38<sup>th</sup>
ANNUAL
REPORT
2021-22

# KONARK Konark Synthetic Limited



# **BOARD OF DIRECTORS AND KMPs**

Mr. Amitabh Kejriwal Mr. Satish Deshmukh Mr. Riyazuddin Khan

Mr. Anshul Agarwal Ms. Suvriti Gupta Ms. Priyanka Jha

Mr. Shonit Dalmia

Mr. R. B. Somany

Mr. Indrajit Kanase (Appointed w.e.f 01st April, 2022)

#### STATUTORY AUDITORS

M/s. Jhunjhunwala Jain & Associates LLP,

Chartered Accountants, Mumbai

# **SECRETARIAL AUDITORS**

M/s. Amit Dharmani & Associates

Company Secretaries, Mumbai

#### **INTERNAL AUDITORS**

M/s. Kaushik Shahukar & Co.,

Chartered Accountants, Mumbai

#### **BANKERS**

Union Bank of India

# **REGISTERED OFFICE**

Building No.7, Mittal Industrial Estate,

Andheri Kurla Road, 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 AND SHARE TRANSFER AGENT**

# 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

Amli, Dist.: Silvassa - 396230. (UT of Dadra & Nagar Haveli) Managing Director (resigned w.e.f 24.06.2022) Independent Director (resigned w.e.f 28.06.2022) Additional Non Executive Independent Director w.e.f 28.06.2022

Additional Non Executive Director w.e.f 28.06.2022 Women Independent Director (resigned w.e.f 18.07.2022) Additional Non Executive Women Independent Director w.e.f 18.07.2022

Additional Executive Director Managing Director w.e.f18.07.2022

Chief Financial Officer

Company Secretary & Compliance officer



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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 38th Annual General Meeting of the members of KONARK SYNTHETIC LIMITED will be held on Thursday, 28th day of September, 2022 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 Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the reports of the Directors' and Auditors' thereon; and (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the reports of Auditors' thereon and in this regard, if thought fit, pass the following resolution as an

#### **ORDINARY RESOLUTION:**

- (a) "RESOLVED THAT the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2022 and the reports of the Board of Directors' and Auditors' thereon be and are hereby received, considered and adopted."
- (b) "RESOLVED THAT the Consolidated Audited Financial Statements for the financial year ended 31st March, 2022 together with the Auditors' Report thereon be and are hereby received, considered and adopted."
- To appoint a Director in place of Mr. Anshul Agrawal (DIN: 02060092), who retires by rotation and being eligible, offers himself for reappointment.

#### **SPECIAL BUSINESS:**

3. APPOINTMENT OF MR. ANSHUL AGRAWAL (DIN: 02060092) AS A NON-EXECUTIVE DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and relevant applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the recommendation of the Nomination and Remuneration Committee of the Company, Mr. Anshul Agrawal (DIN: 02060092), who was appointed as Additional Non-Executive Director of the Company under Section 161 of the Companies Act, 2013 and, whose period of office is liable to expire at this Annual General Meeting and who is eligible for appointment under the provisions of the Companies Act, 2013 and Rules made thereunder and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Non-Executive Director pursuant to section 160 of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Director of the Company and who's office shall be liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

 APPOINTMENT OF MR. RIYAZUDDIN KHAN (DIN: 02060092) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the recommendation of the Nomination and Remuneration Committee of the Company, Mr. Riyazuddin Khan (DIN: 02060092), who was appointed as Additional Non-Executive Independent Director of the Company w.e.f., 28.06.2022 and who has submitted a declaration that he meets the criteria of Independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment under the provisions of the Companies Act, 2013 and Rules made thereunder and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Non-Executive Independent Director pursuant to section 160 of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent



Director of the Company for a period of 5(five) consecutive years with effect from 28th June, 2022 to 27th June, 2027 and the term shall not be subject to retirement by rotation;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

# 5. APPOINTMENT OF MS. PRIYANKA JHA (DIN: 09671850) AS A NON-EXECUTIVE INDEPENDENT WOMAN DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the recommendation of the Nomination and Remuneration Committee of the Company, Ms. Priyanka Jha (DIN: 09671850), who was appointed as an Additional Non-Executive Independent Women Director of the Company w.e.f 18.07.2022, and who has submitted a declaration that she meets the criteria of Independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment under the provisions of the Companies Act, 2013 and Rules made thereunder and in respect of whom the company has received a notice in writing from a member proposing her candidature for the office of Non-Executive Independent Women Director pursuant to section 160 of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent Woman Director of the Company for a period of 5(five) consecutive years with effect from 18th July, 2022 to 17th July, 2027 and the term shall not be subject to retirement by rotation;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## 6. APPOINTMENT OF MR. SHONIT DALMIA (DIN: 00059650) AS MANAGING DIRECTOR OF THE COMPANY

To consider and if thought fit, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of the members be and is hereby accorded to appoint Mr. Shonit Dalmia (DIN:00059650), as Managing Director of the Company for a term of 3 (three) years commencing from 18th July, 2022 to 17th July, 2025 and payment of remuneration for the aforesaid period on the terms and conditions which are set out in Explanatory Statement annexed to the notice convening this meeting, as approved by the Nomination & Remuneration Committee with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Shareholders, if so required, in accordance with the provisions of the Companies Act, 2013;

**RESOLVED FURTHER THAT** any of the director(s) of the Company be and is hereby severally authorized to do all such acts, deeds and things and to sign all such forms, documents and writings as may be necessary, proper or expedient to give effect to this resolution

# 7. Approval of Material Related Party Transaction with India Denim Limited

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

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, governing the Related Party Transactions read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 and

such other rules as may be applicable and amended from time to time, the Company's related party transaction policy (as amended from time to time), and subject to such approval(s), permission(s) and consent(s) as may be necessary from time to time and on basis of approval / recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded to enter into Material Related Party Transaction(s)/Contract(s)/Arrangement(s)/ Agreement(s), with India Denim Limited, a Subsidiary of the Company and Related Party under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations in the nature of (1) providing loan(s), advances, guarantee(s) or securities for loan taken by India Denim Limited or making of Investments therein to meet its business objectives/requirements/exigencies on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between India Denim Limited for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months), such that the maximum value of Related Party transactions between India Denim Limited, in aggregate does not exceed Rupees 200 crores (Rupees Two Hundred Crores Only) per annum for each financial year provided the said transactions shall be carried on arms-length basis and in ordinary course of business;

(5)



**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things as may be considered necessary or expedient and also to execute such documents, writings etc. as may be necessary to give effect to this resolution. Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

8. Approval of Material Related Party Transaction with Konark Infratech Private Limited

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

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, governing the Related Party Transactions read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, , 2021 and such other rules as may be applicable and amended from time to time, the Company's related party transaction policy (as amended from time to time), and subject to such approval(s), permission(s) and consent(s) as may be necessary from time to time and on basis of approval / recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded to enter into Material Related Party Transaction(s)/Contract(s)/Arrangement(s)/ Agreement(s), with Konark Infratech Private Limited, a Associate Company of the Company and Related Party under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations in the nature of (1) providing loan(s), advances, guarantee(s) or securities for loan taken by Konark Infratech Private Limited or making of Investments therein to meet its business objectives/requirements/exigencies on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between Konark Infratech Private Limited for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months),, such that the maximum value of Related Party transactions between Konark Infratech Limited, in aggregate does not exceed Rupees 200 crores (Rupees Two Hundred Crore Only) per annum for each financial year, provided the said transactions shall be carried on arms-length basis and in ordinary course of business;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things as may be considered necessary or expedient and also to execute such documents, writings etc. as may be necessary to give effect to this resolution. Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

#### 9. Approval of Material Related Party Transaction with Konark Gujarat PV Private Limited

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

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, governing the Related Party Transactions read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, , 2021 and such other rules as may be applicable and amended from time to time, and subject to such approval(s), permission(s) and consent(s) as may be necessary from time to time and on basis of approval / recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded to enter into Material Related Party Transaction(s)/Contract(s)/Arrangement(s)/ Agreement(s), with Konark Gujarat PV Private Limited, a Subsidiary of Associate Company of the Company and Related Party under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations in the nature of (1) providing loan(s), advances, guarantee(s) or securities for loan taken by Konark Gujarat PV Private Limited or making of Investments therein to meet its business objectives/requirements/exigencies on such material terms and conditions as detailed in the explanatory

(6)



statement to this resolution and as may be mutually agreed between Konark Gujarat PV Private Limited for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months, such that the maximum value of Related Party transactions between Konark Gujarat PV Private Limited, in aggregate does not exceed Rupees 200 crores (Rupees Two Hundred Crores Only) per annum for each financial year provided the said transactions shall be carried on arms-length basis and in ordinary course of business;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things as may be considered necessary or expedient and also to execute such documents, writings etc. as may be necessary to give effect to this resolution. Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

## 10. Approval of Material Related Party Transaction with Konark Realtech Private Limited

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

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, governing the Related Party Transactions read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, , 2021 and such other rules as may be applicable and amended from time to time, the Company's related party transaction policy (as amended from time to time), and subject to such approval(s), permission(s) and consent(s) as may be necessary from time to time and on basis of approval / recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded to enter into Material Related Party Transaction(s)/Contract(s)/Arrangement(s)/ Agreement(s), with Konark Realtech Private Limited, an Enterprise over which KMP are able to exercise significant influence and Related Party under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations in the nature of (1) unsecured loan taken from Konark Realtech Private Limited on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between Konark Realtech Private Limited for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months), such that the maximum value of Related Party transactions between Konark Realtech Private Limited, in aggregate does not exceed Rupees 100 crores (Rupees Hundred Crore Only) per annum for each financial year, provided the said transactions shall be carried on arms-length basis and in ordinary course of business;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things as may be considered necessary or expedient and also to execute such documents, writings etc. as may be necessary to give effect to this resolution. Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

Place: Mumbai

Date: 13th August, 2022

Registered office: Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059 By Order of the Board of Directors For Konark Synthetic Limited

Indrajit Kanase (Mem No-A51146) (Company Secretary & Compliance Officer)



#### 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 member(s) 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.
- 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).
- 3. Members, Proxies and Authorised Representatives are requested to bring the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DPID and Client ID / Folio No.
- 4. 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 Directors seeking appointment at the ensuing 38th Annual General Meeting is annexed to the notice.
- 5. The statement pursuant to section 102(1) of the Act ("Explanatory Statement") relating to the Item No. 3, 4, 5, 6, 7, 8, 9 & 10 (special business) to be transacted at the meeting is annexed hereto.
- 6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 22nd September, 2022 to Wednesday, 28th September, 2022 (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.
- 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.

    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 Sharegistry (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 Sharegistry (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 Sharegistry (India) Pvt. Ltd.
  - 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.
- 14. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar & Share Transfer Agents (RTA), viz. Purva Sharegistry (India) Pvt. Ltd in this regard.



- 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.
- Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2022/8 dated January 25,2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR 4, the format of which is available on the Company's website at www.spentasocks.com. It may be noted that any service request can be processed only after the folio is KYC Compliant.
- 17. SEBI vide its notification dated January 24,2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical

form. Members can contact the Company or Purva Sharegistry (India) Private Ltd for assistance in this regard.

In order to ensure that all communications and monetary benefits are received promptly by all Shareholders holding shares in physical form, the Company advises such shareholders to notify to the Company, any change in their address/ bank details/ email id etc. under the signatures of sole/ first named joint holder along with relevant supporting documents by using the KYC Forms.

Members are requested to kindly note that as per SEBI circular bearing no SEBI/HO/MIRSSD\_ RTAMB/PCIR/2021/655 dated 3rd November, 2021, it is mandatory for Members holding shares in physical form to register their PAN, KYC details, Bank Particulars and Nomination against their folio no. PAN is also required to be linked to Aadhar No. by the Members to be considered as valid PAN.

Members are requested to provide Form ISR1, ISR2, Nomination Form duly filled and signed along with the hard copy of the following self-attested documents to Link Intime for registration against their respective folio(s):

- · Identity Proof: Copy of PAN Card/ Aadhar Card
- · Address Proof: Copy of Aadhar Card/ Passport/ Client Master List/ Utility Bill not over 3 months old
- · Bank Details: Copy of the cancelled cheque stating the name of the Member as account holder
- · Contact Details: Mobile no., email ID
- Nomination: Please provide Form SH13 duly filled and signed to Link Intime.

In the absence of any of the above information registered against your folio no., your folio no. will be frozen for any updation/ dividend payment as per the direction under the aforesaid Circular. The Form ISR1, ISR2, Nomination forms are available on the website of the Company i.e., www.konarkgroup.co.in or and on the website of Purva Sharegistry (India) Private Limited

- The Notice of the 38th 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.
- 2. Route Map for the venue of the 38th Annual General Meeting of the Company is appearing at the end of the Annual Report.
- 3. 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 provide e-voting facility to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 38th Annual General Meeting to be held on Thursday, 28th September, 2022. 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 38th Annual General Meeting. 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 Sunday, 25th September, 2022 (9.00 A.M.) and ends on Tuesday, 27th September, 2022 (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. Wednesday, 21st September, 2022, 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 shares of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, 21st September, 2022.
  - (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. Wednesday, 21st September, 2022 only shall be entitled to avail the facility of remote evoting and voting at Meeting through polling papers.



- (f) The Board of Directors of the Company has appointed CS Ketan. R. Shirwadkar, Company Secretary having Mem No. A37829 and COP No. 15386 and Designated Partner of M/s HSPN & ASSOCIATES, LLP., Company Secretaries, Mumbai, 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 cutoff date i.e. Wednesday, 21st September, 2022, may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or info@konarkgroup.co.in. However, if the member is already registered with CDSL for remote e- voting then he can use his exiting 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 or contact CDSL at the following toll free no.: 1800-200-5533.
- (h) The Chairman shall, at the Annual General Meeting, 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
- (j) 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 2 working days of conclusion of the Annual General Meeting, issue 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.
- (k) The result declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company 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 results shall also be immediately forwarded to the BSE Limited.
- (I) 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. Wednesday, 28th September, 2022.

# 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)]:

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote evoting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non- institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e- Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:



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#### Login Method

Individual Shareholders holding securities in Demat mode with CDSL

- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.
- After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
- 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
- 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.

Individual Shareholders holding securities in demat mode with NSDL

- If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com.
   Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

(11)



login through their Depository Participants

Individual Shareholders (holding securities in demat mode) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

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

- Login method for e-Voting for shareholders other than individual shareholders holding in Demat form & physical shareholders. (v)
  - 1. The shareholders should log on to the e-voting website www.evotingindia.com
  - 2. Click on "Shareholders" module.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID, b.
    - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company. c.
  - 4. Next enter the Image Verification as displayed and Click on Login.
  - 5. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:

#### For Shareholders holding shares in Demat Form other than individual and Physical Form

#### PAN

- Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)
- Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

#### Dividend Bank Details • OR Date of Birth (DOB)

- Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.
- 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 (v).
- After entering these details appropriately, click on "SUBMIT" tab.

Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions 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 not to share your password with any other



- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the "Konark Synthetic Limited" on which you choose to vote.
- (ix) On the voting page, you 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 you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiv) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

# PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate
  (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to
  support@purvashare.com
- 2. For Demat shareholders Please update your email id & mobile no. with your respective Depository Participant (DP)
- 3. **For Individual Demat shareholders** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.

# ANNEXURE TO NOTICE - EXPLANATORY STATEMENT

As required under Section 102(1) of the Companies Act, 2013, the following statement sets out all the material facts relating to the special business mentioned in the accompanying Notice. Explanation to ordinary business set out under Item No. 3 is provided as required under Regulation 36(5) Listing Regulations.

#### Item No. 3 - Appointment of Mr. Anshul Agrawal (Din: 02060092) as a Non-Executive Director of The Company.

The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee, in its meeting held on 28th June, 2022, have approved the Appointment of Mr. Anshul Agrawal (Din: 02060092) as Additional Non-Executive Director w.e.f 28th June, 2022 subject to the approval of Shareholders at the ensuing Annual General Meeting.

Further, the Company has received a notice in writing from a Member u/s 160 of the Companies Act, 2013, proposing candidature of Mr. Anshul Agrawal (Din: 02060092) for appointment as a Non-Executive Director of the Company.

The Company has received the following documents from Mr. Anshul Agrawal (Din: 02060092),) (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014 (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) Notice of Interest in Companies in Form MBP - 1 pursuant to Section 184 (1) read with Rule 9 (1) of the Companies (Meetings of Board and its Powers) Rules, 2014.

Mr. Anshul Agrawal (Din: 02060092) is a Bachelor of Engineering and Business Administration From SP Jain Institute. He has more than 15 years of experience in Business Administration. In the opinion of the Board of Directors, Mr. Anshul Agrawal (Din: 02060092) fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder, for his appointment as Non-Executive Director of the Company. The Board Considers that his appointment would be in the interest of the company and it is desirable to continue to avail services of Mr. Anshul Agrawal (Din: 02060092) as an Non-Executive Director; therefore members approval is sought to the proposed resolution in terms of provisions of Section 152 of the Companies Act, 2013. The Directors recommend passing of the Resolutions set out at Item No. 3 as an Ordinary Resolution.

The Draft Letter of Appointment of Mr. Anshul Agrawal (Din: 02060092) setting out the terms and conditions of Appointment and all the documents referred in/ concerning Item No. 03 above are available for inspection at the Registered Office of the Company from 11.00 AM. to 01.00 PM. on all working days till the date of Annual General Meeting of the Company.

Mr. Anshul Agrawal (Din: 02060092) being the appointee and his relatives are interested in the aforesaid Resolution.

Save and except the above, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.



# Item No. 4 - Appointment of Mr. Riyazuddin Khan (DIN: 09448909) as a Non-Executive Independent Director of The Company.

The Nomination and Remuneration Committee at its meeting held on 28th June, 2022, had approved and recommended the appointment of Mr. Riyazuddin Khan (DIN: 09448909) as an Additional Non Executive Independent Director of the Company. The Board of Directors, upon recommendation of Nomination and Remuneration Committee, at its meeting held on 28th June, 2022 appointed Mr. Riyazuddin Khan (DIN: 09448909) as an Additional Director (Independent Director) of the Company for a term of five years commencing from 28th June, 2022 to 27th June, 2027, subject to the approval of the Shareholders. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Riyazuddin Khan (DIN: 09448909) for the office of Director, to be appointed as Independent Director under the provisions of Section 149 of the Companies Act, 2013.

The Company has received the following documents from Mr. Riyazuddin Khan (DIN: 09448909) `(i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014 (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) Notice of Interest in Companies in Form MBP - 1 pursuant to Section 184 (1) read with Rule 9 (1) of the Companies (Meetings of Board and its Powers) Rules, 2014 and (iv) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Riyazuddin Khan (DIN: 09448909) is a B. Com, LLB. He is Associated with the Law firm in the area of Civil, Criminal, Corporate Laws and allied Acts over 3 Years of Experience. He has expertise in finance, communication, board Service and governance and in the opinion he fulfils the skills and capabilities required under Regulation 36(3)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.. In the opinion of the Board Mr. Riyazuddin Khan (DIN: 09448909) fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder, and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 for his appointment as Non-Executive Independent Director of the Company and is independent of the Management. The Board Considers that his appointment would be in the interest of the company and recommends the appointment of Mr. Riyazuddin Khan (DIN: 09448909) as an Non Executive Independent Director for a period of 5 (five) consecutive years w.e.f 28th June, 2022 by passing a Special Resolution.

Mr. Riyazuddin Khan (DIN: 09448909) being the appointee and his relatives are interested in the aforesaid Resolution.

The Draft Letter of Appointment of Mr. Riyazuddin Khan (DIN: 09448909) setting out the terms and conditions of Appointment and all the documents referred in/ concerning Item No. 04 above are available for inspection at the Registered Office of the Company from 11.00 AM. to 01.00 PM. on all working days till the date of Annual General Meeting of the Company.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives are in any way, deemed to be concerned or interested in the said resolution.

