

## 26. **SEXUAL HARRASEMENT**

To foster a positive workplace environment, free from harassment of any nature, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

During the year under review, there were no incidences of sexual harassment reported.

## 27. **Corporate Governance:**

Your Company strives to incorporate the appropriate standards for corporate governance. However, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore the Company has not provided a separate report on Corporate Governance, although few of the information are provided in this report of Directors under relevant heading

## 28. **PREVENTION OF INSIDER TRADING**

The Company has a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and certain designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

## 29. **CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on the Company's website [www.akmlace.com](http://www.akmlace.com). The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.



All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**30. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR INTER –SE**

Mr. Anoop Kumar Mangal, Mrs. Purva Mangal and Mr. Shambhu Dayal Mangal are related to each other. Mr. Anoop Kumar Mangal is the son of Mr. Shambhu Dayal Mangal and Mrs. Purva Mangal is the wife of Mr. Anoop Kumar Mangal.

**31. APPLICABILITY OF THE INDIAN ACCOUNTING STANDARDS (IND AS)**

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

**32. SECRETARIAL STANDARDS**

Your Company complies with the Secretarial Standard on Meetings of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) whenever it has applicable. Your Company will comply with the other Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) as and when they are made mandatory.

**33. DIRECTOR'S RESPONSIBILITY STATEMENT**

In accordance with Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors of the company informed the members that:

(A) In the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(B) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(C) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(D) The directors had prepared the annual accounts on a going concern basis; and

(E) 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.

**34. RISK MANAGEMENT POLICY**

The Board of Directors of the Company are of the view that currently no significant risk factors are present which may threaten the existence of the company. During the year, your Directors have an adequate risk management infrastructure in place capable of addressing those risks. The company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Audit Committee and Board of Directors review these procedures periodically. The company's management systems, organizational structures, processes, standards, code of conduct and behavior together form a complete and effective Risk Management System (RMS).

**35. CAUTIONARY NOTE**

The statements forming part of the Board's Report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

**36. ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation for significant contributions made by the employees at all levels through their dedication, hard work and commitment, enabling the Company to achieve good performance during the year under review.

Your Directors also take this opportunity to place on record the valuable co-operation and support extended by the banks, government, business associates and the shareholders for their continued confidence reposed in the Company and look forward to having the same support in all future endeavors.

**By the Order of the Board of Directors  
For AKM Lace and Embrotex Limited**

**Date: 02.09.2021  
Place: Delhi**

**Anoop Kumar Mangal  
(Managing Director)  
DIN-02816077**

**Purva Mangal  
(Whole Time Director)  
DIN- 02816099**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

To,  
The Members,  
AKM LACE AND EMBROTEX LIMITED  
IX/6024, Ram Gali, Subhash Mohalla,  
Gandhi Nagar, Delhi-110031

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s AKM LACE AND EMBROTEX LIMITED (CIN: L17291DL2009PLC196375) (hereinafter called 'the company') for the Financial Year ended March 31, 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification, to the extent possible due to lockdown announced by Government of India on account of COVID-19 pandemic of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year Ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (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: **(Not applicable as no FDI, ODI, and ECB was accepted the company during the Audit Period).**
- (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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: **(Not applicable as the company had not issued any share capital during the Audit Period).**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014: **(Not applicable as the company had not issued any shares to its employees during the Audit Period).**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **(Not applicable as the company had not issued and listed its debt securities 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; **(Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the Audit period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the company had not delisted its equity shares during the Audit Period);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the company had not brought back/propose to buy-back its shares during the Audit Period).**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and amendments thereof and other applicable rules, regulations, and other communications issued from time to time.

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

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India and

(ii) The Listing Agreement entered into by the Company with BSE SME Limited.

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

**We further report that**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**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 and guidelines.

**For & on behalf of VMS & Co.  
(Company Secretaries)**

**Date: 31.08.2021  
Place: New Delhi  
UDIN: F009802C000863732**

**Sd/-  
Megha Sharan  
(Proprietor)  
M. No. 9802, COP No.12171**

***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***

To,  
The Members,  
AKM LACE AND EMBROTEX LIMITED  
IX/6024, Ram Gali, Subhash Mohalla,  
Gandhi Nagar Delhi East Delhi -110031

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. 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 procedures 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 & on behalf of VMS & Co.  
(Company Secretaries)

Date: 31.08.2021  
Place: New Delhi  
UDIN: F009802C000863732

Sd/-  
Megha Sharan  
(Proprietor)  
M. No. 9802, COP No.12171



**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2021**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i	CIN	L17291DL2009PLC196375
ii	Registration Date	26/11/2009
iii	Name of the Company	AKMLace and Embrotex Limited
iv	Category/Sub-Category of the Company	Company Limited by shares/ Indian Non-Government Company
v	Address of the Registered office and Contact details	IX/6024, Ram Gali, Subhash Mohalla, Gandhi Nagar, Delhi 110031 Contact: 011-49856126
vi	Whether listed company	Yes (BSE SME)
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Private Limited D-153 A, 1 <sup>st</sup> Floor, Phase-I, Okhla Industrial Area, New Delhi-110020 Contact No. 011-64732681 to 88 E-mail Id: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/	% to Total turnover of the company
1	Fabrics, Textiles	4641	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address Of The Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
	NIL				

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

***i. Category-wise Share Holding***

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2020)				No. of Shares held at the end of the year (31.03.2021)				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<i>1) Indian</i>									
a) Individual/HUF	11,70,175	0	11,70,175	38.85	11,70,175	0	11,70,175	38.85	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0

f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	11,70,175	0	11,70,175	38.85	11,70,175	0	11,70,175	38.85	0
<b>2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter(A)=(A)(1) +(A)(2)	11,70,175	0	11,70,175	38.85	11,70,175	0	11,70,175	38.85	0
<b>B. Public Shareholding</b>									
<b>4. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions</b>									
a) Bodies Corp. (i) Indian (ii) Overseas	11,82,000	0	11,82,000	39.24	9,48,000	0	9,48,000	31.47	-7.77
b) Individuals (i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	1,50,000	0	1,50,000	4.98	1,32,000	0	1,32,000	4.38	-0.60
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	4,92,000	0	4,92,000	16.33	6,66,000	0	6,66,000	22.11	5.78
(b) Others (Specify)									
Non Resident Indian	0	0	0	0	0	0	0	0	0
HUF	18,000	0	18,000	0.6	96,000	0	96,000	0.6	3.19
Sub-total (B)(2)	18,42,000	0	18,42,000	61.15	18,42,000	0	18,42,000	61.15	0.00

