

***ANNUAL REPORT***

***KONARK INFRA TECH  
PRIVATE LIMITED***

***Previous Year : 2014 - 2015***

***Assessment Year : 2015 - 2016***

***Auditors :-***

***Gupta Rustagi & Co.,***

***Chartered Accountants***

***Khatau Building, Office No. 16,***

***Alkesh Dinesh Modi Marg***

***Fort, Mumbai – 400023.***



## INDEPENDENT AUDITOR'S REPORT

To the Members of KONARK INFRATECH PRIVATE LTD.

### Report on the Financial Statements

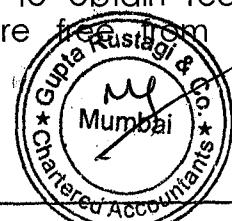
1. We have audited the accompanying financial statements of **KONARK INFRATECH PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



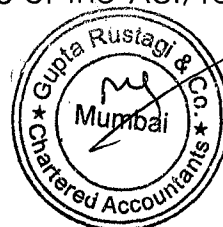
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 2015, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. The Company being a Private Limited Company with a paid-up capital and reserves not more than fifty lakh rupees and has not accepted any public deposit and does not have loan outstanding twenty five lakh rupees or more from any bank or financial institution and does not have turnover exceeding five crore rupees, the provision of the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act are not applicable to the Company.
8. As required by section 143(3) of the Act, we further 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 purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;



- e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

**Place** - Mumbai

**Date** - 2nd June, 2015

**For Gupta Rustagi & Co.,**

Chartered Accountants

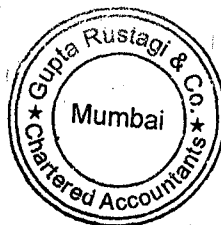
Firm Registration No.128701W

*Meenakshi*

**Meenakshi Gupta**

Partner

Membership No. 108097



**KONARK INFRATECH PVT. LTD.**

**BALANCE SHEET AS AT 31ST MARCH, 2015**

Amt. in Rs.

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	5,20,000	5,20,000
(b) Reserves and surplus	3	27,85,513	24,61,609
		<b>33,05,513</b>	<b>29,81,609</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	21,73,22,199	22,32,99,079
		<b>21,73,22,199</b>	<b>22,32,99,079</b>
<b>Current liabilities</b>			
(a) Trade payables	5	86,613	91,479
(b) Other current liabilities	6	10,22,880	9,29,377
		<b>11,09,493</b>	<b>10,20,856</b>
<b>TOTAL</b>		<b>22,17,37,205</b>	<b>22,73,01,544</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
(i) Tangible Assets - Land		38,64,740	38,64,740
Long-term loans and advances	7	11,11,44,679	12,18,99,824
		<b>11,50,09,419</b>	<b>12,57,64,564</b>
<b>Investments</b>	8	<b>10,01,00,000</b>	<b>10,01,00,000</b>
<b>Current assets</b>			
(a) Cash and cash equivalents	9	22,93,928	40,551
(b) Short-term loans and advances	10	43,33,858	13,96,429
		<b>66,27,786</b>	<b>14,36,980</b>
<b>TOTAL</b>		<b>22,17,37,205</b>	<b>22,73,01,544</b>
Significant Accounting Policies Notes on Financial Statements	1 2 TO 19		

For Gupta Rustagi & Co.  
Chartered Accountants

*Meenakshi*

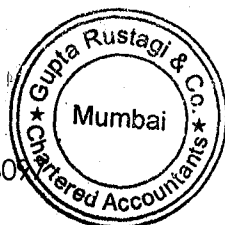
**Meenakshi Gupta**

Partner

Membership No. 1080

Place: Mumbai

Date: June 2, 2015



For Konark Infratech Pvt.Ltd.

*K. Somdrey*

Director

*PS*

*AK*

Director

*AK*

**KONARK INFRATECH PVT. LTD.**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Amt. in Rs.

<u>Particulars</u>	<u>Note No.</u>	<u>For the year ended</u> <u>31.03.2015</u>	<u>For the year ended</u> <u>31.03.2014</u>
<b>REVENUE</b>			
Other income	11	1,08,23,287	1,33,85,976
<b>Total Revenue</b>		<b>1,08,23,287</b>	<b>1,33,85,976</b>
<b>EXPENSES</b>			
Administrative and other expenses	12	1,67,683	3,49,452
Finance costs	13	1,01,86,800	92,93,762
<b>Total Expenses</b>		<b>1,03,54,483</b>	<b>96,43,214</b>
<b>Profit/(Loss) before Tax</b>		<b>4,68,804</b>	<b>37,42,762</b>
<b>Tax Expenses</b>			
Current Tax		1,44,900	13,50,000
<b>Profit for the year</b>		<b>3,23,904</b>	<b>23,92,762</b>
Earnings per share(Basic)	16	6.23	46.01
Earnings per share(Diluted)	16	6.23	46.01
Significant Accounting Policies Notes on Financial Statements	1 2 TO 19		

For Gupta Rustagi & Co.  
Chartered Accountants

For Konark Infratech Pvt.Ltd.

