

The logo for Konark, featuring the word "KONARK" in a blue serif font. A stylized orange and blue wave graphic is positioned behind the letter "A".

**KONARK**

**32<sup>nd</sup>**  
**Annual Report**  
**2015- 16**

**Konark Synthetic Limited**

**BOARD OF DIRECTORS**

Mr. Prakashchand Dalmia  
 Mr. Amitabh Kejriwal  
 Mr. Mahendra Agarwal  
 Mr. Satish Deshmukh  
 Ms. Kavita Bhat

Chairman & Managing Director  
 Whole-Time Director  
 Independent Director  
 Independent Director  
 Independent Director

Mr. Ramniwas B Somany  
 Mr. Mehnuddin Khan

Chief Financial Officer (CFO)  
 Company Secretary & Compliance Officer  
 (w.e.f. 18<sup>th</sup> August, 2015)

**STATUTORY AUDITORS**

M/s. Bhuwania & Agrawal Associates  
 Chartered Accountants, Mumbai

**SECRETARIAL AUDITORS**

M/s. Manish Ghia & Associates  
 Company Secretaries, Mumbai

**INTERNAL AUDITORS**

M/s. Kaushik Shahukar & Co.,  
 Chartered Accountants, Mumbai

**BANKERS**

Indian Bank  
 Corporation Bank

**REGISTERED OFFICE**

Building No.7, Mittal Industrial Estate,  
 Andheri Kurla Road, Sakinaka,  
 Andheri (East), Mumbai – 400059  
 Tel No.: 022-4089 6300  
 Fax No.: 022-4089 6322  
 Email: info@konarkgroup.co.in  
 Website: www.konarkgroup.co.in

**REGISTRAR & SHARE TRANSFER AGENTS**

**Purva Sharegistry (India) Private Limited**  
 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,  
 Lower Parel (East), Mumbai – 400011  
 Tel No.: 022-23018261/6761  
 Fax No.: 022-23012517  
 Email: busicomp@vsnl.com

**PLANT LOCATIONS****SILVASSA UNIT**

Plot No. 25,  
 Silvassa Industrial Co-op. Soc.,  
 66 KVA Sub Station Road,  
 Village: Amlī,  
 Dist.: Silvassa - 396230.  
 (UT of Dadra & Nagar Haveli)

**BENGALURU UNIT**

Plot No. 62/4, 13, 14, 15  
 Begur Road,  
 11<sup>th</sup> Cross, Ward No. 12,  
 Bommanahalli,  
 Bengaluru – 560068

**SARIGAM UNIT**

Plot No. 13 to 20,  
 Opp. JBF Industries Limited,  
 G.I.D.C. Industrial Area, Village: Sarigam,  
 Taluka – Umargam, Dist. Valsad,  
 Gujarat – 396155

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**KONARK SYNTHETIC LIMITED**

CIN: L17200MH1984PLC033451

Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059.  
Tel: 022-4089 6300; Fax: 022-4089 6322; Email: info@konarkgroup.co.in; Website: www.konarkgroup.co.in

**NOTICE**

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of **KONARK SYNTHETIC LIMITED** will be held on Friday, 30<sup>th</sup> day of September, 2016 at 3.30 p.m. at the Registered Office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400059 to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016 together with the Reports of the Board of Directors' and the Auditors' thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016 together with the Report of the Auditors' thereon.
2. To appoint a Director in place of Mr. Prakashchand Dalmia, Chairman and Managing Director (DIN: 00005813), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Statutory Auditors of the Company and to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Bhuwania & Agrawal Associates, Chartered Accountants, Mumbai (having FRN: 101483W) be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this 32<sup>nd</sup> Annual General Meeting until the conclusion of the next 33<sup>rd</sup> Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass the following resolution as an **Ordinary resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for taking loans from time to time from Konark Realtech Private Limited, a company in which Managing Director of the Company is a member, for a period of three years from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2019, upto Rs. 25 Crores (Rupees Twenty Five Crores only) per year.”

**By Order of the Board of Directors  
For Konark Synthetic Limited**

**Place: Mumbai**  
**Date: 12<sup>th</sup> August, 2016**

**Mehnuddin Khan**  
**Company Secretary & Compliance Officer**

**Registered office:**

Building No.7, Mittal Industrial Estate,  
Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai – 400059

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

2. A statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this notice.
3. Members/Proxies are requested to bring duly filled in Attendance slip along with the Annual Report at the Annual General Meeting.
4. Corporate Members are requested to send duly certified copy of the Board resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting (including through e-voting).
5. Pursuant to Regulations 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on "General Meetings", the particulars of Director seeking re-appointment at the ensuing 32<sup>nd</sup> Annual General Meeting is annexed to the notice.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 21<sup>st</sup> September, 2016 to Saturday, 24<sup>th</sup> September, 2016 (both days inclusive).
7. The Register of Directors and Key Managerial Personnel and their Shareholdings maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
8. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account details along with self-attested documentary proofs. Members holding shares in the demat form may update such details with their respective Depository Participants.
9. In case of joint holders attending the meeting, the joint holder with highest in order of names will be entitled to vote.
10. Members desirous of obtaining any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary & Compliance Officer at the Registered Office of the Company at least seven days in advance of the meeting to enable the Company to provide the information required at the meeting.
11. Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the Company's Registrar & Share Transfer Agents, Purva Shareregistry (India) Pvt. Ltd. for consolidation of all such shareholding into one folio to facilitate better services.
12. Members holding shares in physical form are requested to intimate any change in their address or bank mandates immediately to the Company's Registrar & Share Transfer Agents (RTA), viz. Purva Shareregistry (India) Pvt. Ltd., 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai – 400011 quoting their Folio Number and Bank Account details along with self-attested documentary proof. Members holding shares in Demat form may update such details with their respective Depository Participants.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN details to their respective Depository Participants with whom they have their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents of the Company – Purva Shareregistry (India) Pvt. Ltd.
14. Non Resident Indian members are requested to inform to the Company's Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.
15. As per provisions of Section 72 of the Companies Act 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in single name and physical form are advised to make nomination in the prescribed form SH-13 with RTA and in respect of shares held in demat form, the nomination form may be filed with their respective DPs.
16. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule, 2014, the Company is required to update its database by incorporating some additional details of the members.

Members are thus requested to kindly submit their e-mail IDs and other details vide the e-mail updation form annexed to this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning the same by post.

The e-mail IDs provided shall be updated subject to successful verification of their signatures as per record available with the RTA of the Company.
17. The Notice of the 32<sup>nd</sup> Annual General Meeting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company / Depository Participants unless member has requested for hard copy of the same. For members who have not registered their email IDs, physical copies of the aforesaid documents are being sent by courier.
18. Route Map for the venue of the 32<sup>nd</sup> Annual General Meeting of the Company is appearing at the end of the Annual Report.



**19. Information and other instruction relating to e-voting process:**

- (a) Pursuant to provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 32<sup>nd</sup> Annual General Meeting to be held on Friday, 30<sup>th</sup> September, 2016. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.
- (b) The facility for voting through polling papers shall also be made available at the venue of the 32<sup>nd</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend and participate at the meeting, but shall not be entitled to cast their vote again.
- (c) The remote e-voting shall commence on Tuesday, 27<sup>th</sup> September, 2016 (10.00 A.M.) and ends on Thursday, 29<sup>th</sup> September, 2016 (5.00 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 i.e. Saturday, 24<sup>th</sup> September, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (d) The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Saturday, 24<sup>th</sup> September, 2016.
- (e) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. Saturday, 24<sup>th</sup> September, 2016 only shall be entitled to avail the facility of remote e-voting and voting at Meeting through polling papers.
- (f) The Board of Directors of the Company has appointed CS Manish Baldeva (FCS 6180), Proprietor, M/s. M Baldeva Associates, Company Secretaries, Thane, as scrutinizer to conduct and scrutinize the voting through polling papers and remote e-voting in a fair and transparent manner.
- (g) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Saturday, 24<sup>th</sup> September, 2016, may obtain the User ID and password by sending a request at [helpdesk.evoting@cdsl.in](mailto:helpdesk.evoting@cdsl.in) or [info@konarkgroup.co.in](mailto:info@konarkgroup.co.in). However, if the member is already registered with CDSL for remote e-voting then he can use his existing user ID and password for casting the vote through e-voting. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com) or contact CDSL at toll free no.: 1800-200-5533.
- (h) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be done, allow voting with the assistance of scrutinizer, by use of "Polling Papers" to all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (i) The Scrutinizer after conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (j) The result declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company [www.konarkgroup.co.in](http://www.konarkgroup.co.in) and on the website of the CDSL <https://www.evotingindia.com/> immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be immediately forwarded to the BSE Limited.
- (k) Subject to receipt of requisite number of votes in favour, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. Friday, 30<sup>th</sup> September, 2016.

**(A) Procedure/ Instructions for e-voting are as under:**

In case a Member receives an email from CDSL [for members whose email IDs are registered with the Company / Depository Participants(s)]:

- (i) Log on to the e-voting website <https://www.evotingindia.com>
- (ii) Now click on "Shareholders" to Login.
- (iii) Now Enter the User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) Members holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then the existing password is to be used.

(vi) In case Member is a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	<p>Enter the 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the (printed on the address sticker) PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If the Members' name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in the Members' demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in Physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended to the members not to share their password with any other person and take utmost care to keep the password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for **KONARK SYNTHETIC LIMITED** on which member choose to vote.

(xi) On the voting page, Members will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that the member assent to the Resolution and option NO implies that the member dissent to the Resolution.

(xii) Click on the 'Resolution File Link' if the member wishes to view the entire AGM Notice.

(xiii) After selecting the resolution, the member has decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If the member wishes to confirm their vote, click on "OK", else to change the vote, click on "CANCEL" and accordingly modify the vote.

(xiv) Once the member 'CONFIRM" their vote on the resolution, they will not be allowed to modify their vote.

(xv) Members' can also take out print of the voting done by them by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xviii) **Note for Institutional Shareholders and Custodian:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Friday, 30<sup>th</sup> September, 2016.

In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participants(s) or has for requested physical copy]:

- Please follow all steps from Sl. No. A (i) to Sl. No. A (xvii) above, to cast vote.
- In case of any queries regarding e-voting, members may refer to the Frequently Asked Questions ('FAQs') and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under 'HELP' section or write an email to helpdesk.evoting@cdslindia.com.
- Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

**In pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 "General Meetings", details of director seeking re-appointment at ensuing Annual General Meeting are as follows:**

<b>Name of Director</b>	<b>Mr. Prakashchand Dalmia</b>
Date of birth	07/09/1954
Date of appointment as director	17/07/1984
Remuneration last drawn	Rs. 11.99 Lakhs
Experience / Expertise in specific functional area / Brief Resume	Mr. Prakashchand Dalmia is Chairman and Managing Director of the Company. He has over 32 years of experience in textile industry.
Qualification	Bachelor of Commerce
Shareholding in the Company (Equity shares of Rs. 10/- each)	57501 Equity Shares
List of Directorship in other listed entities	Nil
Membership / Chairmanship of Committees of other listed entities (includes only Audit Committee and Stakeholder's Relationship Committee)	Nil
No. of Board Meetings attended during the year	10
Terms and Conditions of re-appointment	He is liable to retire by rotation.
Remuneration to be paid (if applicable)	Salary Rs. 9 Lakhs p.a. plus perquisites.
Relationship with any Director (s) of the Company	Not related



## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item no. 4

As per business requirements, the Company takes loans from Konark Realtech Private Limited, a related party, a company in which Managing Director of the Company is a member, from time to time.

As per provisions of Regulations 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of shareholders is required for entering into contracts or agreements with related parties.

Accordingly, approval of the shareholders of the Company is sought for taking loans from time to time from Konark Realtech Private Limited, a company in which director of the Company is a member, for a period of three years from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2019, upto Rs. 25 Crores (Rupees Twenty Five Crores only) per year.

The details of the contract / arrangement are given herein below:

a.	Name of Related Party	Konark Realtech Private Limited
b.	Name of Director or KMP who is related	Mr. Prakashchand Dalmia
c.	Nature of relationship	Managing Director is a shareholder
d.	Nature of Contract	Taking Loans from time to time
e.	Terms	Rate of interest @ 7.50%, repayable on demand
f.	Monetary Value	
	2016-17	Rs. 25 Crores
	2017-18	Rs. 25 Crores
	2018-19	Rs. 25 Crores

The Board of Directors recommends passing of the Ordinary Resolution as set out at item no.4 of the Notice for approval of members.

Except Mr. Prakashchand Dalmia, Chairman and Managing Director and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relative is concerned or interested in the said resolution.

**By Order of the Board of Directors  
For Konark Synthetic Limited**

Place: Mumbai  
Date: 12<sup>th</sup> August, 2016

**Mehnuddin Khan  
Company Secretary & Compliance Officer**

### Registered office:

Building No.7, Mittal Industrial Estate,  
Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai – 400059

## DIRECTORS' REPORT

To  
The Members  
**Konark Synthetic Limited**

Your Directors present the 32<sup>nd</sup> Annual Report together with the Audited Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March 2016.

### FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Sr. No.	Particulars	For the Year ended 31 <sup>st</sup> March, 2016	For the Year ended 31 <sup>st</sup> March, 2015
1.	Total Revenue	11490.73	11558.22
2.	Total Expenses	10643.36	10648.15
3.	Profit before Depreciation & Amortization expenses, Finance Cost and Tax	847.37	910.07
	Less: Depreciation and Amortization Expenses	363.32	408.42
	Less: Finance Cost	454.09	403.40
4.	Profit before exceptional and extraordinary items and tax	29.96	98.25
	Less: Prior Period Expenses	0.03	0.48
5.	Profit before Exceptional Item & Tax	29.93	97.77
	Less: Exceptional Item	-	-
6.	Profit before tax	29.93	97.77
	Less: Provision for tax (Including deferred tax)	13.49	38.00
7.	Profit after tax	16.44	59.77
8.	Balance of profit as per last Balance Sheet	1098.33	1137.69
	Less: Impact of change in depreciation policy	-	99.13
9.	Balance of profit carried to Balance Sheet	<b>1114.71</b>	<b>1098.33</b>

### REVIEW OF BUSINESS OPERATIONS:

During the year under review, the Company earned total revenue of Rs. 11490.73 Lakhs as against Rs.11558.22 Lakhs in the previous year. The revenue out of operations earned to Rs.11374.77 Lakhs and other income earned to Rs.115.96 Lakhs. The profit before tax was Rs.29.93 Lakhs as against Rs.97.77 Lakhs in previous year. The profit after tax was Rs.16.44 Lakhs as against Rs.59.77 Lakhs in the previous year.

The profit of the Company has been impacted majorly due to the sum of Rs. 50.64 Lakhs being debited in the current year Statement of Profit & Loss towards Gratuity provisions as per Actuarial Valuation done in accordance with Accounting Standards (AS) - 15 "Employees Benefits". A sum of Rs. 5.02 Lakhs has been shown under Short Term Provisions and Rs. 45.62 Lakhs under Long Term Provisions.

### TEXTILE DIVISION:

The Primary segment of the Company is Textile and there is no geographic segment as such. During the year under review, the consolidated turnover of the textile division was at Rs.13002.97 Lakhs as compared to Rs. 15416.97 Lakhs in the previous year. The Company continues to focus on measures to improve the efficiency of financial performance of this division.

The year under review was one of the most challenging years for the textile sector across the world. Despite the extreme difficulty in the business environment, the Company has managed to survive and earned revenue from the operations. Your Directors are optimistic about the future growth of the Company and are putting their best efforts to accelerate the growth speed.

### POWER DIVISION:

The Company has one other segment i.e. Power Generation (Energy) which had started in last quarter of the Financial Year 2011-12 operating through its step down subsidiary company Konark Gujarat PV Private Limited. During the financial year 2015-16, the revenue earned from power generation activity was Rs. 1450.68 Lakhs as compared to Rs. 1446.78 Lakhs in the previous year. The Company continues to focus on cost reduction measures and improve efficiency to pathway the business in this division.

### SHARE CAPITAL:

There was no change in Share Capital of the Company during the year 2015-16. As on 31<sup>st</sup> March, 2016, the paid up share capital of the Company stood at Rs. 5,80,80,000/- (Rupees Five Crores Eighty Lakhs and Eighty Thousand Only) divided into 58,08,000 Equity shares of Rs. 10/- (Rupee Ten) each.

### DIVIDEND:

To conserve the resources for future business requirements of the Company, your Directors do not recommend any payment of dividend for the year under review.

**PUBLIC DEPOSITS:**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

**EXTRACT OF ANNUAL RETURN:**

An extract of Annual Return pursuant to Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form MGT 9 is appended to this Report and marked as 'Annexure I'.

**BOARD OF DIRECTORS:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and the Articles of Association of the Company, Mr. Prakashchand Dalmia, Chairman and Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Your Board recommends the re-appointment of Mr. Prakashchand Dalmia as Director of the Company.

**KEY MANAGERIAL PERSONNEL:**

Mr. Mehuddin Khan was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 18<sup>th</sup> August, 2015.

**DECLARATION OF INDEPENDENT DIRECTORS:**

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and also remuneration for Key Managerial Personnel and other employees is attached herewith and marked as 'Annexure II'.

**ANNUAL PERFORMANCE EVALUATION BY THE BOARD:**

Pursuant to the provisions of the Section 134(3) Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship Committees. The Board has devised questionnaire to evaluate the performances of each of executive and non-executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
- iv. Providing perspectives and feedback going beyond information provided by the management.

The details of the programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: [http://www.konarkgroup.co.in/investor relation/policies/Familiarisation programme for Independent Directors](http://www.konarkgroup.co.in/investor%20relation/policies/Familiarisation%20programme%20for%20Independent%20Directors).

**MEETINGS OF THE BOARD:**

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other Board business. A tentative annual calendar of the Board and Committee Meetings is informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The Board met ten times during the financial year, the details of which are given in the Corporate Governance Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Your Directors, to the best of their knowledge and belief and according to the information and explanation obtained by them and as required under Section 134(3)(c) of the Companies Act, 2013, state that:

- a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b. the directors have 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 as at 31<sup>st</sup> March, 2016 and of the profit of the company for that period;
- c. the directors have 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 have prepared the annual accounts on a going concern basis;

- e. the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**PARTICULARS OF MANAGERIAL REMUNERATION AND OTHER DETAILS:**

Disclosure with respect to the remuneration of Directors and employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked as '**Annexure III**'.

**SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:**

The Company has 3 subsidiary companies and 3 step-down subsidiary companies. During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with the performance of Section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiaries in the prescribed format AOC-1 is attached herewith and marked as '**Annexure IV**'. The statement also provides the details of performance and financial position of each of the subsidiaries.

The Company does not have any Joint Venture / Associate. During the year, no company became or ceased to be the Company's subsidiary, joint venture or associate company.

In accordance with the provision of Section 136 of the Companies Act, 2013, the Standalone Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website [www.konarkgroup.co.in](http://www.konarkgroup.co.in). These documents will also be available for inspection at the registered office of the Company and of the subsidiary companies during business hours on all working days and during the Annual General Meeting.

**AUDIT COMMITTEE AND ITS COMPOSITION:**

As on 31<sup>st</sup> March, 2016, the Audit Committee comprised of Mr. Mahendra Agarwal, Mr. Satish Deshmukh, Independent Directors and Mr. Prakashchand Dalmia, Chairman and Managing Director of the Company.

Mr. Mahendra Agarwal is the Chairman of Audit Committee of the Company. The Compliance Officer and Company Secretary of the Company acts as the Secretary of the Audit Committee.

The Audit Committee of the Company reviews the reports to be submitted to the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control, financial reporting process and vigil mechanism.

**RISKS AND AREAS OF CONCERN:**

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT 2013:**

All transactions / contracts / arrangements with the related parties entered during the financial year were in ordinary course of the business and on arm's length basis. No Material Related Party Transaction was entered during the year by your Company as per Section 188 of the Companies Act, 2013. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act, 2013 in Form AOC-2 is not applicable.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details as required under Section 186 of the Companies Act, 2013 of loans, guarantee given or investment made by your Company during the financial year 2015-16 are given under Notes to Accounts on Financial Statements.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There was no significant or material order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on company's operations in future.

**INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has Internal Financial Control System commensurate with the size, scale and complexity of its operations. The Company monitors and evaluates the efficacy and adequacy of internal control system in place, its compliance with operating systems, accounting procedures and policies.

**MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

## **WHISTLE BLOWER / VIGIL MECHANISM POLICY:**

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The details of the Vigil mechanism Policy is explained in the Corporate Governance Report and also posted on the website of the Company. We affirm that during the financial year 2015-16, no employee or director was denied access to the Audit Committee.

## **STATUTORY AUDITORS:**

M/s. Bhuwania & Agrawal Associates, Chartered Accountants, Mumbai (FRN:101483W), the Statutory Auditors of your Company hold office as such upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and if re-appointed, their re-appointment would be within the limits prescribed under Section 139 of the Companies Act, 2013 and they are not disqualified from being appointed as Statutory Auditors.

Your Directors recommend the re-appointment of M/s. Bhuwania & Agrawal Associates, Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing 32<sup>nd</sup> Annual General Meeting up to the conclusion of next 33<sup>rd</sup> Annual General Meeting of the Company and to audit financial statements for the financial year 2016-17.

## **SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report received from M/s. Manish Ghia & Associates, Practising Company Secretary, Mumbai is appended herewith and marked as '**Annexure V**' and forms part of this report.

In respect to the Secretarial Auditor's remarks in their report, the Company would like to state an under:

- a. The Company has appointed the Whole-Time Company Secretary at its meeting held on 14th August, 2015 w.e.f. 18<sup>th</sup> August, 2015;
- b. The Company has not extended any interest free loan, however as per the request received from subsidiary company, the company has not charged interest on loan given to it considering its financial position and the loan given are repayable on demand; and
- c. Since, the financials of one of the subsidiary companies were not ready, the annual audited consolidated financial result and consolidated financial accounts were adopted on 18<sup>th</sup> June, 2015.

## **INTERNAL AUDITORS:**

The Company has appointed M/s. Kaushik Shahukar & Co., Chartered Accountants, Mumbai as its Internal Auditors. The Internal Auditors give their reports on quarterly basis to the Audit Committee.

Based on the report of internal audit, management undertakes corrective action in respective areas and thereby strengthens the controls.

## **REPORT ON CORPORATE GOVERNANCE:**

Pursuant to Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following have been made a part of the Annual Report and are attached to this report:

- Management Discussion and Analysis;
- Corporate Governance Report; and
- Auditors' Certificate regarding compliance of conditions of Corporate Governance.

## **LISTING OF SECURITIES:**

The Company's shares are listed on BSE Limited (BSE) under the script code 514128. The Company has paid listing fees to BSE Limited for the financial year 2016-2017.

## **INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint on sexual harassment during the year under review.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Details regarding conservation of energy, technology absorption, foreign exchange earnings and outgo is given as in '**Annexure VI**'.

## **ACKNOWLEDGEMENT:**

Your Directors take this opportunity to express their sincere appreciation for the assistance and co-operation received from all the Government departments, Banks, Financial Institutions, other business constituents and members during the year under review and also look forward to their continued support in the future.

Your Directors also wish to place on record their deep appreciation for the committed services of the employees of the Company.

**For and on behalf of the Board of Directors  
For Konark Synthetic Limited**

**Prakashchand Dalmia  
Chairman & Managing Director  
DIN: 00005813**

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

## Annexure I

### EXTRACT OF ANNUAL RETURN

Form No. MGT-9  
**Extract of Annual Return**  
 (As on the financial year ended on 31<sup>st</sup> March, 2016)  
 [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:

1.	CIN	L17200MH1984PLC033451
2.	Registration Date	17 <sup>th</sup> July, 1984
3.	Name of the Company	Konark Synthetic Limited
4.	Category/Sub-Category of the Company	Company limited by shares /Non-Govt Company
5.	Address of the Registered office and contact details	Building No. 7, Mittal Industrial Estate, Saki Naka, Andheri (East), Mumbai-400059. Tel.: (022) 4089 6300, Fax: (022) 4089 6322 Email: info@konarkgroup.co.in Website: www.konarkgroup.co.in
6.	Whether listed Company (Yes/No):-	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Purva Sharegistry (India) Private Limited</b> 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai – 400 011 Tel No.: (022) 2301 6761 and 2301 8261, Fax No.: (022) 2301 2517 E-Mail: busicomp@vsnl.com

#### 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:-

Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
Manufacture of Curtains, bed covers and furnishing and Various type of Fabric.	13921	76.83
Manufacture of synthetic or artificial filament yarn, whether or not textured including high tenacity yarn	20303	16.32



### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name & Address of the company	CIN	Holding / subsidiary / associate	%of shares held	Applicable Section
1.	India Denim Limited*	U17110GJ2005PLC046159	Subsidiary Company	61.17%	2(87)(ii)
2.	Konark Infratech Private Limited#	U45200MH2008PTC177455	Subsidiary Company	53.85%	2(87)(ii)
3.	Trade Bazaar Retail Private Limited# (Formerly known as Konark Greentech Private Limited)	U52500MH2010PTC207113	Subsidiary Company	100%	2(87)(ii)
4.	Konark Gujarat PV Private Limited# (Subsidiary of Konark Infratech Private Limited)	U40101MH2010PTC206540	Step-down Subsidiary Company	53.85%##	2(87)(ii)
5.	Konark Wind Projects Private Limited# (Subsidiary of Trade Bazaar Retail Private Limited)	U40101MH2010PTC207023	Step-down Subsidiary Company	100%	2(87)(ii)
6.	Konark Natural Foods Private Limited# (Subsidiary of Trade Bazaar Retail Private Limited)	U15495MH2010PTC206728	Step-down Subsidiary Company	100%	2(87)(ii)

\* Registered Office: Surva No 145 & 146 Village Dholka Bagodara Road, Ahmedabad, Gujarat - 387810.