Total Public Shareholding (B)=(B)(1)+(B)(2)	18,42,000	0	18,42,000	61.15	18,42,000	0	18,42,000	61.15	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total(A+B+C)	30,12,175	0	30,12,175	100	30,12,175	0	30,12,175	100	0

ii. *Shareholding of Promoters*

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2020)			Shareholding at the end of the year (31.03.2021)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Anoop Kumar Mangal	2,89,575	9.61	0	2,89,575	9.61	0	0
2.	Anoop Kumar Mangal And Sons HUF	1,79,300	5.95	0	1,79,300	5.95	0	0
3.	Shambhu Dayal Mangal	1,48,500	4.93	0	1,48,500	4.93	0	0
4.	Purva Mangal	1,21,000	4.02	0	1,21,000	4.02	0	0
5.	Manju Lata Mangal	1,77,700	5.90	0	1,77,700	5.90	0	0
6.	Punit Bansal	1,06,700	3.54	0	1,06,700	3.54	0	0
7.	Shambhu Dayal Mangal And Sons HUF	73,975	2.46	0	73,975	2.46	0	0
8.	Arun Kumar Mangal HUF	62,425	2.07	0	62,425	2.07	0	0
9.	Arun Kumar Mangal	11,000	0.37	0	11,000	0.37	0	0
	<b>Total</b>	<b>11,70,175</b>	<b>38.85</b>	<b>0</b>	<b>11,70,175</b>	<b>38.85</b>	<b>0</b>	<b>0</b>

iii. *Change in Promoters' Shareholding (please specify, if there is no change*

S. No.	Name of Shareholder	Shareholding at the beginning of the year (01.04.2020)		Date	Reason	Increase/Decrease in Promoters Shareholding during the year		Cumulative Shareholding during the year (31.03.2021)	
		No. of shares	% of total shares of the company			Number of shares of the company	% of total shares of the company	% of total shares of the company	% of total shares of the company
1.					NIL				



iv. Shareholding pattern of top ten Shareholders (other than Directors, Promoters, and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2020)		Date	Increase/D decrease in Shareholding	Reason	Cumulative Shareholding during the year (31.03.2021)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Jai Ambe Tradexim Private Limited	0	0	01.04.2020				
				14.08.2020	366000	Purchase	366000	12.15
		366000	12.15	31.03.2021				
2.	Kriti Suri	18000	0.60	01.04.2020				
				07.08.2020	198000	Purchase	216000	7.17
				14.08.2020	6000	Purchase	222000	7.37
				22.01.2021	30000	Purchase	252000	8.37
		252000	8.37	31.03.2021				
3.	Shri Ravindra Media Ventures Private Limited	162000	5.38	01.04.2020	No Movement			
		162000	5.38	31.03.2021				
4.	Tia Enterprises Private Limited	150000	4.98	01.04.2020	No Movement			
		150000	4.98	31.03.2021				
5.	MBM Bearings Private Limited	138000	4.58	01.04.2020	No Movement			
		138000	4.58	31.03.2021				
6.	Ganga Devi Bansal	132000	4.38	01.04.2020	No Movement			
		132000	4.38	31.03.2021				
7.	Shield Finance Private Limited	114000	3.78	01.04.2021	No Movement			
		114000	3.78	31.03.2021				

8.	Kailash Chand	78,000	2.59	01.04.2020	No Movement			
		78000	2.59	31.03.2021				
9.	Ashok Kumar Bansal HUF	0	0	01.04.2020				
				14.08.2020	78000	Purchase	78000	2.59
		78000	2.59	31.03.2021				
10.	Shilpa Mangal	66,000	2.19	01.04.2020	No Movement			
		66000	2.19	31.03.2021				

#### IV. Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Anoop Kumar Mangal (Managing Director)				
	At the beginning of the year	2,89,575	9.61	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	2,89,575	9.61	-	-
2.	Mr. Shambhu Dayal Mangal (Director)				
	At the beginning of the year	1,48,500	4.93	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	1,48,500	4.93	-	-
3.	Mrs. Purva Mangal (Whole Time Director)				
	At the beginning of the year	1,21,000	4.02	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	1,21,000	4.02	-	-
4.	Mrs. Rinku Goyal (Independent Director)				
	At the beginning of the year				
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):				
	At the End of the year				

			of the company		shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
5.	Mr. Manoj Kumar (Independent Director)	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
6.	Mr. Himanshu Agarwal (Chief Financial Officer)	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	6000	0.20	-	-
7.	Mr. Roshan Jha (Company Secretary)#	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
	Ms. Firdaus (Company Secretary) *	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the Year	-	-	-	-

	specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):				

#Resigned w.e.f. 31.07.2021

\*Appointed w.e.f. 02.08.2021

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Anoop Kumar Mangal (Managing Director)	Mrs. Purva Mangal (Whole-Time Director)	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,40,000	4,20,000	12,60,000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission			
	- as % of profit	0	0	0
	- Others, specify...	0	0	0
5.	Others, please specify (Sitting Fees)	0	0	0
6.	Total (A)	8,40,000	4,20,000	12,60,000
7.	Ceiling as per the Act	NIL		



**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Manoj Kumar (Independent Director)	Rinku Goyal (Independent Director)	Shambhu Dayal Mangal (Non-Executive Director)	
1.	<b>Independent Directors</b> •Fee for attending board/ committee meetings •Commission specify •Others, please	11,000 - -	11,000 - -	- - -	22,000 - -
	Total(1)	11,000	11,000	-	23,000
2.	<b>Other Non-Executive Directors</b> •Fee for attending board/ committee meetings •Commission •Others, please specify	-	-	6,000	6,000
	Total (2)	11,000	11,000	6,000	29,000
3.	Total (B)=(1+2)				
4.	Total Managerial Remuneration	11,000	11,000	6,000	29,000
5.	Overall Ceiling as per the Act				

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Roshan Jha (Company Secretary)	Himanshu Agarwal (CF0)
		1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as% of profit - Others, specify...	0 0	0 0
5.	Others, please specify	0	0
	Total	1,50,000	2,40,000

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	NIL				
Punishment					
Compounding					
B. Directors					
Penalty	NIL				
Punishment					
Compounding					
C. Other Officers In Default					
Penalty	NIL				
Punishment					
Compounding					

By the Order of the Board of Directors  
For AKM Lace and Embrotex Limited

Date: 02.092021  
Place: Delhi

Anoop Kumar Mangal  
(Managing Director)  
DIN-02816077

Purva Mangal  
(Whole Time Director)  
DIN- 02816099

**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 transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm’s length basis**

(a) Name(s) of the related party and nature of relationship	<b>NIL</b>
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

**2. Details of material contracts or arrangement or transactions at arm’s length basis**

Name of related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contract	Salient Terms	Date of Approval by the Board	Amount (in INR)
Mr. Anoop Kumar Mangal	Remuneration	-	-		8,40,000
Ms. Purva Mangal	Remuneration	-	-		4,20,000
Mr. Roshan Jha	Remuneration	-	-	-	1,50,000
Mr. Himanshu Agarwal	Remuneration	-	-	-	2,40,000

By the Order of the Board of Directors

For AKM Lace and Embrotex Limited

Date: 02.09.2021  
Place: Delhi

Anoop Kumar Mangal  
(Managing Director)  
DIN-02816077

Purva Mangal  
(Whole Time Director)  
DIN-02816099

# **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

## **Overview**

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended March 31, 2021.

Our Company was originally incorporated on 26<sup>th</sup> November, 2009 as a private limited company under the provisions of the Companies Act, 1956 as “AKM Lace and Embrotex Private Limited”. On 04<sup>th</sup> May, 2017 our company was converted into a public limited company and is called “**AKM Lace and Embrotex Limited**”. On 29<sup>th</sup> September, 2017, our company was listed on the BSE SME platform through an Initial Public Offering (IPO). It has listed its equity shares on the BSE SME platform.

The main business of the Company is trading in textile products primarily fabrics. We act as an intermediary between buyer and seller buying goods on cash basis and providing credit to cash-strapped businessmen in this field.

## **Industry Structure & Development**

*Textile Business:* Textile industry is facing tough times due to the adverse market scenario in domestic and export markets. India is the second largest exporter after China of textiles and apparel products having estimated 4-5% share in the global trade. However, the market pickup to improve export performance is still to happen. Our focus remains on value added products and new product development to cater to the niche segment of the market.