*Meenakshi*

**Meenakshi Gupta**

Partner

Membership No. 10809

Place: Mumbai

Date: June 2, 2015



*K. Midrey*

Director

*AK*  
Director  
AK

**KONARK INFRA TECH PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	Amt. in Rs.	
	For the year ended	
	31.03.2015	31.03.2014
<b>A) Cash Flow from Operating Activities</b>		
Net Profit/(Loss) after Tax as per Profit & Loss Account	3,23,904	37,42,762
<u>Adjustment for</u> Provision for Taxes	1,44,900	13,50,000
Operating profit before Working Capital adjustments	4,68,804	50,92,762
<u>Adjustment for Working Capital</u>		
(Increase)/Decrease in Short Term Loans/ Advances	(30,82,329)	(15,97,730)
(Increase)/Decrease in Long Term Loans/ Advances	1,07,55,145	39,75,234
Increase/(Decrease) in Trade & Other payables	(4,866)	40,579
Increase/(Decrease) in other current liabilities	93,503	(4,87,499)
	77,61,453	19,30,584
Net Cash Flow from Operating activities	(A) 82,30,257	70,23,346
<b>B) Cash Flow from Investing Activities</b>		
Addition to Fixed Assets & CWIP	-	(38,64,740)
Net Cash used in Investing Activities	(B) -	(38,64,740)
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from Unsecured Loans	-	(17,49,270)
Increase/(Decrease) in short term borrowings	(59,76,880)	(14,10,615)
Net Cash Flow Proceeds from Financing Activities	(C) (59,76,880)	(31,59,885)
<b>Net Cash Increase/(Decrease) in Cash &amp; Cash Equivalent (A + B + C)</b>	<b>22,53,377</b>	<b>(1,279)</b>
Cash and Bank Equivalent (Opening Balance)	40,551	41,830
Cash and Bank Equivalent (Closing Balance)	22,93,928	40,551
<b>Net Cash Increase/(Decrease) in Cash &amp; Cash Equivalent</b>	<b>22,53,377</b>	<b>(1,279)</b>

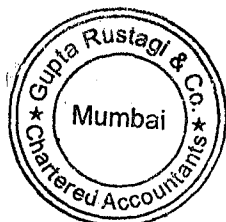
AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of M/s.Konark Infratech Private Limited for the year ended 31st March,2015. The Statement has been prepared by the Company and is based on and in agreement with corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report to the members of the Company.

For Gupta Rustagi & Co.  
Chartered Accountants

*Meenakshi*

**Meenakshi Gupta**  
Partner  
Membership No. 108097  
Place: Mumbai  
Date: June 2, 2015



For Konark Infratech Pvt. Ltd.

*Konmidney*

Director

*AR*  
Director

# **KONARK INFRATECH PRIVATE LIMITED**

## **NOTES ANNEXURED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

### **Corporate Information**

The company Konark Infratech Private Limited, incorporated on 07<sup>th</sup> January, 2008, having its corporate and registered office at Mumbai.

### **Note 1: Significant Accounting Policies**

#### **A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the economic policy hitherto in use.

#### **B. USE OF ESTIMATES :**

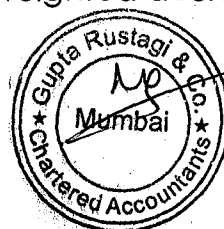
The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known and materialized.

#### **C. INVESTMENTS**

Long-term investments are carried individually at cost less provision for diminution in the value. Provision for diminution in value of long-term investments is made only if such a decline is other than temporary.

#### **D. EARNING PER SHARE:**

The earnings considered in ascertaining the Company's Earnings Per Share comprise net profit after tax. The number of shares (nominal value of Rs.10/-) used in computing Basic Earnings Per Share is weighted average number of shares outstanding during the year.