#### Item No. 5 - Appointment of Ms. Priyanka Jha (DIN: 09671850) as a Non-Executive Independent Woman Director of The Company.

The Nomination and Remuneration Committee at its meeting held on 18th July, 2022, had approved and recommended the appointment of Ms. Priyanka Jha (DIN: 09671850) as an Additional Non Executive Independent Director of the Company. The Board of Directors, upon recommendation of Nomination and Remuneration Committee, at its meeting held on 18th July, 2022 appointed Ms. Priyanka Jha (DIN: 09671850) as an Additional Director (Independent Director) of the Company for a term of five years commencing from 18th July 2022 to 17th July, 2027, subject to the approval of the Shareholders.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Ms. Priyanka Jha (DIN: 09671850) (DIN: 09448909) for the office of Director, to be appointed as Independent Director under the provisions of Section 149 of the Companies Act, 2013.

The Company has received the following documents from Ms. Priyanka Jha (DIN: 09671850) `(i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014 (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) Notice of Interest in Companies in Form MBP - 1 pursuant to Section 184 (1) read with Rule 9 (1) of the Companies (Meetings of Board and its Powers) Rules, 2014 and (iv) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ms. Priyanka Jha (DIN: 09671850) is a Commerce Post Graduate and has 3 years of industry experience in Corporate and Allied Laws. and in the opinion of the Board she fulfils the skills and capabilities required under Regulation 36(3)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.. In the opinion of the Board Ms. Priyanka Jha (DIN: 09671850) fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder, and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as Non-Executive Independent Director of the Company and is independent of the Management. The Board Considers that her appointment would be in the interest of the company and recommends the appointment of Ms. Priyanka Jha (DIN: 09671850) as an Non Executive Independent Director for a period of 5 (five) consecutive years w.e.f 18th July, 2022 by passing a Special Resolution.

Ms. Priyanka Jha (DIN: 09671850) being the appointee and her relatives are interested in the aforesaid Resolution.

The Draft Letter of Appointment of Ms. Priyanka Jha (DIN: 09671850) setting out the terms and conditions of Appointment and all the documents referred in/ concerning Item No. 05 above are available for inspection at the Registered Office of the Company from 11.00 AM. to 01.00 PM. on all working days till the date of Annual General Meeting of the Company.



None of the Directors and/or Key Managerial Personnel of the Company or their relatives are in any way, deemed to be concerned or interested in the said resolution

## Item No. 6- Appointment of Mr. Shonit Dalmia (Din: 00059650) As Managing Director of The Company

The Board of Directors of the Company (the 'Board'), on the recommendation of Nomination and Remuneration Committee at its meeting held on 18th July, 2022 appointed Mr. Shonit Dalmia (DIN: 00059650) as Additional Director Designated as Managing Director of the Company for a period 3 (three) Consecutive year w.e.f 18th July, 2022 to 17th July, 2025 subject to ratification of appointment by shareholders in the ensuing Annual General Meeting.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Shonit Dalmia as Managing Director. Accordingly, in view of the above the Board of Directors of the Company has, based on the recommendation of the Nomination and Remuneration Committee at its meeting held on July 18, 2022 proposed the appointment of Mr. Shonit Dalmia (DIN: 00059650) as Managing Director of the Company for a period of 3 years from 18th July, 2022 to 17th July, 2025 subject to the approval of the shareholders. Further, the Nomination and Remuneration Committee at its meeting held on 18th July, 2022 recommended the remuneration to be paid to Mr.Shonit Dalmia (DIN: 00059650) for the period from 18th July, 2022 to 17th June, 2025 under Section 196, 197, 198, 203, which was approved by the Board of Directors of the Company at their meeting held on 18th July, 2022 subject to the approval of the shareholders as under;

I. Salary: not exceeding Rs. 2,00,000/- p.m. (Rupees Two Lakhs Per Month Only) & the Board of Directors be authorized to determine the salary and grant such increases from time to time within the limits specified as per the Act.

# II. Perquisites:

Perquisites: Rs. 200,000/- per annum, perquisites will be allowed in addition to salary and shall restrict to an amount equal to the annual salary. The perquisites are classified into three categories A, B and C.

Category - A

- 1) Housing
- 1.1. The expenditure by the Company on hiring furnished accommodation for the Managing Director will be subject to a ceiling of sixty percent of basic salary.
- 1.2. The expenditure by the Company on hiring furnished accommodation for the Managing Director will be subject to a ceiling of sixty percent of the basic salary, over and above ten percent payable by the Managing Director.
- 1.3. In case the Company provides no accommodation, the Managing Director shall be entitled to House Rent allowance of Rs.5000/ per month.
- 2) Other Perquisites
- 2.1 The expenditure by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
- 2.2 Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- 2.3 Leave travel concession: For self and family once in a year incurred in accordance with the rules specified by the Company.
- 2.4 Personal Accident Insurance: Of an amount, the annual premium which shall not exceed Rs. 15,000/- for the purpose of this category, family means spouse, the dependent children and dependent parents of the Managing Director.

Category - B

- 1) Provident Fund: Company's contribution to provident fund shall as per the scheme of the Company.
- 2) Superannuation/ Annuity Fund: Company's contribution to superannuation / annuity fund shall be in accordance with the scheme of the Company. Contribution to Provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent such contribution either singly or put together are not taxable under the Income Tax Act.
- 3) Gratuity: As per the rules of the Company, payable in accordance with the approved gratuity fund and which shall not exceed half a month's salary for each completed year of service.

Category - C

- 1) Car: Provision of car use on Company's business (not to be considered as perquisites).
- 2) Telephone: Telephone at the residence of Managing Director (not to be considered as perquisites).



- 3) The Managing Director shall be entitled to Annual privilege leave on full salary for a period of 30 days and shall be entitled to accumulate such leave.
- III. The information below is in relation to the proposal contained in item No.6. of the Notice relating to appointment of Mr.Shonit Dalmia as Managing Director of the Company.
  - I. General Information
  - (1) Nature of Industry:

The Company is in the business of Textile.

(2) Date or expected date of commencement of commercial production:

The Company has been in business for more than 30 years.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable, as the Company is an existing Company.

(4) Financial performance based on given indicators:

IV.		(	Amount in Rs)
Particulars	31.03.2021	31.03.2020	31.03.2019
Sales(Gross)	18,37,68,894	71,30,38,877	77,62,52,762
Profit before Tax	71,02,112	(18,85,91,011)	(1,71,70,359)
Profit after Tax	1,62,47,073	(16,51,24,562)	(1,49,76,690)
Shareholders fund	11,78,57,547	10,28,37,379	26,84,73,152
Rate of dividend on equity shares(%)	-	-	-

- (5) Foreign investments or collaborators, if any: N. A.
- II. Information about the appointee:
- (i) Background details: Mr. Shonit Dalmia a Commerce Graduate and has a master degree from UK. He has over 15 years of experience in Business Management.
- (iii) Recognition or awards/Job profile and his suitability:
- Mr. Shonit Dalmia has managed the Company ably since over a period of more than 15 years. In the opinion of the Board, he is eminently suited for the position he holds.
- (iv) Remuneration proposed:

The remuneration of Mr. Shonit Dalmia is set out in point no.1.

(v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.:

The remuneration of Mr. Shonit Dalmia is in tune with the remuneration in similar sized companies in similar segment of business.

(vi) Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any.:

Mr. Shonit Dalmia is the promoter of the Company. He has equity holdings in the Company. He has no other pecuniary relationship directly or indirectly with the Company or any of its directors.

(III) Other Information

Reasons of inadequate profits: On account of current economic condition and intense competition in the Textile Industry there is a continued pressure on margins & profitability.

Steps taken or proposed to be taken for improvements:



The Company has undertaken several initiatives to identify new growth areas and simultaneously restructure existing growth engines. The Company has taken various steps to improve efficiency and reduce costs including right sizing of manpower.

#### V. Minimum remuneration:

In the absence of inadequacy of profits in any financial year, (a) subject to the approval of the necessary authorities, the remuneration payable to Mr. Shonit Dalmia by way of salary and perquisites shall be the maximum amount permitted as per Schedule V, as amended from time to time or as approved by the shareholders in the General

- VI. The Managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- VII. The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in the Act, or any amendment hereafter in that regard.
- VIII. The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment however he shall be entitled to reimbursement of expenses in connection with the business of the company.
- IX. The Managing Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whosoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the company and the Managing Director shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.
- X. The agreement also sets out the duties and various obligations of Mr. Shonit Dalmia. The appointment of Mr. Shonit Dalmia by way of a special resolution, as a Managing Director and minimum remuneration payable to him are required to be approved by the Members.

As the above mentioned remuneration payable to Mr. Shonit Dalmia is well within the limits prescribed under Schedule V read with relevant provisions of Companies Act 2013, accordingly a special resolution is proposed for the appointment of and payment of remuneration to Mr. Shonit Dalmia for the approval of the shareholders.

Mr. Shonit Dalmia and his relative is interested in the resolution set out at item No. 6 of the Notice as it pertains to his reappointment as Managing Director of the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

#### Item No. 7 to 10 - Approval of Material Related Party Transaction

The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("SEBI Listing Regulations"), effective April 1, 2022, mandate prior approval of the Members by means of an ordinary resolution for all material Related Party Transactions ("RPT"), even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during the financial year, exceed(s) Rs. 1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower. Further, SEBI, vide Circular dated 8th April, 2022 has clarified that the omnibus Members' approval for material RPTs of the Company, shall be valid up to the date of the next AGM, for a period not exceeding 15 (fifteen) months (maximum validity of 15 months). Konark Synthetic Limited 15 In the financial year 2022-2023 and in the next financial year 2023-2024 until the date of the Annual General Meeting of the Company, the transactions of the Company with the below-mentioned Related Parties, would exceed the applicable materiality thresholds, as provided under the SEBI Listing Regulations, as amended from time to time.

Type, material terms and other particulars of the proposed RPTs required pursuant to Circular no. SEBI/HO/CFD/ CMD1/CIR/P/2021/662 dated 22nd November, 2021 issued by SEBI are mentioned below

Further, Company at it's previous Extra Ordinary General Meeting held on 31st March, 2022 had taken approval of Shareholders for the following related party transactions entered between India Denim Limited (Subsidiary Company), Konark Infratech Private Limited (Associate Company) and Konark Gujarat PV Private Limited (Subsidiary of Associate Company) Konark Realtech Private Limited (Enterprise on which KMP Exercise Significant Influence).



Nature of Transaction	India Denim Limited	Konark Infratech Private Limited	Konark Gujarat PV Private Limited	Konark Realtech Private Limited
Giving Loan and advances, providing guarantee and security and making investments	200 Crores per annum	200 Crores per annum	200 Crores per annum	100 Crores per annum

There is no change in the value of Related Party transaction for which approval is being sought. Only considering clarification vide SEBI, dated 8th April, 2022 that the omnibus Members' approval for material RPTs of the Company, shall be valid up to the date of the next AGM, for a period not exceeding 15 (fifteen) months (maximum validity of 15 months) the Board is again considering the approval of shareholders of the Company vide Ordinary Resolution for for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months.

Members may importantly note that the Company has been undertaking such transactions in the past financial years, in the ordinary course of business and on arms' length basis after obtaining requisite approvals from the Audit Committee of the Company. The maximum annual value of the proposed transactions with aforesaid related parties is estimated on the basis of Company's current transactions with them and future business projections.

The particulars of the Related Party Transaction(s), which are required to be stated in the Explanatory Statement, as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 188 of the Companies Act, 2013 (the 'Act') as amended till date and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 are as follows:

As per the amended regulations which are effective from January 01, 2022, all the related party transactions shall be approved only by those members of the audit committee, who are independent directors. In terms of Company's policy on related party transactions, the Audit Committee of the Company reviews on a quarterly basis, the details of all related party transactions entered into by the Company during the previous quarter, pursuant to its approval.

#### A. Details w.r.t Material Related Party Transactions with India Denim Limited

Particulars	Details
Type, material terms and particulars of the proposed transaction;	Giving Loan and advances, providing guarantee and security and making investments
Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	India Denim Limited, Subsidiary Company
Tenure of the proposed transaction (particular tenure shall be specified);	Approval is sought for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months
Name of the Director or KMP who is related, if any	1. Mr. R.B. Somany
	2. Mr. Shonit Dalmia
Value of the proposed transaction;	200 Cores Per Annum
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	498.78%
If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary:	The financial assistance is provided/ would be provided from the internal accruals
i) details of the source of funds in connection with the proposed transaction;	

(18)



<ul> <li>ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,</li> <li>nature of indebtedness;</li> <li>cost of funds; and</li> <li>tenure;</li> </ul>	Not Applicable since no financial indebtedness shall be incurred by the Company.
iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	The financial assistance shall be provided at the arms' length basis i.e. at Company's cost of availing such financial assistance of similar nature and tenor. Loans shall be unsecured, callable on demand with bullet maturity subject to customary terms and conditions.
	Shall be used for meeting cash flows/ business expenses / requirements.
iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	
Rationale/ Benefit of the Transaction	The Company, being a holding Company, provides financial assistance/ support to its Subsidiary in the form of loan, guarantee, investments (financial assistance) in order to meet short term capital and business requirements. Such financial assistance is provided by the Company after seeking prior approval of Audit Committee and Board of Directors. Accordingly, with the approval of the Audit Committee and the Board of Directors from time to time, the Company has an arrangement with India Denim Limited for providing necessary financial assistance to meet its cash-flows and business objectives/requirements
A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

# . Details w.r.t Material Related Party Transactions with Konark Infratech Private Limited

Particulars	Details
Type, material terms and particulars of the proposed transaction;	Giving Loan and advances, providing guarantee and security and making investments
Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Konark Infratech Private Limited, Associate Company
Tenure of the proposed transaction (particular tenure shall be specified);	Approval is sought for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months
Name of the Director or KMP who is related, if any	1 Mr. R.B. Somany
Value of the proposed transaction;	200 Cores Per Annum
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is	498.78%

(19)



represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	
If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
i) details of the source of funds in connection with the proposed transaction;	
ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,	The financial assistance is provided/ would be provided from the internal accruals
nature of indebtedness;	
cost of funds; and	
• tenure;	Not Applicable since no financial indebtedness shall be incurred by the Company.
iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	
	The financial assistance shall be provided at the arms' length basis i.e. at Company's cost of availing such financial assistance of similar nature and tenor. Loans shall be unsecured, callable on demand with bullet maturity subject to customary terms and conditions.
iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Shall be used for meeting cash flows/ business expenses / requirements.
Rationale/ Benefit of the Transaction	The Company, provides financial assistance/ support to its Associate Company in the form of loan, guarantee, investments (financial assistance) in order to meet short term capital and business requirements. Such financial assistance is provided by the Company after seeking prior approval of Audit Committee and Board of Directors. Accordingly, with the approval of the Audit Committee and the Board of Directors from time to time, the Company has an arrangement with Konark Infratech Private Limited for providing necessary financial assistance to meet its cash-flows and business objectives/requirements
A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

C. Details w.r.t Material Related Party Transactions with Konark Gujarat PV Private Limited

Particulars	Details
Type, material terms and particulars of the proposed transaction;	Giving Loan and advances, providing guarantee and security and making investments

(20)



Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Konark Gujarat PV Private Limited, Subsidiary of Associate Company
Tenure of the proposed transaction (particular tenure shall be specified);	Approval is sought for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual
	General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months
Name of the Director or KMP who is related, if any	1. Mr. Shonit Dalmia
Value of the proposed transaction;	200 Cores Per Annum
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	498.78%
If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
i) details of the source of funds in connection with the proposed transaction;	
ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,	The financial assistance is provided/ would be provided from the internal accruals
• nature of indebtedness;	
• cost of funds; and	Not Applicable since no financial indebtedness shall be
• tenure;	incurred by the Company.
iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	
	The financial assistance shall be provided at the arms' length basis i.e. at Company's cost of availing such financial assistance of similar nature and tenor. Loans shall be unsecured, callable on demand with bullet maturity subject to customary terms and conditions.
iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Shall be used for meeting cash flows/ business expenses / requirements.
Rationale/ Benefit of the Transaction	The Company, provides financial assistance/ support to Subsidiary of Associate Company in the form of loan, guarantee, investments (financial assistance) in order to meet short term capital and business requirements. Such financial assistance is provided by the Company after seeking prior approval of Audit Committee and Board of Directors. Accordingly, with the approval of the Audit Committee and the Board of Directors from time to time, the Company has an arrangement with Konark Gujarat PV Private Limited for

(21)



	providing necessary financial assistance to meet its cash- flows and business objectives/requirements
A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

# D. Details w.r.t Material Transactions with Konark Realtech Private Limited

Particulars	Details
Type, material terms and particulars of the proposed transaction;	Loan Taken
Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Konark Realtech Private Limited, Enterprise on which KMP Exercise Significant Influence
Tenure of the proposed transaction (particular tenure shall be specified);	Approval is sought for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months
Name of the Director or KMP who is related, if any	1. Mr. Shonit Dalmia 2. Mr. R B. Somany
Value of the proposed transaction;	100 Cores Per Annum
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	249.39%
If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary:	Not Applicable
i) details of the source of funds in connection with the proposed transaction;	
ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,	
nature of indebtedness;	
cost of funds; and	
• tenure;	
iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	

(22)



iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	
Rationale/ Benefit of the Transaction	In order to meet its working capital and business requirements, the Company need to raise funds from various avenues such as banks and financial institution, intercorporate borrowings etc., Financial Assistance from Konark Realtech Private Limited is in the nature of unsecured loan taken for meeting short term business requirements of the Company.
A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

Except for Directors and KMP's whose names are mentioned hereinabove and their relatives none of the Directors and KMP are interested in the said resolution.

The Board recommends the Ordinary Resolution set forth in Item No. 7 to 10 of the Notice for approval of the Members

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

Name of Director	Mr. Anshul Agrawal	Ms. Riayzuddin Khan		
Director Identification No. (DIN)	02060092	09448909		
Date of birth	09/01/1984	14/05/1991		
Date of First appointment on the Board	28/06/2022	28/06/2022		
Qualification	Bachelor of Engineering And Business Administration	B. Com, LLB.		
Experience/Expertise in specific functional area/Brief Resume	He is Experience of running a business of more than 15 Years.	He is Associated with the Law firm in the area of Civil, Criminal, Corporate Laws and allied Acts over 3 Years of Experience.		
Shareholding in the Company (Equity shares of Rs. 10/- each)	NIL	NIL		
List of Directorship in other Listed entities	NIL	NIL		
Membership/Chairmanship of Committees of other listed entities (includes only Audit Committee and Stakeholder's Relationship Committee)	NIL	NIL		
Details of Listed Entities from which the person has retired in past three years	NIL	NIL		
No. of Board Meetings attended during the Financial year 2021-22	0	0		
Terms and Conditions of reappointment	Appointed w.e.f 28th June, 2022 and liable to retire by rotation.	Appointment for a period of 5 (five) years w.e.f 28th June, 2022		

(23)



Remuneration to be paid (if applicable)	N.A	N.A			
Relationship with any Director (s) of the Company	Not related	Not Related			
Skills and Capabilities identified by the Board	N.A.	Experience of leading well governed organization and expertise in business management			
Justification for appointing as an Independent Director	N.A.	He is Associated with the Law firm in the area of Civil, Criminal, Corporate Laws and allied Acts over 3 Years of Experience. His association would be immense of benefit to the Company and it is desirable to avail services of Mr. Riyazuddin Khan as an Independent Director.			