## **Opportunities and Threats**

*Textile Business:* Positive steps taken by the Central Government for the textile industry, from allocation of funds to giving extra rebate to exporters (mainly on made-ups) and various other benefits, are expected to improve investment in this sector and provide more business opportunities in the near future. With increasing capacities of man-made fibers as compared to cotton, the preferred shift of the consumer to use products of man-made fibres i.e. viscose, polyester, polyamide, acrylic, etc. and its blends, is expected.

We believe that the principal factors affecting competition in our business include client relationships reputation, the abilities of employees, market focus and the liquidity on the Balance Sheet.

## **Risk and Concerns**

*Textile Business:* The rupee is strengthening against the dollar and other currencies. Hence, there will be pressure on margins in exports. The cotton prices have also increased and to a certain extent, the increase has been absorbed in yarn sales. But, due to lower demand, the prices have not increased in finished fabrics, made-ups and garments, which is a matter of concern.

## **Outlook**

The present consumption of global man-made fiber product is 65% of the textile trade as against 35% in India. The trend in India is also shifting towards use of man-made fiber products. In order to satisfy the taste of customers in future, we have developed innovative products with man-made fiber and its blends which have been appreciated and approved by the customers. We are also initiating the launch of own brand for home textile products in USA in time to come. With the above and focus on cost optimization, we expect the outlook to be satisfactory.

This year has been marked by several historic economic policy developments. On the domestic side, a constitutional amendment paved the way for the long-awaited transformational Goods and Services Tax (GST) while demonetization of the larger currency notes signaled a regime shift. The transformational GST law, which will create a common Indian market, improve tax compliance, boost investment growth. In addition, the Government also overhauled the bankruptcy law.

## **Adequacy of Internal Control System**

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management information system forms an effective and sound tool for monitoring and controlling all operating parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy of internal controls on regular basis.



### **Human Resources Development/Industrial Relations**

Human resources are valuable assets for any organization. The employees of the Company have extended a very productive cooperation in the efforts of the management to carry the Company to greater heights. The Company is giving emphasis to upgrade the skills of its human resources and continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees of the Company.

### **Cautionary Statement**

The Statement in this Management Discussion and Analysis report, describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

**By the Order of the Board of Directors**

**For AKM Lace and Embrotex Limited**

**Date: 02.09.2021  
Place: Delhi**

**Anoop Kumar Mangal  
(Managing Director)  
DIN-02816077**

**Purva Mangal  
(Whole Time Director)  
DIN-02816099**

# **INDEPENDENT AUDITOR'S REPORT**

To  
The members of  
**AKM LACE AND EMBROTEX LIMITED**

## **Report on the Audit of Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of **AKM LACE AND EMBROTEX LIMITED ("the Company")**, which comprise the balance sheet as at 31st March 2021, the statement of profit and loss, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2021, and the net loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described hereunder to be key audit matters to be communicated in our report.

### **Key audit matters Auditor's response**

#### **Measurement of Revenue**

As per Ind AS 115, measurement of revenue to be made on transaction price.

Our audit procedure inter- alia included the following-

- We used assessment of overall control environment relevant for measurement of revenue.
- We performed testing of journal entries, with particular focus on manual adjustment to revenue account, to mitigate the risk of manipulation of revenue and profit figures.

### **Information other than the Financial Statements and Auditor's Report thereon**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the AS and the other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for insuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our 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 due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

(i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

(ii) Obtain an understanding of the internal 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.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement, individually or in aggregate, makes it probable that the economic decision of reasonable knowledgeable user of the financial statement may be influenced.

We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and, (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 reasonable be thought to bear on our independence, and where applicable, relevant 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, 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 the Companies (Auditor's Report) Order, 2016 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;

d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act;

e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact, if any of pending litigations on its financial position, in its financial statements (Refer Note 27 of the financial statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.



**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
**Firm Regn. No. 304040E**

Sd/-

**O.P. Pareek**

**Partner**

**Membership No. 014238**

**UDIN: - 21014238AAAAIW4365**

**New Delhi, the 28<sup>th</sup> day of June, 2021**

#### **ANNEXURE- A TO THE AUDITOR'S REPORT**

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of AKM LACE AND EMBROTEX LIMITED for the year ended on 31st March 2021.

(i) (a) As per information and explanation given to us, the company is maintaining proper records showing full disclosures of fixed assets.

(b) As per information and explanation given to us, physical verification of fixed assets has been conducted once in a year by the management and no material discrepancies were noticed during the course of verification.

(c) According to information and explanation given to us, the Company does not hold any immovable properties during the period dealt with under this report;

(ii) As per information and explanation given to us, physical verification of inventory has been conducted once in a year by the management and no material discrepancies were noticed during the course of such physical verification;

(iii) According to information and explanation given to us, the Company has not granted any loans to parties covered in register maintained under section 189 of the Companies Act, 2013;

(iv) According to 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 securities so given.

(v) According to information and explanations given to us, the Company has not accepted public deposits and the provision of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company;

(vi) According to information and explanations given to us, the Company is not liable to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013;

(vii) (a) According to information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including income-tax and any other applicable statutory dues to the appropriate authorities and there are no outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable;

(b) According to information and explanation given to us, there are no outstanding statutory dues on part of the Company which is not deposited on account of dispute.

(viii) According to information and explanations given to us, the company has not obtained any loans and borrowings from any financial institution, bank, government or dues to debenture holders, and hence question of default in repayment does not arise;

(ix) According to information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer. The Company has not taken any term loans from any bank or financial institution, hence reporting under provision of this sub-clause is not applicable to the Company;

(x) According to information and explanations given to us, there is no noticed or unreported fraud on or by the Company during the year under audit;

- (xi) According to information and explanations given to us, the Company has paid managerial remuneration in accordance with the applicable provisions of the Companies Act, 2013;
- (xii) As per information, the Company is not a Nidhi Company; hence provisions of sub- clause (xii) of the Paragraph 3 of the Order are not applicable;
- (xiii) According to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards;
- (xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;
- (xv) According to information and explanations given to us, the Company has not entered into non- cash transactions with directors or persons connected with him;
- (xvi) According to information and explanations given to us, the Company is not a Non- Banking Financial Company and is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**Signed for the purpose of identification**

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
**Firm Regn. No. 304040E**

Sd/-  
**O.P. Pareek**  
**Partner**  
**Membership No. 014238**  
**UDIN: - 21014238AAAAIW4365**

**New Delhi, the 28th day of June, 2021**

**ANNEXURE- B TO THE AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of **AKM LACE AND EMBROTEX LIMITED** as on 31<sup>st</sup> March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for the 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 controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:-

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

### **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 could not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial controls 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 aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on "the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
**Firm Regn. No. 304040E**

Sd/-

**O.P. Pareek**

**Partner**

**Membership No. 014238**

**UDIN: - 21014238AAAAIW4365**

**New Delhi, the 28th day of June, 2021**

**AKM LACE AND EMBROTEX LIMITED**  
**CIN: L17291DL2009PLC196375**  
**BALANCE SHEET AS AT 31ST MARCH 2021**

(Rs. in '000)

	Notes	As at 31st March 2021	As at 31st March 2020
<b>ASSETS</b>			
<b>Non- current assets</b>			
Property, plant and equipment	3	2,204.81	1,486.55
Financial assets			
Investments	4	3,640.00	3,640.00
Deferred tax assets (net)	5	146.81	285.76
Other non current assets	6	38,017.00	17.00
<b>Current Assets</b>			
Inventories	7	33,024.28	41,706.23
Financial assets			
Trade receivables	8	-	19,222.02
Cash and cash equivalents	9	962.04	520.08
Loans	10	16,135.49	21,024.25
Current tax assets (net)		49.23	112.20
Other current assets	11	555.58	823.26
<b>Total Assets</b>		<b>94,735.24</b>	<b>88,837.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	30,121.75	30,121.75
Other equity	13	45,929.27	46,199.46
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
Trade Payables			
- total outstanding dues of creditors other than micro enterprises and small enterprises	14	18,111.51	12,296.53
Other financial liabilities	15	177.12	210.59
Other current liabilities	16	395.59	9.02
<b>Total Equity &amp; Liabilities</b>		<b>94,735.24</b>	<b>88,837.35</b>

Notes to the financial statements 1-34

The accompanying notes form an integral part of the financial statements.