# Registered Office: Building.No.7, Mittal Industrial Estate, Andheri-Kurla Road, Saki-Naka, Andheri (East), Mumbai – 400059.

## Konark Infratech Private Limited holds 100% shares in Konark Gujarat PV Private Limited, whereas Konark Synthetic Limited holds 53.85% shares in Konark Infratech Private Limited.

## 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 (01.04.2015)				No. of Shares held at the end of the year(31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
1. Indian									
a. Individual / HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	16,96,850	-	16,96,850	29.22	16,96,850	-	16,96,850	29.22	-
e. Bank / FI	-	-	-	-	-	-	-	-	-
f. Any Other(Specify)	-	-	-	-	-	-	-	-	-
f- i Directors	1,25,701	-	1,25,701	2.16	1,25,701	-	1,25,701	2.16	
f- ii Directors Relatives	25,32,866	-	25,32,866	43.61	25,32,866	-	25,32,866	43.61	
<b>Sub-total (A) (1):-</b>	<b>43,55,417</b>	<b>-</b>	<b>43,55,417</b>	<b>74.99</b>	<b>43,55,417</b>	<b>-</b>	<b>43,55,417</b>	<b>74.99</b>	<b>-</b>
2. Foreign	-	-	-	-	-	-	-	-	-
a. NRIs - Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank / FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A) = (A)(1) + (A)(2)</b>	<b>43,55,417</b>	<b>-</b>	<b>43,55,417</b>	<b>74.99</b>	<b>43,55,417</b>	<b>-</b>	<b>43,55,417</b>	<b>74.99</b>	<b>-</b>
<b>A. Public Shareholding</b>									
<b>1. Institution</b>									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Portfolio Corporate	-	-	-	-	-	-	-	-	-
i. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
j. Others	-	-	-	-	-	-	-	-	-
<b>Sub- Total –B(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a. Body Corp.	-	-	-	-	-	-	-	-	-
i. Indian	1,00,746	9,400	1,10,146	1.90	94,133	9,400	1,03,533	1.78	(0.11)
ii. Overseas									
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs.1 lakh	3,57,998	1,80,153	5,38,151	9.27	3,34,154	1,77,353	5,11,507	8.81	(0.46)
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	7,23,473	-	7,23,473	12.46	7,47,978	-	7,47,978	12.88	0.42
c. Others									
(i) NRI (Rep & Non-Rep.)	14,851	-	14,851	0.26	14,850	-	14,850	0.26	(0.001)
(ii) Hindu Undivided Family	65,717	-	65,717	1.13	73,961	-	73,961	1.27	0.14
(iii) Clearing Member	245	-	245	0.00	754	-	754	0.01	0.01
<b>Sub-total B (2)</b>	<b>12,63,030</b>	<b>1,89,553</b>	<b>14,52,583</b>	<b>25.01</b>	<b>12,65,830</b>	<b>1,86,753</b>	<b>14,52,583</b>	<b>25.01</b>	<b>-</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>56,18,447</b>	<b>1,89,553</b>	<b>58,08,000</b>	<b>100.00</b>	<b>56,21,247</b>	<b>1,86,753</b>	<b>58,08,000</b>	<b>100.00</b>	<b>-</b>
<b>C. Shares held by Custodians for GDR's and ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>56,18,447</b>	<b>1,89,553</b>	<b>58,08,000</b>	<b>100.00</b>	<b>56,21,247</b>	<b>1,86,753</b>	<b>58,08,000</b>	<b>100.00</b>	<b>-</b>

ii) **Shareholding of Promoters and Promoters group:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% 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.	Mrs. Rakadevi Dalmia Jt. with Mr. Prakash Chand Dalmia (HUF)	12,34,128	21.25	-	12,34,128	21.25	-	-
2.	Kayo Investment & Finance Pvt. Ltd.	8,56,850	14.75	-	8,56,850	14.75	-	-
3.	Mrs. Rakadevi Dalmia	8,73,963	15.05	-	8,73,963	15.05	-	-
4.	Filmore Trading & Investment Private Limited	8,40,000	14.46	-	8,40,000	14.46	-	-
5.	Mr. Prakash Chand Dalmia (HUF)	3,36,600	5.80	-	3,36,600	5.80	-	-
6.	Mr. Amitabh Kejriwal	68,200	1.17	-	68,200	1.17	-	-
7.	Ms. Smita Kejriwal	60,900	1.05	-	60,900	1.05	-	-
8.	Mr. Prakash Chand Dalmia	57,501	0.99	-	57,501	0.99	-	-
9.	Mr. Shonit Prakash Dalmia	26,475	0.46	-	26,475	0.46	-	-
10.	Ms. Shikha Dalmia	800	0.01	-	800	0.01	-	-
	<b>Total</b>	<b>43,55,417</b>	<b>74.99</b>	<b>-</b>	<b>43,55,417</b>	<b>74.99</b>	<b>-</b>	<b>-</b>

iii) **Change in Promoters' Shareholding (please specify, if there is no change):** During the year, there was no change in the promoters' shareholding.

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

Sr. No	Shareholders' Name	Shareholding at the beginning of the year (As on 01.04.2015)		Cumulative Shareholding during the year (As on 31.03.2016)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1.</b>	<b>Mr. Harsh Subhash Vaid</b>				
A	At the beginning of year	245,000	4.21	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	245,000	4.21
<b>2.</b>	<b>M/s.Spanco Respondez Services Limited</b>				
A	At the beginning of year	80,000	1.37	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	80,000	1.37
<b>3.</b>	<b>Mr. ShreekantKhaitan</b>				
A	At the beginning of year	77,000	1.32	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	77,000	1.32
<b>4.</b>	<b>Ms. Nupur Sanjay Jhunjunwala</b>				
A	At the beginning of year	52,700	0.90	-	-
B	Change during the year	No change during the year			
C	At the end of year	-	-	52,700	0.90
<b>5.</b>	<b>Mr. Sanjukta Devi Rajgarhia</b>				
A	At the beginning of year	42,000	0.72	-	-
B	Change during the year	No change during the year			
C	At the end of year	-	-	42,000	0.72

<b>6.</b>	<b>Mr. Prakash Kumar Rajgarhia</b>				
A	At the beginning of year	42,000	0.72	-	-
B	Change during the year	No change during the year			
C	At the end of year	-	-	42,000	0.72
<b>7.</b>	<b>Ms. Sunita Rajgarhia</b>				
A	At the beginning of year	42,000	0.72	-	-
B.	Change during the year	No change during the year			
C	At the end of year	-	-	42,000	0.72
<b>8.</b>	<b>Ms. Rajkumari S. Gadia</b>				
A	At the beginning of year	40,000	0.68	-	-
B.	Change during the year	No change during the year			
C	At the end of year	-	-	40,000	0.68
<b>9.</b>	<b>Mr. Anand Kumar Chhaparia</b>				
A	At the beginning of year	40,000	0.68	-	-
B	Change during the year	No change during the year			
C	At the end of year	-	-	40,000	0.68
<b>10.</b>	<b>Mr. Sushil R. Gadia</b>				
A	At the beginning of year	40,000	0.68	-	-
B.	Change during the year	No change during the year			
C	At the end of year	-	-	40,000	0.68
<b>11.</b>	<b>Mr. Sunil R. Gadia</b>				
A	At the beginning of year	40,000	0.68	-	-
B	Change during the year	No change during the year			
C	At the end of year	-	-	40,000	0.68
<b>12.</b>	<b>Mrs. Alka Sunil Gadia</b>				
A	At the beginning of year	40,000	0.68	-	-
B	Change during the year	No change during the year			
C	At the end of year	-	-	40,000	0.68

v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year	
	Name of the Director/KMP	No. of share	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mr. Prakashchand Dalmia</b>				
	At the beginning of year	57,501	0.99	-	-
	Change during the year	No Change during the year			
	At the end of year	-	-	57,501	0.99
<b>2.</b>	<b>Mr. Amitabh Kejriwal</b>				
	At the beginning of year	68,200	1.17	-	-
	Change during the year	No Change during the year			
	At the end of year	-	-	68,200	1.17

Apart from above, none of the directors or KMPs was holding shares in the Company during the year under review.

## V. INDEBTEDNESS:

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

(Rs. in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
1) Principal Amount	3064.49	3361.36	0	6425.85
2) Interest due but not paid	23.85	0	0	23.85
3) Interest accrued but not due	0	0	0	0
Total of (1+2+3)	3088.34	3361.36	0	6449.70
Change in Indebtedness during the financial year				
+ Addition	181.14	1138.34	0	1319.48
-Reduction	152.36	2437.58	0	2589.94
Net change	28.79	-1299.25	0	-1270.46
Indebtedness at the end of the financial year (31.03.2016)				
1) Principal Amount	3117.12	2062.11	0	5157.73
2) Interest due but not paid	0	0	0	0
3) Interest accrued but not due	5.47	0	0	5.47
<b>Total of (1+2+3)</b>	<b>3122.59</b>	<b>2062.11</b>	<b>0</b>	<b>5184.71</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Rs. in Lakhs)

Sr. No	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Prakashchand Dalmia	Mr. Amitabh Kejriwal	
		Chairman and Director Managing Director	Whole Time Director	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	9.00	6.60	15.60
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	2.99	2.20	5.19
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of Profit - Others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>11.99</b>	<b>8.80</b>	<b>20.79</b>
	Ceiling as per the Act	Rs. 5,19,931 (10% of net profits of the Company) or Rs. 84 lakhs whichever is higher		

**B. Remuneration of other directors:**

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Independent Directors			
		Mr. Mahendra Agarwal	Mr. Satish Deshmukh	Ms. Kavita Bhat	
1	Independent Directors				
	<ul style="list-style-type: none"> <li>• Fee for attending Board/ committee meetings</li> <li>• Commission</li> <li>• Others</li> </ul>	-	-	-	-
	<b>Total (B)</b>	-	-	-	-
	Ceiling as per the Act	Rs. 51993 (1% of net profit of the Company)			
	Overall ceiling as per the Act	Rs. 571924 (11% of net profit of the Company) or Rs. 84 Lakhs whichever is higher			

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

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the KMP		Total Amount
		Mr. Ramniwas Bhawaria Somany (CFO)	Mr. Mehnuddin Khan (Company Secretary)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6.45	1.49	7.94
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of Profit - Others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>6.45</b>	<b>1.49</b>	<b>7.94</b>

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

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other Officers in default, if any, during the year.

For and on behalf of the Board of Directors  
For Konark Synthetic Limited

Prakashchand Dalmia  
Chairman & Managing Director  
DIN: 00005813

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016



## Annexure II

### POLICY ON CRITERIA FOR APPOINTMENT OF DIRECTORS, EVALUATION OF PERFORMANCE AND REMUNERATION

#### OBJECTIVE OF THE POLICY:

The Policy on Appointment of Directors, Evaluation of Performance and Remuneration, is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

This Policy applies to the Company's senior management, including its Key Managerial Person and Board of Directors of **Konark Synthetic Limited**.

#### CRITERIA FOR APPOINTMENT OF DIRECTORS:

The criteria for appointment of a person as a Director on the Board of Directors of the Company are given below:

##### **Appointment of Directors:**

The Company shall appoint only those persons who possess formal qualification, relevant experience, proven track record, integrity etc.

##### **Qualifications:**

Any person to be appointed as a Director on the Board of Director of the Company, including Independent Directors, shall possess appropriate skills, experience and knowledge in one or more fields of sciences, actuarial sciences, banking, finance, economics, law, management, sales, marketing, administration, research, corporate governance or technical operations.

Any person to be appointed as an Independent director shall also fulfill the criteria of Independence as laid down under Section 149(6) of Companies Act, 2013.

Further, any Director who is proposed to be appointed as a member of the Audit Committee shall also possess the following additional qualifications:

1. He / she should be financially literate, which means he / she possess the ability to read and understand basic financial statements i.e. Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement;
2. He / she should have accounting or related financial management expertise. A person will be considered to have accounting or related financial management expertise if he or she possesses experience in finance or accounting or requisite professional certification in accounting, or any other comparable experience or background which results in the financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

##### **Experience:**

Any person to be appointed as a Director on the Board of the Company shall possess the relevant experience and shall be able to provide policy directions to the Company, including directions on good corporate governance. Prior experience of being a Chief Executive Officer, Managing Director or a Whole-time director of any company shall be given utmost importance while considering appointment.

##### **Positive attributes:**

The person to be appointed as a Director of the Company shall not only possess the relevant formal qualifications and experience but shall also possess attributes like integrity and proven track record and shall demonstrate commitment to the organization.

For assessing the integrity and suitability features like past criminal records, financial position, refusal of admission to or expulsion from professional bodies and previous questionable business practices etc. shall be considered.

A person shall not be to appointed as Director if he / she possesses the disqualifications as contained under Section 164(1) of the Companies Act, 2013.

The Committee is requested to consider and recommend the same to the Board for approval.

**CRITERIA FOR FIXING THE REMUNERATION:**

The Nomination and Remuneration Committee determines and recommends to the Board a policy relating to remuneration for directors, key managerial personnel and other employees.

**GUIDING PRINCIPLES:**

The Nomination and Remuneration Committee while deciding the remuneration package for directors, key managerial personnel and other employees shall take not only take into consideration the legal provision of Section 197 of the Companies Act, 2013 but also the following items;

1. Compensation will be a major driver of performance;
2. Compensation will be competitive and benchmarked with a select group of companies from the Industry;
3. Compensation will be transparent, fair and simple to administer;
4. Compensation will be based on employment scenario in the Industry;
5. Compensation will be tax friendly and legally compliant.

**CRITERIA FOR MAKING PAYMENTS TO SENIOR MANAGEMENT:**

The annual variable pay of senior managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

**CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:**

The remuneration to non-executive directors is linked with the relevant market performance, balance between financial and sectoral market, comparative scales, alignment to corporate goals, roles assumed and number of board meetings attended, contribution at the Board and committee meetings and time spent on the operational matters other than at the meetings.

The Non-Executive Directors (NEDs) will be paid remuneration by way of Commission and Sitting Fees:

1. The Company may pay sitting fees per meeting to the Non-Executive Directors (NEDs) for attending the meetings of the Board, Committee of the Board, Remuneration & Nomination Committee, Audit Committee, Stakeholders Committee etc. constituted by the Board from time to time and;
2. The Commission will be paid out of the net profits of the company at a rate not exceeding the rate as mentioned under section 197 of the Companies Act, 2013 and relevant rules as may be applicable from time to time.
3. The Company will also reimburse the out-of-pocket expenses incurred by the Directors for attending the meetings.
4. The distribution of Commission amongst the Non-Executive Directors (NEDs) will be placed before the Board.
5. Severance compensation will be guided by the terms of appointment letter.

**CRITERIA FOR PERFORMANCE APPRAISAL / EVALUATION PROCESS OF INDEPENDENT DIRECTOR:**

The Nomination Committee shall lay down the evaluation criteria for performance evaluation of independent directors.

**Guiding principles:**

The performance of the Independent directors as well as the performance of the entire Board along with its Committees shall be evaluated annually.

Performance evaluation of Independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).

The Independent directors shall at the separate meeting without the attendance of non-independent directors and members of management shall:

1. review the performance of non-independent directors and the Board as a whole;
2. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

3. assess the quality, quantity and timeliness of flow of information between the company management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

An Indicative list of factors that may be considered while evaluating the Performance of directors are as follows:

1. How well prepared and well informed the directors are for the board meetings?
2. Whether the attendance of directors at meetings are satisfactory?
3. Do the directors show willingness to spend time and effort learning about the company and its business?
4. Are the directors willing to participate in events outside board meetings such as site visits etc.?
5. What has been the quality and value of director's contributions at board meetings?
6. What has been their contribution to the development of
  - (i) Strategy and (ii) Risk management
7. How successfully the directors have brought their knowledge and experience to the benefit of the Company?
8. Where necessary, how firm are they in holding to their views and resisting pressure from others?
9. How effectively have they followed up matters about which they have expressed concern?
10. How good are their relationship with other board members, the company secretary and senior management?
11. How actively and successfully do they refresh their knowledge and skill?
12. How up-to-date they are with the latest developments in the areas such as the corporate governance framework, financial reporting and market conditions?
13. How well do they communicate with other board members, senior management and others? (e.g. shareholders)
14. Can they present their views convincingly, yet diplomatically?
15. Do they listen to the views of others?

**DISCLOSURE OF INFORMATION:**

The company shall disclose the Remuneration Policy in its Annual Report.

## Annexure III

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16, the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2015-16 are as under:-			
<b>Sr. No.</b>	<b>Name of the Director / KMP</b>	<b>Ratio of remuneration to the median remuneration of the employees</b>	<b>% Increase / (Decrease) over last F.Y.</b>	
1.	Mr. Prakashchand Dalmia (Chairman & Managing Director)	22.31:1	(4.45%)	
2.	Mr. Amitabh Kejriwal (Whole-Time Director)	16.38:1	4.73%	
3.	Mr. Ramniwas Somany (Chief Financial Officer)	12.00:1	53.57%	
4.	Mr. Mehnuddin Khan (Company Secretary)	3.06:1	Not Applicable	
Note: Non-Executive Directors of the Company are not paid any sitting fees or commission.				
(ii)	The percentage increase in the median remuneration of employees in the financial year		30.28%	
(iii)	The number of permanent employees on the rolls of the company		461	
(iv)	The explanation on the relationship between average increase in remuneration and company performance		The Profit Before Tax for the financial year ended 31 <sup>st</sup> March, 2016 decreased by 69.39% whereas the overall remuneration increased by 32.22% during the year. There is no direct relationship between average increase in the remuneration and year to year financial performance of the Company.	
(v)	Comparison of the remuneration of the KMP against the performance of the company		It is commensurate with the turnover and profits of the Company and performance of the individual.	
(vi)	Variation in the market capitalization of the company, price earnings ratio as at the close date of the current financial year and previous financial year and the percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year			
<b>Sr. no.</b>	<b>Particulars</b>	<b>As on 31<sup>st</sup> March, 2016</b>	<b>As on 31<sup>st</sup> March, 2015</b>	<b>Variation %</b>
1.	Market Capitalization	Rs. 1120.94 Lacs	Rs. 745.17 Lacs	57.44
2.	Price earnings ratio	68.93	12.46	453.21
3.	Market quotation of shares	The closing share price of the Company at BSE Limited on 31 <sup>st</sup> March, 2016 being Rs. 19.30/- per equity share of face value of Rs.10/- each has grown 93% since the last public offer, i.e. IPO in November, 1989 at a price of Rs. 10/- per share.		
(vii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 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.		Average percentile increase in Employee's other than managerial remuneration is 25.24% while managerial remuneration is decreased by 0.77%	

(viii)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company		
	Name of the KMP	% Increase / (Decrease) in Remuneration	Increase/ (Decrease) in PBT%
1.	Mr. Prakashchand Dalmia (Chairman & Managing Director)	(4.45%)	(69.39%)
2.	Mr. Amitabh Kejriwal (Whole-Time Director)	4.73%	
3.	Mr. Ramniwas Somany (Chief Financial Officer)	53.57%	
4.	Mr. Mehnuddin khan (Company Secretary)	Not Applicable	
(ix)	The key parameters for any variable component of remuneration availed by the directors	The Company does not pay any variable remuneration to its Managing / Whole time directors.	
(x)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not applicable	

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy recommended by Nomination and Remuneration Committee of the Company and adopted by the Company.

**For and on behalf of the Board of Directors  
For Konark Synthetic Limited**

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

**Prakashchand Dalmia  
Chairman & Managing Director  
DIN: 00005813**

**Annexure - IV****Form AOC-I**

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

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

**Part "A" Subsidiaries**

(Rs. In Lakhs)

Particulars	India Denim Limited	Konark Infratech Pvt. Ltd.	Trade Bazaar Retail Pvt. Ltd. (Formerly known as Konark Greentech Pvt. Ltd.)	*Konark Gujarat PV Pvt. Ltd.	**Konark Wind Projects Pvt. Ltd.	**Konark Natural Foods Pvt. Ltd.
Reporting Period	31/03/2016	31/03/2016	31/03/2016	31/03/2016	31/03/2016	31/03/2016
Share Capital	1144.59	5.20	1.00	201.00	1.00	1.00
Reserves & Surplus	(789.41)	(6.33)	(0.51)	1669.92	(0.18)	(38.98)
Total Assets	7316.46	1352.08	42.31	5086.19	39.75	69.33
Total Liabilities	6961.28	1353.20	41.81	3215.27	38.93	107.31
Investments (except in subsidiary companies)	-	-	-	-	-	-
Turnover	1583.04	-	-	1450.68	-	45.14
Profit/(Loss) before Taxation	(761.39)	(35.40)	(0.16)	424.87	(0.16)	(37.69)
Provision for Taxation	(3.17)	1.22	-	92.03	-	-
Profit / (Loss) after Taxation	(764.56)	(34.18)	(0.16)	332.84	(0.16)	(37.69)
Proposed Dividend	-	-	-	-	-	-
% of Shareholding	61.17	53.85	100.00	53.85##	100.00	100.00

\* Wholly owned Subsidiary of Konark Infratech Private Limited

\*\* Wholly owned Subsidiary of Trade Bazaar Retail Private Limited

## Konark Infratech Private Limited holds 100% shares in Konark Gujarat PV Private Limited, whereas Konark Synthetic Limited holds 53.85% shares in Konark Infratech Private Limited.

- Name of subsidiaries which are yet to commence operations:
  - Trade Bazaar Retail Pvt. Ltd.
  - Konark Infratech Pvt. Ltd
  - Konark Wind Projects Pvt. Ltd.
- Name of subsidiaries which have been liquidated or sold during the year – None

**Part "B" Associates and Joint Ventures -**

Not Applicable

For and on behalf of the Board of Directors  
For Konark Synthetic LimitedPrakashchand Dalmia  
Chairman & Managing DirectorAmitabh Kejriwal  
Whole-Time DirectorPlace : Mumbai  
Date: 30<sup>th</sup> May, 2016Mahendra Agarwal  
DirectorRamniwas B. Somany  
Chief Financial OfficerMehnuddin Khan  
Company Secretary & Compliance Officer



## Annexure V

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Konark Synthetic Limited**  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Konark Synthetic Limited** (CIN:L17200MH1984PLC033451) and having its registered office at Mittal Industrial Estate, Building No.7, Saki Naka, Andheri (East), Mumbai-400059 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company 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, 2016 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, 2016 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 to 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, 1992 (effective till May 14, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from May 15, 2015);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the audit period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the audit period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the audit period**); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December 1, 2015;
- (vi) There are no laws that are specifically applicable to the company based on their sector/industry.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India effective from July 1, 2015;
- (ii) The Listing Agreement entered into by the Company with BSE Limited, Mumbai (effective up to 30<sup>th</sup> November, 2015);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above *subject to the following observations*:

- (a) *as per section 203 of the Act the company was required to appoint a Company Secretary w.e.f. 1<sup>st</sup> April, 2014, however the compliance with the same was made only on 18<sup>th</sup> August, 2015;*

- (b) *the company has extended loans which are interest free (in respect of some of the subsidiaries) and there are no stipulation as to repayment, which is not in accordance with the requirement under Sec 186 of the Act; and*
- (c) *the annual audited consolidated financial results for the year ended 31<sup>st</sup> March 2015 was adopted and submitted to Stock Exchange(s) on 18<sup>th</sup> June, 2015 which is beyond the stipulated time limit of 30<sup>th</sup> May 2015.*

**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 Act, Rules, Regulations, Guidelines and Standards.

**We further report that** during the audit period the company has passed a special resolution under section 186 of the Act, through Postal Ballot process the result of which was declared on 16<sup>th</sup> February, 2016, enabling the company to extend loan to any person or body corporate or give guarantee or provide security in connection with a loan or to acquire by way of subscription, purchase or otherwise securities in any other body corporate up to a maximum limit of Rs.1000 crores.

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.

For **Manish Ghia & Associates**  
*Company Secretaries*

**Manish L. Ghia**  
*Partner*

M. No. FCS 6252 C.P. No. 3531

**Place : Mumbai**  
**Date: 30<sup>th</sup> May, 2016**

**'Annexure A'**

To,  
The Members,  
**Konark Synthetic Limited**  
Mumbai

Our report of even date is to 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 provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book 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, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**  
*Company Secretaries*

**Manish L. Ghia**  
*Partner*

M. No. FCS 6252 C.P. No. 3531

**Place : Mumbai**  
**Date: 30<sup>th</sup> May, 2016**

## Annexure VI

### STATEMENT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

#### CONSERVATION OF ENERGY:

##### A) Energy Conservation measures taken:

- Taking continuous steps to conserve the energy and minimize energy cost at all levels.
- Monitoring the overall energy consumption by reducing losses and improving efficiencies.

##### B) Impact of the above measures:

- Continuous Energy Audit at plant for further improvements.
- Reduction in the cost of production through minimizing breakdown by way of preventive maintenance and improvement in the product quality.

Total Energy consumption and Energy consumption per unit of production is detailed in Form A as enclosed to this annexure.

#### TECHNOLOGY ABSORPTION:

##### Research & Development (R & D):

##### (i) Specific areas in which R&D is carried out by the Company:

- New product being designed and developed by Company's in house R&D Centre.
- Process development and optimization with a view to increase productivity, improve efficiency and product quality, achieve cost reduction etc.
- Development of new products and find new applications for existing products.
- Import substitution.

##### (ii) Benefits derived as a result of the above R&D:

- Increase in productivity and better consistent product quality.
- Introduction of several new products.
- Continued product development for specialized applications.

##### (iii) Future plan of action:

- Increased efforts for the development of new type of yarn to meet changing requirements of customers located all over the country and abroad.

##### Expenditure on research and development:

- Capital Expenditure - Nil
- Recurring Expenditure - Nil
- Percentage of Turnover - Nil

##### Technology Absorption, Adoption & Innovation:

##### (i) Efforts in brief made towards technology absorption, adaptation and innovation.

Modification of process, equipment and products are carried out to suit changes in market requirement and to improve operational efficiency.