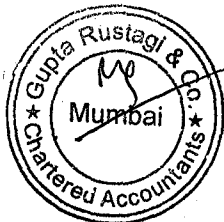



**E. FIXED ASSETS:**

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price less creditable duties, taxes and levies, and any directly attributable cost of bringing the asset to its working condition for the intended use. Exchange Difference arising on repayment or reinstatement of foreign currency liabilities incurred are adjusted in the carrying amount of respective fixed assets. The amount incurred for capital items not ready for their intended use on reporting date are disclosed under capital work in progress. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

**F. ACCOUNTING FOR TAXES ON INCOME:**

- a. Current Tax is determined as amount of tax payable in respect of taxable income for the year based on applicable tax rates and law.
  
- b. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

Amt. in Rs.

<b>Note 2: Share Capital</b>					
		As at 31-Mar-15		As at 31-Mar-14	
<b>(a) The number and amount of equity shares authorized:</b>					
	Number of Authorised Shares	1,00,000		1,00,000	
	Amount of Authorised Share Capital	10,00,000		10,00,000	
<b>(b) The number of equity shares issued, subscribed and fully paid:</b>					
	Number of Fully Paid Shares	52,000		52,000	
<b>(c) Par value per share (in Rs.)</b>					
	Value of Fully Paid-up Shares	5,20,000		5,20,000	
<b>(d) Reconciliation of Shares:</b>					
	Opening Number of Fully Paid Shares	52,000		52,000	
	Add: Number of shares Issued during the year	-		-	
	Closing Number of Fully Paid Shares	52,000		52,000	
<b>(e) No. of shares held by Share Holders holding more than 5% of the Share Capital:</b>					
<b>Name</b>	<b>No. of shares</b>	<b>% Holding</b>	<b>No. of Shares</b>	<b>% Holding</b>	
Konark Synthetic Ltd. - Holding company	28,000	53.85%	28,000	53.85%	
Shonit Dalmia	9,000	17.31%	9,000	17.31%	
Raka Devi Dalmia	15,000	28.85%	15,000	28.85%	

The Company has issued one class of equity shares having a par value of Rs.10 per share. Each holder of Equity Share is entitled to one vote per share.

**Note 3: Reserves and Surplus**

		As at 31-Mar-15		As at 31-Mar-14
<b>(b) Profit &amp; Loss Account</b>				
	Opening Balance in the Profit & Loss Account	24,61,609		68,847
	Add: Profit during the year	3,23,904		23,92,762
	<b>Surplus in the Profit &amp; Loss Account</b>	<b>27,85,513</b>		<b>24,61,609</b>

**Note 4: Long - Term Borrowings**

		As at 31-Mar-15		As at 31-Mar-14
<b>Unsecured Loans</b>				
	From Holding Company	12,35,74,199		11,05,51,079
	Others	9,37,48,000		11,27,48,000
	<b>Total</b>	<b>21,73,22,199</b>		<b>22,32,99,079</b>

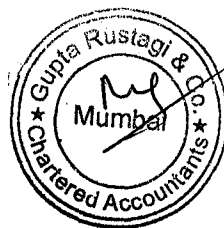
**Note 5: Trade Payables**

		As at As at		As at As at
	For Trade Goods & Expenses	86,613		91,479
	<b>Total</b>	<b>86,613</b>		<b>91,479</b>



*(Handwritten signatures)*

<b>Note 6: Other Current Liabilities</b>			
	<b>As at 31-Mar-15</b>		<b>As at 31-Mar-14</b>
Statutory Liabilities	10,22,880		9,29,377
<b>Total</b>	<b>10,22,880</b>		<b>9,29,377</b>
<b>Note 7: Long-term Loans and Advances</b>			
	<b>As at 31-Mar-15</b>		<b>As at 31-Mar-14</b>
Loans to Subsidiary Company	11,11,44,679		12,18,99,824
<b>Total</b>	<b>11,11,44,679</b>		<b>12,18,99,824</b>
<b>Note 8: Investments</b>			
<b>Investments at cost</b>			
	<b>As at 31-Mar-15</b>		<b>As at 31-Mar-14</b>
<b>In Subsidiary:</b>			
Non Current Investment			
Konark Gujarat PV Pvt. Ltd. (Holding 100%, P.Y. 100%)			
<b>Total</b>	<b>10,01,00,000</b>		<b>10,01,00,000</b>
<b>Note 9: Cash and Cash Equivalents</b>			
	<b>As at 31-Mar-15</b>		<b>As at 31-Mar-14</b>
Cash and cash equivalents :			
Cash on hand	14,880		14,880
Balances with banks	22,79,048		25,671
<b>Total</b>	<b>22,93,928</b>		<b>40,551</b>
<b>Note 10: Short-term Loans and Advances</b>			
	<b>As at 31-Mar-15</b>		<b>As at 31-Mar-14</b>
Loan to Related party	20,00,000		-
Advance Income Tax (Net of provisions)	23,33,858		13,96,429
<b>Total</b>	<b>43,33,858</b>		<b>13,96,429</b>



*[Handwritten signature]*

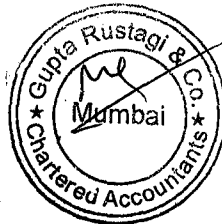
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2015**

Amt. in Rs.