As per our report of even date

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
**AKM LACE AND EMBROTEX LIMITED**

O. P. Pareek  
Partner  
Membership No. 014238  
UDIN: 21014238AAAAIW4365

Anoop Kumar Managal  
Managing Director  
DIN: 02816077

Shambhu Dayal Mangal  
Director  
DIN: 02816124

New Delhi, the 28th day of June, 2021

Himanshu Agarwal  
CFO  
PAN : BPIPA5096J

Roshan Jha  
Company Secretary  
M. No. ATRPJ1142Q



**AKM LACE AND EMBROTEX LIMITED**

CIN: L17291DL2009PLC196375

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2021***(Rs. in '000)*

	Notes	For the year ended on 31st March 2021	For the year ended on 31st March 2020
<b>REVENUE</b>			
Revenue from operations	17	24,569.11	21,057.58
Other income	18	813.58	1,430.66
<b>Total Income (I)</b>		<b>25,382.69</b>	<b>22,488.24</b>
<b>EXPENSES</b>			
Purchases of stock-in-trade	19	14,090.75	39,545.74
Changes in inventories of finished goods, stock-in-trade	20	8,681.95	(17,886.30)
Employee benefits expense	21	1,657.01	1,917.16
Finance cost	22	-	66.59
Depreciation	3	214.25	225.98
Other expenses	23	869.97	487.98
<b>Total Expenses (II)</b>		<b>25,513.93</b>	<b>24,357.15</b>
<b>Profit/ (loss) before exceptional items and tax (I-II)</b>		<b>(131.24)</b>	<b>(1,868.91)</b>
Exceptional items		-	-
<b>Profit/ (loss) before tax</b>		<b>(131.24)</b>	<b>(1,868.91)</b>
Tax expense			
Current tax		-	-
Minimum alternate tax		-	-
Deferred tax		(138.95)	(132.78)
<b>Profit/ (loss) after tax (III)</b>		<b>(270.19)</b>	<b>(2,001.69)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>Total Other Comprehensive Income (IV)</b>		-	-
<b>Total Comprehensive Income (III+IV)</b>		<b>(270.19)</b>	<b>(2,001.69)</b>
<b>Earning per equity share (EPS)</b>			
[nominal value of share Rs. 10]			
Basic (in Rupees)		(0.09)	(0.66)
Diluted (in Rupees)		(0.09)	(0.66)
Notes to the financial statements	1-34		

The accompanying notes form an integral part of the financial statements.

As per our report of even date

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
AKM LACE AND EMBROTEX LIMITED

**O. P. Pareek**  
Partner  
Membership No. 014238  
UDIN: 21014238AAAAIW4365

**Anoop Kumar Managal**  
Managing Director  
DIN: 02816077

**Shambhu Dayal Mangal**  
Director  
DIN: 02816124

New Delhi, the 28th day of June, 2021

**Himanshu Agarwal**  
CFO  
PAN : BPIPA5096J

**Roshan Jha**  
Company Secretary  
M. No. ATRPJ1142Q

**AKM LACE AND EMBROTEX LIMITED**

CIN: L17291DL2009PLC196375

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2021***(Rs. in '000)*

	For the year ended on 31st March 2021	For the year ended on 31st March 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/ (loss) before tax and after extra-ordinary items	(131.24)	(1,868.91)
Adjustments for items: -		
Interest received	(804.61)	(1,428.66)
Dividend income	(2.40)	(2.00)
Depreciation	214.25	225.98
Operating Profit before working capital changes	(724.00)	(3,073.59)
Working capital adjustments: -		
(Increase)/ decrease in Other current assets	267.68	(281.38)
(Increase)/ decrease in Other non-current assets	(38,000.00)	-
(Increase)/ decrease in Trade receivables	19,222.02	23,824.96
(Increase)/ decrease in Inventories	8,681.95	(17,886.31)
Increase/ (decrease) in Trade payables	5,814.98	12,296.53
Increase/ (decrease) in Other current liabilities	386.57	(312.84)
Increase/ (decrease) Other financial liabilities	(33.47)	(83.29)
Cash generated from operations	(4,384.27)	14,484.08
Direct taxes paid	62.97	(88.49)
<b>Net cash flow from operating activities (A)</b>	<b>(4,321.30)</b>	<b>14,395.59</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase)/Sale of property, plant & equipment	(932.51)	-
Loans granted	4,888.76	(12,397.07)
Dividend income	2.40	2.00
Interest received	804.61	1,428.66
<b>Net cash flow from investing activities (B)</b>	<b>4,763.26</b>	<b>(10,966.41)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from borrowings	-	(4,204.14)
<b>Net cash flow from financing activities (C)</b>	<b>-</b>	<b>(4,204.14)</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>441.96</b>	<b>(774.96)</b>
Add: Opening cash and cash equivalents	520.08	1,295.04
<b>Closing cash and cash equivalents</b>	<b>962.03</b>	<b>520.08</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	434.48	460.96
Balances with banks in current accounts	527.55	59.12
<b>Total cash and cash equivalents (Note 9)</b>	<b>962.03</b>	<b>520.08</b>

The accompanying notes form an integral part of the financial statements.

As per our report of even date

**FOR V.N. PUROHIT & CO.**

Chartered Accountants

Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
AKM LACE AND EMBROTEX LIMITED**O. P. Pareek**

Partner

Membership No. 014238

UDIN: 21014238AAAAIW4365

**Anoop Kumar Managal**

Managing Director

DIN: 02816077

**Shambhu Dayal Mangal**

Director

DIN: 02816124

New Delhi, the 28th day of June, 2021

**Himanshu Agarwal**

CFO

PAN : BPIPA5096J

**Roshan Jha**

Company Secretary

M. No. ATRPJ1142Q

**AKM LACE AND EMBROTEX LIMITED**

CIN: L17291DL2009PLC196375

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2021****A. Equity Share Capital***(Rs. in '000)*

Balance as at 1st April 2019	Changes in equity share capital during the year	Balance as at 31st March 2020
30,121.75	-	30,121.75
Balance as at 1st April 2020	Changes in equity share capital during the year	Balance as at 31st March 2021
30,121.75	-	30,121.75

**B. Other Equity***(Rs. in '000)*

Particulars	Reserve & Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at 1st April 2019	46,663.25	1,537.90	48,201.15
Profit/(loss) for the year	-	(2,001.69)	(2,001.69)
Total Comprehensive Income	-	(2,001.69)	(2,001.69)
<b>Balance as at 31st March 2020</b>	<b>46,663.25</b>	<b>(463.79)</b>	<b>46,199.46</b>
Balances as at 1st April 2020	46,663.25	(463.79)	46,199.46
Profit/(loss) for the year	-	(270.19)	(270.19)
Total Comprehensive Income	-	(270.19)	(270.19)
<b>Balance as at 31st March 2021</b>	<b>46,663.25</b>	<b>(733.98)</b>	<b>45,929.27</b>

Notes to the financial statements

1-34

The accompanying notes form an integral part of the financial statements.