Name of Director	Ms. Priyanka Jha	Mr.Shonit Dalmia		
Discount Ideal Francisco No. (DIN)	,	00050050		
Director Identification No. (DIN)	09671850	00059650		
Date of birth	04/01/1991	30/03/1984		
Date of First appointment on the Board	18/07/2022	14/08/2021		
Qualification	Commerce Post-Graduate	He is a Commerce Graduate and has a master degree from UK.		
Experience/Expertise in specific functional area/Brief Resume	She is Experience of Corporate Laws and allied Acts over 3 Years.	He has over 15 years of experience in Business Management.		
Shareholding in the Company (Equity shares of Rs. 10/- each)	NIL	11,26,752 Shares		
List of Directorship in other Listed entities	NIL	NIL		
Membership/Chairmanship of Committees of other listed entities (includes only Audit Committee and Stakeholder's Relationship Committee)	NIL	NIL		
Details of Listed Entities from which the person has retired in past three years	NIL	NIL		
No. of Board Meetings attended during the Financial year 2021-22	0	5		
Terms and Conditions of reappointment	Appointment for a period of 5 (five) years w.e.f 18th July, 2022	Appointment for a period of 3 (three) years w.e.f 18th July, 2022		
Remuneration to be paid (if applicable)	N.A	Salary Not Exceeding Rs. 2 Lakhs per month plus perquisites of 2 Lakhs per annum		
Relationship with any Director (s) of the Company	Not related	Not Related		

(24)



Skills and Capabilities identified by the Board	Experience of leading well governed organization and expertise in business management	NA
Justification for appointing as an Independent Director	She is Experience of Corporate Laws and allied Acts over 3 Years. Her association would be immense of benefit to the Company and it is desirable to avail services of Ms. Priyanka Jha as an Independent Director	NA

By Order of the Board of Directors For Konark Synthetic Limited

Place: Mumbai

Date: 13th August, 2022

Registered office:

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

400059

Indrajit Kanase (Mem No.A51146) Company Secretary & Compliance Officer



# **DIRECTORS' REPORT**

То

The Members

# Konark Synthetic Limited

Your Directors present the 38th Annual Report together with the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on 31st March 2022.

#### FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Sr.	Particulars	Standalone		Consolidated	
No		For the Year ended 31st March,2022	For the Year ended 31st March,2021	For the Year ended 31st March,2022	For the Year ended 31st March,2021
1.	Total Revenue	4,269.06	1,928.14	4,269.06	1928.14
2.	Total Expenses	3,801.28	2,538.69	3,922.87	4,322.31
3.	Profit before Depreciation & Amortization expenses, Finance Cost and Tax	467.78	(610.55)	346.19	(2394.17)
	Less: Depreciation and Amortization Expenses	271.10	355.80	353.51	388.27
	Less: Finance Cost	125.87	160.62	271.10	355.80
4.	Profit before exceptional / extraordinary items and tax	70.81	(1126.98)	(278.42)	(3138.24)
5.	Share in Profit/(Loss) in Equity Accounted Investments (Net of Tax)	-	-	2.75	19.77
	Less: Exceptional Item/ extraordinary items	(119.62)	1198.00	(119.62)	(1,198.00)
6.	Profit before tax	(48.82)	71.02	(395.28)	(1920.47)
	Less: Provision for tax (Including deferred tax)	(4.07)	(91.45)	(4.07)	(91.45)
7.	Profit after tax	(44.74)	162.47	(391.21)	(1829.02)
8.	Less: Minority Interest	-	-	-	-
	Profit/Loss for the period after Minority Interest	(44.74)	162.47	(391.21)	(1829.02)

# **REVIEW OF BUSINESS OPERATIONS:**

During the year under review, the Company earned total revenue of Rs. 4,269.06 Lakhs as against Rs. 1928.14 Lakhs in the previous year. The loss before tax was Rs. (48.82) Lakhs as against a profit of Rs. 71.02 Lakhs in previous year. The loss after tax was Rs. (44.74) Lakhs as against a profit of Rs. 162.47 Lakhs in the previous year.

# SHARE CAPITAL:

There was no change in Share Capital of the Company during the year 2021 - 22. As on 31st March, 2022, 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.

#### **RESERVES:**

During the year the Company has not transferred any amount to General Reserves.

#### **PUPLIC 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:**

The Annual Return as referred in Section 134(3)(a) read with Section 92 (3) of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 the Annual Return in e-form MGT-7 for the financial year ended March 31, 2022 is placed on the website of the Company at https://www.konarkgroup.co.in.

#### **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the Articles of Association of the Company, Mr. Anshul Agrawal, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

The Following changes took place in the composition of the Board and Key Managerial Personnel:

Mr. Prakashchand Dalmia, Chairman and Non Executive Director resigned from the Board w.e.f 14th August, 2021.

Mr. Shonit Dalmia (DIN: 00059650) was appointed as Non Executive Director w.e.f 14th August, 2021 who subsequently resigned from the office of Non Executive Director w.e.f 18th July 2022. Further Mr. Shonit Dalmia was appointed as Additional Director designated as Managing Director w.e.f. 18th July, 2022 subject to approval of shareholders at this Annual General Meeting

Mr. Amitabh Kejriwal (DIN: 00005864) Managing Director of the Company resigned from the office w.e.f 24th June, 2022

Mr. Satish Deshmukh (DIN: 03535235) Independent Director of the Company resigned from the office w.e.f 28th June, 2022

Ms. Suvriti Gupta (DIN: 07766090) Independent Women Director of the Company resigned from the office w.e.f 18th July, 2022

Mr. Anshul Agrawal (DIN: 02060092) was appointed as Additional Non -Executive Director w.e.f 28th June, 2022 subject to the approval of shareholders at this Annual General Meeting.

Mr. Riyazuddin Khan (DIN: 09448909) was appointed as Additional Non -Executive Independent Director w.e.f 28th June, 2022 subject to the approval of shareholders at this Annual General Meeting.

Ms. Priyanka Jha (DIN: 09671850) was appointed as Additional Non -Executive Independent Women Director w.e.f 18th July, 2022 subject to the approval of shareholders at this Annual General Meeting..

Mr. Mehnuddin Khan, Company Secretary and Compliance Officer (Membership No.A40156) resigned from the office w.e.f. 28th April, 2021. Further Ms. Shikha Dalmia (Membership No.A53469) was appointed as Company Secretary and Compliance Officer w.e.f. 7th July, 2021 who subsequently resigned form her office w.e.f 7th January, 2022.Mr. Indrajit Kanase (Membership No.A51146) r is appointed as Company Secretary and Compliance Officer w.e.f 1st April, 2022.

#### **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.

The Ministry of Corporate affairs (MCA) vide notification no. G. S. R. 804(E) dated 22nd October, 2019 and effective from 1st December, 2019 has introduced the provision relating to inclusion of name of Independent Directors in the data bank maintained by Indian Institute of Corporate Affairs (IICA). All Independent Director of the Company are registered with IICA.

In the opinion of the Board, the Independent Directors hold highest standard of Integrity and possess the requisite qualification, experience, expertise and proficiency.

#### **MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors met once during the year on 14th February, 2022, to review the working of the Company, its Board and Committees.



The meeting decided on the process of evaluation of the Board and Audit Committee. It designed the questionnaire on limited parameters and completed the evaluation of the Board by Non-Executive Directors and of the Audit committee by other members of the Board. The same was compiled by Independent authority and informed to the members.

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

The policy on Director's 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 I'.

#### ANNUAL PERFORMANCE EVALUATION BY THE BOARD:

Pursuant to the provisions of the Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) 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 at 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

# **MEETINGS OF THE BOARD:**

The Board meets at regular intervals to discuss and decide on Company / 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 Seven times during the financial year, the details of which are given in the Corporate Governance Report.

#### **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 31st March, 2022 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 MANEGERIAL 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 II'

#### SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

As on 31st March 2022, the Company has one subsidiary company i.e. India Denim Limited and one Associate Company i.e Konark Infratech Pvt. Limited. During the year, the Board of Directors reviewed the affairs of the subsidiary Company. As per Section 129(3) of Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company, along with India Denim Limited (Subsidiary) and Konark Infratech Private Limited (associate company), which form part of the Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiary in the prescribed format AOC-1 is attached herewith and marked as 'Annexure III'. The statement also provides the details of performance and financial position of the subsidiary and associate.

In accordance with the provision of Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of its subsidiary, are available on our website www.konarkgroup.co.in. These documents will also be available for inspection at the registered office of the Company and of the subsidiary company during business hours on all working days and during the Annual General Meeting.

The Company has one associate company namely Konark Infratech Pvt. Limited by virtue of its holding of more than 20% of the respective equity share capital of this company.

#### COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees. There are currently three Committees of the Board, as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

The Details of Number of Meetings held, Attendance and other details are mentioned in the Corporate Governance Report annexed herewith.

#### 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. All major properties of the Company are insured.

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

All transactions with the related parties entered during the year are ongoing 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 and guarantee made by your Company during the financial year 2022-23 are given under Notes to Accounts on financial statements. The Company has not made any investments during the year.

# 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 REFRENCE 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 on our website www.konarkgroup.co.in. 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 2021 - 22, no employee or director was denied access to the Audit Committee.

#### STATUTORY AUDITOR:

The members on Recommendation of Board and Audit Committee of the Company at the 37th Annual General Meeting of the Company approved the appointment of M/s. Jhunjhunwala Jain & Associates LLP, Chartered Accountants, Mumbai, Firm Registration No. 113675W, as the Statutory Auditors of the Company for period of 5 (five) consecutive years, to hold office from the conclusion of the 37th Annual General Meeting until the conclusion of the 42nd Annual General Meeting of the Company. Further the ratification of their appointment pursuant to Section 139 of the Companies Act, 2013 is not required in terms of notification no. SO 1833(E) dated 7th May, 2018 issued by the Ministry of Corporate Affairs, and accordingly the item has not been included in the Ordinary Course of Business of this AGM Notice Further, they have confirmed that they are not disqualified as auditors of the Company under the Companies Act, 2013, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder.

#### **SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial (Personnel) Rules, 2014, the Company has Appointed M/s. Amit Dharmani & Associates., Company Secretaries, Mumbai to undertake Secretarial Audit of the Company for the year 2021 - 22. The Secretarial Audit Report is annexed herewith as 'Annexure IV' and forms part of this report.

#### INTERNAL AUDITOR:

The Company has appointed M/s. Kaushik Shahukar & Co., Chartered Accountants, Mumbai as its Internal Auditor. The Internal Auditor give their report 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.

#### **COST AUDITORS:**

As per Section 148 read with Companies (Audit & Auditors) Rules, applicable to cost auditors, the company was not liable to appoint Cost auditors for the financial year 2021-22.

#### REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditors, and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Act, details of which needs to be mentioned in this Report.

#### REMARKS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS:

The Statutory Auditors' report does not have any qualification / observation/adverse remark and the report is self-

explanatory. With respect to the observations made by Secretarial Auditor in their report, we would like to state an

# under:

- i. Although the Company has a functional website during the period under review there were a few technical glitches as a result of which website needed an overhaul. During the activity of overhaul and maintenance the website was down and the data under Regulation 46 could not be uploaded on the website. However the management is making sure to update the website in accordance with Regulation 46 of SEBI (LODR) 2015.
- Due to second wave of COVID 19 pandemic, lockdown imposed by government our company was not so well equipped to provide work from home facility to our employees. Due to administrative delays the Company was not able to finalize the Audited Result for Quarter and Year Ended 31st March, 2021 on or before due date and so result was delayed by some days..

#### **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 Report;
- Corporate Governance Report; and
- Practicing Company Secretary's' 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 payment of Annual listing Fees to BSE Limited for the financial year 2022-2023 is paid.



## 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 in 'Annexure V'.

#### **COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:**

Your Directors hereby confirm that the Company has complied with the necessary provisions of the revised Secretarial Standard 1 and Secretarial Standard 2 to the extent applicable to the Company.

#### CORPORATE SOCIAL RESPONSIBILITY:

Provisions Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company during the year under review.

## **OTHER DISCLOSURES**

The company does not have any Employees Stock Option Scheme in force and hence particulars are not furnished, as the same is not applicable.

No application has been made under Insolvency and Bankruptcy Code: hence requirement to disclose the details of application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year is not applicable to the Company.

The requirement to disclose the details of difference between amount of valuation done at the time of onetime settlement and valuation done while taking loan from the Banks and Financial Institutions along with the reasons thereof is also not applicable.

#### **ENHANCING SHAREHOLDER VALUE**

Your company firmly believes that its success, the marketplace and a good reputation are among the primary determinants of value to the shareholder. The organizational vision is founded on the principles of good governance.

#### **CAUTIONARY STATEMENT**

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations.. Important factors that could influence the Company's operation include global and domestic demand and supply conditions affecting selling prices of Raw Materials, Finished Goods, input availability and prices, changes in government regulations, tax laws, economic developments within and outside the country and various other factors.

#### 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

Place: Mumbai Date: 13th August, 2022

**Anshul Agarwal Additional Non Executive Director** 

(DIN: 02060092)

**Shonit Dalmia Additional Managing Director** (DIN: 00059650)



#### Annexure I

#### 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 textile, logistic, 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:

- He/she should be financially literate, which means he/she possess the ability to read and understand basic financial statements i.e. Balance Sheet, 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 disqualification 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 complaint.

#### **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:

- 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;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- 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.

Indicative lists 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?
- Whether the attendance of directors at meetings is 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
- 6. Compensation will be a major driver of performance;
- 7. Compensation will be competitive and benchmarked with a select group of companies from the Industry;
- 8. Compensation will be transparent, fair and simple to administer;
- 9. Compensation will be based on employment scenario in the Industry;
- 10. Compensation will be tax friendly and legally complaint.

#### **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:

- 6. 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;
- 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.
- 8. The Company will also reimburse the out-of-pocket expenses incurred by the Directors for attending the meetings.
- 9. The distribution of Commission amongst the Non-Executive Directors (NEDs) will be placed before the Board.
- 10. 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:

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

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

7. How well prepared and well informed the directors are for the board meetings?



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

# **DISCLOSURE OF INFORMATION:**

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

managerial remuneration is

decreased by (0.72%)



# **Annexure II**

- (A) 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, as amended:
- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-22, the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22:-

Sr. No. Name of the Director / KMP		Ratio of remuneration to the median remunerat F.Y. of the employe	ion over last		
1	Mr. Amitabh Kejriwal (Managing Director)	4.21:1	(0.72)		
2	Mr. R.B. Somany (Chief Financial Officer)	4.65:1	0.00		
3	*Ms. Shikha Mishra (Company Secretary& Compliance Officer)	0.95:1	0.00		
No	te: Non-Executive Directors of the Company are not paid any sitting	g fees or commission.			
(ii) The percentage increase in the median remuneration of employees in the financial year 89.24%					
(iii)	(iii) The number of permanent employees on the rolls of the company 41				
(iv)	Average percentile increase already made in the salaries of emp managerial personnel in the last financial year and its comparisor in the managerial remuneration and justification thereof and point	Average percentile increase in Employee's other than managerial remuneration is 40.55% while			

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.

(B) Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

circumstances for increase in the managerial remuneration.

Details of top ten employees drawing remuneration pursuant to the provisions of Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

Employee Name	Designation	Educational Qualifications (	Age Years)	Experienc e (In Years)	Date of Employment	Gross Remuneration Paid (Amt in Rs.)	Previous Employment and Designation
Mr. Amitabh Kejriwal	ManagingDirector	B.Com	55	25	28.02.1995	10,86,292	-
Mr. R.B. Somany	CFO	B.Com	58	32	26.12.1995	12,00,000	G.M (Commercial) in Matule Syntex Ltd
Mrs. Shikha Dalmia	Manager	B.Com	41	16	01.04.2017	6,00,000	-
Mrs. Namrata Dalmia	Manager	B.E. (Production	on) 39	14	01.04.2017	6,00,000	-
Mr. G. L. Rajgar	Factory Manager	B.A	58	34	20.09.1990	6,20,400	Black Rose India Ltd as Senior Logistics Limited
Mr. Karunakar Sherigar	Chief Accountant	B.Com	54	30	15.04.2009	5,75,039	Accountant in Vengaboys Timetech Ltd.
Mr. Neeraj Anand Swaroop Gupta	Factory Manager	B. Com	56	34	01.05.1989	4,92,000	Shree Polyster Pvt. Ltd.
Mr. Amit Prajapat	Accounts Manager	M. Com	31	10	01.06.2012	4,75,333	Bhuwaniya & Agrawal Associates
Mr. Lalmani Yadav	Sales Manager	B.A.	45	22	03.11.1997	5,82,000	-
Mrs. Pushpa Rajgar	Head of Quality Department	B.A	56	32	12.09.1990	4,83,600	-

(36)



#### Notes

- 1. All appointments are contractual and terminable by notice on either side.
- 2. Remuneration includes salary, various allowances, contribution to Provident Fund and taxable value of perks.
- 3. None of the employees of the Company was drawing remuneration of Rs. 8,50,000/- p.m. or Rs. 1,02,00,000/- p.a. or more during the year.
- 4. \*Ms. Shikha Mishra Company Secretary resigned from the office w.e.f 07th January, 2022

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

Place: Mumbai Additional Non Executive Director
Date: 13th August, 2022 (DIN: 02060092)

Shonit Dalmia Additional Managing Director (DIN: 00059650)

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#### Annexur-III

#### 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
Reporting Period	31/03/2022
Share Capital	1144.59
Reserves & Surplus	6690.87
Total Assets	1698.70
Total Liabilities	7244.98
Investments (except in subsidiary companies)	-
Turnover	-
Profit/(Loss) before Taxation	349.22
Provision for Taxation	-
Profit/(Loss) after Taxation	349.22
Proposed Dividend	-
% of Shareholding	61.17

- 1. Name of subsidiaries which are yet to commence operations None
- 2. Name of subsidiaries which have been liquated or sold during the year None

# Part "B" Associates and Joint Ventures-

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company

(Rs. In Lakhs)

Name of Associates	Konark Infratech Private Limietd		
Latest audited Balance Sheet Date	31st March,2022		
Shares of Associate held by the company on the year end			
i) No. of shares held as on 31stMarch, 2022	28,000		
ii) Amount of Investment in Associates	Rs. 2.80		
iii) Extend of Holding %	26.92%		
Description of how there is significant influence	Holding 26.92% voting powers		
Reason why the associate is not consolidated	Consolidated		
Net Worth attributable to Shareholding as per latest audited Balance Sheet	(181.73)		
Profit / Loss for the year	40.74		

- 1. Names of associates or joint ventures which are yet to commence operations: None
- 2. Names of associates or joint ventures which have been liquidated or sold during the year: None

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

Place: Mumbai

Date: 13th August, 2022

Shonit Dalmia

**Additional Managing Director** 

DIN: 00059650)

Anshul Agarwal Additional Non Executive Director (DIN: 02060092)



# Annexure-IV Form No. MR-3 SECRETARIAL AUDIT REPORT OF KONARK SYNTHETIC LIMITED

FOR THE FINANCIAL YEAR ENDED 31st March, 2022

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

To,

The Members.

#### KONARK SYNTHETIC LIMITED

Mittal Industrial Estate Bldg no 7, Saki Naka Andheri (East) Mumbai Maharashtra 400059 India

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)** ('hereinafter called the Company') for financial year from April 01st, 2021 to March 31st, 2022 (hereinafter referred to as "the Audit Period"). 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, and as per the explanations given to us and the representations made by the Management of the Company, we hereby report that in our opinion, the Company had, during the Audit Period generally complied with the statutory provisions listed hereunder and also that the Company had 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 during the Audit Period and other records made available to us and maintained by the Company and as shown to us during our audit and according to the provisions of the following laws:

- I. The Companies Act, 2013 and the Rules made there under and the applicable provisions of the Companies Act, 1956;
- 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;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The 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);
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);
  - i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- i. As informed to us the following other laws specifically applicable to the Company as under:
  - Factories Act, 1948
  - b. Industrial Dispute Act, 1947
  - c. The Payment of Wages Act, 1936
  - d. The Minimum Wages Act, 1948
  - e. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
  - f. The Employees' Compensation Act
  - g. The Maternity Benefit Act
  - h. The Contract Labour (Regulation & Abolition) Act, 1970
  - i. The Child Labour (Prohibition & Regulation) Act, 1986
  - The Apprentices Act, 1961
  - k. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
  - I. Environment (Protection) Act, 1986
  - m. Prevention and control of pollution Act
  - n. Drugs and cosmetics Act, 1940
  - o. Narcotics Drugs and Psychotropic substances Act, 1985
  - p. Food safety and standards Act, 2006
  - q. The Patent Act, 1970
  - r. The Trademark Act, 1999
  - s. Legal Metrology Act, 2009
  - t. The payment of Gratuity Act, 1972



- u. The payment of Wages Act, 1936
- v. The Negotiable Instruments Act, 1881
- w. The Water (Prevention and Control of Pollution) Act, 1974
- x. The Air (Prevention and Control of Pollution) Act, 1981
- y. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- z. The sexual Harassment of women at workplace (Prevention, prohibition and Redressal) Act, 2013.