##### (ii) Benefits derived as a result of above efforts:

- Increase in production, development of new products and cost reduction.
- Cost efficiency achieved with improvement in quality.
- New product introduced for suiting manufacturer.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in Lakhs)

Particulars	2015-16	2014-15
Foreign Exchange Earning	0.00	0.87
Foreign Exchange Outgo	0.94	2.36

For and on behalf of the Board of Directors  
For Konark Synthetic Limited

Prakashchand Dalmia  
Chairman & Managing Director  
DIN: 00005813

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

## Form A

### FORM FOR DISCLOSURE OF PARTICULARS TO CONSERVATION OF ENERGY

Particulars			31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>A.</b>		<b>POWER AND FUEL CONSUMPTION</b>		
		<b>Electricity</b>		
a.	(i)	Purchase ( KWH ) ( <b>Specialty Yarn</b> )	3,218,056	4,018,284
		Total Amount (Rs.)	14,022,926	18,733,549
		Rate / Unit (Rs.)	<b>4.35</b>	<b>4.66</b>
	(ii)	Purchase ( KWH ) ( <b>Fabric</b> )	263,546	482,952
		Total Amount (Rs.)	2,276,643	3,373,358
		Rate / Unit (Rs.)	<b>8.64</b>	<b>6.98</b>
	(iii)	Purchase ( KWH ) – <b>Garments</b>	255,790	248,962
		Total Amount (Rs.)	1,835,031	1,809,952
		Rate / Unit (Rs.)	<b>7.17</b>	<b>7.27</b>
b.		Own Generation ( Through Diesel ) – <b>Garments</b>		
		Generation ( KWH ) (Generator)	111,725	111,578
		Total Amount (Rs.)	1,173,116	1,216,234
		Rate / Unit (Rs.)	<b>10.50</b>	<b>10.90</b>
c.		Furnance Oil	Nil	Nil
d.		Other / Internal Generation	Nil	Nil
<b>B</b>		<b>FABRIC</b>		
		<b>Coal (used in Boiler)</b>		
		Qty. (In Metric Tons)	0.00	227.52
		Total Cost (In Rs.)	0.00	1,185,494
		Average Rate (Rs. Per Ton)	0.00	5210
		Diesel (Used In Boiler)	0.00	2948
		Total Cost of the Diesel	0.00	182,026
		Average Cost (Rs. Per Liter)	0.00	61.75
		Gas (Used in Boiler)	0.00	0.00
		Total Cost of the Gas	0.00	0.00
		Average Cost (Rs. Per Kgs.)	0.00	0.00
<b>C.</b>		<b>CONSUMPTION PER UNIT OF PRODUCTION ( KWH )</b>		
		<b>Yarn (Per Kg.)</b>	<b>2.74</b>	<b>2.65</b>
		<b>Fabric (Per Mtr.)</b>	<b>0.09</b>	<b>0.10</b>
		<b>Garments (Per PC)</b>	<b>0.87</b>	<b>0.83</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Industry structure and developments:

#### TEXTILE BUSINESS:

The Indian Textile Industry is one of the leading textile industries in the world. Indian textile industry largely depends upon the textile manufacturing and export. Textile industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14 per cent to industrial production, about 4 per cent to the gross domestic product (GDP), and 17 per cent to the country's export earnings. It provides direct employment to over 35 million people. The textiles sector is the second largest provider of employment after agriculture. It not only generates job in its own industry, but also opens up scopes for other ancillary sectors. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

#### POWER SECTOR BUSINESS:

The power sector ranked sixth among the leading sectors of the Indian economy, attracted US\$ 4.6 billion in Foreign Direct Investment (FDI) since 2000, according to the Ministry of Commerce and Industry's Department of Industrial Policy & Promotion (DIPP). FDI in petroleum and natural gas totaled US\$ 2.7 billion for the period, ranking the sector ninth in foreign investment. The Government has initiated several policies to promote and garner investments in the power sector. To accelerate capacity addition, several policy initiatives have been undertaken by the Ministry of Power.

### 2. Opportunities and Threats:

Today in India, the textile industry and power sector are the fastest growing business segments. The Government of India has promoted a number of export promotion policies for the Textile & Power Sectors in the year 2012-13. It has allowed upto 100 per cent Foreign Direct Investment in power sector & 100 per cent for textile sector under the automatic route. The Government have taken a number of steps for expansion of Textile & Clothing (T&C) sector including technology up-gradation and modernization of textile mills, support for industry infrastructure. Integrated Scheme for Development of Power loom Sector along with Group Work shed Scheme for the sector; Scheme for skill up-gradation of textiles workers and other capacity building programs for the industry like Knitwear Technology Mission. The Government has also initiated a number of steps for weaving and processing sector which include interest reimbursement, margin money subsidy and capital subsidy.

The investment in the Power sector is very positive. Effective and investment friendly policy roadmaps designed by the Government of India are increasing the liberalization of the nation's power sector. Initiatives include ambitious five-year plans for increasing installed electricity infrastructure, the New Exploration and Licensing Policy for increasing the production of oil and gas, and the nuclear sector's recent embrace of international companies to provide equipment and related services. It is one of the most critical components of infrastructure that affects economic growth and the well-being of our nation.

India has the world's 5<sup>th</sup> largest electricity generation capacity and it is the 6<sup>th</sup> largest energy consumer accounting for 3.4% of global energy consumption. Due to the fast-paced growth of the Indian economy, the country's energy demand has grown at an average of 3.6% p.a. over the past 30 years. The power sector provides one of the most important inputs for the development of a country and availability of reliable and inexpensive power is critical for its sustainable economic development.

However, significant risks remain: (1) in many economies, the recovery is largely driven by government spending whilst consumer sentiments remain fragile; (2) high levels of global liquidity have led to steep increases in commodity prices and interest rates; (3) emerging markets are likely to face increased inflationary pressures and (4) developed economies are facing large budget deficits.

### 3. Performance

#### Overall performance

The overall performance during the year 2015-16 was not satisfactory due to sluggish demand and increase in cost. The details of financial performance is given in Directors Report.

#### Business Review

As compared to the earlier years, our Company is setting for the positive growth. Despite competition at global level, there are positive signs for efficient and innovative companies and your company is set to follow the best practices to perform well.

#### Financial Review

During the year under review, Company has managed better production activity by utilizing its capacities at optimum levels. The revenue from operations has been decreased by approximately 1% in this year. This reflects increase in consumer confidence and growing market consumption along with other cost cutting major including better finance control, working capital management, etc. The Company is looking forward for growth. There has been continuous increase in sales volume due to which there has been increase in consumption of materials for productions.

The company has entered in Power Generation (Energy) sector in last quarter of the Financial Year 2011-12 operating through its step down subsidiary company Konark Gujarat PV Private Limited, revenue of this segment increase positively. During the financial year 2015-16, the revenue earned from power generation activity was Rs.1450.68 Lac as compared to Rs.1446.78 Lac in the previous year.

### 4. Segment –Wise performance:

Segment wise performance together with discussion on financial performance with reference to operational performance has been dealt within the Directors' Report which should be treated as forming part of this Management Discussion and Analysis.

**5. Outlook:****TEXTILE DIVISION:**

Demand (both domestic as well as international) for textiles remains satisfactory. The Company is optimistic and confident about the prospects for the coming year. The Company has a clear objective to enhance the sales volumes in the domestic and international markets.

**POWER DIVISION:**

In order to sustain GDP growth rate, it is essential that power sector also grow at the similar rate. In recent years, India's energy demand has been increasing very fast due to population growth and economic development. Further growth of the power sector is critically dependent on fuel and this requires immediate and focused attention of the government to put in policy framework. The Company continues to focus on cost reduction measures and improve efficiency to pathway the business in this division.

**6. Risk and Concerns:**

The exercise for evaluating the potential risks for the organization is closely monitored by the management. All identified risks have been classified with respect to their seriousness and probabilities of such risks getting materialized have also been ascertained. In formulating corporate strategies, these risks are duly considered and counter measures are adopted.

Power sector is highly capital intensive sector business in nature with long gestation periods. Since most of the projects have long time frame, there are certain inherent risk in both the internal as well as external environment. Company monitors the external environment & manages the internal environment to mitigate the risks faced by the company.

**7. Internal Control System & Adequacy:**

The Company has proper and adequate system of internal control to ensure that all the assets are safeguarded from loss, damage or disposition. The Company has independent Audit system to monitor the entire operations and the Audit Committee monitors financial statement to ensure that transactions are adequately authorized and recorded, and that they are reported correctly. The Board of Directors considers internal controls as adequate as it regularly review the findings and recommendations of internal audits.

**8. Human Resource Development:**

Your Company gives utmost importance to Human Resource. It considers Human Resource as Human Capital and believes in development of Human Resource. Over the years, your Company has developed an environment, which fosters excellence in performance by empowering its people, who are always on continuous improvement path with an ultimate aim to add value to their intellectual and knowledge resources. The key focus is to attract, retain and develop talent as a resource through rewards mechanism, performance evaluation and harmonious & constructive working climate. During the year 2015-16, the Company had 461 permanent employees on its payroll.

**9. Cautionary Statement:**

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.



## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance is aimed at strengthening the confidence of the shareholders in the Company and building a long term relationship of trust with them by maintaining highest level of accountability, transparency, timely disclosures, dissemination of price sensitive information and ensuring compliance with all applicable laws and regulations. The Company believes in maintaining high standards of quality and ethical conduct in its operations.

### 2. BOARD OF DIRECTORS:

#### a) Composition:

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. As on 31<sup>st</sup> March, 2016, the Board of Directors comprised of total Five Directors out of which three were Non-Executive / Independent Directors and two were Executive Directors. The Company complies with the norms prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time for constitution of Board of Directors.

#### b) Board Procedure:

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairmen of the other Committees and the same together with the appropriate supporting documents are circulated well in advance of the meeting.

Matters discussed at Board meetings generally relate to the company's performance, business operations, quarterly / half yearly / annual results of the Company, review of reports of the Committees and consideration and implementation of their recommendation, suggestion and also the status of compliance with any regulatory, statutory or listing requirements, etc.

#### c) Attendance at the Board Meetings and at the last Annual General Meeting:

During the year ended on 31<sup>st</sup> March, 2016, the Board of Directors had 10 (Ten) meetings which were held on 30<sup>th</sup> May, 2015, 18<sup>th</sup> June, 2015, 14<sup>th</sup> August, 2015, 28<sup>th</sup> September, 2015, 6<sup>th</sup> November 2015, 21<sup>st</sup> December, 2015, 8<sup>th</sup> January, 2016, 12<sup>th</sup> February, 2016, 17<sup>th</sup> February, 2016 and 29<sup>th</sup> March, 2016. The last Annual General Meeting (AGM) was held on 30<sup>th</sup> September, 2015.

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2015-16 and at the last Annual General Meeting, their Directorships in other companies and Membership / Chairmanship in Committees are as follows:

Name	Attendance at Board Meetings		No. of directorships in other companies	Membership / Chairmanship of Committees (excluding this Company)		Attendance at A.G.M. held on 30 <sup>th</sup> September, 2015
	Held	Attended		Chairman	Member	
<b>Category</b>			<b>Director</b>			
<b>Executive Director/ Promoters</b>						
Mr. Prakashchand Dalmia (Chairman & Managing Director and Promoter)	10	10	2	-	1	Yes
Mr. Amitabh Kejriwal (Whole-Time Director)	10	10	1	-	-	Yes
<b>Non- Executive/ Independent Directors</b>						
Mr. Satish Deshmukh	10	10	1	-	-	Yes
Mr. Mahendra Agrawal	10	10	2	1	-	Yes
Ms. Kavita Bhat	10	10	1	-	1	Yes

#### Notes:

- The directorship held by Directors as mentioned above do not include directorships in Foreign companies, Section 8 companies and Private Limited companies.
- Membership / Chairmanship only in Audit Committee and Stakeholder's Relationship Committee are considered.

#### d) Disclosure of relationship between directors inter se:

None of the directors are related with each other.

#### e) Number of shares and convertible instruments held by Non-Executive Director:

As on 31<sup>st</sup> March, 2016, no Non-Executive Director held any share / convertible instruments in the Company.

#### f) Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 14<sup>th</sup> February, 2016 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole and the flow of information between the Board and the Management of the Company.

**g) Directors Familiarization Programme:**

The Company undertakes and makes necessary provision of an appropriate induction programme for new Directors and ongoing training for existing Directors. The new directors are introduced to the company culture, through appropriate training programmes. Such kind of training programmes help to develop relationship of the directors with the company and familiarize them with company processes. The management provides such information and training either at the meeting of Board of Directors or at other occasions.

The induction process is designed to:

- build an understanding of the Company processes and
- fully equip Directors to perform their role on the Board effectively

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of Director's induction and familiarization are available on the Company's website at [www.konarkgroup.co.in](http://www.konarkgroup.co.in).

**h) Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers things the Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. All the Board members and senior management personnel have confirmed compliance with the code. A declaration by Mr. Prakashchand Dalmia, Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31<sup>st</sup> March, 2016 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed to this Annual Report.

As per SEBI (Prevention of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for prevention of insider trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code.

**3. AUDIT COMMITTEE:****a) Composition:**

The Board has constituted a well-qualified Audit Committee. As on 31<sup>st</sup> March, 2016, the Audit Committee comprised of Mr. Mahendra Agarwal and Mr. Satish Deshmukh, Independent Directors and Mr. Prakashchand Dalmia, Chairman and Managing Director as its Members. Mr. Mahendra Agarwal is the Chairman of the Committee.

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

**b) Meeting and attendance during the year:**

During the financial year, the Audit Committee met 6 (Six) times viz. 30<sup>th</sup> May, 2015, 18<sup>th</sup> June, 2015, 14<sup>th</sup> August, 2015, 6<sup>th</sup> November, 2015, 8<sup>th</sup> January, 2016 and 12<sup>th</sup> February, 2016. As stipulated the gap between two Audit Committee Meetings did not exceed 120 days.

The attendance of the members at the Audit Committee Meetings held during the financial year 2015-2016 is as follows:

Name of the Member	Designation	No. of Meetings held	Meetings Attended
Mr. Mahendra Agarwal	Chairman	6	6
Mr. Satish Deshmukh	Member	6	6
Mr. Prakashchand Dalmia	Member	6	6

**The scope of the activities and terms of reference of the Audit Committee are as under:**

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement entered into with the stock exchange and SEBI (Listing Obligations Disclosure and Requirements) Regulations, 2015 (w.e.f. 1<sup>st</sup> December, 2015) read with Section 177 of the Companies Act, 2013. These broadly includes (i) Develop an annual plan for Committee (ii) review of financial reporting processes (iii) review of risk management internal control and governance processes (iv) discussions on quarterly, half yearly and annual financial statements (v) interaction with statutory, internal and cost auditors (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.

In addition to the above, the Audit Committee also reviews the following:

- Matter to be included in the Directors' Responsibility Statement.
- Changes, if any, in the accounting policies.
- Major accounting estimates and significant adjustments in financial statement.
- Compliance with listing and other legal requirements concerning financial statements.
- Disclosures in financial statement including related party transactions.
- Management's Discussions and Analysis on Company's operations.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Periodical review of Internal Audit Reports.

- Findings of any special investigations carried out either by the Internal Auditors.
- Letters of Statutory Auditors to management on internal control weakness, if any.
- Major non routine transactions recorded in the financial statements involving exercise of judgment by the management.
- Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory auditors considering their independence and effectiveness, and recommend the audit fees.

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

##### a) Brief description of terms of reference:

The terms of reference of this Committee are wide enough covering the matters specified for remuneration to the Directors under Regulation 19 and Schedule II of Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee is empowered to–

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- Identify and assess potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel.
- Formulate a policy relating to remuneration for the Directors, Key Managerial Personnel and also the Senior Management Employees.

##### b) Composition:

As on 31<sup>st</sup> March 2016, the Nomination and Remuneration Committee comprise of Mr. Mahendra Agarwal, Mr. Satish Deshmukh, Ms. Kavita Bhat, Independent Directors and Mr. Prakashchand Dalmia, Chairman and Managing Director.

Mr. Mahendra Agarwal is Chairman of the Committee. The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

##### c) Meeting and attendance during the year:

During the financial year 2015-16, the Nomination and Remuneration Committee met once on 14<sup>th</sup> August, 2015. The attendance at the Committee Meeting was as follows:

Name of the Member	Designation	No. of meeting	
		Held	Attended
Mr. Mahendra Agarwal	Chairman	1	1
Mr. Satish Deshmukh	Member	1	1
Mr. Prakashchand Dalmia	Member	1	1
Ms. Kavita Bhat	Member	1	1

##### d) Performance evaluation criteria for Independent Directors:

Pursuant to the provisions of Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performances of each Independent Directors. The questionnaires are prepared considering the business of the Company. The evaluation framework for assessing the performance of Independent Directors are comprises of the following key areas:

1. Attendance of Board and Committee Meetings;
2. Quality of contribution to Board deliberations;
3. Strategic perspectives or inputs regarding future growth of the Company and its performances;
4. Providing perspectives and feedback going beyond information provided by the management.

#### 5. Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees.

##### Remuneration of Managing Director:

- At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Companies Act; 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting;
- In determining the remuneration, the Nomination & Remuneration Committee shall consider the following:
  1. The relationship of remuneration and performance benchmarks is clear;
  2. Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
  3. Responsibility of the Managing Director and the industry benchmarks and the current trends;
  4. The Company's performance vis-à-vis the annual budget achievement and individual performance.

**Remuneration of Non-Executive Directors:**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him / her of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

**Remuneration of Senior Management Employees:**

In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members), the Nomination & Remuneration Committee shall consider the following:

1. The relationship of remuneration and performance benchmark is clear;
2. The fixed pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
3. The components of remuneration includes salaries, perquisites and retirement benefits;
4. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned hereinabove, recommends the annual increment to the Nomination & Remuneration Committee for its review and approval.

**Details of Remunerations and Sitting fees paid to the Directors:**

Details of remuneration / sitting fees paid and number of Equity shares held by the Directors during the year ended 31<sup>st</sup> March, 2016 are as follows:

(Amount in Rs.)

Name	Salary	Perquisites or Allowances	Contribution to PF & Others	Sitting Fees	Total	No. of Shares Held
Mr. Prakashchand Dalmia	900000	298806	Nil	Nil	1198806	57501
Mr. Amitabh Kejriwal	660000	219893	Nil	Nil	879893	68200
Mr. Mahendra Agarwal	-	-	-	-	-	-
Mr. Satish Deshmukh	-	-	-	-	-	-
Ms. Kavita Bhat	-	-	-	-	-	-

Notes:

- (i) Apart from the above mentioned remuneration or fees paid there are no other fixed component and performance linked incentives based on the performance criteria;
- (ii) There are no separate service contracts with any of the directors. The tenure of office of the Managing / Whole Time Director is for three / five years from the date of appointment, and can be terminated by either party by giving one months' notice in writing. There is no separate provision for payment of severance fees.
- (iii) There are no stock options offered to any Directors of the Company.

The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2015-2016.

**6. STAKEHOLDER'S RELATIONSHIP COMMITTEE :**

The Stakeholder's Relationship Committee is empowered to oversee the redressal of investors' complaints pertaining to Share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer / transmission / demat / remat of shares and other miscellaneous complaints. This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

During the financial year 2015-16, the Stakeholder's Relationship Committee met four times on 30<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 6<sup>th</sup> November, 2015 and 12<sup>th</sup> February, 2016.

The composition and attendance of the members at the Stakeholder's Relationship Committee Meetings held during the financial year 2015-2016 are as follows:

Name of the member	Designation	No. of Meetings Held	No. of Meetings attended
Mr. Mahendra Agarwal	Chairman	4	4
Mr. Prakashchand Dalmia	Member	4	4
Mr. Amitabh Kejriwal	Member	4	4

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee and oversees the redressal of the investors' grievances.

**Name and designation of Compliance Officer:**

Mr. A.K Singhal, Compliance Officer (till 13<sup>th</sup> August, 2015)

Mr. Mehnuddin Khan, Company Secretary and Compliance officer (appointed w.e.f. 14<sup>th</sup> August, 2015).

The details of investors' complaints received and redressed during the year 2015-16 are as under:

At the beginning of the year	Received during the year	Resolved during the year	Pending at the end of year
Nil	Nil	Nil	Nil

## 7. SUBSIDIARY COMPANIES

As on 31<sup>st</sup> March, 2016, the Company has three subsidiaries and three steps down subsidiaries, viz.:

a) Subsidiary companies:

1. India Denim Limited
2. Konark Infratech Private Limited
3. Trade Bazaar Retail Private Limited  
(Formerly known as Konark Greentech Private Limited)

b) Step down subsidiary companies:

1. Konark Gujarat PV Private Limited  
(Wholly owned subsidiary of Konark Infratech Private Limited)
2. Konark Wind Projects Private Limited  
(Wholly owned subsidiary of Trade Bazaar Retail Private Limited)
3. Konark Natural Foods Private Limited  
(Wholly owned subsidiary of Trade Bazaar Retail Private Limited)

Except India Denim Limited and Konark Gujarat PV Private Limited, no other subsidiary falls under "Material non-listed Indian Subsidiaries".

A policy on material subsidiary is adopted by the Company as per the requirements of the Listing Regulations. The objective of the policy is to determine:

- a. Meaning of Material Subsidiary;
- b. Requirement of Independent Director in certain Material Non Listed Indian Subsidiaries;
- c. Restriction on disposal of shares of Material Subsidiary by the Company;
- d. Restriction on transfer of assets of Material Subsidiary; and
- e. Disclosure requirements, based on Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Requirements) Regulations, 2015 as may be applicable to the Company.

The policy of the Company is available on the website of the Company [www.konarkgroup.co.in](http://www.konarkgroup.co.in).

## 8. VIGIL MECHANISM POLICY/ WHISTLE BLOWER MECHANISM:

With the rapid expansion of business, various risks associated with the business have also increased considerably. Some such risks identified are the risk of fraud, misconduct & unethical behavior. To ensure fraud-free work & ethical environment, Company has laid down a Vigil Mechanism Policy. By which Company provide a platform to all the employee, vendors and customers to report any suspected or confirmed incident of fraud, misconduct, unethical behavior etc. through any of the following reporting protocols:

E-mail : [info@konarkgroup.co.in](mailto:info@konarkgroup.co.in)

Phone No. : 022 40896300

Fax Number : 022 40896322

Written Communication to : Building No. 7, Mittal Industrial Estate, Saki Naka, Andheri (East) Mumbai – 400059

The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism. The direct access to the Chairman of the Audit Committee is also available in exceptional cases. No director or employee of the Company was denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company viz., [www.konarkgroup.co.in](http://www.konarkgroup.co.in).

**Objectives of Vigil Mechanism Policy/ Whistle Blower Mechanism:**

- To protect the brand, reputation and assets of the Company from loss or damage, resulting from suspected or confirmed incidents of fraud / misconduct.

- To provide guidance to the employees, vendors and customers on reporting any suspicious activity and handling critical information and evidence.
- To provide healthy and fraud-free work culture.

#### Working of Vigil Mechanism Policy / Whistle Blower Mechanism:

The Audit Committee is responsible for:

- Implementation of the policy and spreading awareness amongst employees;
- Review all reported cases of suspected fraud, misconduct, unethical behavior ;
- Order investigation of any case either through internal audit department or through external investigating agencies or experts; and
- Recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies & procedure and review of internal control systems; Annual review of the policy, etc.

The Audit Committee reports to the Board of Directors.

## 9. GENERAL BODY MEETINGS:

### a) Annual General Meetings:

Details of location, time and date where last three Annual General Meetings held are given below:

Financial Year	AGM	Date of AGM	Time	Venue
2014-15	31 <sup>st</sup> AGM	30 <sup>th</sup> September, 2015	03.30 p.m.	Building No. 7, Mittal Industrial Estate, AndheriKurla Road, Sakinaka, Andheri(East), Mumbai - 400 059.
2013-14	30 <sup>th</sup> AGM	30 <sup>th</sup> September, 2014	03.30 p.m.	Building No. 7, Mittal Industrial Estate, AndheriKurla Road, Sakinaka, Andheri(East), Mumbai - 400 059.
2012-13	29 <sup>th</sup> AGM	30 <sup>th</sup> September, 2013	03.30 p.m.	Building No. 7, Mittal Industrial Estate, AndheriKurla Road, Sakinaka, Andheri(East), Mumbai - 400 059.

### b) Details of Special Resolutions passed in the last three Annual General Meetings:

Date of AGM	Particulars of Special Resolutions
30 <sup>th</sup> September, 2015	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Amitabh Kejriwal as Whole-time-Director of the Company for a period of 3 (Three) years w.e.f. 1<sup>st</sup> April, 2015.</li> </ul>
30 <sup>th</sup> September, 2014	<ul style="list-style-type: none"> <li>• Authority to the Board of Directors to borrow money, whether secured or unsecured, exceeding aggregate of the paid up capital and free reserves subject to maximum limit of Rs.500 Crores.</li> <li>• Authority to the Board of Directors to create mortgages / charges / hypothecation on all or any of the immovable and/or movable assets of the Company, both present and future up to an amount as approved by the shareholders of the company under section 180(1)(c) of the Companies Act, 2013.</li> <li>• Adoption of new set of Article of Association of the Company.</li> </ul>
30 <sup>th</sup> September, 2013	Nil

### c) During the year under review, the Company successfully completed one ballot process.

The details of postal ballot are as follows:

Date of Postal Ballot Notice: 8<sup>th</sup> January, 2016

Voting Period: 14<sup>th</sup> January, 2016 to 12<sup>th</sup> February, 2016

Date of declaration of result: 16<sup>th</sup> February, 2016

#### Resolution No. 1:

Particulars	Special Resolution for increase in limits of Loans and Investments, Guarantee and Security u/s 186 of the Companies Act, 2013					
	No. of Shareholders voted		Votes		Valid votes cast	
	Total received	Valid	Total	Valid	In favour	Against
Ballot Form	2	2	105	105	105	0
E-voting	11	11	46,00,455	46,00,455	46,00,455	0
<b>Total</b>	<b>13</b>	<b>13</b>	<b>46,00,560</b>	<b>46,00,560</b> (100%)	<b>46,00,560</b> (100.00%)	<b>0</b> (0.00%)
<b>Result: Passed unanimously.</b>						



## Resolution No. 2

Particulars	Ordinary Resolution for approval of Related Party Transactions.					
	No. of Shareholders voted		Votes		Valid votes cast	
	Total received	Valid*	Total	Valid*	In favour	Against
Ballot Form	2	2	105	105	105	0
E-voting	11	3	46,00,455	10,85,038	10,85,038	0
<b>Total</b>	<b>13</b>	<b>5</b>	<b>46,00,560</b>	<b>10,85,143 (100%)</b>	<b>10,85,143 (100%)</b>	<b>0 (0.00%)</b>
<b>Result: Passed unanimously.</b>						

\*Note: Voting by interested Members are excluded

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the item detailed above through postal ballot.