As per our report of even date

FOR V.N. PUROHIT &amp; CO.

Chartered Accountants

Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
AKM LACE AND EMBROTEX LIMITED

O. P. Pareek

Partner

Membership No. 014238

UDIN: 21014238AAAAIW4365

Anoop Kumar Managal

Director

DIN: 02816077

Shambhu Dayal Mangal

Director

DIN: 02816124

New Delhi, the 28th day of June, 2021

Himanshu Agarwal

CFO

PAN : BPIPA5096J

Roshan Jha

Company Secretary

M. No. ATRPJ1142Q

## **AKM LACE AND EMBROTEX LIMITED**

**CIN: L17291DL2009PLC196375**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

#### **1. Corporate Information:**

The company is engaged in the business of manufacturing and trading of all types of embroidery and textile goods, laces, fabrics, clothing, wearing apparel for personal, commercial and industrial use. Also, the company is engaged in trading of shares and securities to the extent it does not require any approval from a regulator viz RBI or SEBI. AKM's sale model is divided into two parts, i.e. sale of traded goods which comprises of cotton fabrics, grey cloth, etc. and sale of manufactured/processed goods, which comprises of knitted fabrics primarily lace based. The Company is listed on Bombay Stock exchange (BSE) [Script code: AKM]

#### **2. Significant Accounting Policies:**

##### **2.1 Statement of Compliance:**

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

##### **2.2 Basis for preparation of financial statements:**

The financial statements have been prepared on historical cost basis which is generally based on the fair value of consideration given in exchange for goods and services.

##### **2.3 Use of Estimates:**

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

##### **2.4 Critical accounting estimates:**

###### **(i) Income Taxes:**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

###### **(ii) Impairment of Investments:**

The carrying value of investments is reviewed at cost annually, or more frequently whenever, there is indication for impairment. If the recoverable amount is less than the carrying amount, the impairment loss is accounted for.

###### **(iii) Provisions:**

The carrying value of investments is reviewed at cost annually, or more frequently whenever, there is indication for impairment. If the recoverable amount is less than the carrying amount, the impairment loss is accounted for.

##### **2.5 Property, Plant and Equipment**

Properties, Plant & equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental



expenses incurred during the construction/installation stage. The Company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses. Depreciable amount of an asset is the cost of an asset less its estimated residual value.

Depreciation on Property, Plant and Equipment, including assets taken on lease, other than freehold land is charged based on Straight Line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. The useful life of asset taken into consideration as per Schedule II for the purpose of calculating depreciation is as follows: -

Particulars of Property, Plant & Equipment	Useful life (in years)
Plant & Machinery	15
Furniture & fixtures	10
Motor Vehicles (Motor Cycles)	10
Computer & Accessories	3

### Computer & Accessories

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment are determined as a difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit and loss. At the end of each reporting period, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

### 2.6 Revenue recognition:

Effective 1st April, 2018, the Company has applied Ind AS 115 – Revenue from Contracts with Customers. Pursuant to adoption of Ind AS 115, Revenue from contracts with customers are recognized when the control over the goods or services promised in the contract are transferred to the customer. The amount of revenue recognized depicts the transfer of promised goods and services to customers for an amount that reflects the consideration to which the Company is entitled to in exchange for the goods or services.

Sale of goods: - Revenue from sale of goods is recognised when the control over such goods have been transferred, being when the goods are delivered to the customers. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, risks of loss have been transferred to the customers, and either the customer has accepted the goods in accordance with the sales contract or the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from these sales are recognized based on the price specified in the contract.

Interest Income: - The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Dividend: - Dividend income from investments is recognised when the shareholders' right to receive payment has been established which is generally when the shareholders approve the dividend.

### 2.7 Foreign currency transactions:

Foreign currency transactions are recorded as exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date

of balance sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the profit and loss.

## **2.8 Financial Instruments:**

### **Financial Assets: -**

#### **"Recognition and initial measurement: -**

Financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument and are measured initially a fair value adjusted for transaction cost.

#### **Subsequent measurement: -**

Financial assets are subsequently classified and measured at

##### **a) Financial Assets measured at Amortised Cost (AC)**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is the cost of a financial asset adjusted to achieve a constant effective interest rate over the life of the financial asset.

##### **b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

##### **c) Financial Assets measured at Fair Value Through Profit and Loss (FVTPL)**

Financial assets are subsequently measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income. For financial assets measured at fair value through profit and loss, all changes in the fair value are recognised in profit and loss when they occur.

### **De- recognition of Financial Assets**

A financial asset shall be de-recognised when rights to receive cash flows from the asset have expired or Company has transferred its right to receive cash flow from the asset.

### **Financial Liabilities: -**

#### **Recognition and initial measurement: -**

All Financial liabilities are recognised initially at fair value less transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are measured at amortised cost.

#### **Subsequent measurement: -**

Subsequent to initial recognition, these liabilities are measured at Amortised cost using the effective interest rate method.

### **De-recognition of Financial liabilities:**

Financial liabilities are derecognized when the obligation under the liabilities are discharged or cancelled or expires. Consequently, write back of unsettled credit balances is done on closure of the concerned project or earlier based on the previous experience of Management and actual facts of each case and recognized in other Operating Revenues. Further when an existing Financial liability is replaced by another from the same lender on substantially different terms, or the terms of 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 recognized in the Statement of Profit and Loss.

#### **Offsetting of Financial Instrument:**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on net basis, to realize the assets and settle the liabilities simultaneously.

#### **2.9 Impairment of Financial Assets**

**Equity instruments, Debt Instruments and Mutual Fund:** - In accordance with Ind -AS 109, the Company applies Expected Credit Loss model for measurement and recognition of impairment loss for Financial Assets. Expected Credit Loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

**Other Financial Assets:** - The Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

#### **2.10 Inventories**

Inventories (Other than Quoted Shares & Securities) are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable 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.

#### **2.11 Cash & Cash equivalent**

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand and short- term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **2.12 Taxation**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with Income Tax Act, 1961. Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision. Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amounts.

Deferred income tax is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date. Deferred tax asset/liability is measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled. Deferred tax assets include Minimum Alternative Tax (MAT) paid which is considered as an asset if there is probable evidence that the Company will pay normal income tax after the tax holiday period.

#### **2.13 Earnings per share:**

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors. For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

#### **2.14 Provision, Contingent Liabilities and Contingent Assets:**

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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 recognised as a finance cost. Contingent Assets and Contingent Liabilities are not recognized in the financial statements.