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

(i) Secretarial Standards (SS) issued by the Institute of Company Secretaries of India.

During the Audit Period and as per the explanation and clarification given to us and the representations made by the management, the Company had generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above ,except to the extent as mentioned below:

- 1) The website of the Company is not in compliance pursuant to Regulation 46 of SEBI (LODR) Regulation, 2015 before the submission of Secretarial compliance Report however it has been duly updated;
- 2) The Company has delayed for submission of Audited financial results within the period prescribed under Regulation 33(3) (d) of SEBI (LODR) Regulation, 2015 for quarter/year ended 31st March, 2021- As informed by the management, the Company had made a representation for waiver of fine and BSE vide its mail dated 25th October, 2022 waived the said fine.

#### We further report that:

- The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;
- 2. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- 3. The Company has obtained all necessary approvals under the various provisions of the Act; and
- 4. There was no prosecution initiated during the year under review under the Companies Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers though some forms were uploaded with late filling fees.

#### We further report that

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

Adequate notice were given to directors to schedule the Board Meetings, committee meetings and agenda along with the detailed notes on agenda were also sent in advance of seven days, however 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.

Decisions at the Board Meetings were taken unanimously.

We further report that as per the explanations given to us and the representations made by the management and relied upon by us, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not done any such events mentioned below:

- a. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- b. Redemption / buy-back of securities
- c. Merger / amalgamation / reconstruction, etc.
- d. Foreign technical collaborations

Place: Mumbai Date: 13/08/2022 For Amit Dharmani & Associates Company Secretaries

Amit Dharmani Proprietor FCS 12050 & COP 18179 UDIN: F012050D000792324

Unique Identification No.: S2017MP474100 Peer Review Certificate No.: 996/2020

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



#### ANNEXURE - A

#### (To the Secretarial Audit Report of KONARK SYNTHETIC LIMITED for the financial year ended March 31, 2022)

To, The Members, KONARK SYNTHETIC LIMITED Mittal Industrial Estate Bldg no 7, Saki Naka Andheri (East) Mumbai Maharashtra 400059 India

Our Secretarial Audit Report for the financial year 31st March, 2022 is to be read along with this letter.

# Management's Responsibility:-

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### Auditor's Responsibility:-

- 2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- 3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
- 4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

#### Disclaimer:-

- 5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- 6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

Place: Mumbai Date: 13/08/2022 For Amit Dharmani & Associates Company Secretaries

Amit Dharmani Proprietor FCS 12050 & COP 18179 UDIN: F012050D000792324

Unique Identification No.: S2017MP474100 Peer Review Certificate No.: 996/2020



#### Annexure V

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.

#### **TECHNOLOGY ABSORPTION:**

# Research & Development (R & D):

- (i) Specific areas in which R&D is carried out by the Company: NA
- (ii) Benefits derived as a result of the above R&D: NA
- (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	2021 - 22	2020-21
Foreign Exchange Earning	0.00	0.00
Foreign Exchange Outgo	2.83	1.84

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

Shonit Dalmia Additional Managing Director (DIN: 00059650)

Place: Mumbai

Date: 13th August, 2022



#### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Industry structure and developments:

The year under review has been a challenging year. COVID 19 pandemic has effected markets and supply chains. However, the coming year looks brighter given the resumption of operations. The Textile industry is likely to rebound basically due to increased investment and government measures.

#### 2. Opportunities and Threats:

There are enormous opportunity in the textile industry as the union budget has set to give the ailing textile sector a new lease of life by announcing setting up of mega textile parks, rationalizing the custom duty rates on import of raw materials, allowing 100% FDI for the sector under automatic route. The government has proposed a scheme of Mega Investment Textiles Park (MITRA) in the union budget 2021 – 22 to enable the textile industry to become globally competitive, attract large investments.

Your Company is repositioning itself to the fast changing situation and expects to come out stronger.

#### 3. Performance

Performance overall

The overall performance during the year 2021 - 22 was not satisfactory due to COVID 19 pandemic. The detail 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 year under review Company's sales and operations were drastically affected due to COVID -19 pandemic and lockdown imposed by the Government Authority.

The Company is looking forward for change in present scenario and increase consumer confidence and grow market consumption along with other cost cutting measures including better finance control, working capital management, etc.

#### 4. Outlook:

Demand (in domestic market) for textiles was slow down due to COVID 19 pandemic during year under review. 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 market.

# 5. 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.

Every Sector has both internal & external risk and textile sector is no exceptional to it. Company monitors the external environment & manages the internal environment to mitigate the risks faced by the company.

# 6. 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.

# 7. KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018)(Amendment) Regulations, 2018, the company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector specific financial ratios.



Particulars	F.Y 2021 -22*	F.Y 2020-21	Change in Percentage
Debtors Turnover Ratio	2.00	0.63	-199.86%
Inventory Turnover Ratio	2.82	1.39	98.47
Interest Coverage Ratio	15.05	1.20	12.47%
Net Profit Margin	3.91	4%	-35.84%
Current Ratio	1.28	1.18	-9.27%
Return on Capital Employed	(0.01)	(0.35)	112.62%
Return on Networth	0.11	(0.06)	50.55%

Note: 1. Above Financial Ratios are based on Standalone Financials of the Company.

#### **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 2021-22, the Company had 41 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.

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

Place: Mumbai Additional Non Executive Director
Date: 13th August, 2022 (DIN: 02060092)

Shonit Dalmia Additional Managing Director (DIN: 00059650)



#### CORPORATE GOVERNANCE REPORT

#### 1. Company's philosophy

The Company firmly believes in and has consistently practiced good corporate governance. The Company's essential character is shaped by the values of transparency, professionalism and accountability. The Company will endeavour to improve on these aspects on an ongoing basis.

#### 2. Board of Directors

As on the date of the report, the Board of the Company comprises of Four Directors out of which one is the Promoter Managing Director, Out of the remaining Three Directors, one is Non-Executive Non Independent Director, one is Woman Independent Non-Executive Director and the other remaining one Director is Independent Non-Executive Directors.

None of the Directors have any pecuniary or business relationship with the Company except to the extent as disclosed elsewhere in the Annual Report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he/she is Director.

Term of Board Membership:

The Board, on the recommendations of the Nomination and Remuneration Committee, considers the appointment and re-appointment of Directors.

Section 152 of the Companies Act, 2013, states that one-third of the Board members other than Independent Directors who are subject to retire by rotation, shall retire every year and shall be eligible for re-appointment, if approved by the shareholders at the Annual General meeting.

In view of the above, Mr Anshul Agrawal (DIN:02060092), Director of the Company, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks re-appointment.

During the year there were in total Seven board meetings held on 31.05.2021, 06.07.2021, 14.08.2021, 13.11.2021, 07.01.2022, 14.02.2022, 04.03.2022. The time gap between the two meetings was not more than 120 days. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

The composition of the Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships/membership of committees is as follows:

Name of Director	Category of Director-ship	No. of Board Meetings attended	Attendance at the last AGM
\$Mr. Prakashchand Dalmia	Promoter, Chairman and Non Executive Director	02	Yes
*Mr. Amitabh Kejriwal	Managing Director	07	Yes
**Mr. Shonit Dalmia	Non-Executive Director	04	Yes
\$\$Mr. Satish Deshmukh	Non-Executive Independent Director	07	Yes
#Ms. Suvriti Gupta	Non-Executive Independent Women Director	07	Yes

<sup>1.</sup> Directorship only of public limited company is considered

<sup>2.</sup> PMD – Promoter Managing Director, NED - Non-Executive Director, INED – Independent Non-Executive Director, WINED – Woman Independent Non-Executive Director.



Number of other board of directors or committees in which a Directors is a member or chairperson

Sr.	Name of	*No. of other	No. of Other	No. of Other
No.	Director	Directorship	Committee	Committee
			Membership	chairmanship
			in other	in other
			Companies	Companies
1.	Mr. Amitabh Kejriwal	1	-	-
2.	Mr. Shonit Dalmia	-	-	-
3.	Mr. Satish Deshmukh	1	-	-

None of the Director of the Company is a Director in any other Listed Entity.

\$ Mr. Prakashchand Dalmia, Chairman and Non Executive Director resigned from the Board w.e.f 14th August, 2021.

\*\*Mr. Shonit Dalmia (DIN: 00059650) was appointed as Non Executive Director w.e.f 14th August, 2021 who subsequently resigned from the office of Non Executive Director w.e.f 18th July 2022. Further Mr. Shonit Dalmia was appointed as Additional Director designated as Managing Director w.e.f. 18th July, 2022 subject to approval of shareholders at this Annual General Meeting

\*Mr. Amitabh Keiriwal (DIN: 00005864) Managing Director of the Company resigned from the office w.e.f 24th June, 2022

\$\$Mr. Satish Deshmukh (DIN: 03535235) Independent Director of the Company resigned from the office w.e.f 28th June, 2022

#Ms. Suvriti Gupta (DIN: 07766090) Independent Women Director of the Company resigned from the office w.e.f 18th July, 2022

Mr. Anshul Agrawal (DIN: 02060092) was appointed as Additional Non -Executive Director w.e.f 28th June, 2022 subject to the approval of shareholders at this Annual General Meeting.

Mr. Riyazuddin Khan (DIN: 09448909) was appointed as Additional Non -Executive Independent Director w.e.f 28th June, 2022 subject to the approval of shareholders at this Annual General Meeting.

Ms. Priyanka Jha (DIN: 09671850) was appointed as Additional Non -Executive Independent Women Director w.e.f 18th July, 2022 subject to the approval of shareholders at this Annual General Meeting.

Mr. Mehnuddin Khan, Company Secretary and Compliance Officer (Membership No.A40156) resigned from the office w.e.f 28th April, 2021. Further Ms. Shikha Mishra(Membership No. A53469) was appointed as Company Secretary and Compliance Officer w.e.f. 7th July, 2021 who subsequently resigned for her office w.e.f 7th January, 2022.Mr. Indrajit Kanase (Membership No.A51146) is appointed as Company Secretary and Compliance Officer w.e.f 1st April, 2022.

#### Disclosure of Relationships between Directors Inter-se

None of the Directors of the Company are related to each other

#### Details of number of shares and convertible instruments held by Non-Executive Directors:

Sr.	Name of Non-Executive	Equity Shares held
No.	Director	
1	Mr Shonit Dalmia	1126475

Note: None of the Non-Executive are holding securities other than mentioned above.

# **Induction and Familiarization Program for Directors:**

On appointment, the concerned Director is issued a Letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director, Executive Committee Members and other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects.

The details of familiarization program can be accessed from the website: www.konarkgroup.co.in



#### Skills/Expertise/Competence

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Business	Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

#### **Board Evaluation:**

The Board has adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues, quality of contribution to Board deliberations, commitment to shareholders and other stakeholder interests etc.

Code of Conduct: The Board of Directors has adopted the code of conduct for the directors and senior management and the same has been placed on the company's website: www.konarkgroup.com.in All board members and senior management personnel have affirmed compliance with the code of conduct for the period under review. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

### **Meeting of Independent Directors**

The Company's Independent Directors met on 14th February, 2022 without the presence of the Managing Director, Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors.

# Core competencies, skills and attributes on Board

The board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and Committees.

The table below summarizes the key qualifications, skills, competence and attributes which are taken into consideration while nominating candidates on Board.

Financial	Understands the organization's financial processes. Prepares, justifies, and administers the program budget. Oversees procurement and contracting to achieve desired results. Monitors expenditures and uses cost-benefit thinking to set priorities.
Leadership	Inspires and fosters team commitment, spirit, pride, and trust. Facilitates cooperation and motivates team members to accomplish group goals.
Technology	Keeps up-to-date on technological developments. Makes effective use of technology to achieve results. Ensures access to and security of technology systems.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and enhance enterprise reputation.
Board service and governance	Service on a company board to develop insights about maintaining board and management accountability, protecting shareholder's interest and observing appropriate governances' practices.
Industry experience	Experience in and knowledge of the drugs & pharmaceutical industry.
Communication	Communication can help team members to understand how their contributions benefit not only the team, but also the broader organization. In addition, a powerful communicator can create productive connections with other departments, making the organization stronger as a whole.

In the table below, the areas of core competencies, skills and attributes of Directors have been highlighted.



Director	Financial	Leadership	Technology	Sales and Marketing
Mr. Prakashchand dalmia	$\sqrt{}$	√		$\sqrt{}$
Mr. Amitabh Kejriwal	V	V	V	$\sqrt{}$
Mr.Satish Deshmuh	$\sqrt{}$	√		
Ms. Suvriti Gupta	$\sqrt{}$			$\sqrt{}$
Mr. Shonit Dalmia	V	V	V	$\sqrt{}$

Director	Board	service	and	Industry experience	Communication
	governance	9			
Mr. Prakashchand dalmia		V		V	V
Mr. Amitabh Kejriwal		V		V	V
Mr.Satish Deshmuh		V		V	V
Ms. Suvriti Gupta		V		V	V
Mr. Shonit Dalmia		V		V	V

Our Independent Directors meet the criteria of Independence as per Section 149(6) of Companies Act, 2013 and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. The Board confirms that the Independent Directors fulfill the conditions as specified under Schedule V of Listing Regulations and are Independent of the management.

During the year no independent director resigned hence, confirmation by such director is not applicable to us.

#### 3. Committees of the Board:

#### a. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee as on the date of the report comprises of 3 Non-Executive Independent Directors.

Following are the members of the Committee.

During the year there were in total Seven Audit committee meetings held on 31.05.2021, 06.07.2021, 14.08.2021, 13.11.2021, 07.01.2022, 14.02.2022, 04.03.2022. The attendance of the meetings is given below.

Name of Director	Category of Directorship	No. of Committee Meetings attended
1.\$Mr. Satish Deshmukh	Non-Executive Independent Directors	7
2. #Ms. Suvriti Gupta 3. *Mr. Shonit Dalmia	Non-Executive Independent Women Directors	7
o. Wir. Grioriit Bairina	Non-Executive Directors	4

\*Mr. Shonit Dalmia (DIN: 00059650) was appointed as Non Executive Director w.e.f 14th August, 2021 who subsequently resigned from the office of Non Executive Director w.e.f 18th July 2022. Further Mr. Shonit Dalmia was appointed as Additional Director designated as Managing Director w.e.f. 18th July, 2022 subject to approval of shareholders at this Annual General Meeting. Pursuant to his appointment as Managing Director he has stepped down from the membership of Audit Committee w.e.f 18th July, 2022

\$Mr. Satish Deshmukh (DIN: 03535235) Independent Director of the Company resigned from the office w.e.f 28th June, 2022

#Ms. Suvriti Gupta (DIN: 07766090) Independent Women Director of the Company resigned from the office w.e.f 18th July, 2022

Mr. Anshul Agrawal (DIN: 02060092) was appointed as Additional Non -Executive Director w.e.f 28th June, 2022 subject to the approval of



shareholders at this Annual General Meeting. Further Mr. Anshul Agarwal was appointed as Member of Audit Committee w.e.f 28th June, 2022

Mr. Riyazuddin Khan (DIN: 09448909) was appointed as Additional Non -Executive Independent Director w.e.f 28th June, 2022 subject to the approval of shareholders at this Annual General Meeting. Further Mr. Riyazuddin Khan was appointed as Chairman of Audit Committee w.e.f 28th June, 2022

Ms. Priyanka Jha (DIN: 09671850) was appointed as Additional Non -Executive Independent Women Director w.e.f 18th July, 2022 subject to the approval of shareholders at this Annual General Meeting. Further Ms. Priyanka Jha was appointed as Member of Audit Committee w.e.f 18th July, 2022...

The Chairperson of Audit Committee was present in previous AGM held on 30th September, 2022 to answer shareholder's queries.

Invitees / Participants: -

#### Broad terms of reference of the Audit Committee are as per following:

The role of the audit committee shall include the following:

- 1 Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2 Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 3 Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4 Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- 5 Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- 6 Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- 7 Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- 8 Approval or any subsequent modification of transactions of the listed entity with related parties;
- 9 Scrutiny of inter-corporate loans and investments;
- 10 Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 11 Evaluation of internal financial controls and risk management systems;
- 12 reviewing, with the management, performance of statutory and Internal Auditors, adequacy of the internal control systems;
- 13 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14 Discussion with internal auditors of any significant findings and follow up there on;
- 15 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16 Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;



- 18 To review the functioning of the whistle blower mechanism;
- 19 Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20 Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- 21 Reviewing the utilization of loans and/ or advances from investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower [including existing loans / advances / investments existing as on the date of coming into force of this provision]

The Audit Committee shall mandatorily review the following information:

- a management discussion and analysis of financial condition and results of operations;
- b statement of significant related party transactions (as defined by the audit committee) submitted by management;
- c management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- d internal audit reports relating to internal control weaknesses;
- e the appointment, removal and terms of remuneration of the chief Internal auditor shall be subject to review by the audit committee and
- f statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee comprises of 3 Non-Executive Directors as on 31st March, 2022.

The Nomination and Remuneration Committee met four times in the financial year 2021-22 on 06.07.2021, 14.08.2021. 13.11.2021, 04.03.2022. The necessary quorum was present in the said meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on September 30, 2021. The composition of the Committee and the details of meetings held and attended by the Directors are as under:

Name of Director	Category of Directorship	No. of Committee Meetings attended
		Weetings attended
1. \$Mr. Satish Deshmukh	Non-Executive Independent Directors	4
2. #Ms. Suvriti Gupta	Non-Executive Independent Women Directors	4
3.*Mr. Shonit Dalmia	Non-Executive Directors	2

\*Mr. Shonit Dalmia (DIN: 00059650) was appointed as Non Executive Director w.e.f 14<sup>th</sup> August, 2021 who subsequently resigned from the office of Non Executive Director w.e.f 18<sup>th</sup> July 2022. Further Mr. Shonit Dalmia was appointed as Additional Director designated as Managing Director w.e.f. 18<sup>th</sup> July, 2022 subject to approval of shareholders at this Annual General Meeting. Pursuant to his appointment as Managing Director he has stepped down from the membership of Nomination and Remuneration Committee w.e.f 18<sup>th</sup> July, 2022

\$Mr. Satish Deshmukh (DIN: 03535235) Independent Director of the Company resigned from the office w.e.f 28th June, 2022

#Ms. Suvriti Gupta (DIN: 07766090) Independent Women Director of the Company resigned from the office w.e.f. 18th July, 2022

Mr. Anshul Agrawal (DIN: 02060092) was appointed as Additional Non-Executive Director w.e.f 28<sup>th</sup> June, 2022 subject to the approval of shareholders at this Annual General Meeting. Further Mr. Anshul Agarwal was appointed as Member of Nomination and Remuneration Committee w.e.f 28<sup>th</sup> June, 2022

Mr. Riyazuddin Khan (DIN: 09448909) was appointed as Additional Non-Executive Independent Director w.e.f 28<sup>th</sup> June, 2022 subject to the approval of shareholders at this Annual General Meeting. Further Mr. Riyazuddin Khan was appointed as Chairman of Nomination and Remuneration Committee w.e.f 28<sup>th</sup> June, 2022



Ms. Priyanka Jha (DIN: 09671850) was appointed as Additional Non-Executive Independent Women Director w.e.f 18th July, 2022 subject to the approval of shareholders at this Annual General Meeting. Further Ms. Priyanka Jha was appointed as Member of Nomination and Remuneration Committee w.e.f 18th July, 2022...