The Board appointed CS Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai, as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

### Procedure for Postal Ballot:

The voting rights of the members were reckoned on the cut-off date i.e. 8<sup>th</sup> January, 2016 and the Postal Ballot notice and form along with self-addressed business reply envelopes were dispatched to all the members on 13<sup>th</sup> January, 2016, whose names appeared in the Register of Members / list of beneficiaries as on the cut-off date on 8<sup>th</sup> January, 2016. The voting (postal & e-voting) was kept open from Thursday, 14<sup>th</sup> January, 2016 (10.00 a.m.) to Friday, 12<sup>th</sup> February, 2016 (05.00 p.m.). The Postal Ballot process was under taken in accordance with the provisions of Section 108 and 110 of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014.

The results of the postal ballot were announced at 4:00 pm on Tuesday, February 16, 2016 at the Registered office of the Company at Mittal Industrial Estate, Bldg. No 7, Ground Floor, Sakinaka, Andheri East, Mumbai 400059. Both the resolutions were passed unanimously.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

## 10. DISCLOSURES

### a. Related Party Transactions:

There were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors during the financial year ended 31<sup>st</sup> March, 2016 that may have potential conflict with the interest of the Company at large. The transactions with the related parties, as per the requirements of the Accounting Standard (AS) 18, are disclosed in the Notes on Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transactions is available on Company's website at [www.konakgroup.co.in](http://www.konakgroup.co.in).

### b. Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

### c. Disclosure of Risk Management:

The Company has laid down procedure to inform Board members about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board.

### d. Compliance by the Company:

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years.

### e. Code of Conduct and Auditors' Certificate on compliance of Corporate Governance:

The Board of Directors has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. All the Board members have affirmed their compliance with the Code of Conduct. A copy of the said Code of Conduct is available on the website of the Company at [www.konarkgroup.co.in](http://www.konarkgroup.co.in). A declaration by the Chairman and Managing Director of the Company affirming the compliance of the same during the financial year ended on 31<sup>st</sup> March, 2016 by the members of the Board and the Senior Management Personnel as applicable to them, forms part of this Annual Report, which along with the Auditors' Certificate on compliance of Listing Regulations by the Company are annexed to this Annual Report.

### f. Review of Directors' Responsibility Statement:

The Board in its report has confirmed that the annual accounts for the year ended 31<sup>st</sup> March, 2016 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

### g. CEO/CFO Certification:

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Mr. Prakashchand Dalmia, Chairman & Managing Director and Mr. Ramniwas Somany, Chief Financial Officer of the Company certifying that the financial

statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs was placed before the Board.

**h. Details of Compliance with Mandatory / Non- Mandatory Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable. The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Audit Qualification- The Company is in the regime of unmodified audit opinion on financial statements.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

**i. Code for Prevention of Insider Trading Practices:**

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, the Company has laid down a comprehensive Code of Conduct for prevention of Insider Trading for its Directors, Senior Management, Officers & other employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company.

**11. MEANS OF COMMUNICATIONS:**

- a. The quarterly, half-yearly and yearly financial results of the Company are published in "Financial Express", "Business Standard" and "Mumbai Lakshadeep".
- b. **Website:** The Company's website viz. [www.konarkgroup.co.in](http://www.konarkgroup.co.in) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.
- c. **News releases, presentations, among others:** All Corporate Announcements made to the Stock Exchanges during the year 2015-16 are available on the website of the Company. The Company has not made any presentations to Institutional Investors or to the Analysts and has not given any press release during the year under review.

**12. GENERAL SHAREHOLDERS' INFORMATION**

**a. Annual General Meeting**

Date : Wednesday, 30<sup>th</sup> September, 2016  
 Time : 3.30 p.m.  
 Venue : Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri East, Mumbai - 400 059.

**b. Financial Year** : April to March

**c. Dividend Payment** : N.A.

**d. Financial Calendar 2016-17**

Event	Due Date
Financial Results for the quarter ended 30 <sup>th</sup> June, 2016	On 14 <sup>th</sup> August, 2016
Financial Results for the quarter ending 30 <sup>th</sup> September, 2016	By 14 <sup>th</sup> November, 2016
Financial Results for the quarter ending 31 <sup>st</sup> December, 2016	By 14 <sup>th</sup> February, 2017
Audited Financial Results for the quarter and year ending 31 <sup>st</sup> March, 2017	By 30 <sup>th</sup> May, 2017 (Audited).
Annual General Meeting for the year ending on 31 <sup>st</sup> March, 2017	By 30 <sup>th</sup> September, 2017

**e. Date of Book Closure** : Wednesday, 21<sup>st</sup> September, 2016 to Saturday, 24<sup>th</sup> September, 2016 (both days inclusive)

**f. Listing on Stock Exchange** : BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

**g. Listing Fees** : The Company has paid the necessary listing fees to BSE Limited for the year 2016-17.

**h. Stock Code** : 514128

**i. Scrip Id** : KONARKSY

**j. ISIN** : INE517D01019

**k. Cut-off date for remote e-voting :**

The remote e-voting /voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. Saturday, 24<sup>th</sup> September, 2016



**I. Market Price Data :**

The monthly high / low market price of the shares during the financial year 2015-16 at the BSE Limited were as under:-

Month	Volume (No. of Shares)	BSE Sensex		Share price	
		High (Points)	Low (Points)	High (Rs.)	Low (Rs.)
Apr-15	6,455	29,094.61	26,897.54	14.27	12.06
May-15	4,850	28,071.16	26,423.99	16.52	12.65
Jun-15	2,379	27,968.75	26,307.07	16.40	11.55
Jul-15	7,236	28,578.33	27,416.39	15.96	12.89
Aug-15	8,708	28,417.59	25,298.42	18.70	14.80
Sep-15	4,917	26,471.82	24,833.54	17.24	13.90
Oct-15	8,538	27,618.14	26,168.71	17.01	14.01
Nov-15	11,168	26,824.30	25,451.42	17.45	14.95
Dec-15	7,380	26,256.42	24,867.73	17.60	14.70
Jan-16	13,464	26,197.27	23,839.76	19.15	16.75
Feb-16	3,455	25,002.32	22,494.61	19.15	15.35
Mar-16	118	25,479.62	23,133.18	20.00	17.45

\* Source: [www.bseindia.com](http://www.bseindia.com)

**m. Trading of Securities:**

The securities of the Company were not suspended from trading during the year 2015-16.

**n. Unclaimed Dividends:**

As per the provisions of Section 124 of the Companies Act, 2013 (Section 205C of the Companies Act, 1956), any dividend remained unpaid / unclaimed for a period of seven years, needs to be transferred to the Investor Education and Protection Fund administered by the Central Government. The unpaid / unclaimed dividends upto the financial years 2006-2007 have been transferred to the said fund. The members who have not claimed their dividend for the subsequent years may write to the Company immediately.

The details of due date for transfer of unpaid / unclaimed dividend is as follows:

Year	Dividend Rate per share	Date of Declaration	Due Date for transfer to IEPF
2009-10	Re.0.50	24 <sup>th</sup> September, 2010	30 <sup>th</sup> November, 2017
2010-11	Re.0.75	26 <sup>th</sup> September, 2011	2 <sup>nd</sup> December, 2018

**o. Registrar and Share Transfer Agents:**

**Purva Sharegistry (India) Private Limited**

Unit: Konark Synthetic Limited,  
9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai – 400 011  
Tel No.: 2301 6761 and 2301 8261, Fax No.: 2301 2517  
E-Mail: [busicomp@vsnl.com](mailto:busicomp@vsnl.com)

**p. Share Transfer System:**

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agents (RTA) within 30 days of the lodgment, if documents are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are promptly processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

**q. Shareholding Pattern as on 31<sup>st</sup> March, 2016:**

Sr. No.	Category of Holders	Total no. of shares held (of Rs.10/- each)	% of total Shareholdings
1.	Promoters & Promoter Group	43,55,417	74.99
2.	Other Bodies Corporate	1,03,533	1.78
3.	Indian Public	12,59,485	21.69
4.	N.R.I. (Repatriate & Non-Repatriate)	14,850	0.26
5.	Hindu Undivided Family	73,961	1.27
6.	Clearing Members	754	0.01
	<b>Total</b>	<b>58,08,000</b>	<b>100.00</b>

**r. Distribution of Shareholding as at 31<sup>st</sup> March, 2016:**

The distribution of shareholding of the equity shares as on 31<sup>st</sup> March, 2016 is given below:

Shareholding by nominal value		No. of Shareholders	% to the total no. of shareholders	Share Amount (Rs.)	% to the total Share Amount
From	To				
1	5000	2061	91.19	28,21,310	4.86
5001	10000	94	4.16	7,47,170	1.29
10001	20000	38	1.68	5,71,760	0.98
20001	30000	17	0.75	4,50,320	0.78
30001	40000	6	0.27	2,00,280	0.34
40001	50000	4	0.18	1,86,080	0.32
50001	100000	13	0.58	7,43,130	1.28
100001 and above		27	1.19	5,23,59,950	90.15
<b>TOTAL</b>		<b>2260</b>	<b>100.00</b>	<b>5,80,80,000</b>	<b>100.00</b>

**s. Dematerialization of Equity Shares and Liquidity:**

As on 31<sup>st</sup> March, 2016 about 96.78% of the Company's Equity Shares has been held in dematerialized form with NSDL & CDSL.

**t. Outstanding ADRs, GDRs, Warrants or any convertible instruments, conversion date and impact on Equity:**

The Company has not issued any ADRs / GDRs / Warrants or any convertible instruments during financial year ended 31<sup>st</sup> March, 2016.

**q. Commodity Price risk or foreign exchange risk and hedging activities:**

The Company did not engage in Commodity, foreign exchange risk and hedging activities during the year.

**u. Plant locations:**

Silvassa unit	Sarigam unit	Bengaluru unit
Plot No. 25, Silvassa Industrial Co-op. Soc., 66 KVA \Sub-Station Road, Village: Amlı, Dist. Silvassa – 396230. (UT of Dadra & Nagar Havelı)	Plot No. 13 To 20, Opp. JBF Industries Ltd, G.I.D.C. Industrial Area, Village: Sarigam, Taluka – Umargam, Dist. Valsad, Gujarat – 396 155.	No. 62/4, 13, 14, 15, Begur Road, 11 <sup>th</sup> Cross, Ward No. 12, Bommanahalli, Bengaluru – 560 068

**v. Address for investor correspondence:**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any address, non-receipt of dividend or any other query relating to shares, please write to:

**Mr. Mehnuddin Khan,**  
**Company Secretary & Compliance Officer**  
 Konark Synthetic Limited  
 Building No.7, Mittal Industrial Estate, AndherıKurla Road,  
 Sakınaka, Andherı (East), Mumbai - 400 059.  
 Phone: (022) 40896300  
 Fax: (022) 40896322  
 E-mail: info@konarkgroup.co.in.

**Purva Sharegıstry (India) Pvt. Ltd.**  
 Unit : Konark Synthetic Limited,  
 9, Shiv Shaktı Industrial Estate,  
 J R BorıchaMarg, Lower Parel (East),  
 Mumbai - 400 011  
 Tel No.: 022 - 2301 6761; 2301 8261  
 Fax No.: 022 - 2301 2517  
 E-Mail: busıcomp@vsnl.com

**DECLARATION ON CODE OF CONDUCT**

To  
 The Members of  
**Konark Synthetic Limited**

I, Prakashchand Dalmia, Chairman & Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the financial year 2015-16.

**For Konark Synthetic Limited**

**Prakashchand Dalmia**  
**Chairman & Managing Director**  
**DIN:00005813**

Place: Mumbai  
 Date: 30<sup>th</sup> May, 2016

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIREMENTS UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,

The Members of

**Konark Synthetic Limited**

We have examined the records concerning compliance of the conditions of Corporate Governance by **Konark Synthetic Limited** for the year ended 31<sup>st</sup> March, 2016 as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Uniform Listing Agreement of the said Company with stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respect, complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange.

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

**For Bhuwania Agrawal & Associates  
Chartered Accountants  
Firm Registration No. 101483W**

Place: Mumbai

Date: 30<sup>th</sup> May, 2016

**Abhishek Jain  
Partner  
M. No. 509839**

## **STANDALONE FINANCIAL STATEMENTS**

## INDEPENDENT AUDITORS' REPORT

TO  
THE MEMBERS OF  
KONARK SYNTHETIC LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **Konark Synthetic Limited** ('the Company'), which comprises of the Balance Sheet as at 31<sup>st</sup> March, 2016, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the 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 and the Order under section 143 (11) of the Act.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

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 31 March 2016 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. 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 and the cash flow statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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 A". 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 does not have any pending litigations, as has been informed and therefore no impact or disclosure in relation to the same has been made in financial statements;
  - (ii) the Company does not see any foreseeable losses on long-term contracts as on the balance sheet date and the Company has not entered into any derivative contracts, therefore no provision has been made in relation to the same;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in the paragraph 3 and 4 of the Order.

**For Bhuwania & Agrawal Associates**  
Chartered Accountants  
Firm's Registration Number: 101483W

Place : Mumbai  
Date : 30<sup>th</sup> May, 2016

**Abhishek Jain**  
Partner  
Membership Number: 509839

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Konark Synthetic Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.” These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**For Bhuwania & Agrawal Associates**  
Chartered Accountants  
Firm’s Registration Number: 101483W

Place : Mumbai  
Date : 30<sup>th</sup> May, 2016

**Abhishek Jain**  
Partner  
Membership Number: 509839

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

**Report on the statement on the matters specified in the paragraph 3 and 4 of the Companies (Auditor’s Report) Order, 2016:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification of its fixed assets by which fixed assets are verified. In accordance with this programme, and as has been informed, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties were found to be held in the name of the company.
- (ii) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted five unsecured loans to its subsidiaries/ step down subsidiaries, with or without interest, covered under the register maintained under section 189 of the Companies Act in respect of which
  - (a) Interest wherever charged and other terms and conditions of the grant of such loans, in our opinion, are prima facie not prejudicial to the Company’s interest.
  - (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
  - (c) The loan amount is not overdue as at the year-end as the loans are repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable, except that in case of four such loans where the Company has not charged the interest.
- (v) The Company did not accept any deposits during the year and therefore compliance with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder may not be applicable to the Company.
- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, for the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been found to be regular in depositing undisputed statutory dues, except for some delays, such as provident fund, income tax, sales tax, duty of customs, and other statutory dues as applicable.
- b) According to the records of the Company, and information and explanations given to us there are no dues of income tax, sales tax, service tax, customs duty, excise duty, value added tax which has not been deposited on account of disputes.
- (viii) As per the information and explanations given to us and based on our audit, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or by further public offer (including debt instruments). Further in our opinion and according to the information and the explanations given to us, the term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The managerial remuneration has been found to be paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Clause (d) of section III of part II of Schedule V of the Companies Act, 2013.
- (xii) The Company is not the Nidhi Company and therefore paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and the explanations given to us, the transactions with the related parties were in compliance with Sec 177 and 188 of the Companies Act and the details of the same have been disclosed in Note 29 of the Financial Statements in conformity with Accounting Standard 18.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review under section 42 of the Companies Act, 2013 and therefore paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non cash transactions with the directors or persons connected with him and therefore paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore paragraph 3(xvi) of the Order is not applicable to the Company.

**For Bhuwania & Agrawal Associates**  
Chartered Accountants  
Firm’s Registration Number: 101483W

**Abhishek Jain**  
Partner

Place : Mumbai  
Date : 30<sup>th</sup> May, 2016

Membership Number: 509839



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

(Amount in Rs.)

Sr. No.	Particulars	Note No	As at 31.03.2016	As at 31.03.2015
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	a. Share capital	2	58,080,000	58,080,000
	b. Reserves and surplus	3	246,078,777	244,441,327
	c. Money received against share warrants		-	-
<b>2</b>	<b>Share application money pending allotment</b>		-	-
	<b>Inter Unit Balances</b>		-	-
<b>3</b>	<b>Non-current liabilities</b>			
	a. Long-term borrowings	4	286,609,647	285,110,296
	b. Deferred tax liabilities (Net)	5	37,826,565	42,227,502
	c. Other Long term liabilities		-	-
	d. Long-term provisions	6	4,562,316	-
<b>4</b>	<b>Current liabilities</b>			
	a. Short-term borrowings	7	221,509,824	353,941,020
	b. Trade payables	8	114,115,384	196,394,055
	Total Outstanding dues of micro and small enterprises*			
	Total Outstanding dues of creditors other than micro and small enterprises*			
	*Refer Note No. 8			
	c. Other current liabilities	9	29,147,795	24,208,675
	d. Short-term provisions	10	6,251,745	1,950,000
	<b>TOTAL</b>		<b>1,004,182,052</b>	<b>1,206,352,875</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	<b>a. Fixed assets</b>			
	(i) Tangible assets	11	306,333,972	294,184,084
	(ii) Intangible assets		158,096	243,028
	(iii) Capital work-in-progress		37,637,139	84,308,255
	(iv) Intangible assets under development		-	-
	b. Non-current investments	12	85,271,100	85,271,100
	c. Long-term loans and advances	13	8,978,750	8,978,750
	d. Other non-current assets	14	7,356,952	8,281,446
<b>2</b>	<b>Current assets</b>			
	a. Current investments		-	-
	b. Inventories	15	180,087,604	267,620,343
	c. Trade receivables	16	243,306,437	286,488,468
	d. Cash and cash equivalents	17	14,165,234	15,371,656
	e. Short-term loans and advances	18	120,139,560	155,137,158
	f. Other current assets	19	747,209	468,587
	<b>TOTAL</b>		<b>1,004,182,052</b>	<b>1,206,352,875</b>

Notes on Accounts including Significant Accounting Policies 1 to 42

As per our Report of even date attached

For **BHUWANIA & AGRAWAL ASSOCIATES**

**CHARTERED ACCOUNTANTS**

(Firm Registration No. 101483W)

**Abhishek Jain**

Partner

Membership No. 509839

FOR AND ON BEHALF OF THE BOARD

**PRAKASHCHAND DALMIA**

Chairman & Managing Director

**AMITABH KEJRIWAL**

Whole-Time Director

**MAHENDRA AGARWAL**

Director

**RAMNIWAS B SOMANY**

Chief Finance Officer

Place: MUMBAI

Date : 30<sup>th</sup> May, 2016

**MEHNUDDIN KHAN**

Company Secretary & Compliance Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016

(Amount in Rs.)

Sr. No	Particulars	Note No.	FOR THE PERIOD ENDED ON 31.03.2016	FOR THE PERIOD ENDED ON 31.03.2015
I.	Revenue from operations	20	1,137,476,854	1,141,407,290
II.	Other income	21	11,596,512	14,415,109
III.	<b>Total Revenue (I + II)</b>		<b>1,149,073,366</b>	<b>1,155,822,399</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	22	522,554,108	813,083,161
	Purchases of Stock-in-Trade		435,435,362	117,660,875
	Change in inventories of finished goods/stock in trade	23	(43,440,977)	(20,019,908)
	Employee benefits expense	24	73,342,209	65,060,314
	Finance costs	25	45,409,356	40,339,856
	Depreciation and amortization expense	11	36,331,760	40,842,251
	Other expenses	26	76,446,225	89,031,070
	<b>Total expenses</b>		<b>1,146,078,043</b>	<b>1,145,997,619</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		2,995,323	9,824,780
VI.	<b>Exceptional items</b>		-	-
	Prior Period Expenses		3,190	48,266
	Short Provision for Taxation			
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		2,992,133	9,776,514
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax (VII- VIII)</b>		2,992,133	9,776,514
X.	Tax expense:			
	(1) Current tax		5,750,000	1,950,000
	(2) Deferred tax		(4,400,937)	1,849,947
XI.	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		1,643,070	5,976,567
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		1,643,070	5,976,567
XV.	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>1,643,070</b>	<b>5,976,567</b>
XVI.	Earnings per equity share:			
	(1) Basic		0.28	1.03
	(2) Diluted		0.28	1.03

Notes on Accounts including Significant Accounting Policies 1 to 42

As per our Report of even date attached

**For BHUWANIA & AGRAWAL ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(Firm Registration No. 101483W)**

**Abhishek Jain**  
Partner  
Membership No. 509839

Place: MUMBAI  
Date : 30<sup>th</sup> May, 2016

FOR AND ON BEHALF OF THE BOARD

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

**AMITABH KEJRIWAL**  
Whole-Time Director

**MAHENDRA AGARWAL**  
Director

**RAMNIWAS B SOMANY**  
Chief Finance Officer

**MEHNUDDIN KHAN**  
Company Secretary & Compliance Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(Amount in Rs.)

Particulars		31 <sup>ST</sup> MARCH, 2016		31 <sup>ST</sup> MARCH, 2015	
<b>Cash flow from operating activity</b>					
Net Profit before tax & Extra Ordinary Items			2,995,322.53		9,824,780.00
Adjustment for : Depreciation		36,331,760.00		40,842,251.00	
Interest paid		45,409,355.60		40,339,856.00	
Provision for Bad Debts		0.00		0.00	
(Profit)Loss on Sale of Fixed Assets		128,475.00		0.00	
Interest Income (considered Separately)		(10,270,249.48)	71,599,341.12	(12,935,652.00)	68,246,455.00
<b>Operating Profit before working capital changes</b>			<b>74,594,663.65</b>		<b>78,071,235.00</b>
<b>WORKING CAPITAL CHANGES</b>					
(Increase)Decrease in Sundry debtors		43,182,031.00		189,873,175.00	
(Increase)Decrease in Loans & Advances		37,111,347.90		23,598,200.00	
(Increase)Decrease in Inventories		87,532,739.72		(125,002,326.00)	
Increase(Decrease) in Trade Payable(Incl. Work'g Cap.Fin)		(79,427,902.90)	88,398,215.72	(79,515,913.00)	8,953,136.00
<b>Cash Generated From operations</b>			<b>162992879.37</b>		<b>87024371.00</b>
Interest paid			(45,409,355.60)		(40,339,856.00)
<b>Cash Flow Before Prior Period &amp; Extra Ordinary Items</b>			<b>117,583,523.77</b>		<b>46,684,515.01</b>
Prior Period & Extra Ordinary Items			0.03		48,266.00
<b>Net Cash Flow From Operating Activities</b>	(I)		<b>117,583,523.74</b>		<b>46,636,249.01</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets		(2,154,076.00)		(54,166,487.00)	
Interest Income		10,270,249.48		12,935,652.00	
Sale of fixed assets		250,000.00		0.00	
<b>Net Cash Outflow for investing Activities</b>	(II)		<b>8,366,173.48</b>		<b>(41,230,835.00)</b>
<b>Cash flow after investing activities</b>	(III) = (I-II)		<b>125,949,697.22</b>		<b>5,405,414.00</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from long term borrowing (Net of Repayments)		12,006,667.00		(9,072,124.00)	
Unsecured Loan		(135,786,100.00)		4,956,315.00	
Investment		0.00		0.00	
Dividend paid		0.00		0.00	
Direct Tax Paid		(963,841.00)		(2,449,067.00)	
<b>Net Cash Flow from financing activity</b>	(IV)		<b>(124,743,274.00)</b>		<b>(6,564,876.00)</b>
<b>Cash flow after financing activity</b>	(V)=(III-IV)		<b>1,206,423.22</b>		<b>(1,159,462.01)</b>
Opening Balance:					
Cash &Cash Equivalent (Opening Balance)			15,371,657.00		16,531,118.00
Cash &cash equivalent(Closing balance)			<b>14,165,234.00</b>		<b>15,371,656.00</b>
<b>Increase in cash &amp; cash equivalent</b>	(VI)		<b>1,206,423.00</b>		<b>(1,159,462.00)</b>

As per our Report of even date attached

**For BHUWANIA & AGRAWAL ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(Firm Registration No. 101483W)**

**Abhishek Jain**  
 Partner  
 Membership No. 509839

Place: MUMBAI  
 Date : 30<sup>th</sup> May, 2016

**FOR AND ON BEHALF OF THE BOARD**

**PRAKASHCHAND DALMIA**  
 Chairman & Managing Director

**AMITABH KEJRIWAL**  
 Whole-Time Director

**MAHENDRA AGARWAL**  
 Director

**RAMNIWAS B SOMANY**  
 Chief Finance Officer

**MEHNUDDIN KHAN**  
 Company Secretary & Compliance Officer

**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016****1. SIGNIFICANT ACCOUNTING POLICIES:****A. GENERAL**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 as adopted consistently by the Company. The financial statements have been prepared as a going concern basis under the historical cost convention.

**B. USE OF ESTIMATE**

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual result and estimates are recognised in the period in which the results are known/ materialized.

**C. FIXED ASSETS**

- (a) Fixed Assets are stated at cost net of recoverable taxes and includes amounts added revaluation, less accumulated depreciation and impairment loss, if any. All costs, including trial run production and financing cost till commencement of commercial production are capitalized net of CENVAT.
- (b) Capital Work in Progress: Capital work in progress includes cost of assets at sites, Construction expenditure, advances made for acquisition of capital assets and interest on the funds deployed.
- (c) Intangible Assets: Intangible assets are stated at cost of acquisition less accumulated amortization.