3. <u>Property, plant and equipment:</u>	<i>(Rs. in '000)</i>				
	<u>As at 31st March 2021</u>				<u>As at 31st March 2020</u>
<u>Carrying amount:</u> -					
Plant & Machinery	1,009.21				1,137.13
Furniture & Fixtures	188.04				246.57
Motor Vehicle	982.50				77.80
Computer & Accessories	25.05				25.05
<b>Total</b>	<b>2,204.80</b>				<b>1,486.55</b>
	<b>Plant &amp; Machinery</b>	<b>Furniture &amp; Fixtures</b>	<b>Motor Vehicle</b>	<b>Computers</b>	<b>Total</b>
	<b>(Rupees in '000)</b>	<b>(Rupees in '000)</b>	<b>(Rupees in '000)</b>	<b>(Rupees in '000)</b>	<b>(Rupees in '000)</b>
<u>Cost or Deemed Cost:</u> -					
Balance as at 1st April 2019	2,019.75	616.06	171.40	501.10	3,308.31
Additions during the year	-	-	-	-	-
Assets disposal / written off during the year	-	-	-	-	-
Balance as at 31st March 2020	2,019.75	616.06	171.40	501.10	3,308.31
Additions during the year	-	-	932.51	-	932.51
Assets disposal / written off during the year	-	-	-	-	-
Balance as at 31st March 2021	2,019.75	616.06	1,103.91	501.10	4,240.82
<u>Accumulated Depreciation:-</u>					
Balance as at 1st April 2019	754.70	310.96	77.32	452.79	1,595.77
Charge for the year	127.92	58.53	16.28	23.26	225.99
Adjusted on assets disposed / written off	-	-	-	-	-
Balance as at 31st March 2020	882.62	369.49	93.60	476.05	1,821.76
Charge for the year	127.92	58.53	27.81	-	214.26
Adjusted on assets disposed / written off	-	-	-	-	-
Balance as at 31st March 2021	1,010.54	428.02	121.41	476.05	2,036.02
<u>Carrying amount:</u> -					
Balance as at 31st March 2020	1,137.13	246.57	77.80	25.05	1,486.55
Balance as at 31st March 2021	1,009.21	188.04	982.50	25.05	2,204.80

**Notes**

3.1 All the above property, plant & equipment are owned by the company.

4. <u>Investments : non current</u>	<i>(Rs. in '000)</i>	
	<u>As at 31st March 2021</u>	<u>As at 31st March 2020</u>
Investment in equity instruments (unquoted)		
2,80,000 (31st March 2020 : 2,80,000) fully paid up equity shares of Rs. 10 each of M/s. Shield Finance Private Limited	3,640.00	3,640.00
	<b>3,640.00</b>	<b>3,640.00</b>
4.1 Aggregate amount of unquoted investments (at cost)	3,640.00	3,640.00
5. <u>Deferred tax assets (net)</u>	<i>(Rs. in '000)</i>	
	<u>As at 31st March 2021</u>	<u>As at 31st March 2020</u>
At the start of the year	285.76	418.54
Charge during the year	(138.95)	(132.78)
At the end of year	<b>146.81</b>	<b>285.76</b>

5.1 Deferred income taxes are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

5.2 The tax effect of significant timing differences that has resulted in deferred tax assets are given below:-

Particulars	For the year ended 31st March 2021 (Rs. in '000')			
	Opening balance	Recognized in Profit and loss	Recognized in OCI	Closing balance
Written down value of property, plant and equipment	67.88	(30.01)	-	37.87
Expenses u/s 35D of Income tax Act, 1961	217.88	(108.94)	-	108.94
<b>Total</b>	<b>285.76</b>	<b>(138.95)</b>	<b>-</b>	<b>146.81</b>

Particulars	For the year ended 31st March 2020 (Rs. in '000')			
	Opening balance	Recognized in Profit and loss	Recognized in OCI	Closing balance
Written down value of property, plant and equipment	91.72	(23.84)	-	67.88
Expenses u/s 35D of Income tax Act, 1961	326.82	(108.94)	-	217.88
<b>Total</b>	<b>418.54</b>	<b>(132.78)</b>	<b>-</b>	<b>285.76</b>

6. Other non-current assets	(Rs. in '000)	
	As at 31st March 2021	As at 31st March 2020
Capital Advances	38,000.00	-
Security deposit	17.00	17.00
	<b>38,017.00</b>	<b>17.00</b>

7. Inventories	(Rs. in '000)	
	As at 31st March 2021	As at 31st March 2020
<u>Stock in trade</u>		
- Fabric & laces	12,704.06	21,868.66
- Equity shares (quoted) - Valued at FVTPL	20,320.22	19,837.57
	<b>33,024.28</b>	<b>41,706.23</b>

8. Trade receivables: current	(Rs. in '000)	
	As at 31st March 2021	As at 31st March 2020
Considered good - unsecured		
-Outstanding for the period exceeding six months (from the date they are due for payment)	-	19,222.02
	<b>-</b>	<b>19,222.02</b>

9. Cash and cash equivalents	(Rs. in '000)	
	As at 31st March 2021	As at 31st March 2020
Cash on hand (as certified)	434.48	460.96
Balances with banks in current accounts	527.55	59.12
	<b>962.03</b>	<b>520.08</b>

10. Loans: current	(Rs. in '000)	
	As at 31st March 2021	As at 31st March 2020
<u>Considered good - unsecured</u>		
Loans to: -		
- Body corporate	11,087.35	13,655.21
- Others	5,048.14	7,369.04
	<b>16,135.49</b>	<b>21,024.25</b>

11.	<b>Other current assets</b>	<i>(Rs. in '000)</i>	
		<u>As at 31st March 2021</u>	<u>As at 31st March 2020</u>
	Input credit of GST	-	265.80
	MAT credit entitlement	55.58	55.58
	Other advances	500.00	501.89
		<u>555.58</u>	<u>823.27</u>

12.	<b>Equity share capital</b>	<i>(Rs. in '000)</i>			
		<u>As at 31st March 2021</u>		<u>As at 31st March 2020</u>	
		Nos.	(Rs. in '000")	Nos.	(Rs. in '000")
	<b>Authorized shares</b>				
	Equity shares of Rs. 10 each with voting rights	32,00,000	32,000.00	32,00,000	32,000.00
	<b>Issued, subscribed and fully paid- up shares</b>	<u>30,12,175</u>	<u>30,121.75</u>	<u>30,12,175</u>	<u>30,121.75</u>

#### 12.1 Reconciliation of number of equity shares and amount outstanding

		<u>As at 31st March 2021</u>		<u>As at 31st March 2020</u>	
		Nos.	(Rs. in '000")	Nos.	(Rs. in '000")
	<u>Equity Shares</u>				
	- At the beginning of the period	30,12,175	30,121.75	30,12,175	30,121.75
	- Issued during the year	-	-	-	-
	<b>Total Outstanding at the end of the period</b>	<u>30,12,175</u>	<u>30,121.75</u>	<u>30,12,175</u>	<u>30,121.75</u>

#### 12.2 Terms and rights attached to equity shares

The company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

#### 12.3 Details of shareholders holding more than 5% shares in the company: -

		<u>As at 31st March 2021</u>		<u>As at 31st March 2020</u>	
		Nos.	% holding	Nos.	% holding
	Anoop Kumar Mangal	2,89,575	9.61%	2,89,575	9.61%
	Anoop Kumar Mangal & Sons HUF	1,79,300	5.95%	1,79,300	5.95%
	Manju Lata Mangal	1,77,700	5.90%	1,77,700	5.90%
	Kriti Suri	2,34,000	7.77%	18,000	0.60%
	Shri Ravindra Media Ventures Private Limited	1,62,000	5.38%	1,74,000	5.78%
	Jai Ambe Tradexim Private Limited	3,66,000	12.15%	-	0.00%

As per records, registers and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

13.	<b>Other equity</b>	<i>(Rs. in '000)</i>	
		<u>As at 31st March 2021</u>	<u>As at 31st March 2020</u>
	<u>Securities premium</u>		
	Balance at the beginning of the financial year	46,663.25	46,663.25
	Addition/ deletion during the year	-	-
	Balance at the end of the financial year	<u>46,663.25</u>	<u>46,663.25</u>
	<u>Retained earnings</u>		
	Balance at the beginning of the financial year	(463.79)	1,537.90
	Add/(less): - Profit/(loss) for the year	(270.19)	(2,001.69)
	Balance at the end of the financial year	<u>(733.98)</u>	<u>(463.79)</u>
		<u>45,929.27</u>	<u>46,199.46</u>