The Broad terms of reference of the Nomination and Remuneration Committee are:

ROLE OF NOMINATION AND REMUNERATION COMMITTEE, inter-alia, include the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) To recommend to the Board all remuneration, in whatever form, payable to senior management.

#### Remuneration Policy

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 is available at the website of the Company: www.konarkgroup.co.in Further, criteria of making payments to non-executive directors, the details of remuneration paid to all the Directors and the other disclosures required to be made under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been published below:

#### Remuneration of Directors

The remuneration of the Managing Director and Whole-Time Director is recommended by the Remuneration Committee and then approved by the Board of Directors and subsequently by the shareholders in general meeting within the limits prescribed in Companies Act, 2013. The non-executive directors are paid sitting fees for Board meetings attended by them.

Details of remuneration paid to Executive Directors: (Rs. In Lakh)

Name of	Amitabh Kejriwal
Director	(Managing Director)
Designation	Managing Director
Salary	9,60,000
Commission	NIL
Leave Encashment	NIL
Provident Fund &	NIL
Gratuity Fund	
Bonus	NIL
Stock Option	NIL
Pension	NIL
Service Contracts	NIL
Notice Period	NIL
Severance Fees	NIL

Executive Directors are not provided with any benefits, bonuses, performance linked incentives based on the performance criteria;

#### Criteria for making payments

Non-Executive Directors of the Company are paid sitting fees for attending Board and Committee Meetings and no Commission is drawn by either of them during the year under review.



The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Non-Executive Directors during the year ended on 31st March, 2022 are given below: -

Sitting Fees (In Rupees)

onung i ooo			(III Tapooo)
Name	Mr. Shonit Dalmia	Mr. Satish Deshmukh	Ms. Suvriti Gupta
	(Non Executive -Non	(Non Executive	(Non Execuitve
	Independent Director)	Independent Director)	Independent Director)
Sitting fees	NIL	NIL	NIL
Remuneration	NIL	NIL	NIL
No. of equity shares	NIL	NIL	NIL
Commission	NIL	NIL	NIL
Non-convertible instruments	NIL	NIL	NIL

The company has no pecuniary relationship or transaction with any of the Directors of the company, save as otherwise mentioned in this annual report.

There is no stock option issued by the Company till date.

#### Performance evaluation criteria for Independent Directors:

- 1) Attendance and participations in the meetings.
- 2) Preparing adequately for the board meetings.
- 3) Contribution towards strategy formation and other areas impacting company performance
- 4) Rendering independent, unbiased opinion and resolution of issues at meetings
- 5) Safeguard of confidential information
- 6) Initiative in terms of new ideas and planning for the Company.
- 7) Timely inputs on the minutes of the meetings of the Board and Committee's
- 8) Raising of concerns to the Board

# c. Stakeholder Relationship Committee

The Stakeholder Relationship Committee of the Company is constituted in line with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee comprises of 1 Non-Executive Independent Directors, 1 Non-Executive Director & 1 Executive Director as on 31st March, 2022.

The committee looks into the shareholders and investors grievances that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters. The Committee periodically reviews the status of stakeholders' grievances and redressal of the same. The Committee met two times in FY 2021-22 on 13.011.2021, 14.02.2022. The necessary quorum was present for all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on September 30, 2021.

The composition of the Committee during 2021-2022 and the details of meetings held and attended by the Directors are as under:

Following are the members of the Committee.

The committee held 4 meetings during the year. The attendance by members is as follows:

Name of Director	Category of Directorship	No. of Committee Meetings attended
1. #Ms. Suvriti Gupta	Non-Executive Independent Women Director	2
2. *Mr. Shonit Dalmia	Non-Executive Director	2
3. \$Mr. Amitabh Kejriwal	Managing Director	2

The company received 0 (Zero) complaint from shareholders during the year.



Compliance Officer Details:
Mr Indrajit Kanase.
Company Secretary & Compliance Officer
Membership No: A51146
Mittal industrial Estate, Bldg. No-7, Ground Floor,
Sakinaka, Andheri East Mumbai-400059
Tel-022-40896300 / Email-cs@konarkgroup.co.in, info@konarkgroup.co.in

The role of the committee shall inter-alia include the following:

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

# 4. Subsidiary Company:

The Company has one non-material subsidiary Company - M/s India Denim Limited

The Company has framed the policy for determining material subsidiary as required by under Regulation 16 of the Listing Regulation and the same is disclosed on the Company's website at www.konarkgroup.co.in

#### 5. General Body Meetings:

Financial Year	Date	Time	Venue	Special Resolution(s)
2018-19 AGM	30/09/2019	3.30 P.M	Road, Sakinaka, Andheri (East), Mumbai - 400059	to sell, transfer or otherwise dispose of the leasehold rights in its undertaking at Sarigam Industrial Estate, Gujarat Industrial Developrnent Corporation, Sarigam
2019-20 AGM	30/09/2020	3.30 P.M	Building No.7 Mittal Industrial Estate, Andheri Kurla Road Sakinaka, Andheri (East), Mumbai – 400059	N.A
2020-21 AGM	30/09/2021	3.30 P.M	Building No.7 Mittal Industrial Estate, Andheri Kurla Road Sakinaka, Andheri (East), Mumbai – 400059	Approval for giving loan or guarantee or providing security in connection with loan availed by the Company to its Subsidiary, Associate or any other person specified under section 185 of the Companies Act, 2013

# Extraordinary general meeting:

One Extra Ordinary General Meeting of Members or Meetings of Creditors was held during last 3 years

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern:

The Company has conducted voting by Postal Ballot during the financial year ended 31st March, 2022 other than this, no voting by postal ballot during last 3 years:

Details of Special Resolutions Passed at the Extra Ordinary General Meeting:

- Re-Appointment Of Ms. Suvriti Gupta (Din: 07766090) As A Non-Executive Independent Woman Director Of The Company
- Re-Appointment Of Mr. Amitabh Kejriwal (Din: 00005864) As Managing Director Of The Company

During the period under Review there was no business transacted through Postal Ballot hence details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern is not applicable:



#### 6. Means of Communication

The quarterly/yearly results are normally submitted to Stock Exchanges immediately after Board meetings. The results are also published in local English (Financial Express) and regional language (Partkaal) newspapers. The results are also displayed at the company's website at www.konarkgroup.co.in. Matters of material nature are communicated to the stock exchanges.

#### i) Website & News Release

In compliance with Regulation 46 of the SEBI Listing Regulations, a separate dedicated section under 'Investors' is available on the Company's website www.konarkgroup.co.in wherein information on various announcements made by the Company, Annual Report, Quarterly/Half yearly/ Nine months and Annual financial results along with the applicable policies of the Company are displayed shortly after its submission to the Stock Exchange.

#### ii) Stock Exchange

Our Company makes timely disclosures and filing to BSE Limited in terms of the SEBI Listing Regulations and other rules and regulations issued by the SEBI and the same are hosted on website of the said Stock Exchange.

#### iii) Corporate Compliance & the Listing Centre

The Company files its financial results and other submission on the electronic filing system, i.e., Listing Centre of BSE. The same is also available on the website of BSE- www.bseindia.com.

#### iv) Whether it also displays official news releases

The Company has not made any official news release during the year under review. Hence, there is no question of displaying the same.

#### v) The presentations made to Institutional Investors or to the Analysts

During the year under review there were no presentations made to institutional investors or the Analysts

#### 7. General Shareholder Information

- a. The 38th Annual General Meeting is proposed to be held on 28th September, 2022 by Physical Mode.
- b. The financial year of the company is from April to March.

#### Financial calendar

Audited annual results of the year
 First Quarter results
 Second Quarter & Half year results
 Third Quarter results
 On or before 30th May
 On or before14th August
 On or before14th Nov
 On or before 14th February

#### c. Dividend

Your directors have not recommended dividend.

# d. Compliance Officer Details:

Mr. Indrajit Kanase Company Secretary & Compliance Officer. Membership No. A51146 Email: cs@konarkgroup.co.in

# e. Description of Voting Rights

All shares issued by the Company carry equal voting rights.

# f. Listing of equity shares on Stock Exchanges

The Company's Shares are listed on the BSE Ltd., having corporate office at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.



# **Listing Fees:**

The Company has paid listing fees up to 31st March, 2023 to BSE Ltd. where Company's shares are listed.

g. The Scrip code of the Company is 514128.

# h. Stock market price data for the year 2021-22 (BSE)

Month	BSE			
	High	Low	Volume of shares traded (Nos)	
Apr-21	8.83	6.21	26	
May-21	6.22	5.93	04	
Jun-21	9.60	6.53	18	
Jul-21	16.24	9.00	54	
Aug-21	15.95	15.95	01	
Sep-21	-	-	-	
Oct-21	-	-	-	
Nov-21	16.50	14.90	50	
Dec-21	17.85	15.75	31	
Jan-22	15.65	14.25	04	
Feb-22	15.50	10.65	33	
Mar-22	17.04	10.65	51	

- i. The securities of the Company are actively traded on BSE Ltd. and not suspended from trading.
- j. Registrar to an issue and Share Transfer Agent:

The Company has appointed M/s. Purva Sharegistry (India) Private Limited for processing and approving the transfer of shares. Their contact details are as follows:

Purva Sharegistry (India) Pvt. Ltd.

Website: www.purvashare.com

Shiv Shakti Industrial Estate, Unit No. 9,

7-B, J. R. Boricha Marg, Sitaram Mills Compound,

Mumbai 400011. Tel: (022) 23016761 Fax: (022) 23012517

Email: support@purvashare.com

# **Share Transfer System**

The shares in de-materialized form are processed and transferred within 15 days from receipt of de-materialization requests.



Distribution of Shareholding as at 31st March, 2022.

No. of shares	No. of Share-holders	% of Share-holders	Share-holding (Rs.)	% of Share-holding
Up to 5000	1364	97.29	3699696	6.37
5001 – 10000	9	0.64	551760	0.95
10001 – 20000	6	0.43	760848	1.31
20001 – 30000	2	0.14	482064	0.83
30001 – 40000	5	0.36	1997952	3.44
40001 – 50000	3	0.21	1260336	2.17
50001- 100000	6	0.42	3961056	6.82
100001 & above	7	0.5	45366288	78.11
TOTAL	1402	100	5,80,80,000	100

#### I. De-materialization of shares

As on 31.03.2022, 98.65 % of the Company's total shares representing 57,29,550 shares were held in de-materialized form & the balance 1.35% representing 78450 shares in paper form. The details are given below:

Туре	No. of Shares	% Shareholding
De-materialized shares	5729550	98.65
With N.S.D. L	654068	11.26
With C.D.S. L	5075482	87.39
Total Demat shares	5729550	98.65
Physical shares	78450	1.35
TOTAL	5808000	100

- m. Company has not issued ESOP or any GDRs/ADRs/ Warrants/Convertible instrument.
- n. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities. -The Company has not entered into any commodity contracts as on 31st March 2022. Foreign Exchange receivables and payables are re-stated at the exchange rate prevailing on the Balance Sheet date to reflect mark to market valuation. Forward contract on foreign exchange are marked to market on the date of the balance sheet and the gain or loss there in recognized in the Statement of Profit & Loss.

### o. Plant Location

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

#### p. Address for correspondence

The Company's registered office is situated at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Mumbai - 400 011 Andheri (East), Mumbai - 400 059,India.



#### 8. Other Disclosures:

#### A. Material related Party Transaction

There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) and AOC-2 has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.konarkgroup.co.in

#### B. Details of Non-Compliance:

# C. Vigil Mechanism and Whistle-Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and the regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at www.konarkgroup.co.in

#### D. Compliance of Mandatory and Non-Mandatory Requirements:

#### Mandatory

The Company has generally complied with all the mandatory requirements as stipulated under Regulation 34 (3) read with Para C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Discretionary Requirements as per Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### i) Shareholder Rights

The quarterly and half yearly, financial performance is published in the newspapers namely Financial Express and Prathkaal and is also posted on the Company's website, the same is not being sent to the shareholders.

# ii) Modified Opinion in Audit Report

The Company's Financial Statements are with unmodified opinion.

#### lii0Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

#### E. Web link where policy for determining 'material' subsidiaries is disclosed;

Material Subsidiaries Policy is not applicable to the company as the Company does not have material subsidiary.

# F. web link where policy on dealing with related party transactions;

There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties were duly approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company at www.konarkgroup.co.in

- G. Disclosure of commodity price risks and commodity hedging activities. Not Applicable
- H. Proceeds from Public Issues, Rights Issue, Preferential Issue, Bonus Issue etc.

During the year, the Company has not raised any money through Public Issue, Rights Issue, Preferential Issue, Bonus Issue etc.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations& Disclosure Requirements) Regulations, 2015 – Not Applicable.



#### Certificate from Company Secretary in practice

A Certificate from HSPN & ASSOCIATES LLP, Company Secretary in practice is annexed that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authorities.

- J. The board had accepted recommendations of all committees of the board which is mandatorily required, in the relevant financial year 2021-2022.
- K. Total fees for all services paid by the Listed entity and on a consolidated basis, to the Statutory Auditor.

(In Lacs)

Particulars	Standalone	Subsidiary
Audit Fees paid	3.75	3.45
Other fees paid	0.00	0.00

- L. Disclosures in relation to the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013:
- a. Number of complaints filed during the financial year NIL
- b. Number of complaints disposed of during the financial year NIL
- c. Number of complaints pending as on end of the financial year NIL

#### iii) OTHER INFORMATION

The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are provided in the Annual Report at various sections of Annual Report.

#### CODE OF CONDUCT

The Board has adopted the Code of Conduct for members of the Board and Senior Management personnel of the Company. The Code lays down, in detail, the standards of business conduct, ethics and governance.

It is the responsibility of all Directors and employees to familiarize themselves with this Code and comply with its standards. The Board and the senior management of the Company annually affirm compliance with the Code.

A certificate of the Managing Director and CFO to this effect is annexed to this report. The Code of Conduct has also been posted on the Company's Website at www.konarkgroup.co.in

# **CFO CERTIFICATION:**

Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 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. The said certificate is annexed to this Report.

# COMPANY SECRETARY IN PRACTICE'S CERTIFICATE ON CORPORATE GOVERNANCE

As stipulated in Para E of Schedule V of the Listing Regulations, the Certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance is attached herewith.



#### DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

- 1) The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable:
- (a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL.
- (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year NIL
- (c) number of shareholders to whom shares were transferred from suspense account during the year: NIL
- (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL.
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NIL

# CERTIFICATE PURSUANT TO CLAUSE 40(9) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company has obtained yearly Certificates pursuant to Clause 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from Mr. Prakash Naringrekar, Designated Partner of M/s HSPN & ASSOCIATES LLP, Practising Company Secretaries, Mumbai and the same were placed before the Board for review. The certificates obtained during the year 2021-22 did not contain any reservation or qualification.

#### ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the financial year 2021-22 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

#### MANAGEMENT DISCUSSION AND ANALYSIS

A statement of Management Discussion and Analysis is appearing elsewhere in this Annual Report in terms of the requirement of the Code of Corporate Governance.

#### PREVENTION OF INSIDER TRADING

In order to regulate trading in securities of the Company by the Directors and designated employees, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of your Company which has also been published on the website of the Company –

www.konarkgroup.co.in. Insider Trading Code prevents misuse of unpublished price sensitive information and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Directors, Designated Employees and Connected Persons of your Company.

# **INTERNAL CONTROL SYSTEMS**

The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions, whenever necessary.

# **INTERNAL CONTROLS**

The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- · Compliance with applicable laws and regulations.



#### STATUTORY AUDIT

For F. Y. 2021-22, Jhunjhunwala Jain & Associates LLP., Chartered Accountants, audited the financial statements prepared under the Indian Accounting Standards.

The independent statutory auditor's render an opinion regarding the fair presentation in the financial statements of the Company's financial condition and operating results. Their audits are made in accordance with generally accepted auditing standards and include a review of the internal controls, to the extent necessary, to determine the audit procedures required to support their opinion.

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. A declaration by the Managing Director of the Company affirming the compliance of the same during the financial year ended on 31st March, 2022 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.

For and on behalf of the Board of Directors

For Konark Synthetic Limited

Place-Mumbai, 13th August, 2022 Sd/-Shonit Dalmia Additonal Managing Director DIN No: 00059650 Sd/-Anshul Agarwal Additional Non-Executive Director DIN No: 02060092

#### **DECLARATION ON CODE OF CONDUCT**

То

The Members of

# **Konark Synthetic Limited**

I, Shonit Dalmia, 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 2021-22.

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

Sd/-

Shonit Dalmia
Additional Managing Director
DIN No: 00059650

Place: Mumbai, 13th August, 2022



13st August, 2022

To The Board of Directors Konark Synthetic Limited Mittal Industrial Estate, Bldg no 7 Saki Naka, Andheri (East) Mumbai – 400059

Sub.: Compliance Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

A. We hereby certify that the financial statements and the cash flow statement for the year ended 31st March, 2022 and that to the best of my knowledge and belief:

B.

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- C. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- D. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- E. We have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the year, if any;
- (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Konark Synthetic Limited

Shonit Dalmia Additional Managing Director (DIN-00059650) R. B. Somany Chief Financial Officer



# Certificate of Non - Disqualification of Directors

(Pursuant to Regulation 34 (3) and Schedule V Para C clause 10 (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KONARK SYNTHETIC LIMITED** having **CIN L17200MH1984PLC033451** and having registered office at Mittal Industrial Estate Bldg. No 7 Saki Naka Andheri (East) Mumbai – 400059 (hereinafter referred to as "Company") produced before 7me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any suchother Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	# SHONIT DALMIA	00059650	14/08/2021
2.	AMITABH KEJRIWAL RAMSWAROOP	00005864	28/02/1995
3.	SATISH KAMALAKAR DESHMUKH	03535235	30/05/2011
4.	SUVRITI GUPTA	07766090	01/04/2017

Note: \*Date off appointment is as per MCA portal

# Mr. Shonit Dalmia (DIN: 00059650) was appointed w.e.f 14.08.2021

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Place: Mumbai For HSPN & Associates LLP.

Date: 13th August, 2022

ICSI UDIN: A037823D0007933188

Peer Review: 2507/2022 Company Secretaries

Mr Ketan Ravindra Shirwadkar. ACS No.:37829

CP No.: 15386



# Certificate on Compliance with the Corporate Governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Members of
Konark Synthetic Limited

The Corporate Governance Report prepared by Konark Synthetic Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2021 pursuant to the Listing Agreement of the Company with the Bombay Stock Exchange Limited (Herein after referred to as the "Stock Exchange").

# Management's Responsibility

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

### **Auditor's Responsibility**

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether for the year ended March 31, 2021 the Company has complied, with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Our examination was limited to 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 opinion on the financial statements of the Company.

#### Opinion

In our opinion, based on our examination of the relevant records and to the best of our information and according to explanations given to us, and representations provided by the management, we certify that, the Company, has complied with the conditions of Corporate Governance as stipulated, in the above-mentioned Listing Regulations except that during the period under review: the website of the Company is not in compliance pursuant to Regulation 46 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

### Other Matters and Restriction on use

We 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.

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, for the year ended March 31, 2021, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Place: Mumbai

Date: 13th August, 2022

ICSI UDIN: A037829D000793166

Peer Review: 2507/2022

For HSPN & Associates LLP.

**Company Secretaries** 

Mr. Ketan Ravindra Shirwadkar.
ACS No.: 37829

CP No.: 15386



# **FINANCIAL STATEMENTS**



# **INDEPENDENT AUDITOR'S REPORT**

#### To the members of KONARK SYNTHETIC LIMITED

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

#### Opinion

We have audited the accompanying Financial Statements of **KONARK SYNTHETIC LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Emphasis of Matter**

We draw attention to the following matters:

a) We draw attention to Note 35 of the accompanying standalone financial statements regarding contingent liability/capital commitments which describes as below:

The Company has given a Corporate Guarantee of Rs.2706.00 Lacs (P.Y. Rs.2706.00 Lacs) to the bankers of its subsidiary company namely India Denim Limited and a Corporate Guarantee of Rs.4600.00 Lacs (P.Y. Rs.4600.00 Lacs) to the bankers of its Associate Company' subsidiary company namely Konark Gujarat PV Private Limited against Term Loan and Working Capital Facilities sanctioned to the said companies.