**D. DEPRECIATION**

- i) Depreciation on the fixed assets has been provided on straight line method at the rates and in the manner prescribed under Schedule II of the Companies Act, 2013.
- ii) Depreciation on fixed assets addition / deletion during the year has been provided on pro-rata basis with reference to the day of addition / deletion.
- iii) Depreciation has been provided over the residual life of the respective fixed assets for additions arising on account of translation of foreign currency liabilities, insurance spares and on additions or extensions forming an integral part of the existing assets.
- iv) Software (Not Generated Internally) is depreciated as Data Processing Equipments (Computers).

**E. IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**F. INVESTMENT**

Long-term investments are stated at the cost of acquisition. Provision for diminution in the value of Long term Investment has been made during the year whenever there is decline other than temporary in the opinion of the Management.

**G. INVENTORIES**

In general, all inventories of finished, work-in-progress etc. are stated at lower of cost or net realizable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. Raw materials & Stores and Spares are stated at cost on FIFO basis. Waste and by product are valued at net realizable value. Inventory of finished goods and waste include excise duty, wherever applicable.

**H. TRANSACTIONS IN FOREIGN EXCHANGE**

Transactions denominated in foreign currency are normally recorded at the customs exchange rate prevailing at the time of transaction.

Monetary Items denominated in foreign currencies at the year end are restated at year end rates. Exchange difference relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of depreciable fixed asset is adjusted to the carrying cost of the fixed asset.

All other exchange differences are dealt with in the Statement of Profit and Loss.

Non monetary foreign currency items are carried at cost.

## **I. SALES & PURCHASE**

Revenue from sale of goods is recognized when significant risk and rewards of ownership of goods have passed to the buyer. Sales are recorded net of return, rate difference and sales claim. Purchases are recorded inclusive of all taxes excluding VAT, net of return, rate differences and purchase claims.

## **J. BORROWING COST**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessary takes substantial period of the time to get ready for intended use. All other costs are charged to revenue.

## **K. EXPORT INCENTIVES**

Benefit on account of entitlement of Duty Draw Back and others are recognized as and when right to receive is established as per the terms of the scheme.

## **L. EMPLOYEES RETIREMENT BENEFIT**

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques based on Projected Unit Credit Method. Actuarial gain/losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

## **M. PROVISION FOR CURRENT AND DEFERRED TAX**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from "timing difference" between books and taxable profit is accounted for using the tax rates and loss that have been enacted or substantially enacted as on the Balance Sheet date. The deferred tax Assets is recognized and carried forwarded only to the extent that there is a reasonable certainty that the assets will be realized in future.

## **N. PROVISION, CONTINGENT LIABILITY AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016		As At 31.03.2015	
		No. of Shares	Amount	No. of Shares	Amount
2	<b>SHARE CAPITAL</b>				
	<b>Authorised Capital</b>				
	Equity Shares of Rs. 10/- each	15,000,000	150,000,000	15,000,000	150,000,000
	<b>TOTAL</b>		<b>150,000,000</b>		<b>150,000,000</b>
	<b>Issued, Subscribed and Paid Up</b>				
	Equity Shares of Rs. 10/- each	5,808,000	58,080,000	5,808,000	58,080,000
	<b>TOTAL</b>		<b>58,080,000</b>		<b>58,080,000</b>
	Reconciliation of Outstanding Shares as on 31.03.2016				
	<b>Particulars</b>	<b>Equity Shares</b>		<b>Preference Shares</b>	
		<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
	Shares outstanding at the beginning of the year	5,808,000	58,080,000	-	-
	Shares Issued during the year	-	-		
	Shares bought back during the year	-	-		
	Shares outstanding at the end of the year	5,808,000	58,080,000	-	-
	Rights, Preference and Restrictions attached to equity Shares. Equity Share Holder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing General Meeting. Dividend is paid to the equity Shareholders, whose name appears in the register of members as on record date. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after the distribution of all preferential amounts. Distribution will be in the proportion to the number of equity shares held by the shareholders.				

**Details of Shareholders holding more than 5% of Equity Share Capital as on 31.03.2016**

Sr. No.	Name of the Shareholder	As At 31.03.2016		As At 31.03.2015	
		No. of Shares Held	%age of Shareholding	No. of Shares Held	%age of Shareholding
1	RAKADEVI DALMIA	2,108,091	36.30%	2,108,091	36.30%
2	KAYO INVESTMENT AND FINANCE PVT. LTD	856,850	14.75%	856,850	14.75%
3	FILLMORE TRADING & INVESTMENTS PVT. LTD.	840,000	14.46%	840,000	14.46%
4	PRAKASHCHAND DALMIA (HUF)	336,600	5.80%	336,600	5.80%
	<b>TOTAL</b>	<b>4,141,541</b>	<b>71.31%</b>	<b>4,141,541</b>	<b>71.31%</b>

Note No.	Particulars	As At 31.03.2015	Additions during the year	Deductions during the year	As At 31.03.2016
		<b>3</b>	<b>RESERVES AND SURPLUS</b>		
	Capital Reserve	-			-
	Capital Redemption Reserve	4,000,000			4,000,000
	Securities Premium Account	68,357,165			68,357,165
	Capital Incentive Subsidy	2,500,000			2,500,000
	General Reserve	59,751,143			59,751,143
	Surplus in Profit & Loss Account *	109,833,019	1,643,070		111,476,089
	<b>TOTAL</b>	<b>244,441,327</b>	<b>1,643,070</b>	<b>-</b>	<b>246,084,397</b>
		<b>2015-2016</b>		<b>2014-2015</b>	
	* Profit for the period		1,643,070		5,976,567
	Less: Dividend on Equity Shares	-		-	
	Less: Dividend Distribution Tax	-		-	
	Less: Transfer to General Reserve	-		-	
	<b>TOTAL</b>	<b>-</b>	<b>1,643,070</b>	<b>-</b>	<b>5,976,567</b>

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
	<b><u>NON-CURRENT LIABILITIES</u></b>		
<b>4</b>	<b><u>LONG TERM BORROWINGS</u></b>		
	<b><u>Secured</u></b>		
<b>A.</b>	<b>Term Loans</b>		
	- From Banks		
	- Loan against Flat	16,934,827	16,934,827
	- Loan Against Property	29,036,167	20,172,137
	- Loan Against Property of Director Residence	64,684,184	66,995,579
	- Vehicle Loans (Against Motor Cars)	5,954,469	5,062,753
	<b>TOTAL - I</b>	<b>116,609,647</b>	<b>109,165,296</b>
	<b><u>Unsecured</u></b>		
<b>B.</b>	<b>Loans &amp; Advances from Related Parties</b>	170,000,000	175,945,000
	Inter Corporate Loans		
	<b>TOTAL - II</b>	<b>170,000,000</b>	<b>175,945,000</b>
	<b>TOTAL I + II</b>	<b>286,609,647</b>	<b>285,110,296</b>

**Secured Loans:**

**Term Loans:**

- Loan of Rs.16934827/- (P.Y. Rs. 16934827/-) against Flat outstanding of ICICI Bank Ltd against sanctioned of Rs. 5.72 Crores is Secured against the same Flat i.e. Flat No. 2101, situated at Orchid Crown, Tower B, Gokhale Road South, Dadar (W), Mumbai, which is payable in 120 EMIs of Rs. 788525 after getting the possession from the Developer. The loan is also guaranteed by Mr. Prakashchand Dalmia as a co-applicant.
- Loan of Rs.11904558/- (P.Y. Rs. 13463180/-) including Current Maturities of Long term Borrowings under Note No. 09 is Secured against Property from Religare Finvest Limited against Shop No. 6 situated at Skylark Building, Plot No. 63, Sector -11, CBD Belapur, Navi-Mumbai - 400614 on the term i.e 120 EMI of Rs. 203400/- and interest rate is 14% p.a floating, - Loan of Rs. 8542206/- (P.Y. 8943047/-) including Current Maturities Of Long Term Borrowings under Note No. 09 from Religare Finvest Limited against Shop No. 11 situated at Skylark Building, Plot No. 63, Sector -11, CBD Belapur, Navi-Mumbai - 400614 on the term i.e 120 EMI of Rs. 145951/- and interest rate is 14% p.a floating. Both the loans were also guaranteed as co-applicants by Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal, Mr. Shonit Dalmia and M/s Fillmore Trading & Investment Private Limited.
- Loan of Rs. 10291309/- ( P.Y. NIL/-) including Current Maturities of Long Term Borrowings under Note No. 09 is secured against Property from PNB Housing Finance Limited against Shop No. 8 situated at Skylark Building, Plot No. 63, Sector-11, CBD Belapur, Navi-Mumbai-400614 on the term i.e 180 EMI of Rs. 123150/- and interest rate is 14.35% p.a. The loan was also guaranteed as co-applicants by Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal, Mr. Shonit Dalmia, Mrs. Rakadevi Dalmia, Prakashchand Dalmia HUF and M/s Kayo Investments & Finance Pvt. Ltd.
- The loan of Rs. 66912274/- (P.Y. 68909707/-) including Current Maturities of Long Term Borrowings under note no. 09 from IDBI Bank Ltd is secured against the flat of Shri Amitabh Kejriwal-Director, situated at Flat No. 101, Santusthi, Janki Kutir, Juhu Ville Parle, Juhu, Mumbai - 400049. The loan was also guaranteed as co-applicants by Directors Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal and Authorised Signatory Mr. Shonit Dalmia. Terms of Payment is 180 EMI of Rs. 845328/- including interest @12.25% p.a. floating.

**Vehicle Loans:** The loans are hypothecated against the specific vehicles for which it was sanctioned by the bank.

Of the above loans, amounts (including current maturities under Note 9) of,

- Rs. 39,20,000 is repayable in 36 EMI of Rs. 1,37,816 starting from April 03, 2016
- Rs. 27,79,000 is repayable in 36 EMI of Rs. 97,701 starting from April 03, 2016
- Rs. 7,35,000 is repayable in 27 EMI of Rs. 32,950 starting from April 03, 2016
- Rs. 9,53,973 is repayable in 40 remaining EMI of Rs. 28,450 upto July 01, 2019

**Unsecured Loans: Loan from Related Parties**

Above loan was taken from associate concern Konark Realtech Pvt. Ltd. and is not guaranteed by any director of the company. The loan is repayable after March 31, 2017.

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>5</b>	<b><u>DEFERRED TAX LIABILITY</u></b>		
	<b><u>Deferred Tax Liabilities</u></b>		
	Related to Fixed Assets	41,069,832	44,471,038
	<b><u>Deferred Tax Assets</u></b>		
	Disallowance u/s 43B of I.T.Tax, 1961 and MAT Credit	3,243,267	2,243,536
	<b>Deferred Tax Liabilities (NET)</b>	<b>37,826,565</b>	<b>42,227,502</b>

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>6</b>	<b><u>LONG TERM PROVISIONS</u></b>		
	Provision for Employees Benefits - Gratuity Refer Note No. 26	4,562,316	-
	<b>TOTAL</b>	<b>4,562,316</b>	<b>-</b>

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
	<b><u>CURRENT LIABILITIES</u></b>		
<b>7</b>	<b><u>SHORT TERM BORROWINGS</u></b>		
<b>A.</b>	<b><u>Secured</u></b>		
	<b>Loans repayable on demand</b>		
	- From Bank		
	Cash Credit	188,739,731	191,329,827
	Loan Against FDR	-	2,420,100
<b>B.</b>	<b><u>Unsecured</u></b>		
	- From Bank	-	2,500,000
	- Loans & Advances from Related Parties	18,485,345	31,296,045
	- Others	14,284,748	126,395,048
	(Of the above Rs. Nil is guaranteed by Directors)		
	<b>TOTAL</b>	<b>221,509,824</b>	<b>353,941,020</b>

**Secured Loans**

Cash credit of Rs. 10.00 Crores has been sanctioned by Corporation Bank against paripassu first charge on inventory and book debts of the Company with margin of 25% on Stock, 30% on Consumables and Stores, and 40% on Book Debts; at interest rate of Base Rate + 4.35%.

Cash credit of Rs. 9.25 Crores has been sanctioned by Indian Bank against paripassu first charge hypothecation of stock and book debts of the Company with margin of 25% on Stock, and 50% on Book Debts; at the interest rate of Base Rate + 4.25%.

**Unsecured Loans**

- Loans from related parties is from Konark Realtech Private Limited and is payable on demand
- Loans from others, amounts (including current maturities under Note 9) of,
  - Rs. 10,902,400 taken from Body Corporate and repayable on demand,
  - Rs. 18,08,166 is repayable in remaining 21 EMI of Rs. 91,667 upto March 10, 2018,
  - Rs. 29,82,113 is repayable in remaining 47 EMI of Rs. 88,877 upto February 05, 2020,
  - Rs. 7,17,150 is repayable in remaining 6 EMI of Rs. 1,29,185 upto September 07, 2016 and
  - Rs. 13,16,119 is repayable in remaining 7 EMI of Rs. 1,99,696 upto October 15, 2016

Note No.	Particulars	As At 31.03.2016		As At 31.03.2015	
<b>8</b>	<b><u>TRADE PAYABLES</u></b>				
	(a) Total Outstanding dues of micro and small enterprises		-		-
	(b) Total Outstanding dues of creditors other than micro and small enterprises				
	(i) Acceptance	79,977,162		79,978,182	
	(ii) Trade Payables (In ordinary course of Business)				
	For Trade Goods & Expenses	31,239,679		113,548,714	
	For Others	2,898,543	114,115,384	2,867,159	196,394,055
	<b>TOTAL</b>		<b>114,115,384</b>		<b>196,394,055</b>

**Disclosure as per Micro, Small, and Medium Enterprises Development Act, 2006:** The Company has not received information from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 hence disclosure required by notification dated 16th November, 2007 issued by Ministry of Company Affairs have not been given.



(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016		As At 31.03.2015	
<b>9</b>	<b><u>OTHER CURRENT LIABILITIES</u></b>				
	Current Maturities of Long-term debts				
	- Secured Loans	3,929,996		3,148,218	
	- Unsecured Loans	3,441,200		-	
	- Vehicle Loans	2,433,504	9,804,700	2,770,829	5,919,047
	Interest Accrued and but not due		546,614		-
	Unpaid/Unclaimed dividends		185,736		185,736
	Advance Received against Sale of Land		7,600,000		7,600,000
	Other Payables				
	a) Taxes & duty		880,867		435,927
	b) Payable-ESIC, PF & Prof. Tax etc.		265,152		514,575
c) Payable-Employee		9,864,726		9,553,390	
	<b>TOTAL</b>		<b>29,147,795</b>		<b>24,208,675</b>
<b>10</b>	<b><u>SHORT TERM PROVISIONS</u></b>				
	Provision for Income Tax		5,750,000		1,950,000
	Employee Benefit - Gratuity		501,745		-
	<b>TOTAL</b>		<b>6,251,745</b>		<b>1,950,000</b>

## NOTE 11 - FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At	Additions/	Deductions/	As at	Up to	For the	Deductions/	Upto	As At	As At
	01/04/2015	Adjustments	Impairments	31/03/2016	01/04/2015	year	Impairments	31/03/2016	31/03/2016	31/03/2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible :</b>										
Leasehold Land	6,180,340	-	-	6,180,340	554,438	62,592	-	617,030	5,563,310	5,625,902
Freehold Land	1,069,088	-	-	1,069,088	-	-	-	-	1,069,088	1,069,088
Office Building	-	48,535,549	-	48,535,549	-	191,594	-	191,594	48,343,955	-
Factory Buildings	75,556,576	-	-	75,556,576	24,443,707	2,322,457	-	26,766,164	48,790,412	51,112,869
Plant & Machineries	462,867,575	-	732,918	462,134,657	241,330,845	27,998,070	304,443	269,024,472	193,110,185	221,536,730
Electric Installation	21,386,885	-	-	21,386,885	15,120,389	2,477,634	-	17,598,023	3,788,862	6,266,496
Equipments	868,043	-	-	868,043	629,347	24,277	-	653,624	214,419	238,696
Fire Fighting Equipments	72,860	-	-	72,860	71,811	-	-	71,811	1,049	1,049
Furniture & Fixtures	6,324,412	-	-	6,324,412	5,072,785	612,579	-	5,685,364	639,048	1,251,627
Office Equipments	2,393,920	145,883	-	2,539,803	2,058,036	68,083	-	2,126,119	413,685	335,885
Vehicles	20,828,451	70,966	-	20,899,417	14,276,321	2,434,484	-	16,710,805	4,188,612	6,552,130
Computers	2,902,776	72,794	-	2,975,570	2,709,163	55,058	-	2,764,221	211,349	193,613
<b>Intangible:</b>										
Software*	2,403,698	-	-	2,403,698	2,160,670	84,932	-	2,245,602	158,096	243,028
<b>Total</b>	<b>602,854,623</b>	<b>48,825,192</b>	<b>732,918</b>	<b>650,946,897</b>	<b>308,427,511</b>	<b>36,331,760</b>	<b>304,443</b>	<b>344,454,828</b>	<b>306,492,069</b>	<b>294,427,112</b>
<b>Previous Year</b>	601,076,631	1,777,992	-	602,854,623	267,585,260	40,842,251	0	308,427,511	294,427,112	333,491,371
<b>Capital Work in progress</b>	84,308,255	1,864,433	48,535,549	37,637,139	-	-	-	-	37,637,139	84,308,255

\* other than internally generated .

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>12</b>	<b>NON - CURRENT INVESTMENTS (Long Term Investments)</b>		
<b>A</b>	<b>Trade Investments (Refer A below)</b>		
	(a) Investment in Equity instruments	85,268,000	85,268,000
	(b) Other non-current investments (specify nature)		
	<b>Total (A)</b>	<b>85,268,000</b>	<b>85268000</b>
<b>B</b>	<b>Other Investments (Refer B below)</b>		
	(a) Investment in Equity instruments	207,100	207,100
	(b) Other non-current investments (specify nature)		
	<b>Total (B)</b>	<b>207,100</b>	<b>207,100</b>
	<b>Grand Total (A + B)</b>	<b>85475100</b>	<b>85475100</b>
	Less : Provision for dimunition in the value of Investments	204000	204000
	<b>Total</b>	<b>85271100</b>	<b>85271100</b>
	<b>Particulars</b>	<b>2016</b>	<b>2015</b>
	Aggregate amount of quoted investments (Market value of NIL (Previous Year NIL) (Company has made the Provision in the Dimunition value of Such Investments)	204000	204000
	Aggregate amount of unquoted investments.	85271100	85271100

A. Details of Trade Investments													
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value Rs.unless other wise stated	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount in Rs.		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
				2016	2015			2016	2015	2016	2015		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
(a)	<b>Investment in Equity Instruments</b>												
	India Denim Limited	Subsidiary	10	7001000	7001000	unquoted	Fully	61.17	61.17	84888000	84888000	Yes	
	Konark Infotech Private Limited	Subsidiary	10	28000	28000	unquoted	Fully	53.85	53.85	280000	280000	Yes	
	Konark Greentech Private Limited	Subsidiary	10	10000	10000	unquoted	Fully	100	100.00	100000	100000	Yes	
	<b>Total</b>									<b>85268000</b>	<b>85268000</b>	-	
B. Details of Other Investments													
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value Rs.unless other wise stated	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
				2016	2015			2016	2015	2016	2015		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
(a)	<b>Investment in Equity</b>												
	Silvassa Co-op. Society Limited	Others	100	10	10	unquoted	Fully	N.A	N.A	1100	1100	Yes	
	The City Co-op. Bank Ltd.	Others	25	40	40	unquoted	Fully	N.A	N.A	2000	2000	Yes	
	Sun Earth Ceramics limited	Others	10	6800	6800	Quoted	Fully	N.A	N.A	204000	204000	Yes	
	<b>Total</b>									<b>207,100</b>	<b>207,100</b>	-	

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>13</b>	<b>NON-CURRENT ASSETS</b>		
	<b>LONG TERM LOAN AND ADVANCES</b>		
	Others	8,978,750	8,978,750
	<b>TOTAL</b>	<b>8,978,750</b>	<b>8,978,750</b>
<b>14</b>	<b>OTHER NON-CURRENT ASSETS</b>		
	Security Deposits	7,356,952	8,281,446
	<b>TOTAL</b>	<b>7,356,952</b>	<b>8,281,446</b>

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
15	<b>CURRENT ASSETS</b>		
	<b>INVENTORIES</b>		
	- Raw Materials	325,937	131,166,681
	- Stores, Spares	8,340,915	8,250,975
	- Process Stock	44,893,740	80,214,919
	- Finished Goods	126,527,012	47,764,856
	- Dyes & chemical	-	222,913
	<b>TOTAL</b>	<b>180,087,604</b>	<b>267,620,343</b>

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
16	<b>TRADE RECEIVABLES</b>		
	<b>Unsecured</b>		
	- Over 6 months -Good	42,134,063	45,384,661
	- Doubtful	-	-
	- Other Debts - Good	200,918,194	241,045,557
	- Other Debts - Related Party	254,180	58,250
	243,306,437	286,488,468	
	Less: Provision for Doubtful debts	-	-
	<b>TOTAL</b>	<b>243,306,437</b>	<b>286,488,468</b>

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
17	<b>CASH &amp; CASH EQUIVALENTS</b>		
	- Cash in Hand (incl'd Imprest)	199,044	437,070
	- On Current Accounts	1,835,771	326,551
	- On Dividend Accounts	185,736	185,736
	- On Deposit Accounts (More than 12 Months)	7,000	7,000
	- On Margin Money	11,937,683	14,415,300
	<b>TOTAL</b>	<b>14,165,234</b>	<b>15,371,656</b>

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
18	<b>SHORT TERM LOANS AND ADVANCES</b>		
	- To Related Parties / Subsidiaries	103,208,208	141,556,783
	- Interest Receivable	-	74,463
	- To Employees	1,047,714	744,332
	- Advance Payment of Income Tax/Wealth Tax (incl'd TDS)	5,058,730	3,590,852
	- Receivable from Government Authorities & Others	7,980,416	8,017,930
	- Interest Subsidy Receivable	844,595	844,595
	- Advances to Suppliers	337,588	236,730
	- Others	1,662,309	71,473
	<b>TOTAL</b>	<b>120,139,560</b>	<b>155,137,158</b>

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
19	<b>OTHER CURRENT ASSETS</b>		
	Prepaid Expenses	747,209	468,587
	<b>TOTAL</b>	<b>747,209</b>	<b>468,587</b>

(Amount in Rs.)

Note No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>20</b>	<b><u>REVENUE FROM OPERATIONS</u></b>		
	<b>Sales</b>		
	Sale of Products	1,059,615,684	1,069,629,939
	Job Work Charges	70,576,159	62,756,274
	Weaving & Processing Charges	7,285,011	9,021,077
	<b>TOTAL</b>	<b>1,137,476,854</b>	<b>1,141,407,290</b>
<b>21</b>	<b><u>OTHER INCOME</u></b>		
	Interest Income on FDR	917,482	1,150,794
	Interest Income Gross	9,352,767	11,784,858
	Late Payment charges	232,259	-
	Foreign Exchange Fluctuation	17,687	2,689
	Dividend Income	200	200
	Rent Received	904,200	699,000
	Miscellaneous Income & Others	171,917	777,569
	<b>TOTAL</b>	<b>11,596,512</b>	<b>14,415,109</b>
<b>22</b>	<b><u>COST OF MATERIALS CONSUMED</u></b>		
	Raw Material Consumed		
	Opening Stock	131,166,680	25,982,975
	Add : Purchases		
	Yarns	99,579,553	158,404,687
	Grey Fabric	292,133,813	759,862,180
		522,880,046	944,249,842
	Less: Closing Stock	325,938	131,166,681
	<b>TOTAL</b>	<b>522,554,108</b>	<b>813,083,161</b>
<b>23</b>	<b><u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</u></b>		
	Opening Stock - Process	80,214,918	76,610,559
	Opening Stock - Finished	47,764,857	31,349,308
	<b>TOTAL - A</b>	127,979,775	107,959,867
	Closing Stock - Process	44,893,740	80,214,919
	Closing Stock - Finished	126,527,012	47,764,856
	<b>TOTAL - B</b>	171,420,752	127,979,775
	(Increase) / Decrease in Stocks <b>TOTAL - A-B</b>	<b>(43,440,977)</b>	<b>(20,019,908)</b>

(Amount in Rs.)

Note No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>24</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries, Wages, Bonus & Other Allowance	63,024,706	59,710,431
	Gratuity	5,510,549	636,361
	Contribution to Provident Funds & ESIC	4,185,264	3,863,303
	Staff Welfare Expenses	621,690	850,219
	<b>TOTAL</b>	<b>73,342,209</b>	<b>65,060,314</b>
	The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below :		
	<b>A. Defined Contribution Plan</b>		
	Contribution to Defined Contribution Plan, recognised and charged off for the year are as under :		
	Employer's Contribution to Provident Fund	3,169,377	2,891,416
	Employer's Contribution to ESI Scheme	1,015,764	970,887
	<b>B. Defined Benefit Plan</b>		
	The present value of Employees' Gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
		<b>Gratuity (Unfunded)</b>	
		<b>As at</b>	<b>As at</b>
		<b>31st March, 2016</b>	<b>31st March, 2015</b>
	<b>a. Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
	Defined Benefit obligation at beginning of the year	-	-
	Current Service Cost	5,064,061	-
	Interest Cost	-	-
	Actuarial (gain)/loss	-	-
	Benefits paid	-	-
	Defined Benefit obligation at year end	5,064,061	-
	<b>b. Reconciliation of fair value of assets and obligations</b>		
	Fair value of plan assets at year end	-	-
	Present value of obligation at year end	5,064,061	-
	Amount recognised in Balance Sheet		
	- Current	501,745	-
	- Non- Current	4,562,316	-
		<b>Year ended</b>	<b>Year ended</b>
		<b>31st March, 2016</b>	<b>31st March, 2015</b>
	<b>c. Expenses recognized during the year</b>		
	Current Service Cost	5,064,061	-
	Interest Cost	-	-
	Expected return on plan assets	-	-
	Benefits paid	-	-
	Actuarial (gain) / loss	-	-
	Net Cost	5,064,061	-
	<b>d. Amount for the current and previous four years^ are as follows :</b>	<b>For the year ended</b>	<b>Year ended</b>
		<b>31st March, 2016</b>	<b>31st March, 2015</b>
	<b>Gratuity :</b>		
	Defined Benefit Obligation	5064061.00	-
	Plan Assets	-	-
	Experience Adjustments on plan Liabilities	-	-
	Experience Adjustments on plan Assets	-	-
	<sup>^</sup> During the current year, the company has got the actuarial valuation done for the first time and hence figures have been provided for the current year only		
	<b>e. Actuarial assumptions</b>	<b>For the year ended</b>	<b>Year ended</b>
		<b>31st March 2016</b>	<b>31st March, 2015</b>
	Mortality Table (L.I.C.)	IALM 2006-08 (Ultimate)	
	Rate of Interest (per annum)	7.46%	-
	Salary growth Rate (per annum)	5.00%	-
	Withdrawal Rate	2.00%	-
	The estimated future salary increases takes into account inflation, seniority, promotion and other retirement factors including supply and demand in the employment market. The above information is certified by the actuary.		