<b>Note 11: Other Income</b>	<b>As at 31-Mar-15</b>	<b>As at 31-Mar-14</b>
Interest Income	1,08,23,287	1,33,85,976
	<b>1,08,23,287</b>	<b>1,33,85,976</b>

<b>Note 12: Administrative and Other Expenses</b>	<b>As at 31-Mar-15</b>	<b>As at 31-Mar-14</b>
Payments to the auditor (a) For Statutory Audit (b) For Tax Audit	25,281 8,427	25,281 8,427
	<b>33,708</b>	<b>33,708</b>
Filing Fees	4,080	6,600
Legal & Professional Fees	40,451	13,484
Miscellaneous expenses	89,444	2,95,660
	<b>1,67,683</b>	<b>3,49,452</b>

<b>Note 13: Finance Costs</b>	<b>As at 31-Mar-15</b>	<b>As at 31-Mar-14</b>
Interest expense on unsecured loans	1,01,86,800	92,93,762
	<b>1,01,86,800</b>	<b>92,93,762</b>



*(Handwritten signature)*

### **Note No. 14 : Segment Reporting.**

Based on guiding principles given in Accounting Standard on "Segment Reporting" (AS-17) the company is not having any reportable segment as per the disclosure requirement of AS-17.

### **Note 15: Related Party Disclosure**

a) Name of related party and nature of related party relationship where control exists as identified and certified by management.

#### **I. Enterprise over which Key Management Personnel are able to exercise significant influence:**

1. Konark Gujarat PV Pvt. Ltd. – **Subsidiary Company**

#### **II. Holding Company**

1. Konark Synthetic Ltd.

b) The Transaction with related parties are furnished below:

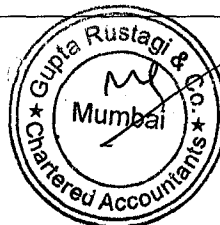
**Amt In Rs.**

<b>Transaction</b>	<b>Parties referred to in II above</b>	<b>Parties referred to in I above</b>
Loans Taken	81,55,000 (2,96,75,000)	- (-)
Loan Given	- (-)	24,53,222 (1,64,25,000)
Loan Repaid	43,00,000 (2,99,50,000)	- (-)
Loan repayment received	- (-)	2,29,49,325 (3,03,84,210)
Interest Paid/Received	1,01,86,800 (92,93,762)	1,08,23,287 (1,33,15,529)
Closing Balance	12,35,74,199 Cr (11,05,51,079 Cr)	11,11,44,679 Dr (12,18,99,824 Dr)

Figures in Bracket are in respect of Previous Year.

### **Note 16: Earning per Share**

		<b>2014-15</b>	<b>2013-14</b>
a) Profit After Tax	<b>Rs.</b>	3,23,904	23,92,762
b) Weighted Average number of Equity shares of Rs.10 each	<b>Nos</b>	52,000	52,000
c) Earning Per Share (Basic)	<b>Rs.</b>	6.23	46.01
d) Earning Per Share (Diluted)	<b>Rs.</b>	6.23	46.01



**Note 17: Sundry Debtors/ Creditors Balances**

Balances shown under Sundry Debtors, Advances, some of the Sundry Creditors are subject to confirmation/ reconciliation and consequential adjustment, if any. However the company has been sending letters for confirmation to these parties. In the opinion of management, the value of Sundry Debtors, Advances, Sundry Creditors on realization/payment in the ordinary course of business, will not be less/ more than the value at which these balances are stated in the Balance Sheet.

**Note 18: Micro, Small and Medium Enterprises Development Act**

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosure relating to amount unpaid as at year end together with interest paid or payable under this act has not been given.

**Note 19:**

Previous Year Figures have been regrouped/rearranged or reclassified wherever necessary to correspond with the current year's classification.

**For Gupta Rustagi & Co.,**

Firm Registration No: 128701W

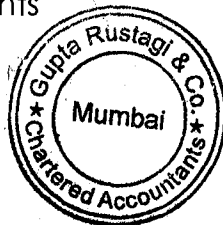
Chartered Accountants

*Meenakshi*

**Meenakshi Gupta**

Partner

Membership No.108097



**For Konark Infratech Pvt. Ltd.**

*Kommidraf*

Director

*[Signature]*

Director

Place: Mumbai

Date: June 2, 2015