Further, the above contingent liability includes corporate guarantee of Rs.2706.00 Lacs in respect of loan availed by its subsidiary company M/s. India Denim Limited. The accounts of the said subsidiary have been classified as NPA by the bankers of the company. The legal proceeding regarding the said matter when ultimately concluded, will have a material impact on financial position of the Company as the amount of the liability of the company against these corporate guarantees are much higher than the total net worth of the company.

Our opinion is not modified in respect of these above matters.

# **Key Audit Matters**

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	Impairment of financial assets including	Principal Audit Procedures
	write-offs using Expected Credit Losses	
	(ECL) model	We assessed the appropriateness of the Company's policy on Expected Credit Loss recognition on financial instruments with reference to the applicable accounting
	As described in the notes to the standalone	standards.
	financial statements, the impairment losses	018/188/188/
	have been determined in accordance with	Our audit approach consisted testing of the design and operating effectiveness of the
	Ind AS 109 Financial Instruments requiring	internal controls and substantive testing:
	considerable judgment and interpretation in	



its implementation, which also involved significant judgement by management in measuring the expected credit losses. Key areas of judgment included:

Determining the criteria for a significant increase in credit risk (`SICR')

Techniques used to determine the Probability of Default (PD) and Loss Given Default ('LGD')

Further, the economic and business consequences of the COVID-19 pandemic, significant social disruption and disturbance and slowdown of economic activity, can have possible implications on the judgements and estimates used in the measurement.

Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows etc.

We evaluated and tested the design and tested the operating effectiveness of Company's controls over the data used to determine the impairment reserve, internal credit quality assessments and methodology followed for computation of ECL.

For Expected Credit Losses computed by the management, we performed the following procedures:

Assessed the reasonableness of assumptions and judgement made by management on model adoption and parameters selection;

Examined the key data inputs to the ECL model on a sample basis to assess their accuracy and completeness;

Evaluated and tested on sample basis the appropriateness of staging including determination of significant increase in credit risk.

Assessed the Company's methodology for ECL provisioning, Classification and Measurement:

We analyzed and understood results of stress tests performed in the provisioning considering the overall impact on the estimates used for ECL estimation of financial assets on account of the COVID-19 pandemic.

We enquired with the management regarding significant judgments and estimates involved in the impairment computation and additional management overlay provision arising from the effects of the COVID-19 pandemic, and evaluated the reasonableness thereof.

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### Auditors' Responsibilities for the Audit of the Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.



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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

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

#### Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2. (A) 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;
  - 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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:
  - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
  - The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company during the year ended March 31, 2022.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shal1, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented that, to the best of its knowledge and belief no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in my manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The company has not declared or paid any dividend during the year ended March 31, 2022.
- (C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

# For Jhunjhunwala Jain & Associates LLP

**Chartered Accountants** 

Firm's Registration No: 113675W/W100361

# (CA Priteesh Jitendra Jain)

Partner

Membership No. : 164931 UDIN : 22164931AJYAXD5368

Place: Mumbai Date: May 30, 2022



#### ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of KONARK SYNTHETIC LIMITED on the standalone financial statements for the year ended March 31, 2022.)

- (i) In respect of its property, plant and equipment
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment except in case of certain Plant & Machinery and few other assets where item wise particulars are not available and the company is in process of retrieving the relevant information and updating the same in Fixed Assets Register.
    - (B) The company has maintained proper records for intangible assets.
  - b) Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification as informed by management.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
  - d) 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 not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
  - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (ii) In respect of its Inventory
  - a) The inventory has been physically verified by the management during the year except for stores and spares. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
  - b) 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 sanctioned working capital limits in excess of Rs.5 crore, in aggregate, from banks on the basis of security of current assets and following discrepancies were noticed between Quarterly Statement of Current assets filed with the bank and books of accounts:

Quarter Ended on	Amount of Current Assets as filed with the Bank(A)	Amount of Current Assets as per Books (B)	Difference, if Any (A-B)	Reason for Discrepancies, if any	
June, 2021	3,928.10	3,418.75	509.35	According to the information and explanations	
September, 2021	3,903.66	3,355.58	548.08	given to us by the management, the quarterly	
December, 2021	4,034.71	3,717.03	317.68	stock statements were submitted to bank based	
March, 2022	4,078.32	3,902.53	175.79	on the Cost method of stock valuation. Whereas during the quarterly review/audit the stock wer valued at lower of Cost or Net Realizable Value	

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, during the year, the Company has not made any investments, provided any guarantee, or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable.
- (iv) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, we report that, the Company has complied with the provisions of section 185 and 186 of companies Act, 2013 in respect of grant of loans, making investment and providing guarantees and securities, as applicable, except that company has extended loan to its subsidiary company which is interest free and there is no stipulation as to repayment of loan given, which is not in compliance with the provisions of section 186(7) of the Act. The details of loan are as under:

Name borrower	of the	Nature of Loan	Relationship with the borrower	Amount outstanding as on March 31, 2022 (Rs. in Lakhs)	Remarks
India	Denim	Loan repayable on	Subsidiary	56.97	Loan given interest free and
Limited		demand	Company		without stipulation of repayment
					terms



- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) Cost records maintained by the company are broadly reviewed by us but the same are not strictly as per rules made by the central government for the maintenance of cost records under section 148(1) of the companies act 2013 relating to the manufacturing activities of the company. We have not, however, made a detailed examination of the said cost records.
- (vii) In respect of statutory dues:
  - a) According to the information and explanation given to us, the statutory dues have been regularly deposited during the year by the company with the appropriate authorities. There are no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, GST, Custom Duty, Service Tax, Investor Education and Protection Fund, Excise Duty, Cess and any other statutory dues as at March 31, 2022 for a period of more than six months from the date of becoming payable except statutory dues of Rs.25.03 Lakhs pertaining to ESIC and Rs.0.05 Lakhs pertaining to Profession Tax.
  - b) There were no disputed dues in respect of Sales Tax, Wealth Tax, GST, Custom Duty, Service Tax, Investor Education and Protection Fund, Excise Duty, Cess which have not been deposited. Details of dues of Income Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	Rectification pending with CPC/Assessing Officer	FY 2014-15	8.65

- (viii) In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (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 defaulted in repayment of dues in respect of liability towards term loans with banks as detailed below:

Name of the Lender	Principal Amount of Default (Rs. in Lakhs)	Interest Amount of Default (Rs. in Lakhs)	Period for which default continues
Kotak Mahindra Prime Limited	1.07	0.11	3 Months

- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not raised any amount by way of term loans during the year.
- (d) The Company has not raised any funds on short term basis during the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as defined under the companies Act, 2013 and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the company has been noticed or reported during the year.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.



- (c) According to the information and explanations given to us, there were no whistle blower complaints received by the Company during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transaction with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the notes to the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion the Company has an internal audit system commensurate with the size and the nature of its business.
  - (b) We have considered the internal audit reports of the company issued till date for the period under audit.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi)(a) of the Order is not applicable.
  - (b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year and hence reporting under clause 3(xvi)(b) of the Order is not applicable.
  - (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3(xvi)(c) of the Order is not applicable.
  - (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The company has not incurred any cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors of the company during the year and hence reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, except for the discharge of liability arises due to corporate guarantee of Rs.2706.00 Lacs in respect of loan availed by its subsidiary company M/s. India Denim Limited (as detailed in emphasis of matter paragraph), nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due
- (xx) In our opinion and according to the information and explanations given to us, the provisions of section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility are not applicable to the company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

# For Jhunjhunwala Jain & Associates LLP

**Chartered Accountants** 

Firm's Registration No: 113675W/W100361

#### (CA Priteesh Jitendra Jain)

Partner

Membership No. : 164931 UDIN : 22164931AJYAXD5368

Place: Mumbai Date: May 30, 2022



#### ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (2) (f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of KONARK SYNTHETIC LIMITED on the standalone financial statements for the year ended March 31, 2022)

We have audited the internal financial controls over financial reporting of **KONARK SYNTHETIC LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act. 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Standalone 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 internal financial controls over financial reporting with reference to these standalone financial statements.

#### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone Financial Statements include 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 Standalone 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 Standalone Financial Statements

# Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

# Other Matter

According to the information and explanations given to us and based on our examination of the records of the company, we report that, material weakness has been identified in the Company's internal financial controls over recovery of trade receivables of the company. Such weak internal control system is contributing to the negative growth of the company and deteriorating the funds of shareholders.

A 'material weakness' is a deficiency or a combination of deficiencies in internal financial control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

#### 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, except as mentioned in "other matter" above, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 Jhunjhunwala Jain & Associates LLP

**Chartered Accountants** 

Firm's Registration No: 113675W/W100361

(CA Priteesh Jitendra Jain)

Partner

Membership No.: 164931 UDIN: 22164931AJYAXD5368

Place : Mumbai Date : May 30, 2022



## **Konark Synthetic Limited** CIN:L17200MH1984PLC033451

## Standalone Balance Sheet as at March 31, 2022

All amount are in INR (Lakhs) otherwise stated

Assets	Note No.	As at March 31,2022	As at March 31,2021
Non-current Assets			
(a) Property, Plant and Equipment	4	895.24	1,111.37
(b) Capital Work-In-Progress		-	473.53
(c) Intangible Assets		1.02	1.02
(d) Financial Assets			
(i) Investments	5	2.83	2.83
(ii) Others	6	54.87	79.35
(e) Other Non-Current Assets		-	-
(f) Deferred Tax Assets (Net)	7	77.54	66.79
Total Non-Current Assets		1,031.50	1,734.90
Current Assets			
(a) Inventories	8	1,843.52	1,194.62
(b) Financial Assets			
(i) Trade Receivables	9	1,836.84	2,180.18
(ii) Cash and Cash Equivalents	10	4.42	9.64
(iii) Bank Balances Other Than Above	11		
(iv) Loans	12	748.83	681.65
(v) Others	13	-	-
(c) Current Tax Assets (Net)`	14	111.31	108.12
(d) Non Current Assets classified as held for sale			
(e) Other Current Assets	15	92.57	112.03
Total Current Assets		4,637.50	4,286.25
Total Assets		5,670.00	6,021.15
Equity and Liabilities	Note No.	As at March 31,2022	As at March31,2021
Equity			
(a) Equity Share Capital	16	580.80	580.80
(b) Other Equity	17	589.76	622.78
Total Equity		1,170.56	1,203.58
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	848.49	1,121.30
(b) Provisions	19	38.87	48.85
(c) Deferred Tax Liabilities (Net)	20	-	-
Total Non-Current Liabilities		887.06	1,170.15
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	2,203.55	2,463.89
(ii) Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and		12.62	15.52
(b) Total outstanding dues of creditors other than micro enterprises, and enterprises."	22	1,192.00	963.66
· · · · · · · · · · · · · · · · · · ·	23	86.17	67.53
(iii) Other Financial Liabilities	24	116.23	133.35
(b) Other Current Liabilities (c) Current Tax Liabilities (Net)		-	
	25	0.80	3.47
	Z:)		
(d) Provisions	25		3.647.42
(d) Provisions Total Current Liabilities	25	3,611.38	
(d) Provisions	25		3,647.42 4,817.57 6,021.15

The accompanying notes form an integral part of the Financial Statements.

## As per our report of even date attached For Jhunjhunwala Jain & Associates LLP

**Chartered Accountants** 

Firm Registration No: 113675W / W100361

(CA Priteesh Jitendra Jain) Partner

Membership No: 164931 Place: Mumbai Date: 30th May, 2022

## For and on behalf of the Board of directors

Amitabh Kejriwal (Managing Director) **Shonit Dalmia** (Director)

Indrajit Kanase

R.B. Somany (Company Secretary (Chief Finance Officer)

& Compliance Officer)



# Konark Synthetic Limited CIN:L17200MH1984PLC033451

## Statement of Standalone Profit and Loss for the Year ended March 31,2022

All amount are in INR (Lakhs) otherwise stated

	Particulars	Note No.	For the year ended March 31,2022	For the year ended March 31,2021
I.	Income			
	Revenue from operations	26	4,009.76	1,837.69
	Other Income	27	259.30	90.45
	Total Revenue (I)		4,269.06	1,928.14
II.	Expense			
	Cost of Material Consumed	28	890.63	527.01
	Purchase of Stock-in-trade		2,927.14	977.96
	Change in inventories of finished goods/stock in trade	29	(647.30)	382.61
	Employee benefits expenses	30	141.19	102.01
	Finance Costs	31	271.10	355.80
	Depreciation and amortisation expenses	4	125.87	160.62
	Impairment of financial assets		107.02	(62.47)
	Other Expenses	32	382.60	611.58
	Total Expenses (II)		4,198.25	3,055.11
Ш	Profit / (loss) before exceptional items and income tax (I-II)		70.81	(1,126.98)
IV	Exceptional item			
	- Diminution in the value of Investments of subsidiary		-	-
	- Profit (Loss) on sale of Fixed Assets/Store		(25.86)	1,933.73
	- Bad Debts		(93.76)	(735.74)
٧	Profit / (Loss) before tax (III - IV)		(48.82)	71.02
VI	Tax expense			
	Current tax		-	4.00
	Deferred Tax charge/ (benefits)		(15.32)	(95.05)
	Tax expense for earlier years		11.24	(0.40)
VII	Profit / (Loss) after tax for the year (V - VI)		(44.74)	162.47
VIII	Other comprehensive income, net of tax		-	-
	Items that will not be classified to profit or loss			
	- Remeasurement gain/(loss) on defined benefit plans		17.57	13.43
	- Income tax relating to remeasurement (gain)/loss on above		(4.57)	(3.49)
	Other comprehensive profit for the year		13.00	9.94
IX	Total Comprehensive Income for the year (VII-VIII)		(31.74)	172.41
X	Earnings Per Equity Share of Face Value of Rs.10 each	36		
	Basic – After Exceptional Items		(0.77)	2.80
	Basic – Before Exceptional Items		1.29	(17.83)
	Diluted – After Exceptional Items		(0.77)	2.80
	Diluted – Before Exceptional Items		(1.29)	(17.83)

Summary of significant accounting policies

The accompanying notes form an integral part of the Financial Statements.

# As per our report of even date attached For Jhunjhunwala Jain & Associates LLP

Chartered Accountants

Firm Registration No: 113675W / W100361

Amitabh I

Amitabh Kejriwal Shonit Dalmia (Managing Director) (Director)

For and on behalf of the Board of directors

(CA Priteesh Jitendra Jain)

Partner

Membership No : 164931 Place : Mumbai

Date: 30th May, 2022 (Company Secretary & Compliance Officer)

Indrajit Kanase R.B. Somany ompany Secretary (Chief Finance Officer)



## **Konark Synthetic Limited**

CIN:L17200MH1984PLC033451

## Standalone Cash Flow Statement For The Year Ended March 31, 2022

All amount are in INR (Lakhs) otherwise stated

Particulars	For the year		For the year ended 31st March, 2021		
A. Cash flow from operating activity					
Net Profit before tax & Extra Ordinary Items			(48.82)		(71.02)
Adjustment for: Depreciation		125.87		160.62	
Interest paid		271.10		355.80	
Prior Period Adjustments		1.28		22.21	
Provision for Impairment		107.02		(62.47)	
(Profit)Loss on Sale of Fixed Assets		25.86		(1,933.73)	
(Profit)Loss on Sale of Investment		(111.87)		-	
Interest Income (considered Seperately)		(75.80)	(242.45)	(79.27)	(4 E2C 0E
Operating Profit before working capital changes			(343.45) <b>294.64</b>		(1,536.85) (1,465.83)
WORKING CAPITAL CHANGES			234.04		(1,403.03
(Increase)Decrease in Trade Receivable		236.32		1,222.65	
(Increase)Decrease in Loans & Advances & Other Receiva	ables	(23.24)		(58.65)	
(Increase)Decrease in Inventories		(648.90)		446.35	
Increase(Decrease) in Trade Payable & other payables		246.27	(189.55)	(2,354.06)	(743.72
Cash Generated From operations		240.21	105.09	(2,004.00)	(2,209.54
Direct Tax Paid			(3.18)		(29.06
Cash Flow Before Prior Period & Extra Ordinary Items		-	101.91	_	(2,238.60
Prior Period & Extra Ordinary Items			(1.28)		(22.21
Net Cash Flow From Operating Activities	(A)		100.63		(2,260.81
B. CASH FLOW FROM INVESTING ACTIVITIES			100.00		(2,200.01
Purchase of Fixed Assets		(53.66)		(18.76)	
Interest Income		1.45		79.27	
Advance Received against Sale of Land and Building		- 1.40		10.21	
Sale of fixed assets		607.66		2,417.40	
Net Cash Outflow for investing Activities		007.00	555.45	2,417.40	2,477.92
Cash flow after investing activities	(B)	-	555.45	_	2,477.92
C. CASH FLOW FROM FINANCING ACTIVITIES			000110		2,
Proceeds from Long term borrowing (Net of Repayments)		(199.33)		3.71	
Proceeds from Short term borrowing (Net of Repayments)		(293.39)		(1,426.61)	
Interest paid		(168.58)		(355.80)	
Net Cash Flow from financing activity	(C)	(100.00)	(661.29)	(000.00)	(1,778.70
Increase in cash and cash equivalents	(A+B+C)		(5.21)	-	(1,776.76
Cash &Cash Equivalent (Opening Balance)			9.64		1,571.23
Cash &cash equivalent(Closing balance)			4.42		9.64
Increase in cash & cash equivalent			(5.21)		(1561.59)

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date attached For Jhunjhunwala Jain & Associates LLP

**Chartered Accountants** 

Firm Registration No: 113675W / W100361

(CA Priteesh Jitendra Jain)

Partner

Membership No: 164931 Place : Mumbai

Date: 30th May, 2022

For and on behalf of the Board of directors

Amitabh Kejriwal (Managing Director) **Shonit Dalmia** (Director)

Indrajit Kanase (Company Secretary

R.B. Somany (Chief Finance Officer)

& Compliance Officer)



# Konark Synthetic Limited Standalone Statement of changes in equity as at March 31, 2022

All amount are in INR (Lakhs) otherwise stated

## A. Equity Share Capital

Balance as at April1,2021	Changes in equit share capital due prior period error	to	stated balance as April1,2021	share	ges in equity capital during the year	Balance as 31,2		
580.80		-	580	.80	•		580.80	
Balance as at April1,2020	prior period errors			share	ges in equity capital during the year	Balance as at March 31,2021		
580.80		- 580.8		.80			580.80	
B. Other Equity  Particulars	Rede	apital emption serve	Securities Premium Reserve	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total	
Balance as at 01st April, 2	2021	40.00	683.57	25.00	597.51	(723.31)	622.78	
Add : Prior Period Adjustn	nent	-	-	-	-	(1.28)	(1.28)	
Add : Profit /(Loss) for the	year	-	-	-	-	(44.74)	(44.74)	
Add : Other Comprehensi	ve Income for the year	-	-	-	-	13.00	13.00	
Balance as at 31st Marc	h, 2022	40.00	683.57	25.00	597.51	(756.32)	589.76	
Particulars	Rede	apital emption serve	Securities Premium Reserve	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total	
Balance as at 01st April, 2	2020	40.00	683.57	25.00	597.51	(873.51)	472.57	
Add: Prior Period Adjustn	nent	-	-	-	-	(22.21)	(22.21)	
Add : Profit /(Loss) for the	year	-	=	-	-	162.47	162.47	
Add : Other Comprehensi		-	-	-	-	9.94	9.94	
Balance as at 31st Marc	h, 2 <mark>021</mark>	40.00	683.57	25.00	597.51	(723.31)	622.78	

Summary of significant accounting policies

The accompanying notes form an integral part of the Financial Statements.