(Amount in Rs.)

Note No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>25</b>	<b><u>FINANCE COST</u></b>		
	Interest Expenses	39,461,230	33,250,548
	Bank Charges	5,001,108	5,740,391
	Car Finance Charges	947,018	1,348,917
	<b>TOTAL</b>	<b>45,409,356</b>	<b>40,339,856</b>
<b>26</b>	<b><u>OTHER EXPENSES</u></b>		
	<b><u>MANUFACTURING EXPENSES</u></b>		
	Power & Fuel	19,307,717	26,765,145
	Stores, Spares & Packing Material Consumed	10,887,764	15,736,363
	Colour, Chemical, Oil & Lubricant Consumed	474,913	1,045,609
	Repairs to Building	-	-
	Repairs to Plant & Machinery	1,858,613	2,745,242
	Repair & Maintenance - Other (At Plants)	144,593	415,279
	Security Charges	1,512,447	1,534,870
	Labour Charges	3,609,174	4,402,718
	Job work Charges	16,508,095	13,120,966
	Freight, Octroi & Cartage	906,562	1,044,281
	Other Manufacturing Expenses	405,673	1,031,425
	<b>TOTAL - A</b>	<b>55,615,551</b>	<b>67,841,898</b>
	<b><u>A. Administrative &amp; General Expenses</u></b>		
	Advertisement & Publicity	61,281	46,139
	Conveyance Expenses	574,140	654,634
	Director's Remuneration & Perquisites	2,078,699	1,919,754
	Donation	42,000	15,000
	Electricity	667,216	696,177
	Filing Fees	52,800	16,700
	Insurance	687,657	400,125
	Sundry Advances Written Off		
	Less Provision for Doubtful Advances	-	-
	Loss on Sale of Fixed Assets	128,475	-
	Membership & Subscription	345,436	199,448
	Miscellaneous Expenses/General Expenses	756,879	833,929
	Panelty & Interest	372,233	420,636
	Professional Fees/ Legal Expenses	1,493,387	1,558,590
	Provision for Bad Debts.	-	-
	Printing & Stationary	533,400	619,823
	Rent,Rates,Fees & Taxes	5,694,337	3,639,172
	Repairs & Maintenance (Others)	282,526	187,731
	Postage & Telegrame	317,125	327,496
	Stamp & Hundi Papers	33,700	740,890
	Telephone	758,503	819,947
	Travelling	464,900	968,197
	Vehicle Expenses	1,012,518	584,143
	Cost Audit Fees	-	179,776
	<u>Auditors Remuneration:</u>		
	- For Statutory Audit		
	- For Tax Audit		
	- For Certification		
	- Others (Cost Audit)	394,925	455,058
	<b>TOTAL - B</b>	<b>16,752,136</b>	<b>15,283,365</b>
	<b><u>B. Selling &amp; Distribution Expenses</u></b>		
	Marketing Expenses & Brokerage	1,653,474	2,258,457
	<b><u>Outward Freight &amp; Octroi</u></b>		
	Export Freight		
	Other Freight	779,594	1,096,368
	Sales Promotion Expenses	490,421	924,252
	Sample & Development Expenses	1,155,049	1,626,730
	<b>TOTAL - C</b>	<b>4,078,538</b>	<b>5,905,807</b>
	<b>TOTAL (A+B+C)</b>	<b>76,446,225</b>	<b>89,031,070</b>

27. During the year Company has provided for Rs. 5064061/- in the Statement of Profit & Loss towards Gratuity Provision as per actuarial valuation done in accordance with Accounting Standard (AS) - 15 "Employee Benefits". The Profit of the company has therefore on account of this first time provision stands reduced by the amount of Rs. 5,064,061/- during the year. As per the report company has shown a sum of Rs. 4,562,316/- under the head of Long Term Provisions and Rs.501,745/- shown under the head other Current Liability.
28. The Company is operating in single segment i.e. Textiles and thus there is no reportable segments as per Accounting Standard 17 "Segment Reporting". There is no reportable geographical segment either.
29. As per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the disclosure of Related Parties and transactions with them thereof are given below:

## A. Related Parties

### i) Subsidiaries and Fellow Subsidiaries:

India Denim Limited – Subsidiary

Trade Bazaar Retail Private Limited (Formerly known as Konark Greentech Private Limited) – Subsidiary

Konark Natural Foods Private Limited (formerly known as Konark Solartech Private Limited) – Subsidiary of Trade Bazaar Retail Private Limited

Konark Wind Projects Private Limited – Subsidiary of Trade Bazaar Retail Private Limited

Konark Infratech Private Limited – Subsidiary

Konark Gujarat PV Private Limited – Subsidiary of Konark Infratech Private Limited

### ii) Individual having significant influence:

Smt. Raka Devi Dalmia – Share Holder

### iii) Key Managerial Personnel (KMP) and Relative:

Mr. Prakashchand Dalmia – Chairman & Managing Director

Mr. Amitabh Kejriwal – Whole-Time Director

Ms. Shikha Dalmia – Relative of Director

Ms. Smita Kejriwal – Relative of Director

Mr. Ramniwas Bhanwarlal Somany – Chief Financial Officer

### iv) Enterprise over which Key Management Personnel are able to exercise significant influence:

M/s Konark Silk Mills

M/s Konark Realtech Private Limited

M/s Trade Bazaar Hometech Ventures LLP.

## B) Transactions with Related Parties:

Figures in bracket belongs to previous year

(Amount in Rs.)

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	-	2,078,699 (2,054,754)	-	2,078,699 (2,054,754)
Salary	-	-	492,000 (492,000)	-	492,000 (492,000)
Rent Expenses	-	180,000 (180,000)	-	108,000 (108,000)	288,000 (288,000)
Rent Received	-	-	-	904,200 (699,000)	904,200 (699,000)
Loan Taken	-	-	-	73,214,300 (60,040,000)	73,214,300 (60,040,000)
Loan Given	29,024,595 (25,386,142)	-	-	-	29,024,595 (25,386,142)
	(25,386,142)	-	-	-	

## C) Disclosures of material transactions with Related Parties as mentioned above:

(Amount in Rs.)

	2015 - 2016	2014 - 2015
<b>Managerial Remuneration &amp; Perquisites</b>		
Prakash Chand Dalmia	1,198,806	1,254,623
Amitabh Kejriwal	879,893	800,131
<b>Salary Paid</b>		
SikhaDalmia	300,000	300,000
SmitaKejriwal	192,000	192,000
<b>Rent Paid</b>		
Konark Silk Mills	108,000	108,000
Raka Devi Dalmia	180,000	180,000
<b>Rent Received</b>		
Trade Bazaar Hometech Ventures LLP.	904,200	699,000
<b>Loans Taken</b>		
Konark Realtech Pvt. Ltd.	73,214,300	60,040,000
<b>Loans Given</b>		
India Denim Limited	730,782	6,262,130
Konark Infratech Pvt. Ltd	22,988,953	18,341,800
Trade Bazaar Retail Pvt. Ltd	2,020,000	10,000
Konark Natural Foods Pvt. Ltd.	3,284,860	759,472
Konark Gujarat PV Pvt. Ltd.,	0.00	12,740

D) Balances with the Related Parties as at 31<sup>st</sup> March, 2016

Figures in bracket belongs to previous year

(Amount in Rs.)

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMPs have significant influence	Total
Remuneration & Perquisites	-	-	77,600 (117,391)	-	77,600 (117,391)
Salary	-	-	41,000 (41,000)	-	41,000 (41,000)
Rent Income Etc	-	-	-	254,180 (58,250)	254,180 (58,250)
Rent Expenses	-	180,000 (180,000)	-	108,000 (108,000)	288,000 (288,000)
Loan Taken	-	-	-	188,485,345 (207,241,045)	188,485,345 (207,241,045)
Loan Given	103,208,208 (141,556,783)	-	-	-	103,208,208 (141,556,783)

## 30. Earning Per Share (EPS) (Basic and Diluted):

(Amount in Rs.)

Particulars	2015-16	2014-15
Net Profit / (Loss) after Current and Deferred Tax (In Rs. Lac)	1,643,070	5,976,567
Number of Equity Shares	5,808,000	5,808,000
Basic Earning Per Share	0.28	1.03
Diluted Earnings Per Share	0.28	1.03



**31. Breakup of Net Deferred Tax Expenses Provided:**
**(Amount in Rs.)**

Particulars	2015-16	2014-15
<b>A. Deferred Tax Liability (DTL)</b>		
Due to depreciation difference	-4,205,796	2,754,666
Due to Loss on Sale of Fixed Assets	-42,478	
<b>Total DTL</b>	<b>-4,248,273</b>	<b>2,754,666</b>
<b>B. Deferred Tax Assets (DTA)</b>		
Credit under u/s 43B & 40(a)	1,733,033	143,189
Mat credit available for the year	-1,650,434	761,530
Difference due to rate of Income Tax	70,065	
<b>Total DTA</b>	<b>152,663</b>	<b>904,719</b>
<b>Net Deferred Tax Liability</b>	<b>-4,400,937</b>	<b>1,849,947</b>

**32. Contingent Liability / Capital Commitments**

The Bankers of the Company have given Guarantees to various Government Authorities amounting to Rs.3,541,000/- (P.Y. Rs.4,735,500/-) for which the Company has given counter guarantee and margin money to the bankers amounting to Rs.1,139,250/- (P.Y. Rs.1,225,375/-).

The Company has given a Corporate Guarantee of Rs. 1,056,000,000/- (P.Y. Rs. 596,000,000) to the bankers of its subsidiaries namely India Denim Limited and Konark Gujarat PV Private Limited against Term Loan and Working Capital Facilities sanctioned for the said subsidiaries. The Company does not expect any outflow of resources in respect of the above.

The company has no capital and other commitments as on the Balance Sheet date.

33. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the Balance Sheet realizable in the ordinary course of business. Sundry Debtors, Creditors & Advances are subject to reconciliation with parties.

34. Income Tax Assessment of the company has been completed up to the Financial Year ended on 31<sup>st</sup> March, 2014.

35. Additional information as per Revised Schedule III:

**Raw Material Consumed: (Amount in Rs.)**

Particulars	Consumption
Yarn	146,468,765 (156,515,486)
Fabric	376,085,345 (656,567,677)
<b>Total</b>	<b>522,554,108</b> <b>(813,083,161)</b>

**Raw Material Purchased (Amount in Rs.)**

Particulars	Purchases
Yarn	99,579,553 (158,404,687)
Fabric	727,569,175 (759,861,280)
<b>Total</b>	<b>827,148,728</b> <b>(918,265,967)</b>

**Manufactured Goods, Sales Value, Closing Inventory and Opening Inventory:**
**(Amount in Rs.)**

Particulars	Sales Value	Closing Inventory	Opening Inventory
<b>Manufactured Goods</b>			
Yarn	185,643,981 (263,905,198)	12,191,393 (13,245,913)	13,245,913 (14,251,372)
Fabric	463,099,467 (687,127,788)	21,379,236 (32,993,944)	32,993,944 (15,572,936)
Garments	0.00 (86,614)	1,525,000 (1,525,000)	1,525,000 (1,525,000)
Others	77,861,170 (71,777,351)	NIL (NIL)	NIL (NIL)
<b>Total</b>	<b>726,604,618</b> <b>(1,022,896,951)</b>	<b>35,095,629</b> <b>(47,764,857)</b>	<b>47,764,857</b> <b>(31,349,308)</b>
<b>Traded Goods</b>			
Fabric	410,872,236 (118,510,339)	91,431,383 (NIL)	NIL (NIL)
<b>Total</b>	<b>410,872,236</b> <b>(118,510,339)</b>	<b>91,431,383</b> <b>(NIL)</b>	<b>NIL</b> <b>(NIL)</b>

**Work In Process**

(Amount in Rs.)

Particulars	Work in Process 2015-2016	Work in Process 2014-2015
<b>Work in Process</b>		
Yarn	37,380,997	40,374,496
Fabric	0.00	30,600,968
Readymade Garments	7,512,743	9,239,454
<b>Total</b>	<b>44893740</b>	<b>80,214,918</b>

**36. Auditors Remuneration:**

(Amount in Rs.)

Particulars	2015 – 16	2014 – 15
Audit Fees	303,425	280,900
Tax Audit	57,250	56,180
For Others	34,250	117,978
<b>Total</b>	<b>394,925</b>	<b>455,058</b>

**37. Earnings In Foreign Exchange:**

(Amount in Rs.)

Particulars	2015-16	2014-15
FOB Value of Exports	-	86,614

38. As on the Balance Sheet date, the Company does not have any Foreign Currency Exposure. Disclosure in respect to hedging of Foreign Currency by a derivative instrument or otherwise thereof is not applicable.

**39. CIF Value of Imports:**

(Amount in Rs.)

Particulars	2015-16	2015-16
Stores & Spares	93,582	206,399

**40. Expenditure in Foreign Currency:**

(Amount in Rs.)

Particulars	2015-16	2014-15
Travelling Expenses	-	30,150

**41. Disclosure pursuant to Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 186 of the Company Act, 2013:****A. Loans and Advances in the nature of loans and advances given to Subsidiary are given below. The previous year figures are shown in brackets:**

(Amount in Rs.)

Name of the Company	Amount Outstanding 31 <sup>st</sup> March, 2016	Maximum Outstanding during the Year
India Denim Limited	5,645,056 (14,914,274)	14,914,274 (16,042,828)
Konark Infratech Pvt. Ltd.	97,563,152 (123,574,199)	123,574,199 (123,574,199)
Konark Greentech Pvt. Ltd.	0.00 (2,128,838)	4,148,838 (4,593,838)

Loans & Advances shown above fall under the category of Short Term Loans and the same are in nature of Loans and are repayable on demand. The loan of Konark Infratech Pvt. Ltd. is interest bearing.

**B. Investment by the loanees in the shares of the Company:**

The loanees have not made any investments in shares of the Company.

42. The Financial Statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013. Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with those of the Current Year.

As per our Report of even date attached

**For BHUWANIA & AGRAWAL ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
(Firm Registration No. 101483W)

**Abhishek Jain**  
Partner  
Membership No. 509839

**FOR AND ON BEHALF OF THE BOARD**

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

**AMITABH KEJRIWAL**  
Whole-Time Director

**MAHENDRA AGARWAL**  
Director

**RAMNIWAS B SOMANY**  
Chief Finance Officer

Place: MUMBAI  
Date : 30<sup>th</sup> May, 2016

**MEHNUDDIN KHAN**  
Company Secretary & Compliance Officer

**CONSOLIDATED FINANCIAL STATEMENTS**

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF KONARK SYNTHETICS LIMITED REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **Konark Synthetics Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 the Companies (Accounts) Rules, 2014 ("the Rules") (particularly Accounting Standard 21 – Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, the aforesaid consolidated 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:

- i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31<sup>st</sup> March, 2016;
- ii) in the case of the Consolidated Statement of Profit and Loss Account, of the consolidated losses for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

#### OTHER MATTERS

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets namely India Denim Ltd and Konark Infratech Private Ltd (Consolidated), whose total financial assets reflect total assets of Rs.12,476.92 lakhs at 31<sup>st</sup> March 2016, total revenues of Rs. 3,046.84 lakhs and net cash inflows amounting to Rs 83.94 Lakhs for the year then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

**EMPHASIS OF MATTER:**

We would like to draw the attention on one of the subsidiary company's policy of providing for gratuity on the payment basis and not on the actuarial valuation as per AS 15.

Our opinion is not qualified in respect of above matters.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by sub-sections 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries, as noted in the 'Other Matter' paragraph, we report to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules, except as stated above in "*Emphasis of Matter*".
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 and on the basis of the relevant assertion contained in the audit reports on standalone financial statements of subsidiary companies, none of the Directors of the Group and the jointly controlled entity are disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a Director of that company in terms of sub section 2 of Section 164 of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
  - (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 and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matter' paragraph:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 32 to the consolidated financial statements;
    - ii. the Group does not see any foreseeable losses on long-term contracts as on the balance sheet date and the Group has not entered into any derivative contracts, therefore no provision has been made in relation to the same; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

**For Bhuwania & Agrawal Associates**

Chartered Accountants

Firm's Registration Number: 101483W

**Abhishek Jain**

Partner

Membership Number: 509839

Place: Mumbai

Date: 30<sup>th</sup> May, 2016

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

In conjunction with our audit of the consolidated financial statements of **Konark Synthetic Ltd.** ("the Holding Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies as of that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective Board of Directors of the of the Holding Company, and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company, and its subsidiary companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Holding Company's, and its subsidiary company's, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's, and its subsidiary company's, internal financial controls system over financial reporting.

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial controls 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 controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, the Holding Company, and its subsidiary companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal controls over financial reporting criteria established by the Holding Company, and its subsidiary companies, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**OTHER MATTERS**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiaries, is based on the corresponding report of the auditors of such companies.

**For Bhuwania & Agrawal Associates**

Chartered Accountants

Firm's Registration Number: 101483W

**Abhishek Jain**

Partner

Membership Number: 509839

Place: Mumbai

Date: 30<sup>th</sup> May, 2016

## CONSOLIDATED BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2016

Sr. No.	Particulars	Note No	As At 31.03.2016 Amount (Rs.)	As At 31.03.2015 Amount (Rs.)
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>	<b>Shareholders' funds</b>			
a.	Share capital	2	58,080,000	58,080,000
b.	Reserves and surplus	3	225,449,876	258,297,202
c.	Money received against share warrants			
<b>2</b>	<b>Share application money pending allotment</b>		-	-
	<b>Minority Interest</b>			
	India Denim Limited		13,833,909	43,524,847
	Konark Infratech Private Limited		40,057,847	26,273,616
<b>3</b>	<b>Non-current liabilities</b>			
a.	Long-term borrowings	4	937,125,752	882,687,182
b.	Deferred tax liabilities	5	37,826,565	42,227,502
c.	Other Long term liabilities			
d.	Long-term provisions	6	4,562,316	-
<b>4</b>	<b>Current liabilities</b>			
a.	Short-term borrowings	7	436,758,223	679,943,306
b.	Trade payables	8		
	Total Outstanding dues of micro and small enterprises*			
	Total Outstanding dues of creditors other than micro and small enterprises*		141,069,427	228,792,915
	*Refer Note No. 8			
c.	Other current liabilities	9	156,886,454	110,623,386
d.	Short-term provisions	10	22,804,656	1,950,000
	<b>TOTAL(in Rs.)</b>		<b>2,074,455,025</b>	<b>2,332,399,957</b>
<b>II</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b>Non-current assets</b>			
a.	Fixed assets	11		
(i)	Tangible assets		1,045,048,377	1,096,353,891
(ii)	Intangible assets		2,199,550	387,267
(iii)	Capital work-in-progress		41,557,933	88,229,049
(iv)	Intangible assets under development		-	-
(v)	Goodwill on Consolidation		-	-
b.	Non-current investments	12	3,100	3,100
c.	Deferred tax assets	13	20,319,855	20,319,855
d.	Long-term loans and advances	14	26,465,104	34,027,400
<b>2</b>	<b>Current assets</b>			
a.	Current investments		-	-
b.	Inventories	15	355,399,080	466,698,032
c.	Trade receivables	16	402,128,933	453,643,606
d.	Cash and cash equivalents	17	36,144,922	28,710,092
e.	Short-term loans and advances	18	143,749,477	142,740,116
f.	Other current assets	19	1,438,695	1,287,548
	<b>TOTAL(in Rs.)</b>		<b>2,074,455,025</b>	<b>2,332,399,957</b>

Notes including Significant Accounting Policies from 1 to 32

As per our Report of even date attached

**For BHUWANIA & AGRAWAL ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(Firm Registration No. 101483W)**

**Abhishek Jain**  
Partner  
Membership No. 509839

**FOR AND ON BEHALF OF THE BOARD**

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

**AMITABH KEJRIWAL**  
Whole-Time Director

**MAHENDRA AGARWAL**  
Director

**RAMNIWAS B SOMANY**  
Chief Finance Officer

Place: MUMBAI  
Date : 30<sup>th</sup> May, 2016

**MEHNUDDIN KHAN**  
Company Secretary & Compliance Officer



**STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016**

Sr. No	Particulars	Note No	FOR THE YEAR 2015 - 2016 Amount (Rs.)	FOR THE YEAR 2014 - 2015 Amount (Rs.)
I.	Revenue from operations	20	1,445,364,757	1,686,375,108
II.	Other income	21	4,096,764	10,815,186
III.	<b>Total Revenue (I + II)</b>		<b>1,449,461,521</b>	<b>1,697,190,294</b>
IV.	<u>Expenses:</u>			
	Cost of materials consumed	22	652,154,493	1,122,074,605
	Purchases of Stock-in-Trade		440,281,743	117,660,875
	Change in inventories of finished goods/stock in trade	23	(18,282,224)	(26,302,308)
	Employee benefits expense	24	90,202,219	88,747,131
	Finance costs	26	107,280,313	126,516,307
	Depreciation and amortization expense	11	98,517,048	102,614,137
	Other expenses	25	117,306,140	163,403,046
	<b>Total expenses</b>		<b>1,487,459,731</b>	<b>1,694,713,794</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>(37,998,211)</b>	2,476,500
VI.	Exceptional items (Loss on sale of Assets)		-	150,551.00
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>(37,998,211)</b>	2,325,949
VIII.	Prior Period Items		3,190	48,266
IX.	<b>Profit before tax (VII- VIII)</b>		<b>(38,001,401)</b>	2,277,683
X.	<u>Tax expense:</u>			
	(1) Current tax		14,953,000	8,791,300
	(2) Deferred tax Liabilities(Assets)		(4,400,937)	(10,749,890)
	(3) Short/(Excess) Provision for Taxation		194,948	(3,870)
XI.	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(48,748,412)</b>	4,240,142
XII.	Less Minority Interest			
	i. India Denim Limited		(29,690,938)	(10,211,140)
	ii. Konark Infratech Private Limited		13,784,231	11,336,976
	Less Preacquisition Loss adjusted in Capital Reserve		-	-
	Profit (Loss) for the period after Minority Interest		<b>(32,841,705)</b>	3,114,307
XIII.	Profit/(loss) from discontinuing operations		-	-
XIV.	Tax expense of discontinuing operations		-	-
XV.	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>(32,841,705)</b>	<b>3,114,307</b>
XVI.	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>(32,841,705)</b>	<b>3,114,307</b>
XVII.	<u>Earnings per equity share:</u>			
	(1) Basic		<b>(5.65)</b>	<b>0.54</b>
	(2) Diluted		<b>(5.65)</b>	<b>0.54</b>

Notes including Significant Accounting Policies from 1 to 32

As per our Report of even date attached

**For BHUWANIA & AGRAWAL ASSOCIATES****CHARTERED ACCOUNTANTS****(Firm Registration No. 101483W)****Abhishek Jain**

Partner

Membership No. 509839

Place: MUMBAI

Date : 30<sup>th</sup> May, 2016**FOR AND ON BEHALF OF THE BOARD****PRAKASHCHAND DALMIA**  
Chairman & Managing Director**AMITABH KEJRIWAL**  
Whole-Time Director**MAHENDRA AGARWAL**  
Director**RAMNIWAS B SOMANY**  
Chief Finance Officer**MEHNUDDIN KHAN**  
Company Secretary & Compliance Officer

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Particulars	31ST MARCH 2016 Amount (Rs.)		31ST MARCH 2015 Amount (Rs.)	
<b>Cash flow from operating activity</b>				
Net Profit before tax & Extra Ordinary Items		(37,998,211)		2,476,499.90
Adjustment for : Depreciation	98,517,048		102,614,137	
Interest paid	107,280,313		126,516,308	
Miscellaneous Exp. Written Off.	20,200		0.00	
(Profit)Loss on Sale of Fixed Assets	141,201		0.00	
Interest Income (considered Separately)	(2,277,231)	203,681,531	(2,467,689)	226,662,756
<b>Operating Profit before working capital changes</b>		165,683,320		229,139,256
<b>WORKING CAPITAL CHANGES</b>				
(Increase)Decrease in Sundry debtors	51,514,673		177,388,821	
(Increase)Decrease in Loans & Advances	6,552,936		(27,421,779)	
(Increase)Decrease in Inventories	111,298,953		(124,829,765)	
Increase(Decrease) in Trade Payable (Incl.Work'g Cap.Fin)	(15,892,300)	153,474,262	(237,584,969)	(212,447,692)
<b>Cash Generated From operations</b>		319157582		16691563.70
Interest paid		(107,280,313)		(126,516,308)
<b>Cash Flow Before Prior Period &amp; Extra Ordinary Items</b>		211,877,269		(109,824,744)
Prior Period & Extra Ordinary Items		3,190		194,947.00
<b>Net Cash Flow From Operating Activities (I)</b>		211,874,079		(110,019,691)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchases of Fixed Assets	2,808,904		(54,856,063)	
Interest Income	2,277,231		2,467,689	
Sale of fixed assets	250,000		60,500	
<b>Net Cash Outflow for investing Activities (II)</b>		5,336,135.00		(52,327,874)
<b>Cash flow after investing activities (III) = (I-II)</b>		217,210,214		(162,347,565)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from long term borrowing (Net of Repayments)	54,438,570		133,067,582	
Unsecured Loan	(243,185,083)		47,416,574	
Dividend paid	0.00		0.00	
Direct Tax Paid	(21,028,871)		(8,866,584)	
<b>Net Cash Flow from financing activity (IV)</b>		(209,775,384)		171,617,572
<b>Cash flow after financing activity (V)=(III-IV)</b>		7,434,830		9,270,007
Opening Balance:				
Cash &Cash Equivalent (Opening Balance)		28,710,092		19,439,085
Cash &cash equivalent(Closing balance)		36,144,922		28,710,092
<b>Increase in cash &amp; cash equivalent (VI)</b>		7,434,830		9,271,007

As per our Report of even date attached

**For BHUWANIA & AGRAWAL ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(Firm Registration No. 101483W)**

**Abhishek Jain**  
Partner  
Membership No. 509839

Place: MUMBAI  
Date : 30<sup>th</sup> May, 2016

**FOR AND ON BEHALF OF THE BOARD**

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

**AMITABH KEJRIWAL**  
Whole-Time Director

**MAHENDRA AGARWAL**  
Director

**RAMNIWAS B SOMANY**  
Chief Finance Officer

**MEHNUDDIN KHAN**  
Company Secretary & Compliance Officer

**NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2016****1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

Significant accounting policies on Consolidated Accounts:

**A. GENERAL**

The accompanying Consolidated Financial Statements (CFS) for Konark Synthetic Limited (KSL) ("the company") and its domestic subsidiaries India Denim Limited (IDL), Trade Bazaar Retail Private Limited (Formerly known as Konark Greentech Private Limited (TBRPL) and Konark Infratech Private Limited (KIPL) have been prepared and presented under historical cost convention, in accordance with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standard 21 on the Consolidated Financial Statement, issued by The Institute of Chartered Accountants of India (ICAI). Specifically, the recognition, measurement and disclosure provision of AS 21 to the extent possible is in the same formats that have been adopted by the Company for its separate financial statements.