14.	<b>Trade Payables</b>		<i>(Rs. in '000)</i>
		<u>As at 31st March 2021</u>	<u>As at 31st March 2020</u>
	- Total outstanding dues of creditors other than micro enterprises and small enterprises (note 14.1)	18,111.51	12,296.53
		<u>18,111.51</u>	<u>12,296.53</u>
14.1	There are no dues to Micro and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 which are outstanding for a period more than 45 days as on the balance sheet date.		
15.	<b>Other financial liabilities : current</b>		<i>(Rs. in '000)</i>
		<u>As at 31st March 2021</u>	<u>As at 31st March 2020</u>
	Salary payable	137.09	151.26
	Other expenses payable	40.03	59.33
		<u>177.12</u>	<u>210.59</u>
16.	<b>Other current liabilities</b>		<i>(Rs. in '000)</i>
		<u>As at 31st March 2021</u>	<u>As at 31st March 2020</u>
	TDS payable	293.04	9.02
	GST payable	102.55	-
		<u>395.59</u>	<u>9.02</u>
17.	<b>Revenue from operations</b>		<i>(Rs. in '000)</i>
		<u>For the year ended on 31st March 2021</u>	<u>For the year ended on 31st March 2020</u>
	Sale of fabric & laces	23,891.98	20,201.80
	Sale of shares & securities	677.13	855.78
		<u>24,569.11</u>	<u>21,057.58</u>
18.	<b>Other income</b>		<i>(Rs. in '000)</i>
		<u>For the year ended on 31st March 2021</u>	<u>For the year ended on 31st March 2020</u>
	Interest income on loans advanced	804.60	1,428.66
	Interest on IT Refund	6.58	-
	Dividend received	2.40	2.00
		<u>813.58</u>	<u>1,430.66</u>
19.	<b>Purchase of stock-in-trade</b>		<i>(Rs. in '000)</i>
		<u>For the year ended on 31st March 2021</u>	<u>For the year ended on 31st March 2020</u>
	Fabric & laces	14,090.75	23,128.75
	Shares & securities	-	16,416.99
		<u>14,090.75</u>	<u>39,545.74</u>
20.	<b>Changes in inventories</b>		<i>(Rs. in '000)</i>
		<u>For the year ended on 31st March 2021</u>	<u>For the year ended on 31st March 2020</u>
	Stock in trade (opening)	41,706.23	23,819.92
	Less: Stock in trade (closing)	33,024.28	41,706.23
	Changes in inventories	<u>8,681.95</u>	<u>(17,886.31)</u>
21.	<b>Employee benefits expense</b>		<i>(Rs. in '000)</i>
		<u>For the year ended on 31st March 2021</u>	<u>For the year ended on 31st March 2020</u>
	Director's remuneration (basic salary)	1,260.00	1,260.00
	Salaries & allowances	390.00	651.78
	Staff welfare expenses	7.01	5.38
		<u>1,657.01</u>	<u>1,917.16</u>

22. Finance Cost	(Rs. in '000)	
	For the year ended on 31st March 2021	For the year ended on 31st March 2020
Interest on borrowings	-	66.59
	-	<b>66.59</b>

23. Other expenses	(Rs. in '000)	
	For the year ended on 31st March 2021	For the year ended on 31st March 2020
Advertisement expenses	9.72	9.72
Bank charges	1.32	0.71
Business promotion	9.33	1.71
Conveyance expenses	6.56	6.69
Demat A/C charges	1.89	0.94
Electricity & water expenses	7.80	15.13
Fees & subscription	58.00	62.62
Freight & cartage	28.00	68.00
Loading/ Unloading Charges	2.87	-
Interest and penalties	2.97	13.42
Website expenses	7.35	9.35
Payment to statutory auditors (note 26)	44.00	46.00
Postage & courier	1.00	2.92
Printing & stationery	3.38	5.46
Professional charges	533.02	80.50
Rent, rate & taxes	108.00	108.00
Repair & maintenance	2.89	1.56
ROC fees	4.80	9.00
Sitting fees	28.00	40.00
Telephone & mobile expense	2.39	2.00
Vehicle running & maintenance	6.71	4.24
	<b>870.00</b>	<b>487.97</b>

**24. Related Parties: -**

As per IND AS 24, the disclosures of transactions with the related parties are given below:

(a) List of related parties where control exists and also related parties with whom transactions have taken place and their

(i)	Key Management Personnel	Mr. Anoop Kumar Mangal (Managing Director) Ms. Purva Mangal (Director) Ms. Renu Sharma (Past CFO) Ms. Ankita Bhargava (Past Company Secretary) Ms. Narendra Kumar Gaur (Past CFO) Mr. Roshan Jha (Company Secretary) Mr. Rajeev Jaiswal (Past Company Secretary) Mr. Himanshu Agarwal (CFO)
(ii)	Relatives of Key Management Personnel	None
(iii)	Enterprises owned or significantly influenced by Key Management Personnel or their Relatives	M/s Shambhu Dayal Mangal & Sons HUF M/s Anoop Kumar Mangal & Sons HUF M/s Anoopurva Enterprise Private Limited



(b) Following transactions are made with the related parties covered under Ind AS- 24 on "Related Parties Disclosures": -

Transaction with	Nature of Transaction	Transaction during the year		Balance as at (Rs. In '000')	
		31/03/2021	31/03/2020	31/03/2021	31/03/2020
<b>(i) Key Management Personnel: -</b>					
Mr. Anoop Kumar Mangal	Director's Remuneration	840.00	840.00	67.09	67.40
Ms. Purva Mangal	Director's Remuneration	420.00	420.00	35.00	34.38
Ms. Ankita Bhargava	Remuneration	Nil	70.00	Nil	Nil
Ms. Renu Sharma	Salary	Nil	180.00	Nil	Nil
Mr. Himanshu Agarwal	Salary	240.00	90.00	20.00	20.00
Mr. Roshan Jha	Salary	150.00	Nil	15.00	Nil
Mr. Rajeev Jaiswal	Salary	Nil	219.72	Nil	Nil
<b>(ii) Relatives of Key Management Personnel: - None</b>					
<b>(iii) Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives: - None</b>					

25.	Particulars	31/03/2021 (Rs. in '000')	31/03/2020 (Rs. in '000')
	Earnings/ Remittances and/ or Expenditure in Foreign Currency	Nil	Nil

26. Break- up of Payments made to Statutory Auditors (excluding taxes) are disclosed as under: -

Particulars	31/03/2021 (Rs. in '000')	31/03/2020 (Rs. in '000')
In respect of statutory audit (including tax audit)	40.00	40.00
In respect of certification	4.00	6.00
<b>TOTAL</b>	<b>44.00</b>	<b>46.00</b>

27.	Particulars	31/03/2021 (Rs. in '000')	31/03/2020 (Rs. in '000')
	Contingent liabilities not provided for	Nil	Nil
	Pending litigations by/ against the Company	None	None

28. "India is currently witnessing the second wave of COVID-19 pandemic with significant increase in the number of infected cases. The resultant lockdowns are less restrictive for economic activity and are concentrated in the most-hit states.

The Company has not experienced any significant impact on its liquidity position due to the sufficiency of working capital. The Company continues to be well geared to meet its funding needs. It holds sufficient liquidity as well as adequate undrawn lines of credits if needed from various banks. The Company believes that with the pickup in vaccination programme in India, the business and commercial activity is poised for resurgence, leading to increase in power demand and generation.