## As per our report of even date attached For Jhunjhunwala Jain & Associates LLP

Chartered Accountants

Firm Registration No: 113675W / W100361

(CA Priteesh Jitendra Jain)

Partner

Membership No : 164931 Place : Mumbai Date : 30th May, 2022

## For and on behalf of the Board of directors

Amitabh Kejriwal (Managing Director)

Shonit Dalmia (Director)

Indrajit Kanase

(Company Secretary & Compliance Officer)

R.B. Somany (Chief Finance Officer)



#### KONARK SYNTHETIC LIMITED

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## **Note 1 CORPORATE INFORMATION:**

Konark Synthetic Limited ("the Company") is a limited Company domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange (BSE), in India. The registered office of the Company is situated at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai -400059, India.

Company is engaged in the Manufacturing of Yarn and Trading of Fabric with Weaving and Processing and Manufacturing of Readymade Garments.

#### Note 2 BASIS OF PREPARATION AND PRESENTATION:

#### i. Statement of compliance

These financial statements ("the Financial Statements") are prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in these financial statements.

## ii. Accounting convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

## iii.Presentation

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division II of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The Standalone financial statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest Lakhs, except when otherwise indicated.

## iv. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the note 3 of the financial statements.

## Note 3 SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

## 3.1 Property Plant and Equipment:

Property, plant and equipment are carried at cost of acquisition or construction, net of recoverable taxes less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchases price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Capital work in progress includes cost of property, plant and equipment under installation as at the balance sheet date.

Depreciation on the Property plant and equipment is provided using straight line method over useful life of assets as specified in schedule II to the Companies Act,2013, Depreciation on Property Plant & equipment addition/deletion during the year has been provided on pro-rata basis from the date of such addition or upto date of such deletion as the case may be. Freehold land is not depreciated.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Property plants and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits/Losses arising in the case of retirement/disposal of property plant and equipment are recognized in the statement of profit and losses in the year of occurrence.



Leasehold Lands are amortized over period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

## 3.2 Intangible Assets:

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer software are capitalized at the amount paid to acquire the respective license for use and are amortized over period of useful lives. The assets useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized.

#### 3.3 Leases:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

#### 3.4 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. Cost of finished products are determined at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal level of activities.

## 3.5 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## 3.6 Impairment of assets:

An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the statement of profit and loss. The impairment loss recognised in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

#### 3.7 Financial instruments - initial recognition, subsequent measurement and impairment:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## I) Financial assets - Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

#### Financial assets - Subsequent measurement:

For the purpose of subsequent measurement of financial assets are classified in two broad categories:-

a) Financial assets at fair value



#### b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured **at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- a) Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.
- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

#### Financial assets - Equity Investment in subsidiaries, associates and joint venture:

The Company has accounted for its equity investment in subsidiaries, associates and joint venture at cost.

## Financial assets - Derecognition

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

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flow from the asset.

#### Impairment of financial assets

## Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

## Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

**Write-offs**Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

## II) Financial liabilities - Initial recognition and measurement:

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

## Financial liabilities - Subsequent measurement:

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## Financial Liabilities - Financial guarantee contracts:



Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

#### Financial Liabilities - Derecognition:

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

#### 3.8 Current and non-current classification:

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

#### An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading & manufacturing.
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

#### A liability is classified as current when it is:

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading, & manufacturing.
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

## 3.9 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

## 3.10 Dividend Distribution:

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

#### 3.11 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 excluding GST net of return, rate difference and sales claim. Purchases are recorded excluding GST, net of return, rate differences and purchase claims.



#### 3.12 Foreign Currency Reinstatement and translation:

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 yearend 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.

## 3.13 Borrowing Costs:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalised during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

#### 3.14 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.

## 3.15 Employee Benefit:

Short term employee benefits are recognised as an expense in the statement of profit and loss of the year in which the related services are 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 Other Comprehensive Income (Net of Tax).

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.

#### 3.16 Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

## Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively



#### 3.17 Earnings per share:

Basic earnings per share is computed using the 'net profit for the year attributable to the shareholders (Before and After Exceptional Items)' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the 'net profit for the year attributable to the shareholder (Before and After Exceptional Items)' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

#### 3.18 Investments in Subsidiaries and Associates

The Company records the investments in Subsidiaries and Associates at cost less impairment loss, if any.

After initial recognition, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of investment in Associates and that event (or events) has an impact on the estimated future cash flows of the Subsidiaries and Associates that can be reliably estimated. If there exists such an objective evidence of impairment, then impairment loss is recognized with respect to the Company's investment in Subsidiaries and Associates.

## 3.19 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Property, plant and equipment and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per Schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

#### Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

## Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

#### Fair value measurements and Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## Defined benefits plan:

The Cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

## Provisions:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.



## **Konark Synthetic Limited**

Notes to Standalone Financial Statements for the year ended March 31,2022 Note 04 - Property, Plant And Equipment & Capital Work-In-Progress

## All Amounts are in INR (Laks) otherwise stated

												,		CI WISC St		
Description	Leasehold Land	Freehold Land	Office Building	ROU Building	Factory Buildings	Plant & Machineries	Electric Installation	Equip- ments	Fire Fighting	Furniture & Fixtures	Office Equipments		Computers	Total	Software	Work ir Progress
Gross carrying amount (at cost)																
As at 1st April 2021	-	6.77	485.36	113.17	63.50	3,206.76	112.18	8.88	0.21	59.03	28.58	192.07	30.10	4,307.21	20.54	473.53
Additions/Adjustments	-	-	-	-	-	-	-	-	-	_	0.61	5.55	0.58	6.74	-	359.60
Deductions/Impairments	-	-	-	113.77	-	354.90	18.60	-	-	28.86	6.18	-	3.62	525.93	0.15	833.13
Reversal of Assets classified as Held for sale	-	-	-	-	-	-	-	-	-	-	-	-			-	-
As at 31st March 2022	-	6.77	485.36	-	63.50	2,851.86	93.58	8.88	0.21	30.18	23.00	197.62	27.05	3,788.01	20.39	-
Accumulated depreciation																
As at 1st April 2021	-	-	40.36	47.90	54.46	2,676.92	95.33	7.40	0.20	54.52	25.63	164.97	28.15	3,195.44	19.51	-
Depreciation for the year	-	-	7.68	-	5.48	104.34	1.56	0.09	-	0.24	0.92	5.28	0.29	125.87	-	-
Deductions/Impairments	-	-		47.90		326.49	17.67	-	-	27.41	5.88	-	3.59	428.94	0.14	-
As at 31st March 2022	-	-	48.04	-	59.93	2,454.77	79.22	7.49	0.20	27.34	20.67	170.24	24.86	2,892.77	19.37	-
Net Carrying amount																
As at 31st March 2021	-	6.77	445.00	65.87	9.05	529.84	16.84	1.48	0.01	4.52	2.94	27.11	1.95	1,111.37	1.02	473.53
As at 31st March 2022	-	6.77	437.31	-	3.57	397.09	14.36	1.39	0.01	2.84	2.33	27.38	2.19	895.24	1.02	-

## Notes

a) There is no immovable property where title deeds are not held in the name of the company
b) The company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or Intangible Assets during the year.



## Konark Synthetic Limited Notes to Standalone Financial Statements for the year ended March 31,2022 Note 5 - Non - Current Investments

Aggregate amount of unquoted investments. (Provision in dimunition in value made for Rs. 84888000/-)

## All amounts are in INR ( Lakhs ) otherwise stated

851.71

851.71

Particulars		As at 31 Ma	arch , 2022			As at 31 N	larch, 2021	
	Extent of Holding (%)	No. of Shares/ Units	Face Value (Rs.) Unless otherwise stated	Rs.	Extent of Holding (%)	No. of Shares/ Units	Face Value (Rs.) Unless otherwise stated	Rs.
In Equity Instruments:								
Unquoted Fully Paid -up								
Carried at Cost								
Subsidiary Company								
India Denim Limited	61.17	70.01	10	848.88	61.17	70.01	10	848.88
Associates								
Konark Infratech Private Limited	26.92	0.28	10	2.80	26.92	0.28	10	2.80
Others								
Silvassa Co-op. Society Limited		0.00	100	0.01		0.00	100	0.01
The City Co-op. Bank Ltd.		0.00	25	0.02		0.00	25	0.02
Quoted Fully Paid -up								
Carried at cost								
Sun Earth Ceramics limited		0.07	10	2.04		0.07	10	2.04
Total Equity Instruments				853.75				853.75
Less: Provision for dimunition in the value of Investments				850.92				850.92
Total				2.83				2.34
Particulars					As at 31 Ma	arch , 2022	As at 31 M	arch , 2021
Aggregate amount of quoted inve (Company has made the Provisio						2.04		2.04



## All amounts are in INR (Lakhs) Otherwise stated

## 6 Non-Current Financial Assets - Others

Particulars	As at March 31,2022	As at March 31,2021
Bank deposits with more than 12 months maturity	0.01	0.01
Security Deposits Govts & Other	54.86	79.34
Total	54.87	79.35

## 7 Deferred Tax Assets (Net)

Particulars	As at March 31,2022	As at March 31,2021
Tax effect of items constituting deferred tax assets		
Disallowance u/s 43B of I.T.Tax, 1961, Carry Forward of Losses and Impairment on financial assets	214.45	226.72
Tax effect of items constituting deferred tax liabilities		
Difference between book balance and tax balance of property, plant and equipment	136.90	159.93
Total	77.54	66.79

## 8 Inventories

Particulars	As at March 31,2022	As at March 31,2021	
Raw Materials	41.54	28.88	
Stores, Spares	27.21	38.27	
Work in Progress	130.37	207.13	
Finished Goods	149.71	132.34	
Stock In Trade	1,494.69	788.01	
Total	1,843.52	1,194.62	

## 9 Current Financial Assets - Trade Receivables

Particulars	As at	As at
	March 31,2022	March 31,2021
Undisputed Trade receivables		
(a) Unsecured, considered good;	376.38	551.29
(b) Having significant increase in Credit Risk	1,460.46	1,628.89
(c) Credit Impaired	222.17	115.14
	2,059.01	2,295.32



Total	1,836.84	2180.18
	-	-
(c) Credit Impaired	-	-
(b) Having significant increase in Credit Risk	-	-
(a) Unsecured, considered good;	-	-
Less: Provision for Impairment		
	-	-
(c) Credit Impaired	-	-
(b) Having significant increase in Credit Risk	-	-
(a) Unsecured, considered good;	-	-
Disputed Trade receivables		
	1,836.84	2,180.18
	222.17	115.14
(c) Credit Impaired	222.17	115.14
(b) Having significant increase in Credit Risk	-	-
(a) Unsecured considered good	-	-
Less: Provision for Impairment		

## Trade receivables ageing schedule as at 31st March,2022

Particulers Outst	Outstanding for following periods from due date of payments							
	Less Than 6 Month	6 Month -1 Year	1 - 2 Years	2-3 Years	More Than 3 Years			
Undisputed Trade receivables								
(a) Unsecured, considered good;	366.11	10.27	-	-	-	376.38		
(b) Having significant increase in Credit Risk	-	-	815.18	18.43	626.86	1460.46		
(c) Credit Impaired	-	-	-	0.61	221.56	222.17		
``	366.11	10.27	815.18	19.03	848.42	2059.01		
Less: Provision for Impairment								
(a) Unsecured considered good	-	-	-	-	=	-		
(b) Having significant increase in Credit Risk	-	-	-	-	-	-		
(c) Credit Impaired	-	-	-	0.61	221.56	222.17		
(3)	-	-	_	0.61	221.56	222.17		
	366.11	10.27	815.18	18.43	626.86	1836.84		
Disputed Trade receivables								
(a) Unsecured, considered good;	-	-	-	-	-			
(b) Having significant increase in Credit Risk	-	-	-	-	-	-		
(c) Credit Impaired	=	-	_	-	_	-		
(2)	-	-	-	-	-	-		
Less: Provision for Impairment								
(a) Unsecured considered good	-	-	_	-	_	_		
(b) Having significant increase in Credit Risk	_	_	_	_	_	-		
(c) Credit Impaired	=	-	_	-	_	-		
	-	-	-	-	-			
Total	366.11	10.27	815.18	18.43	626.86	1836.84		



Trade receivables ageing schedule as at 31st March,2021

All amounts are in INR ( Lakhs ) Otherwise stated

Particulers Ou	Outstanding for following periods from due date of payments					Total
	Less Than	6 Month	1 – 2	2-3	More Than	
	6 Month	-1 Year	Years	Years	3 Years	
Undisputed Trade receivables						
(a) Unsecured, considered good;	527.74	1.28	27.96	0.11	0.20	551.29
(b) Having significant increase in Credit Ri	sk -	-	822.99	712.35	93.55	1628.89
(c) Credit Impaired	-	-	-	-	115.14	115.14
.,	527.74	1.28	850.95	712.47	208.89	2295.32
Less: Provision for Impairment						
(a) Unsecured considered good	-	=	-	-	-	-
(b) Having significant increase in Credit Ri	sk -	-	_	-	-	-
(c) Credit Impaired	-	-	=	-	115.14	115.14
, ,	-	-	-	-	115.14	115.14
	527.74	1.28	850.95	712.47	93.75	2180.18
Disputed Trade receivables						
(a) Unsecured, considered good;	-	-	-	-	-	
(b) Having significant increase in Credit Ris	sk -	-	-	-	-	-
(c) Credit Impaired	=	-	-	-	-	-
(-)	_	-	-	-	-	-
Less: Provision for Impairment						
(a) Unsecured considered good	-	-	-	-	-	-
(b) Having significant increase in Credit Ris	sk -	=	=	=	=	-
(c) Credit Impaired	- -	=	=	=	=	-
	-	-	-	-	-	-
Total	527.74	1.28	850.95	712.47	93.75	2180.18

## 10 Current Financial Assets - Cash & cash equivalents

Particulars	As at March 31,2022	As at March 31,2021	
Cash & Cash Equivalents			
Balance with banks;			
(i) Current Accounts	2.01	6.11	
(ii) Dividend Accounts	-	-	
Cash on hands	2.41	3.53	
Total	4.42	9.64	

## 11 Current Financial Assets - Loans

Particulars	As at March 31,2022	As at March 31,2021
Unsecured, considered good;		
- To Subsidiaries	56.97	56.97
- To Associate concern	678.98	612.79
- To employees	12.89	11.89
Total	748.83	681.65



## Konark Synthetic Limited

## Notes to Standalone Financial Statements for the year ended March 31, 2022

All amounts are in INR ( Lakhs ) Otherwise stated

12	Current	<b>Financial</b>	Assets -Other	<b>Assets</b>
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Particulars	As at March 31,2022	As at March 31,2021
Other Advances	76.00	76.00
Less: Provision for Impairment	76.00	76.00
Total	-	-

## 13 Current Tax Assets ( Net )

Particulars	As at March 31,2022	As at March 31,2021
Advance Income Tax (Net of Provision)	111.31	108.12
Total	111.31	108.12

## 14 Other Current Assets

Particulars	As at	As at	
	March 31,2022	March 31,2021	
Unsecured, Considered Good, unless otherwise stated:			
Receivable from Government Authorities	63.96	70.02	
Prepaid Expenses	4.64	6.80	
Advances to creditors	5.27	18.80	
Other Current Assets	18.70	16.42	
Total	92.57	112.03	

## 15 Equity Share Capital

## A) Authorized

Particulers	No of Shares	Amount
As at April 1, 2021	150.00	1,500.00
Changes during the year	-	-
As at March 31, 2022	150.00	1,500.00

## Issued, subscribed and paid up share

	No of shares	Equity Share Capital par value
Equity Share Capital		
As at April 1, 2021	58.08	580.80
Changes during the year	-	-
As at March 31, 2022	58.08	580.80



All amounts are in INR (Lakhs) Otherwise stated

## **Movement in Equity Share Capital**

Paticulers	as on 31 <sup>st</sup> March,2022		as on 31st March,2021	
	Number	Amount	Number	Amount
Equity Share Outstanding at the beginning of period	58.08	580.80	58.08	580.80
Add: Equity Share issued during the year	-	-	-	-
Less: Share bought back during the year	-	-	-	-
Equity Share Outstanding at the end of the period	58.08	580.80	58.08	580.80

## C) Rights, preference and restrictions attached to the shares

Each holder of equity shares is entitled to one vote per share and ranks pari passu. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## D) Shareholders holding more than 5 percent of Equity Shares

Name of Shareholder	% holding in the class	As at March 31, 2022 No. of share held	As at March 31, 2021 No. of share held
Equity Shares of Rs. 10/- each			
Rakadevi Dalmia	17.36%	10.08	10.08
Kayo Investment And Finance Pvt. Ltd	14.75%	8.57	8.57
Fillmore Trading & Investments Pvt. Ltd.	14.46%	8.40	8.40
Prakashchand Dalmia (HUF)	5.80%	3.37	3.37
Shonit Dalmia	19.40%	11.26	0.26

As per records of company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares

**E)** The Company has neither issued equity shares pursuant to contract without payment being received in cash nor any bonus shares in the current year and five years immediately preceding the balance sheet date.

## F) Shares held by Promoter's

Name of Proamters Equity Shares of Rs. 10/- each	% Holding in the	As at March 31, 2022 No. of share held	% Change during the year	% holding in the class	As at March 31, 2021 No. of share held	% Change during the year
Rakadevi Dalmia	17.36%	10.08	-	17.36%	10.08	-17.22%
Kayo Investment And Finance Pvt. Ltd	14.75%	8.57	-	14.75%	8.57	-
Fillmore Trading & Investments Pvt. Ltd.	14.46%	8.40	-	14.46%	8.40	-
Prakashchand Dalmia (HUF)	5.80%	3.37	-	5.80%	3.37	-
Shonit Dalmia	19.40%	11.26	=	19.40%	11.26	17.22%
Prakashchand Dalmia	0.99%	0.58	-	0.99%	0.58	-
Amitabh Kejriwal	1.17%	0.68	-	1.17%	0.68	-
Smita R Kejriwal	1.05%	0.61	-	1.05%	0.61	-
Shikha Dalmia	0.01%	0.01	-	0.01%	0.01	-
		43.55			43.55	-



## All amounts are in INR ( Lakhs ) Otherwise stated

## 16 Other Equity

Particulars	Capital Redemption Reserve	Securities Premium account	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2021	40.00	683.57	25.00	597.51	(723.31)	620.78
Add : Profit /(Loss) for the year	-	-	-	-	(44.74)	(44.74)
Add: Other Comprehensive Income for the year	-	-	-	-	13.00	13.00
Add : Prior Period Adjustment	-	-	-	-	(1.28)	(1.28)
Balance as at 31st March 2022	40.00	683.57	25.00	597.51	(756.32)	587.76

#### 17 Non-Current Financial Liabilities - Borrowings

Pa	rticulars	As at March 31,2022	As at March 31,2021
Во	prrowings		
a)	Secured Loan - Term Loan		
	(i) from Banks		
	Loan against Flat	-	176.49
	Loan Against Property	512.68	553.36
	Vehicle Loans (Against Motor Cars)	-	0.31
	(ii) from Other		
	Loan Against Property	335.51	307.67
	Vehicle Loans (Against Motor Cars)	-	3.67
b)	Unsecured Loan		
	Loan From Related Parties	-	-
	Other	-	79.78
	Total	848.19	1.121.30

## Secured Loans-Term Loans:

- (a) Loan of Nil (P.Y. Rs. 176.49 Lacs) against sanctioned of Rs. 5.72 Crores is Secured against the Flat No. 2101, situated at Orchid Crown, Tower B, Gokhale Road South, Dadar (W), Mumbai, which is payable in 120 EMIs of Rs. 7.89 Lac after getting the possession from the Developer. The loan is also guaranteed by Mr. Prakashchand Dalmia as a co-applicant.
- b) The loan of Rs. 590.00 Lacs (P.Y. 553.36 Lac) including Current Maturities of Long Term Borrowings under note no. 21 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 @10.15% p.a. floating
- (c) Loan of Rs. 100.72 Lacs (P.Y. 94.12 Lacs) including Current Maturities of Long Term Borrowings under Note No. 21 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. 1.53 Lac and interest rate is 11.97% 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) Loan of Rs. 245.59 Lacs (P.Y. 227.84 Lacs) including Current Maturities of Long Term Borrowings under Note No. 21 is secured against Property from PNB Housing Finance Limited against Shop No. 6 and 11 situated at Skylark Building, Plot No. 63, Sector -11, CBD Belapur, Navi-Mumbai 400614 on the term i.e 180 EMI of Rs. 3.41Lac and interest rate is 11.97% p.a floating, 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..