**B. PRINCIPLES OF CONSOLIDATION**

- a) The consolidated financial statements include the financial statement of KSL and its subsidiaries as stated above.
- b) The consolidation financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parents company's separate financial statements except otherwise stated elsewhere in this schedule. The Financial statements of the Company and its subsidiaries companies have been combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".
- c) Minority Interest in the consolidated financial statements is identified & recognized after taking into consideration:
  - The amount of equity attributable to minorities at the date on which investments in subsidiary is made.
  - The minority's share of movement in equity since the date of subsidiary company came into existence.
  - The losses attributable to the minorities are adjusted against the Minority interest in the equity of the subsidiary company.
  - The excess of profit or loss over the minority interest in the equity is adjusted against Profit and Loss of the Parent Company.

**C. The details of the Subsidiaries / Step-Down Subsidiaries in the consolidated financial statement are as follows:**

Name of the Subsidiary Company	Financial Year of the Subsidiary company ended on	Extent of Holding/Subsidiary Company's Interest	Country of Incorporation
India Denim Limited	March 31, 2016	61.17 %	India
Konark Infratech Private Limited.(KITPL)	March 31, 2016	53.85%	India
Konark Gujrat PV Private Limited	March 31, 2016	100% by KITPL	India
Trade Bazaar Retail Private Limited (TBRPL)	March 31, 2016	100.00%	India
Konark Wind Project Private Limited.	March 31, 2016	100.00%(TBRPL)	India
Konark Natural Foods Private Limited.	March 31, 2016	100.00%(TBRPL)	India

**D. USE OF ESTIMATE**

The preparation of financial statements, in conformity with the generally accepted accounting principles requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Actual result could differ from those estimates.

**E. FIXED ASSETS**

Fixed assets are stated at historical cost of acquisition or construction, less accumulated depreciation and all costs including financing cost till the date of capitalization.

**F. DEPRECIATION**

Depreciation on the Fixed Assets has been provided on pro-rata basis on straight line method at the rates prescribed by Schedule II of the Companies Act, 2013.

**G. IMPAIRMENT OF ASSETS:**

An assets is treated as impaired, when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, charged to profit and loss account, in the year in which an asset is identified as impaired. The impairment less recognized is prior accounting period is reversed if there has been a change in estimate of recoverable amount.

## **H. INVENTORIES**

In general, all inventories of finished, work-in-progress etc. are stated at lower of cost or net realizable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. Raw materials & Stores and Spares are stated at cost on FIFO basis. Waste and by product are valued at net realizable value.

## **I. INVESTMENT**

Investments other than in subsidiary have been accounted as per Accounting Standard -13 (AS) on "Accounting for Investments". Long-term investments are stated at the cost of acquisition. Provision for diminution in the value of Long term Investment has been made during the year whenever there is decline other than temporary in the opinion of the Management.

## **J. TRANSACTION IN FOREIGN EXCHANGE**

Transactions denominated in foreign currency are normally recorded at the customs exchange rates prevailing at the time of transaction as per AS-11 monetary Items denominated in foreign currencies at the year end are restated at year end rates.

## **K. TAXATION**

### **Current Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

### **Deferred Tax**

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and loss that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax assets is recognized and carried forwarded only to the extent that there is a reasonable certainty that the assets will be realized in future.

## **L. SALES & PURCHASE**

Sales are recorded net of return, rate difference and sales claim. Purchases are recorded inclusive of all taxes excluding VAT net of return rate difference and purchases claims.

## **M. EXPORT INCENTIVES.**

Benefit on account of entitlement of Duty Draw Back and others are recognized as and when right to receive is established as per the terms of the scheme.

## **N. EMPLOYEES RETIREMENT BENEFIT**

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques based on Projected Unit Credit Method. Actuarial gain/losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

## **O. PROVISION, CONTINGENT LIABILITY AND CONTINGENT ASSETS.**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>2</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised Capital</b>		
	15000000 Equity Shares of Rs. 10/- each (Previous Year 15000000 Equity Shares of Rs.10 /ach)	150,000,000	150,000,000
	<b>TOTAL</b>	<b>150,000,000</b>	<b>150,000,000</b>
	<b>Issued, Subscribed and Paid Up</b>		
	5808000 Equity Shares of Rs. 10/- each (Previous Year 5808000 Equity Shares of Rs.10 /ach)	58,080,000	58,080,000
	<b>TOTAL</b>	<b>58,080,000</b>	<b>58,080,000</b>

**Reconciliation of Outstanding Shares as on 31.03.2016**

Particulars	Equity Shares	
	Number	Rs.
Shares outstanding at the beginning of the year	5,808,000	5,808,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<b>5,808,000</b>	<b>5,808,000</b>

Rights, Preference and Restrictions attached to equity Shares.

Equity Share Holder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing General Meeting. Dividend is paid to the equity Shareholders, whose name appears in the register of members as on record date.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after the distribution of all preferential amounts. Distribution will be in the proportion to the number of equity shares held by the shareholders.

**Details of Shareholders holding more than 5% of Equity Share Capital as on 31.03.2016**

Sr. No	Name of the Shareholder	As At 31.03.2016		As At 31.03.2015	
		No. of Shares Held	% age of Shareholding	No. of Shares Held	% age of Shareholding
1	RAKADEVI DALMIA	2,108,091	36.30%	2,108,091	36.30%
2	KAYO INVESTMENT AND FINANCE PVT. LTD	856,850	14.75%	856,850	14.75%
3	FILLMORE TRADING & INVESTMENTS PVT. LTD.	840,000	14.46%	840,000	14.46%
4	PRAKASHCHAND DALMIA (HUF)	336,600	5.80%	336,600	5.80%
	<b>TOTAL</b>	<b>4,141,541</b>	<b>71.31%</b>	<b>4,141,541</b>	<b>71.31%</b>

Note No.	Particulars	As At 31.03.2015	Additions during the year	Deduction during the Year	As At 31.03.2016
<b>3</b>	<b>RESERVES AND SURPLUS</b>				
	Capital Reserve *	-			-
	Capital Redemption Reserve	4,000,000	-	-	4,000,000
	Securities Premium Account	68,807,066	-	-	68,807,066
	Capital Incentive Subsidy	2,500,000	-	-	2,500,000
	General Reserve	59,751,143	-	-	59,751,143
	Surplus in Profit & Loss Account **	123,238,993	32,841,705	-	156,080,698
	<b>TOTAL</b>	<b>258,297,202</b>	<b>32,841,705</b>	<b>-</b>	<b>291,138,907</b>
	* Capital Reserve additions includes Goodwill of Rs. 47152 which has been netted off from Capital Reserve				
		<b>As At 31.03.2016</b>	<b>As At 31.03.2015</b>		
	** Profit for the period	-	32,841,705	-	3,114,307

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>4</b>	<b><u>NON-CURRENT LIABILITIES</u></b>		
	<b><u>LONG TERM BORROWINGS</u></b>		
	<b><u>Secured</u></b>		
<b>A.</b>	<b>Term Loans</b>		
	- From Banks against Plants & Equipments		
	Indian Bank	-	694,445
	From Others		
	Tourism Finance Corporation India Limited	232,000,000	268,000,000
	<b>Against Properties</b>		
	From Bank ICICI Bank Ltd.	16,934,827	16,934,827
	IDBI Bank (Loan Against Flat of Directors)	64,684,184	66,995,579
	Loan Against Property	29,036,167	20,172,137
	Motor Cars Loans	5,954,469	5,062,753
	<b>Total I</b>	<b>348,609,647</b>	<b>377,859,741</b>
	<b><u>Unsecured</u></b>		
<b>A.</b>	<b>Term Loans</b>		
	- From Group Company including Holding Company	-	-
	- From Others	-	-
	Of the above Rs. NIL is guaranteed by Directors and/or others		
<b>B.</b>	<b>Loans &amp; Advances</b>		
	<b>From Related Parties</b>		
	Inter Corporate Loans	545,524,267	498,583,603
	Of the above Rs. NIL is guaranteed by Directors and/or others.		
	Terms of Repayment: Payable after 31.03.2014		
	Others	42,991,838	6,243,838
	<b>Total II</b>	<b>588,516,105</b>	<b>504,827,441</b>
	<b>TOTAL I + II</b>	<b>937,125,752</b>	<b>882,687,182</b>

**Secured Loans:**

**Term Loans of Konark Synthetics Limited:**

- a) Loan of Rs. 16934827/- ( P.Y. Rs. 16934827/-) against Flat outstanding of ICICI Bank Ltd against sanctioned of Rs. 5.72 Crores is Secured against the same Flat i.e. Flat No. 2101, situated at Orchid Crown, Tower B, Gokhale Road South, Dadar (W), Mumbai, which is payable in 120 EMIs of Rs. 788525 after getting the possession from the Developer. The loan is also guaranteed by Mr. Prakashchand Dalmia as a co-applicant. b) Loan of Rs. 11904558/- ( P.Y. Rs. 13463180/-) including Current Maturities of Long term Borrowings under Note No. 09 is Secured against Property from Religare Finvest Limited against Shop No. 6 situated at Skylark Building, Plot No. 63, Sector -11, CBD Belapur, Navi-Mumbai - 400614 on the term i.e 120 EMI of Rs. 203400/- and interest rate is 14% p.a floating.
- Loan of Rs. 8542206/- ( P.Y. 8943047/-) including Current Maturities Of Long Term Borrowings under Note No. 09 from Religare Finvest Limited against Shop No. 11 situated at Skylark Building, Plot No. 63, Sector -11, CBD Belapur, Navi-Mumbai - 400614 on the term i.e 120 EMI of Rs. 145951/- and interest rate is 14% p.a floating.
- Both the loans were also guaranteed as co-applicants by Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal, Mr. Shonit Dalmia and M/s Fillmore Trading & Investment Private Limited.
- c) Loan of Rs. 10291309/- ( P.Y. NIL/- ) including Current Maturities of Long Term Borrowings under Note No. 09 is secured against Property from PNB Housing Finance Limited against Shop No. 8 situated at Skylark Building, Plot No. 63, Sector-11, CBD Belapur, Navi-Mumbai-400614 on the term i.e 180 EMI of Rs. 123150/- and interest rate is 14.35% p.a. The loan was also guaranteed as co-applicants by Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal, Mr. Shonit Dalmia, Mrs. Rakadevi Dalmia, Prakashchand Dalmia HUF and M/s Kayo Investments & Finance Pvt. Ltd. d) The loan of Rs. 66912274/- ( P.Y. 68909707/-) including Current Maturities of Long Term Borrowings under note no. 09 from IDBI Bank Ltd is secured against the flat of Shri Amitabh Kejriwal-Director, situated at Flat No. 101, Santusthi, Janki Kutir, Juhu Ville Parle, Juhu, Mumbai - 400049. The loan was also guaranteed as co-applicants by Directors Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal and Authorised Signatory Mr. Shonit Dalmia. Terms of Payment is 180 EMI of Rs. 845328/- including interest @12.25% p.a. floating.

**Term Loans of India Denim Limited**

Term Loan from BOB, SBI, INDIAN BANK, SBIN, PNB and SBT are secured by first charge paripassu on immovable properties (Equitable Mortgage of deposit of the deed) both present and future and first charge by way of hypothecation of all movable properties including movable Plant and Machinery, Tools and Accessories and other movable present and future (save and except Stock and Book Debts). Second charge by way of hypothecation on the stock of Raw material, Semi finished, finished goods, stores & spares, packing materials, consumables and book debts and is payable over a period of 5 Years.

**Term Loans of Konark Infratech Pvt. Ltd.**

The Equipment Finance Loan from Tourism Finance Corporation India Limited is secured by First Charge on all the fixed assets (both present & future) of the 5-MW solar power project by hypothecation of all movable assets including plant and machinery, machinery spares, tools & accessories, etc; and mortgage of about 35 acres of project land & building / structures thereon in the Kutch District of Gujarat. Loan amounting to Rs.27,70,00,000/- (current balance outstanding Rs. 26.8 Crores) is repayable in 87 Monthly Installments commencing from July, 2015 and ending September, 2022, payable as 9 Monthly Installments of Rs 10 lacs each, 36 Monthly Installments of Rs 30 lacs each, 22 Monthly Installments of Rs 35 lacs each, 14 Monthly Installments of Rs 40 lacs each and 6 Monthly Installments of Rs. 45 Lacs each. The applicable Rate of Interest is Base Rate (12.75% p.a) plus 0.75% p.a. i.e. currently 13.50% p.s payable on the monthly basis.

**Vehicle Loans of Konark Synthetics Limited:** The loans are hypothecated against the specific vehicles for which it was sanctioned by the bank.

- Of the above loans, amounts (including current maturities under Note 9) of,
- Rs. 39,20,000 is repayable in 36 EMI of Rs. 1,37,816 starting from April 03, 2016
  - Rs. 27,79,000 is repayable in 36 EMI of Rs. 97,701 starting from April 03, 2016
  - Rs. 7,35,000 is repayable in 27 EMI of Rs. 32,950 starting from April 03, 2016
  - Rs. 9,53,973 is repayable in 40 remaining EMI of Rs. 28,450 upto July 01, 2019

**Unsecured Loans:**

**Loans From Related Parties of Konark Synthetics Limited:** Above loan was taken from associate concern Konark Realtech Pvt. Ltd. and is not guaranteed by any director of the company. The loan is repayable after March 31, 2017.

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
5	<b>DEFERRED TAX LIABILITY</b>		
	Deferred Tax Liabilities		
	In respect of Fixed Assets	41,069,832	44,471,038
	Deferred Tax Assets		
	In respect of disallowance U/s 43B and MAT	3,243,267	2,243,536
	Deferred Tax Liabilities (NET)*	<b>37,826,565</b>	<b>42,227,502</b>
	*Deferred Tax Assets of India Denim Limited have been disclosed in the Note No. 13		

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
6	<b>LONG TERM PROVISION</b>		
	Provision For Employee Benefits - Gratuity	4,562,316	-
	<b>TOTAL</b>	<b>4,562,316</b>	<b>-</b>

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
7	<b>CURRENT LIABILITIES</b>		
	<b>SHORT TERM BORROWINGS</b>		
	<b>Secured</b>		
A.	<b>Loans repayable on demand</b>		
	- From Bank		
	Cash Credit	391,718,130	382,091,683
	<b>Unsecured</b>		
	- From Bank	-	2,500,000
	- Loans from Related Parties	30,755,345	75,208,575
	- Others	14,284,748	220,143,048
	(Of the above Rs. Nil is guaranteed by Directors)		
	<b>TOTAL</b>	<b>436,758,223</b>	<b>679,943,306</b>

**Secured Loans****Cash Credit Of Konark Synthetics Limited**

Cash credit of Rs. 10 Crores has been sanctioned by Corporation Bank against paripassu first charge on inventory and book debts of the Company with margin of 25% on Stock, 30% on Consumables and Stores, and 40% on Book Debts; at interest rate of Base Rate + 4.35%.

Cash credit of Rs. 9.25 Crores has been sanctioned by Indian Bank against paripassu first charge hypothecation of inventory and book debts of the Company with margin of 25% on Stock, and 50% on Book Debts; at the interest rate of Base Rate + 4.25%.

**Cash Credit Of India Denim Limited**

Loans payable on demand from all banks are secured against first charge hypothecation of Stock of raw material, semi-finished goods and finished goods, Store and Spares, Packing Material, Consumables and Book Debts and second charge on Land and Building and Plant & Machinery of the Company. Above loans are personally guaranteed by promoters (Mr. Prakashchand Dalmia and Mr. Amitabh Kejriwal) along with corporate guarantee of M/s Konark Synthetics Limited and M/s Fillmore Trading and Investment Pvt. Ltd.

**Unsecured Loans****Konark Synthetics Limited**

- Loans from related parties is from Konark Realtech Private Limited and is payable on demand
- Of the loans from others, amounts (including current maturities under Note 9) of,
  - Rs. 18,08,166 is repayable in remaining 21 EMI of Rs. 91,667 upto March 10, 2018
  - Rs. 29,82,113 is repayable in remaining 47 EMI of Rs. 88,877 upto February 05, 2020
  - Rs. 7,17,150 is repayable in remaining 6 EMI of Rs. 1,29,185 upto September 07, 2016
  - Rs. 13,16,119 is repayable in remaining 7 EMI of Rs. 1,99,696 upto October 15, 2016



(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016		As At 31.03.2015	
<b>8</b>	<b><u>TRADE PAYABLES</u></b>				
	(a) Total Outstanding dues of micro and small enterprises		-		-
	(b) Total Outstanding dues of creditors other than micro and small enterprises				
	(i) Acceptance	79,977,162		81,473,269	
	(ii) Trade Payables (In ordinary course of Business)				
	For Trade Goods & Expenses	37,554,709		144,365,874	
	For Others	23,537,556	141,069,427	2,953,772	228,792,915
	<b>TOTAL</b>		<b>141,069,427</b>		<b>228,792,915</b>
	<b>Disclosure as per Micro, Small, and Medium Enterprises Development Act, 2006:</b> The Company has not received information from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 hence disclosure required by notification dated 16th November, 2007 issued by Ministry of Company Affairs have not been given.				

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>9</b>	<b><u>OTHER CURRENT LIABILITIES</u></b>		
	Current Maturities of Long-term debts		
	-Term Loans	77,277,602	71,546,759
	-Other Secured Loans	3,929,996	3,148,218
	-Unsecured Loans	3,441,200	-
	-Vehicle Loans	2,433,504	2,770,829
	Interest Accrued and due on borrowings	-	1,727,175
	Interest Accrued but not due	546,614	1,994,102
	Demand Loan	7,483,952	-
	Unpaid/Unclaimed dividends	185,736	185,736
	Advance Received against Land	7,600,000	7,600,000
	Taxes & duty	2,563,017	3,191,080
	Bank Overdraft	-	-
	For Capital Goods	-	67,275
	Other Payables		
	a) Payable-PF, ESIC & Professional Tax	326,134	1,559,071
	b) Payable - Employees	11,218,204	12,772,848
	c) Other	-	-
	(i) Konark Synthetic Limited	-	-
	(ii) Konark Realtech Private Limited	39,812,530	-
	(i) Others	67,965	4,060,292
	<b>TOTAL</b>	<b>156,886,454</b>	<b>110,623,386</b>

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>10</b>	<b><u>SHORT TERM PROVISIONS</u></b>		
	Provision For Income Tax	13,952,066	1,950,000
	Expenses Payable	8,350,845	-
	Provision For Gratuity	501,745	-
	<b>TOTAL</b>	<b>22,804,656</b>	<b>1,950,000</b>

## NOTE NO. 11 CONSOLIDATED FIXED ASSETS

DESCRIPTION	(Amount in Rs.)											
	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As At 01/04/2015	Additions/ Adjustments	Deductions/ Adjustments	As at 31/03/2016	Up to 01/04/2015	For the year	Deductions/ Adjustments	Upto 31/03/2016	As At 31/03/2016	As At 31/03/2015		
<b>Tangible :</b>												
<b>LAND</b>												
Leasehold Land	61,80,340	-	-	61,80,340	5,54,438	62,592	-	6,17,030	55,63,310	56,25,902		
Freehold Land	3,00,67,753	3,71,950	-	3,04,39,703	-	-	-	-	3,04,39,703	3,00,67,753		
Office Building	-	4,85,35,549	-	4,85,35,549	-	1,91,594	-	1,91,594	4,83,43,955	-		
Buildings	20,73,05,868	-	-	20,73,05,868	4,87,61,070	63,92,036	-	5,51,53,106	15,21,52,762	15,85,44,798		
Plant & Machines	1,42,82,68,874	91,928	7,32,918	1,42,76,27,884	53,88,38,927	8,75,68,405	3,04,443	62,61,02,889	80,15,24,995	88,94,29,947		
Furniture & Fixtures	79,33,484	32,050	-	79,65,534	58,11,926	8,38,718	-	66,50,644	13,14,890	21,21,558		
Internet	2,52,658	-	-	2,52,658	1,08,418	39,634	-	1,48,052	1,04,606	1,44,240		
Office Equipments	27,00,379	1,87,783	-	28,88,162	22,10,297	1,21,356	-	23,31,653	5,56,509	4,90,082		
Vehicles	2,25,40,961	1,31,966	47,000	2,26,25,927	1,52,00,131	26,29,401	19,274	1,78,10,258	48,15,669	73,40,830		
Computers	37,63,299	1,28,794	-	38,92,093	34,51,340	1,04,169	-	35,55,509	3,36,584	3,11,959		
<b>Intangible:</b>												
Product Development Exp <sup>s</sup>	24,21,061	-	-	24,21,061	-	4,84,212	-	4,84,212	19,36,849	24,21,061		
Software*	24,03,698	-	-	24,03,698	21,60,670	84,932	-	22,45,602	1,58,095	2,43,027		
<b>Total</b>	<b>1,71,38,38,374</b>	<b>4,94,80,020</b>	<b>7,79,918</b>	<b>1,76,25,38,476</b>	<b>61,70,97,216</b>	<b>9,85,17,049</b>	<b>3,23,717</b>	<b>71,52,90,549</b>	<b>1,04,72,47,928</b>	<b>1,09,67,41,159</b>		
<b>Previous Year</b>	1,70,92,44,825	49,10,405	3,16,856	1,71,38,38,374	51,44,83,079	10,26,14,137	-	61,70,97,216	1,09,67,41,159	1,19,47,61,746		
<b>Capital Work in progress</b>	8,82,29,049	18,64,433	4,85,35,549	4,15,57,933	-	-	-	-	4,15,57,933	3,69,07,925		

\* other than internally generated.

\$ in the previous year this figure was shown as other Current Assets the same has been regrouped under intangible assets in the table.