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in its ability to continue as a going concern. The Company shall also continue to closely monitor any material changes arising of future economic conditions and potential impact on its business."

29. The financial statements were approved for issue by the Board of Directors on 28th June, 2021.

30. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.

31. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

32. Previous year's figures have been re-arranged or re- grouped wherever consider necessary.

33. Figures have been rounded off to the nearest thousands of rupees.

34. Figures in brackets indicate negative (-) figures.

Signed for the purpose of Identification.

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
Firm Regn. No. 304040E

**For and on behalf of the Board of Directors of**  
**AKM LACE AND EMBROTEX LIMITED**

**O. P. Pareek**  
Partner  
Membership No. 014238  
**UDIN: 21014238AAAAIW4365**

Anoop Kumar Managal  
Managing Director  
DIN: 02816077

Shambhu Dayal Mangal  
Director  
DIN: 02816124

New Delhi, the 28th day of June, 2021

**Himanshu Agarwal**  
CFO  
PAN : BPIPA5096J

**Roshan Jha**  
Company Secretary  
M. No. ATRPJ1142Q

**AKM LACE AND EMBROTEX LIMITED**

*(Formerly known as AKM Lace and Embrotex Private Limited)*

**CIN: L17291DL2009PLC196375; E-Mail Id: [akmlace@gmail.com](mailto:akmlace@gmail.com); Website: [www.akmlace.com](http://www.akmlace.com)**

**Registered Office: IX/6024, Ram Gali, Subhash Mohalla, Gandhi Nagar, Delhi 110031**

**PROXY FORM**

**Form No. MGT-11**

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

CIN: L17291DL2009PLC196375

Name of the Company: AKM Lace and Embrotex Limited

Registered Office: IX/6024, Ram Gali, Subhash Mohalla, Gandhi Nagar, Delhi 110031

Name of the member(s):

Registered Address :

Email ID:

Folio No./Client ID :

DP ID :

I/ We being the member(s) holding \_\_\_\_\_ shares of the above-named Company hereby appoint:

1. Name: \_\_\_\_\_  
2. Address: \_\_\_\_\_  
3. E-mail Id \_\_\_\_\_  
4. Signature: \_\_\_\_\_ Or failing him

3. Name: \_\_\_\_\_  
4. Address: \_\_\_\_\_  
3. E-mail Id \_\_\_\_\_  
4. Signature: \_\_\_\_\_ Or failing him

1. Name: \_\_\_\_\_  
2. Address: \_\_\_\_\_  
3. E-mail Id \_\_\_\_\_  
4. Signature: \_\_\_\_\_ Or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twelfth Annual General Meeting of the Company, to be held on Tuesday, September 28, 2021 at 09:30 A.M. at **314, R.G. Mall, Sector-9, Rohini, Delhi-110085** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
<b>Ordinary Business</b>	
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended March, 31 2021 and the report of Board of Directors and Auditors thereon.
2.	To re-appoint Mrs. Purva Mangal (DIN: 02816099) who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

Signed this..... Day of.....2021

Signature of the shareholder.....

Signature of the Proxy holder(s) (1) ..... (2)..... (3).....

Affix  
Re. 1/-  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

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**Registered Office: IX/6024, Ram Gali, Subhash Mohalla, Gandhi Nagar, Delhi 110031**

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**ATTENDANCE SLIP**

Full name and address of the Shareholder/Proxy Holder (in block letters)	
Joint Holder 1(in block letters)	
Joint Holder 2(in block letters)	
Folio No./DP ID*/Client ID*:	
No. of Shares Held	
I hereby certify that I am a member/proxy for the member of the Company.	
<b>Signature of Shareholder/Proxy</b>	

I/we hereby record my presence at the Twelfth Annual General Meeting of the shareholders of **M/s AKM Lace and Embrotex Limited** held on Tuesday, 28<sup>th</sup> September, 2021 at 09:30 A.M. at **314, R.G. Mall, Sector-9, Rohini, Delhi-110085**.

**Note:** Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the premise.

\*Applicable for shareholders holding shares in electronic form.

.....  
**ELECTRONIC VOTING PARTICULARS**

<b>E VOTING SEQUENCE NUMBER (EVSN)</b>	<b>USER ID</b>	<b>PASSWORD</b>

**Note:** Please read the instructions printed under the Note to the Notice of Twelfth Annual General Meeting dated September 02, 2021 for the E - Voting process. The E-voting period starts from 25<sup>th</sup> September, 2021 at 09:30 A.M. and will end on 27<sup>th</sup> September 2021 at 5:00 p.m. The voting module shall be disabled by NSDL for voting thereafter.

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**Nomination Form**

**Form No. SH-13**

**[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]**

To  
AKM Lace and Embrotex Limited  
CIN: L17291DL2009PLC196375  
Regd. Office: IX/6024, Ram Gali, Subhash Mohalla, Gandhi Nagar, Delhi 110031

I/We .....the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

Nature of securities	Folio No.	No. of securities	Certificate No	Distinctive No.

**(2) PARTICULARS OF THE NOMINEE/S: —**

- (a) Name: \_\_\_\_\_
- (b) Date of Birth: \_\_\_\_\_
- (c) Father's/Mother's/Spouse's \_\_\_\_\_
- (d) Occupation: \_\_\_\_\_
- (e) Nationality: \_\_\_\_\_
- (f) Address: \_\_\_\_\_
- (g) E-mail Id: \_\_\_\_\_
- (h) Relationship with the security holder: \_\_\_\_\_

**(3) IN CASE NOMINEE IS A MINOR—**

- (a) Date of Birth: \_\_\_\_\_
- (b) Date of attaining maturity: \_\_\_\_\_
- (c) Name of Guardian: \_\_\_\_\_
- (d) Address of Guardian: \_\_\_\_\_

Name:

Address:

Name of the Security Holder (s)

Signature

Witness with name and address



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**Registered Office: IX/6024, Ram Gali, Subhash Mohalla, Gandhi Nagar, Delhi 110031**

***Cancellation or Variation of Nomination***

***(Form No. SH-14)***

***[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]***

To

AKM Lace and Embrotex Limited

CIN: L17291DL2009PLC196375

Regd. Office: IX/6024, Ram Gali, Subhash Mohalla, Gandhi Nagar, Delhi 110031

I/ We hereby cancel the nomination(s) made by me/us in favour of .....(name and address of the nominee) in respect of the below mentioned securities.

or

I/We hereby nominate the following person in place of .....as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

**(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled/ varied)**

Nature of securities	Folio No.	No. of securities	Certificate No	Distinctive No.

**(2) PARTICULARS OF THE NEW NOMINEE: —**

- (a) Name: \_\_\_\_\_  
(b) Date of Birth: \_\_\_\_\_  
(c) Father's/Mother's/Spouse's \_\_\_\_\_  
(d) Occupation: \_\_\_\_\_  
(e) Nationality: \_\_\_\_\_  
(f) Address: \_\_\_\_\_  
(g) E-mail Id: \_\_\_\_\_  
(h) Relationship with the security holder: \_\_\_\_\_

**(3) IN CASE NOMINEE IS A MINOR—**

- (a) Date of Birth: \_\_\_\_\_  
(b) Date of attaining maturity: \_\_\_\_\_  
(c) Name of Guardian: \_\_\_\_\_  
(d) Address of Guardian: \_\_\_\_\_

**Signature**

**Name of the Security Holder (s)**

**Witness with name and address**

**Route Map: AKM LACE AND EMBROTEX LIMITED**

**Venue: 314, R.G. Mall, Sector-9, Rohini, Delhi-110085**