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>12</b>	<b><u>Non Current Investments</u></b>		
<b>A</b>	<b>Trade Investments</b>	-	-
<b>B</b>	<b><u>Other Investments (Refer B below)</u></b>		
	(a) Investment in Equity instruments	207,100	207,100
	(b) Other non-current investments (specify nature)		
	<b>Total (B)</b>	<b>207,100</b>	<b>207,100</b>
	<b>Grand Total (A + B)</b>	<b>207,100</b>	<b>207,100</b>
	Less : Provision for diminution in the value of Investments	204,000	204,000
	<b>Total</b>	<b>3,100</b>	<b>3,100</b>

B. Details of Other Investments													
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
				2016	2015			2016	2015	2016	2015		
			Rs. unless otherwise Stated	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	<b>Investment Properties</b>												
	Silvassa Co-op. Society Limited	Others	100	10	10	unquoted	Fully			1,100	1,100	Yes	
	The City Co-op. Bank Ltd.	Others	25	40	40	unquoted	Fully			2,000	2,000	Yes	
	Sun Earth Ceramics limited	Others	10	6,800	6,800	Quoted	Fully			20,4000	204,000	Yes	
	<b>Total</b>								-	<b>207,100</b>	<b>207,100</b>	-	

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>13</b>	<b><u>NON-CURRENT ASSETS</u></b>		
	<b><u>Deferred Tax Assets</u></b>		
	Deferred Tax Assets	-	-
	In respect of MAT Credit	51,318,970	51,318,970
	Deferred Tax Liabilities	-	-
	In respect of Depreciation	30,999,115	30,999,115
	Deferred Tax Assets (NET)	<b>20,319,855</b>	<b>20,319,855</b>
<b>14</b>	<b><u>LONG TERM LOAN AND ADVANCES</u></b>		
	<b>Unsecured, Considered Good</b>		
	Deposit with Govt. & Others	7,406,952	14,969,248
	Others	19,058,152	19,058,152
	<b>TOTAL</b>	<b>26,465,104</b>	<b>34,027,400</b>

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>15</b>	<b><u>INVENTORIES</u></b>		
	-Raw Materials	36,284,126	165,929,631
	-Goods in Transit (Raw Material)	-	-
	-Process Stock	62,434,240	136,392,769
	-Finished Goods	238,764,299	146,523,546
	-Stores, Spares	17,916,415	17,629,175
	-Stock of Dyes & Chemical	-	222,913
	<b>TOTAL</b>	<b>355,399,080</b>	<b>466,698,032</b>
<b>16</b>	<b><u>TRADE RECEIVABLES</u></b>		
	<b><u>Unsecured</u></b>		
	-Over 6 months -Good	143,161,041	87,220,419
	-Doubtful		
	-Other Debts - Good	258,713,712	366,364,937
	-Other Debts Related Parties	254,180	58,250
		402,128,933	453,643,606
	Less: Provision for Doubtful debts	-	-
		<b>402,128,933</b>	<b>453,643,606</b>
	<b>TOTAL</b>	<b>402,128,933</b>	<b>453,643,606</b>
<b>17</b>	<b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
	-On Current Accounts	23,027,913	12,493,011
	-Cash in Hand (incld Imprest)	986,590	1,345,946
	<b>-Others</b>		
	-On Dividend Accounts	185,736	185,736
	-On Deposit Accounts (More than 12 Months)	7,000	270,100
	-On Margin Money (FD for a period less than 12 Months)	11,937,683	14,415,300
	<b>TOTAL</b>	<b>36,144,922</b>	<b>28,710,092</b>
<b>18</b>	<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
	<b>Unsecured, Considered Good</b>		
	- To Related Parties and Subsidiaries	-	-
	- Interest Receivable	-	231,420
	- Security Deposit	6,488,302	-
	- To Employees	1,047,714	974,856
	- T.D.S. and Income Tax (Net of Provision)	9,988,186	7,558,661
	- Receivable from Government Authorities	20,773,426	16,835,467
	- Interest Subsidy Receivable	844,595	6,245,092
	- Advances to Suppliers	99,305,769	110,795,561
	- Others*	5,301,485	99,059
	<b>TOTAL</b>	<b>143,749,477</b>	<b>142,740,116</b>
	*Others include mainly TDS on Interest Recoverable		
<b>19</b>	<b><u>OTHER CURRENT ASSETS</u></b>		
	Prepaid Expenses	1,438,695	1,287,548
		1,438,695	1,287,548
	Less Provision for Doubtful Advances	-	-
	<b>TOTAL</b>	<b>1,438,695</b>	<b>1,287,548</b>

(Amount in Rs.)

Note No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>20</b>	<b><u>REVENUE FROM OPERATIONS</u></b>		
	Domestic Sales(Incl. Operational Income)	1,345,833,006	1,557,426,026
	Job Work Charges	90,012,296	113,737,890
	Weaving & Processing Charges	7,285,011	9,021,077
	Other operative Revenues*	2,234,443	6,190,115
	<b>TOTAL</b>	<b>1,445,364,757</b>	<b>1,686,375,108</b>
	*Other Operative revenue is mainly on account of Scrap Sale		
<b>21</b>	<b><u>OTHER INCOME</u></b>		
	Interest on FDR	2,129,272	1,866,889
	Interest Income	147,959	600,800
	Late Payment charges	232,259	-
	Rent Received	904,200	699,000
	Commission Received	31,680	1,044,000
	Foreign Exchange Fluctuation	17,687	5,813,434
	Others*	633,707	791,064
	<b>TOTAL</b>	<b>4,096,764</b>	<b>10,815,186</b>
	*Others includes balances W/back		
<b>22</b>	<b><u>COST OF MATERIALS CONSUMED</u></b>		
	Raw Material Consumed		
	Opening Stock	165,929,631	67,239,065
	Add : Purchases	522,508,990	1,220,765,171
		688,438,621	1,288,004,236
	Less: Closing Stock	36,284,128	165,929,631
	<b>TOTAL</b>	<b>652,154,493</b>	<b>1,122,074,605</b>
<b>23</b>	<b><u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</u></b>		
	Opening stock - Process	136,392,769	136,561,679
	Opening stock - Finished	146,523,546	120,052,328
	<b>TOTAL - A</b>	<b>282,916,315</b>	<b>256,614,007</b>
	Closing stock - Process	62,434,240	136,392,769
	Closing stock - Finished	238,764,299	146,523,546
	<b>TOTAL - B</b>	<b>301,198,539</b>	<b>282,916,315</b>
	Increase / (Decrease) in Stocks b-a		
	<b>TOTAL - B - A</b>	<b>(18,282,224)</b>	<b>(26,302,308)</b>
<b>24</b>	<b><u>EMPLOYEE BENEFITS EXPENSES</u></b>		
	Salaries, Wages & Bonus	79,619,614	82,576,317
	Gratuity & other Allowances	5,569,667	636,361
	Contribution to Funds	4,185,264	3,994,439
	Staff Welfare Expenses	827,674	1,540,014
	<b>TOTAL</b>	<b>90,202,219</b>	<b>88,747,131</b>

(Amount in Rs.)

Note No.	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
25	<b>OTHER EXPENSES</b>		
	<b>MANUFACTURING EXPENSES</b>		
	Power & Fuel	35,364,614	69,298,018
	Stores & Spares & Packing Material Consumed	13,123,557	23,289,293
	Colour, Chemical, Oil & Lubricant Consumed	474,913	1,045,609
	Repairs to Building	219,954	175,616
	Repairs to Plant & Machinery	10,137,874	9,904,589
	Repair & Maintenance - Other (At Plants)	144,593	415,279
	Security Charges	3,320,590	3,366,753
	Labour Charges	5,240,822	6,595,759
	Job work Charges	16,508,095	13,120,966
	Freight, Octroi & Cartage	906,562	1,044,281
	Other Direct Manufacturing Expenses	405,673	1,031,425
	<b>TOTAL A</b>	<b>85,847,247</b>	<b>129,287,588</b>
	<b>A. Administrative &amp; general Expenses</b>		
	Advertisement Expenses	61,281	46,139
	Bank Charges	24,004	-
	Conveyance Expenses	857,201	1,296,890
	Claim & Discount	68,925	378,751
	Director's Remuneration & Perquisites	2,078,699	1,919,754
	Donation	42,000	15,000
	Electricity	2,114,847	2,144,644
	Filing Fees	58,300	31,280
	Foreign Exchange Fluctuation	687,657	-
	Insurance	1,114,194	1,576,435
	Loss on Sale of Fixed Assets	141,201	-
	Interest/Penalty	372,233	-
	Marketing Expenses & Brokerage	1,702,354	2,447,017
	Membership & Subscription	347,836	254,325
	Miscellaneous Expenses/General Expenses	3,119,878	3,258,566
	Outward Freight & Octroi	1,281,683	1,518,302
	Postage Telegram	324,801	337,728
	Printing & Stationery	626,747	783,599
	Professional Fees/ Legal Expenses	3,384,517	5,659,433
	Rent,Rates,Fees & Taxes	6,696,387	4,064,826
	Repairs & Maintenance (Others)	362,181	479,039
	Sales Promotion Expenses	518,630	924,252
	Sample & Development Expenses	1,165,807	1,626,730
	Stamp & Hundi Paper	33,700	740,890
	Telephone Expenses	920,430	1,061,705
	Travelling Expenses;	1,564,331	1,440,062
	Vehicle Expenses	1,165,369	1,248,515
	Cost Audit Fees	-	179,776
	- For Statutory Audit	450,025	425,788
	- For Tax Audit	99,425	98,034
	- For Certification	74,250	157,978
	<b>TOTAL B</b>	<b>31,458,893</b>	<b>34,115,458</b>
	<b>TOTAL (A+B)</b>	<b>117,306,140</b>	<b>163,403,046</b>
26	<b>FINANCE COST</b>		
	Interest Expenses	102,081,529	96,801,386
	Bank Charges	5,198,784	29,714,921
	<b>TOTAL</b>	<b>107,280,313</b>	<b>126,516,307</b>

27. During the year Company has debited a sum of Rs. 5064061/- in the Statement of Profit & Loss towards Gratuity Provision as per actuarial valuation done in accordance with Accounting Standard (AS) - 15 "Employee Benefits" hence the Profit of the company has reduced by the amount of Rs. 5064061/- during the year. As per the report company has shown a sum of Rs. 4562316/- under the head of Long Term Provisions and Rs.501745/- shown under the head other Current Liability.

**28. Segment Reporting:**

For the Group as a whole, Textile and Energy have been identified as the Primary Segment (Products) and there is no geographic segment as such. Details as per Accounting Standard (AS) 17 "Segment Reporting" is as follows:

(Amount in Rs.)

Particulars	Accounting Year Ended 31.03.2016	Previous Year ended 31.03.2015
<b>1. Segment Revenue</b>		
a) Textiles	1,300,296,667	1,541,696,928
b) Energy	145,068,090	144,678,180
<b>Total</b>	<b>1,445,364,757</b>	<b>1,686,375,108</b>
<b>Less: Inter Segment Revenue</b>	-	-
<b>Net Sales from Operation</b>	<b>1,445,364,757</b>	<b>1,686,375,108</b>
<b>2. Segment Results*</b>		
a) Textiles	(24,974,608)	295,445,876
b) Energy	90,159,946	88,632,746
<b>Total</b>	<b>65,185,338</b>	<b>118,177,622</b>
<b>Less: Finance Costs</b>	107,280,313	126,516,308
<b>Add Unallocable Income</b>	4,097,090	10,815,186
<b>Less Unallocable Expenses</b>	0.00	150,551
<b>Profit Before Tax</b>	<b>(37,997,885)</b>	<b>2,325,949</b>
<b>3. Capital Employed** (Segment Assets- Segment Liabilities)</b>		
a) Textiles	152,978,591	229,495,060
b) Energy	184,443,040	178,588,252
<b>Total</b>	<b>337,421,631</b>	<b>408,083,312</b>

29. As per Accounting Standard - 18 issued by The Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

**Related Party Disclosures**

**A. Related Parties Discloser:**

**I. Subsidiaries of Sub-Subsidiaries:**

Konark Natural Foods Pvt. Ltd. (Formerly known as Konark Solartech Private Limited),

Konark Wind Projects Private Limited (Formerly known as Konark Rajasthan PV Private Limited) and Konark Gujarat PV Private Limited.

**II. Individual having significant influence:**

Smt. Rakadevi Dalmia – Share Holder

**III. Key Managerial Personnel and Relative:**

Mr. Prakashchand Dalmia – Chairman & Managing Director

Mr. Amitabh Kejriwal – Whole-Time Director

Mr. Shonit Dalmia – Director

Mr. Punit Desai – Director

Mr. R. B. Somany – Chief Financial Officer

Ms. Shikha Dalmia – Relative of Director

Ms. Smita Kejriwal – Relative of Director

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

M/s Konark Silk Mills

M/s Konark Realtech Private Limited

M/s Trade Bazaar Hometech Ventures LLP.

**B. Transactions:**

(Amount in Rs.)

Particulars	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites		2,078,699 (2,054,754)		2,078,699 (2,054,754)
Salary		492,000 (492,000)		492,000 (492,000)
Rent Expenses	180,000 (180,000)		108,000 (108,000)	288,000 (288,000)



Rent Received			904,200 (699,000)	904,200 (699,000)
Loan Taken			73,214,300 (60,040,000)	73,214,300 (60,040,000)

**C. Disclosures of material transactions with Related Parties as mentioned above: (Amount in Rs.)**

	2015-2016	2014-2015
<b>Managerial Remuneration</b>		
Prakash Chand Dalmia	1,198,806	1255,623
Amitabh Kejriwal	879,893	800,131
<b>Salary Paid</b>		
SikhaDalmia	300,000	300,000
SmitaKejriwal	192,000	192,000
<b>Rent Paid</b>		
Konark Silk Mills	108,000	108,000
Raka Devi Dalmia	180,000	180,000
<b>Rent Received</b>		
<b>Trade Bazaar Homotech Ventures LLP</b>	904,200	699,000
<b>Loans Taken</b>		
KonarkRealtech Pvt. Ltd.	73,214,300	60,040,000

**D. Balances with the Related Parties as at 31<sup>st</sup> March, 2016 (Amount in Rs.)**

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites			77,600 (117,391)		77,600 (117,391)
Salary			41,000 (41,000)		41,000 (41,000)
Rent Received				254,180 (58,250)	254,180 (58,250)
Rent Expenses		180,000 (180,000)		108,000 (108,000)	288,000 (288,000)
Loan Taken				188,485,345 (207,241,045)	188,485,345 (207,241,045)

**30. EARNING PER SHARE:**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the number of the equity shares outstanding during the period.

(Amount in Rs.)

	31.03.2016	31.03.2015
Profit/(Loss) after Tax and Adjustment of the minority		
Interest Before Prior Period Items	Rs. (3,28,38,515)/-	Rs. 31,62,573/-
Less: Prior period expenses / Excess Provision of Tax	Rs. 3,190/-	Rs. 48,266/-
Net Profit / (Loss) after tax	Rs. (3,28,41,705)/-	Rs. 31,14,307/-
Basic Earning per share (5808000 Equity Shares)	Rs. (5.65)	Rs. 0.54

**31. Breakup of Net Deferred Tax Expenses Provided in accordance with the Accounting Standard 22 "Accounting for Taxes on Income" are as under:**

(Amount in Rs.)

A. Deferred Tax Liability	2015-16	2014-15
<b>Due to Depreciation Difference</b>	<b>(4,205,796)</b>	<b>3,375,3781</b>
<b>Less: Loss On Sale Of Fixed Assets</b>	<b>(42,478)</b>	<b>0.00</b>
<b>Total</b>	<b>(4,248,273)</b>	<b>33,753,781</b>
B. Deferred Tax Assets		
<b>Credit U/s 43B &amp; 40(a)</b>	<b>0.00</b>	<b>143,189</b>
<b>MAT Credit Available For The Year</b>	<b>85,599</b>	<b>5,007,030</b>
<b>Due To Change In Tax Rate</b>	<b>70,065</b>	<b>0</b>
<b>Due To Carried Forward Losses</b>	<b>0.00</b>	<b>39,353,452</b>
<b>Total</b>	<b>155,664</b>	<b>44,503,671</b>
<b>Net Deferred Tax Liability</b>	<b>4,403,937</b>	<b>(10,749,890)</b>

### 32. Contingent Liability / Capital Commitments:

The Banker of the Company has given Guarantee to various Government Authorities amounting to Rs. 3,541,000/- (P.Y. Rs.4,735,500/-) for which the Company has given counter guarantee. Company has also given margin money to banker amounting to Rs. 1,139,250/- (P.Y. Rs. 1,225,375/-).

33. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the Balance Sheet realizable in the ordinary course of business. Sundry Debtors, Creditors & Advances are subject to reconciliation with parties.

### 34. Auditor Remuneration:

(Amount in Rs.)

Particulars	2015 – 16	2014 – 15
Audit Fees	450,025	425,788
Tax Audit	99,425	98,034
For Others	74,250	157,978
<b>Total</b>	<b>623,700</b>	<b>681,800</b>

### 35. Earnings In Foreign Exchange:

(Amount in Rs.)

Particulars	2015-16	2014-15
FOB Value of Exports	-	86,614

36. As on the Balance Sheet date, the Company does not have any Foreign Currency Exposure. Disclosure in respect to hedging of Foreign Currency by a derivative instrument or otherwise thereof is not applicable.

### 37. CIF Value Of Imports:

(Amount in Rs.)

Particulars	2015-16	2015-16
Stores & Spares	93582	206399

### 38. Expenditure In Foreign Currency:

(Amount in Rs.)

Particulars	2015-16	2014-15
Travelling Expenses	-	30,150

### 39. STATEMENT OF NET ASSETS & PROFIT & LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST

(Amount in Rs.)

Name if the Entity	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidate Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
Konark Synthetic Limited	63.81	304,158,777	3.37	1,643,070
India Denim Limited	10.35	49,351,798	(156.84)	(76,456,052)
Trade Bazaar Retails Private Limited	(0.80)	(3,819,767)	(7.80)	(3,801,265)
Konark Infratech Private Limited	26.64	126,937,735	61.27	29,865,834
<b>Total</b>	<b>100.00</b>	<b>476,628,543</b>	<b>100.00</b>	<b>(48,748,412)</b>
a. Adjustment arising out of Consolidation		139,206,910		
<b>b. Minority Interest:</b>				
India Denim Limited	-	13,833,909	-	(29,690,938)
Konark Infratech Pvt. Ltd.	-	40,057,847	-	13,784,231
<b>Total (a + b)</b>	<b>-</b>	<b>193,098,666</b>	<b>-</b>	<b>(15,906,707)</b>
<b>Consolidated Net Assets / Profit after Tax</b>	<b>-</b>	<b>283,529,876</b>	<b>-</b>	<b>(32,841,705)</b>

As per our Report of even date attached

**For BHUWANIA & AGRAWAL ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 (Firm Registration No. 101483W)

**Abhishek Jain**

Partner  
 Membership No. 509839

Place: MUMBAI

Date : 30<sup>th</sup> May, 2016

**FOR AND ON BEHALF OF THE BOARD**

**PRAKASHCHAND DALMIA**  
 Chairman & Managing Director

**AMITABH KEJRIWAL**  
 Whole-Time Director

**MAHENDRA AGARWAL**  
 Director

**RAMNIWAS B SOMANY**  
 Chief Finance Officer

**MEHNUDDIN KHAN**  
 Company Secretary & Compliance Officer

# KONARK

## KONARK SYNTHETIC LIMITED

CIN: L17200MH1984PLC033451

Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059.  
Tel: 022-4089 6300; Fax: 022-4089 6322; Email: info@konarkgroup.co.in; Website: www.konarkgroup.co.in

### FOR KIND ATTENTION OF SHAREHOLDERS

#### Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request the Members to furnish the following details for updation of Register of Members and enable the Company to send all communication to them through electronic mode:

Folio No.	
Name of the Shareholder	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail Id	
PAN or CIN	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

Note: Members holding shares in DEMAT mode may furnish these details to their respective DPs.

Place:

Date:

\_\_\_\_\_  
Signature of the Member

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz.. "Purva Shargistry (India) Private Limited, 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai – 400011.

The E-mail ID provided shall be updated subject to successful verification of Members' signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking you,

**For Konark Synthetic Limited**

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

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**KONARK****KONARK SYNTHETIC LIMITED**

CIN: L17200MH1984PLC033451

Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059.  
Tel: 022-4089 6300; Fax: 022-4089 6322; Email: info@konarkgroup.co.in; Website: www.konarkgroup.co.in**FORM NO. MGT-11  
PROXY FORM**

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

**32<sup>nd</sup> Annual General Meeting – 30<sup>th</sup> September, 2016**

Name of the Member (s)/ Joint holder (s) : \_\_\_\_\_

Registered address : \_\_\_\_\_  
\_\_\_\_\_

Email Id : \_\_\_\_\_

Folio No. / Client Id : \_\_\_\_\_

DP ID : \_\_\_\_\_

I/We, being a Member(s) of \_\_\_\_\_ shares of the above named Company hereby appoint:

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on poll) for me/us on my /our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company to be held on Friday, 30<sup>th</sup> day of September, 2016 at 3.30 p.m. at the Registered office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059 and at any adjournment thereof in respect of such resolution as are indicated overleaf.

Resolution Number	Resolutions	Vote (Optional see note 2) Please mention no. of Shares)		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1.	Ordinary Resolutions for adoption of: a) The Standalone Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2016 together with the Reports of the Directors' and the Auditors' thereon; and b) The Consolidated Audited Financial Statements for the financial year ended 31 <sup>st</sup> March, 2016 together with the report of Auditors' thereon.			
2.	Ordinary Resolution for appointment of director in place of Mr. Prakashchand Dalmia, Chairman & Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Ordinary Resolution for re-appointment of M/s. Bhuwania & Agrawal Associates, Chartered Accountants (having FRN 101483W), Mumbai as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.			
<b>Special Business:</b>				
4.	Ordinary Resolution under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015 for approving Related Party Transactions.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder: \_\_\_\_\_

Affix  
Revenue  
Stamp of  
Re.1

**Note:**

1. 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.
2. It is optional to indicate the preference. In case members leave the for, against or abstain column blank against any or all resolutions, their proxy will be entitled to vote in the manner as he / she may deemed appropriate.

**KONARK****KONARK SYNTHETIC LIMITED**

CIN: L17200MH1984PLC033451

Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059.  
 Tel: 022-4089 6300; Fax: 022-4089 6322; Email: info@konarkgroup.co.in; Website: www.konarkgroup.co.in

**ATTENDANCE SLIP****32<sup>ND</sup> ANNUAL GENERAL MEETING – 30<sup>TH</sup> SEPTEMBER, 2016**

(To be completed and presented at the Entrance)

Regd. Folio No. / DP ID & Client ID	
Name and address of shareholder(s)	
Joint Holder 1	
Joint Holder 2	
No. of share(s) held	

I/We hereby my/our presence at the **32<sup>nd</sup> Annual General Meeting** of the KONARK SYNTHETIC LIMITED to be held on the Friday, 30<sup>th</sup> September, 2016 at 3.30 P.M. at the Registered office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059.

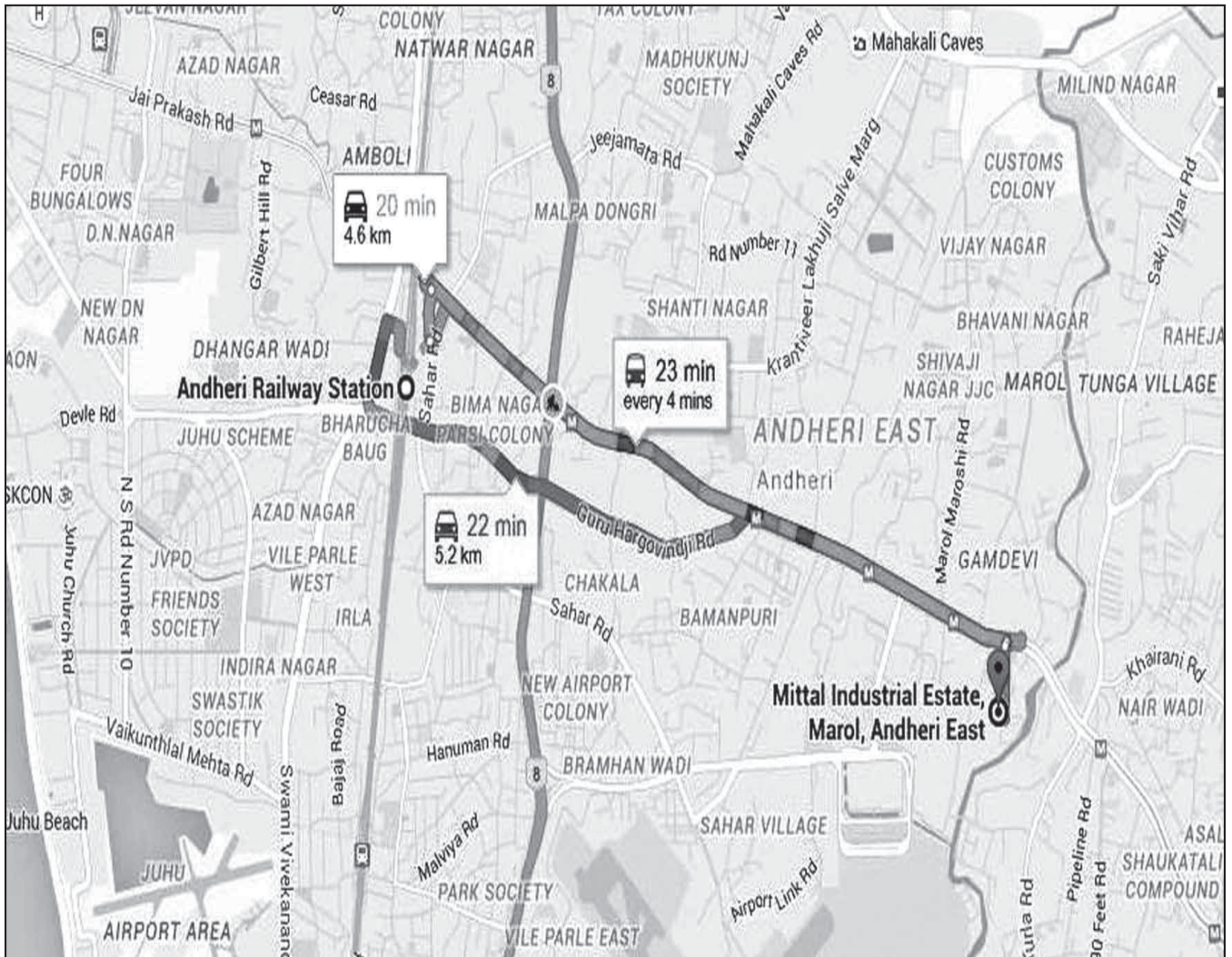
\_\_\_\_\_  
 Signature of Member/Proxy/ Representative

Note:

1. Please fill in the Folio / DP ID/client ID No., name and sign the Attendance slip and hand it over at the Attendance Verification Counter at the **ENTRANCE OF THE MEETING HALL**.
2. Please read the instructions for e-voting given along with Annual Report. The Voting period starts from Tuesday, 27<sup>th</sup> September, 2016 (10.00 a.m.) and end on Thursday, 29<sup>th</sup> September, 2016 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.



## ROUTE MAP OF AGM VENUE





*If undelivered please return to :*

**KONARK SYNTHETIC LIMITED**

**Registered Office :**

Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059.

Tel: 022-4089 6300; Fax: 022-4089 6322; Email: [info@konarkgroup.co.in](mailto:info@konarkgroup.co.in); Website: [www.konarkgroup.co.in](http://www.konarkgroup.co.in)

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