## All amounts are in INR (Lakhs) Otherwise stated

(e) 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 21) of, Rs. 4.41 Lacs is repayable in 10 remaining EMI of Rs. 0.38 Lac upto Dec. 05, 2022

## 18. Provisions

Particulars	As at March 31,2022	As at March 31,2021
Provisions		
Provisions for Employee Benefits		
- Provision For Gratuity	38.87	48.85
Total	38.87	48.85

## 19 Current Financial Liabilities - Borrowings

Par	ticul	ars	As at March 31,2022	As at March 31,2021
a)	Loa	ins repayable on demands		
	(i)	Secured -		
		From Banks		
		- Loan	-	-
		- Cash credit	1,349.26	1,355.58
	(ii)	Current maturities of long-term debts		
		- Secured Loans	88.11	54.36
		- Vehicle Loans	4.41	5.12
	(ii)	Unsecured -		
		Loans from Related Parties	761.76	1,048.83
	Tot	al	2,203.55	2,463.89

**Secured Loans** Cash credit of Rs. 13.50 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 and 40% on Book Debts; at interest rate of Base Rate + 4.50%.

Unsecured Loans- Loans from related parties is from Konark Realtech Private Limited and is payable on demand

## 20 Current Financial Liabilities - Trade Payables

Par	ticulars	As at March 31,2022	As at March 31,2021
(ii)	Bills Payable Under Letter of Credit From Banks	-	-
(ii)	Trade Payables		
a)	Total outstanding dues of Micro and small enterprises	12.62	15.52
b)	Total outstanding dues of trade payable other than Micro and small enterprises	1,188.98	961.20
c)	Other	3.03	2.46
	Total	1,204,62	976.72

0.80

3.47



Total

# Konark Synthetic Limited

rade Payables ageing schedule: As at	31st March,2022	A	II amounts are i	in INR(Lakhs)	Otherwise stated
articulers	Outstanding for follow	ing periods from	due date of pa	yments	
	Less Than	1-2	2 – 3	More Th	
	1 Year	Year	Years	3 Years	<b>S</b>
(i) MSME	4.16	1.59	6.87	-	12.62
(ii) Other	1043.83	45.12	20.07	79.94	1188.98
(iii) Disputed Dues – MSME (iv) Disputed Dues - Other	-	-	-	-	-
(IV) Disputed Dues - Other					
	1048.00	46.71	26.94	79.94	1201.59
rade Payables ageing schedule: As at					
articulers	Outstanding for follow Less Than	ing periods from 1-2		yments More Th	an Total
	1 Year	1-2 Year	2 – 3 Years	3 Years	
(i) MSME	3.49	10.35	1.68	-	15.52
(ii) Other (iii) Disputed Dues – MSME	751.80. -	65.28	90.93	53.19	961.20
(iv) Disputed Dues - Other	-	-	-	-	-
	755.29	75.63	92.61	53.19	976.72
24 Command Financial Linkillities Other	u I i abilitia a				
21 Current Financial Liabilities - Othe Particulars	rLiabilities			An of	An at
Particulars			N	As at larch 31,2022	As at March 31,2021
Other Financial Liabilities				•	,
	oorrowingo			48.43	6.51
b) Interest accrued but not due on l	=			0.11	5.27
c) Interest accrued and due on bo	nowings				
d) Liability for expenses				13.18	47.82
e) Advance from Customer				24.46	7.93
f) Other				-	-
Total				86.17	67.53
22 Other Current Liabilities					
Particulars				As at March 31,2022	As at March 31,2021
a) Advance Descrived against Cale	of Land and Duilding			,	Widi Ci 1 3 1,202 1
Advance Received against Sale     Advance Received against Sale	or Land and Building			-	-
b) Others				C 40	0.05
i) Duties and Taxes				6.49	2.35
ii) Payable-ESIC, PF & Prof.	Tax etc.			25.39	51.90
iii) Payable-Employee				84.35	79.10
iv) Bank balance overdrawn a	s per books			-	-
Total				116.23	133.35
23 Provisions					
Particulars				As at	As at
				March 31,2022	March 31,202
Provision					
Provisions for Employee Benefits					
Gratuity				0.80	3.47



## All amounts are in INR ( Lakhs ) Otherwise stated

Sr. Particulars No.	For the Period ended 31.03.2022	For the Period ended 31.03.2021
24 Revenue From Operations		
Sales		
Sale of Products	4,009.76	1,812.97
Other Operating Revenue	-	24.72
Total	4,009.76	1,837.69
25 Other Income		
Interest Income	75.80	79.27
Foreign Exchange Fluctuation G	ain 0.03	0.07
Profit on sale of Investment	111.87	
Others*	71.60	11.10
Total	259.30	90.45
*Others includes Sundry Balanc of Investment	e W/off and Profit on Sale	
26 Cost of Materials Consumed		
Raw Material Consumed		
Opening Stock	28.88	9.91
Add: Purchases		
Yarns	903.28	545.98
	932.17	555.89
Less: Closing Stock	41.54	28.88
Total	890.63	527.01
27 Changes In Inventories Of Fin	ished Goods, Work In Progress And Stock In Trade	
Opening Stock - Process	207.13	131.22
Opening Stock - Finished	920.35	1,378.87
Total - A	1,127.48	1,510.09
Closing Stock - Process	130.37	207.13
Closing Stock - Finished	1,644.40	920.35
Total - B	1,774.77	1,127.48
(Increase) / Decrease in Stocks	Total - A-B (647.30)	382.61



## All amounts are in INR ( Lakhs ) Otherwise stated

Sr. No.	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
		Amount (Rs.)	Amount (Rs.)
28	Employee Benefits Expsnses		
	Salaries, Wages, Bonus & Other Allowance	131.24	91.86
	Gratuity	5.99	7.45
	Contribution to Provident Funds & ESIC	1.55	1.68
	Staff Welfare Expenses	2.42	1.03
	Total	141.19	102.01
	The disclosures required under Indian Accounting Standard 19 "Emp	oloyee Benefits" are given below:	
Α.	Defined Contribution Plan	2021-2022	2020-2021
	Contribution to Defined Contribution Plan, recognized as expense for	r the years are as under:	
	Employer's Contribution to Provident Fund	1.51	1.39
	Employer's Contribution to ESI Scheme	0.04	0.29

The contribution to provident fund is made to Employees' Provident Fund managed by Provident Fund Commissioner. The contribution towards ESIC made to Employees' State Insurance Corporation. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

#### B. Defined Benefit Plan

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 buildup the final obligation.

## **Gratuity (Non Funded )**

		As at 31st March, 2022	As at 31st March, 2021
a.	Movement in present value of defined benefit obligation		
	Obligation at beginning of the year	52.32	64.41
	Current Service Cost	2.57	3.10
	Interest Cost	3.41	4.35
	Actuarial (gain)/loss	(17.57)	(13.43)
	Benefits paid	(1.07)	(6.10)
	Obligation at the end of year	39.67	52.32
b.	Reconciliation of fair value of assets and obligations		
	Fair value of plan assets at year end	-	-
	Present value of obligation at year end	39.67	52.32
	Amount recognised in Balance Sheet		
-	Current	0.80	3.47
-	Non- Current	38.87	48.85



## All amounts are in INR ( Lakhs ) Otherwise stated

c.	Expenses recognized during the year	year ended 31st March, 2022	year ended 31st March, 2021
	Current Service Cost	2.57	4.60
	Interest Cost	3.41	4.26
	Expected return on plan assets	-	-
	Actuarial (gain) / loss	(13.43)	3.12
	Net Cost	(7.44)	11.99
d.	Actuarial assumptions	year ended 31st March, 2022	year ended 31st March, 2021
	Mortality Table (L.I.C.)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
	Rate of Interest (per annum)	6.80	6.75
	Salary growth Rate (per annum)	5.50	5.50
	Withdrawal Rate	1.00	1.00
dema	estimated future salary increases takes into account inflation, seniority, promotion and in the employment market. The above information is certified by the actuary.   ance Cost	and other retirement factors inc	luding supply and
Inter	rest Expense	266.28	346.72
Othe	er Borrowing Cost	4.82	9.07
тот	ΓAL	271.10	355.80
Part	ticulars	For the Period ended 31.03.2022	For the Period ended 31.03.2021
		Amount (Rs.)	Amount (Rs.)
Othe	er Expenses		
Man	nufacturing Expenses		
Pow	ver & Fuel	119.93	80.91
Store	res and Spares Consumed	103.87	138.98
Repa	pairs to Plant & Machinery	-	-
Repa	pair & Maintainance - Other (At Plants)	3.14	1.94
Repa	pairs to Factory Building	0.37	-
Secu	urity Charges	6.00	6.67
Labo	our Charges	56.09	22.33
Job	work Charges	3.06	1.02
Freig	ght, Octroi & Cartage	1.90	1.00
Othe	er Manufacturing Expenses	1.50	0.98
Tota	al - A	295.85	253.82



All amounts are in INR ( Lakhs ) Otherwise stated

articula	rs	For the Period ended 31.03.2022	For the Period ended 31.03.2021
(B)	Administrative & General Expenses		
` ,	Advetisement & Publicity	2.85	1.40
	Bank Charges	0.78	4.46
	Conveyance Expenses	3.24	3.84
	Electricity	1.79	1.4
	Filling Fees	0.26	0.1
	Insurance	4.08	4.5
	Membership & Subscription	3.73	3.6
	General Expenses	4.71	2.5
	Interest/Penalty	4.76	2.6
	Professional Fees/ Legal Expenses	8.76	11.4
	Printing & Stationary	0.78	0.9
	Rent,Rates,Fees & Taxes	2.56	7.7
	Repairs & Maintanance (Others)	3.97	3.1
	Postage & Telegrame	1.26	0.4
	Stamp & Hundi Papers	0.04	0.2
	Sundry Balance W/Back	-	0.0
	Telephone	1.76	2.0
	Travelling	2.45	3.0
	Vehicle Expenses	5.73	3.0
	Auditors Remuneration:		
	- For Statutory Audit	3.00	3.0
	- For Tax Audit	-	
	- For Certification & Review	0.75	0.7
	- Others	-	
	Total - B	57.27	58.2
(C)	Selling & Distribution Expenses		
	Marketing Expenses & Brokerage	11.09	5.6
	Outward Freight & Octroi		
	Freight Charges	12.56	7.1
	Claim and Discount on Sales	-	280.4
	Sales Promotion Expenses	1.53	4.9
	Sample & Development Expenses	4.30	1.3
	Total - C	29.47	299.4
	Total (A+B+C)	382.60	6



## **KONARK SYNTHETIC LIMITED**

## Notes to Standalone Financial Statements for the year ended March 31, 2022

- **31.** The Company is operating in single segment i.e. Textiles and thus there is no reportable segments as per Indian Accounting Standard (Ind AS) 108 "Operating Segment". There is no reportable geographical segment either.
- **32.** As per Indian Accounting Standard 24 "Related Party Disclosures", the disclosure of Related Parties and transactions with them are given below:

## A. List of related parties and nature of relationship

## i) Subsidiaries and Fellow Subsidiaries:

India Denim Limited - Subsidiary

Konark Infratech Private Limited - Associates

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. Shonit Dalmia - Director

Mr. Amitabh Kejriwal - Managing Director

Mr. R.B. Somany - Chief Financial Officer

Ms. Shikha Mishra - Company Secretary (Resigned as on 07th Jan. 2022)

Ms. Shikha Dalmia - Relative of Director

Ms. Smita Kejriwal - Relative of Director

Ms. Namrata Dalmia - 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

#### B) Transactions with Related Parties:

## Figures in bracket belongs to previous year

Particulars	Subsidiaries and Fellow Subsidiaries/ Associates	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration &	-	-	10.26	-	10.26
Perquisites			(8.54)		(8.54)
Salary	-	-	29.02	-	29.02
			(27.28)		(27.28)
Rent Expenses	-	-	-	1.08	1.08
				(1.08)	(1.08)
Loan Taken	-	-	-	826.76	826.76
				(235.70)	(235.70)
Loan Repaid				1113.83	1113.83
				(727.42)	(727.42)
Interest Income	73.54	-	-	-	73.54
	(66.40)				(66.40)

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

Particular	2021 – 2022	2020 – 2021
Managerial Remuneration & Perquisites		
Amitabh Kejriwal	10.26	8.54
Salary Paid		
R.B. Somany	12.00	10.00
Shikha Mishra	2.44	=
Mehnuddin Khan	-	3.35
Sikha Dalmia	6.00	6.00
Smita Kejriwal	2.58	1.94



Namrata Dalmia	6.00	6.00
Rent Paid		
Konark Silk Mills	1.08	1.08
Loans Taken		
Konark Realtech Pvt. Ltd.	826.76	235.70
Loans Repaid		
Konark Realtech Pvt. Ltd.	1113.83	727.42
Interest Income		
Konark Infratech Pvt. Ltd	73.54	66.40

## D) Balances with the Related Parties as at 31st March, 2022

	Subsidiaries	Individual	KMP and	Enterprise over	
Particulars	Associates and	having	Relatives of	which KMPs	
	Fellow	significant	KMPs	have significant	Total
	Subsidiaries	influence		influence	
Remuneration &	-	-	0.85	-	0.85
Perquisites			(0.53)		(0.53)
Salary	-	-	10.85	-	10.85
			(7.88)		(7.88)
Rent Expenses	=	=	-	3.03	3.03
		-		(2.46)	(2.46)
Loan Taken	-	-	-	761.76	761.76
				(1048.83)	(1048.83)
Loan Given	678.98	-	-	-	678.98
	(612.79)				(612.79)
Investments in	851.68	=	-	-	851.68
Equity Shares	(851.68)				(851.68)
Guarantee Given	7306.00	-	-	-	7306.00
	(7306.00)				(7306.00)

## 33. Earning Per Share (EPS):

Particulars	2021-22	2020-21
a) Basic earnings per share (After Exceptional Items) (In Lacs.)		
Profit attributable to the equity holders of the company (After Exceptional	(44.74)	162.47
Items)		
Weighted average number of equity shares used as the denominator	58.08	58.08
Basic Earnings Per Share (After Exceptional Items)	(0.77)	2.80
b) Basic earnings per share (Before Exceptional Items) (In Lacs.)		
Profit attributable to the equity holders of the company (Before Exceptional	74.88	(1035.53)
Items)		
Weighted average number of equity shares used as the denominator	58.08	58.08
Basic Earnings Per Share (Before Exceptional Items)	1.29	(17.83)
c) Diluted earnings per share (After Exceptional Items) (In Lacs)	· ·	
Profit attributable to the equity holders of the company (After Exceptional	(44.74)	162.47
Items)		
Weighted average number of equity shares used as the denominator	58.08	58.08
Diluted Earnings Per Share (After Exceptional Items)	(0.77)	2.80
d) Diluted earnings per share (Before Exceptional Items) (In Lacs.)		
Profit attributable to the equity holders of the company (Before Exceptional	74.88	(1035.53)
Items)	50.00	50.00
Weighted average number of equity shares used as the denominator	58.08	58.08
Diluted Earnings Per Share (Before Exceptional Items)	1.29	(17.83)



## 34. Breakup of Net Deferred Tax Expenses Provided:

Particulars	2021-22	2020-21
A. Deferred Tax Liability (DTL)		
Difference between book balance and tax balance of property, plant	-23.03	-24.27
and equipment		
Total DTL	-24.27	-24.27
B. Deferred Tax Assets (DTA)		
Credit under u/s 43B & 40(a)	10.38	-2.14
Carry forwarded losses	1.90	-65.14
Difference due to rate of Income Tax	-	-
Total DTA	12.28	-67.28
Net Deferred Tax Liability	-10.75	-91.56

#### 35. Contingent Liability/ Capital Commitments

The Bankers of the Company have given Guarantees to various Government Authorities amounting to Rs.1.50 Lac (P.Y. Rs.1.50 Lac) for which the Company has given counter guarantee and margin money in form of fixed deposit/current account to the bankers amounting to Rs.1.50 Lac (P.Y. Rs. 1.50 Lac).

The Company has given a Corporate Guarantee of Rs.2706.00 Lacs (P.Y. Rs.2706.00 Lacs) to the bankers of its subsidiary company namely India Denim Limited and a Corporate Guarantee of Rs.4600.00 Lacs (P.Y. Rs.4600.00 Lacs) to the bankers of its Associate Company' subsidiary company namely Konark Gujarat PV Private Limited against Term Loan and Working Capital Facilities sanctioned to the said companies.

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

The above contingent liability includes corporate guarantee of Rs.2706.00 Lacs in respect of loan availed by its subsidiary company M/s. India Denim Limited. The accounts of the said subsidiary have been classified as NPA by the bankers of the company. The legal proceeding regarding the said matter when ultimately concluded, will have a material impact on financial position of the Company.

- **36.** 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. Trade Receivables, Trade Payables & Advances are subject to confirmation and / or reconciliation with parties.
- 37. Additional information as per Revised Schedule III:

## **Raw Material Consumed:**

Particulars	Consumption
Yarn	890.63
	(527.01)
Total	890.63
	(527.01)

#### **Raw Material Purchased**

Particulars	Purchases
Yarn	903.29 (545.98)
Total	903.29 (545.98)



## Manufactured Goods, Sales Value, Closing Inventory and Opening Inventory:

Particulars	Sales Value	Closing Inventory	Opening nventory
Manufactured Goods			
Yarn	1652.63	149.71	132.34
	(905.58)	(132.34)	(94.69)
Garments	-	-	-
	-	-	-
Other (Job Work)	-	-	-
	(24.72)	-	-
Total	1652.63	149.71	132.34
	(930.30)	(132.34)	(94.69)
Traded Goods			
Fabric	2357.13	1494.69	788.01
	(907.40)	(788.01)	(1284.19)
Total	2357.13	1494.69	788.01
	(907.40)	(788.01)	(1284.19)

## **Work in Process**

Particulars	Work in Process	Work in Process
	2021-2022	2020-2021
Yarn	130.37	207.13
Total	130.37	207.13

## 38. Auditors Remuneration:

Particulars	2021–22	2020–21
Statutory Audit Fees	3.00	3.00
Tax Audit Fees	-	-
For Certification & Review	0.75	0.75
For Others	-	-
Total	3.75	3.75

**39.** 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.

## 40. CIF Value of Imports:

Particulars		
	2021-22	2020-21
Stores & Spares	2.83	1.85
Total	2.83	1.85

- 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.** Details of investments made are given in note 5



**B.** Details of loans given by the Company in accordance with Section 186 of the Act read with rules issued thereunder are as follows (the previous year figures are shown in brackets):

Name of the Company	Amount Outstanding 31 <sup>st</sup> March, 2022	Maximum Outstanding during the Year
India Denim Limited	56.97 (56.97)	56.97 (56.97)
Konark Infratech Pvt. Ltd.	678.98 (612.80)	678.98 (612.80)

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.

C. Details of guarantees issued by the Company are as follows:

Guarantees outstanding, given on behalf of	Purpose	Amount Outstanding 31 <sup>st</sup> March, 2022
India Denim Limited	Against Bank Borrowings	2706.00 (2706.00)
Konark Gujarat PV Private Limited	Against Bank Borrowings	4600.00 (4600.00)

42. Disclosures regarding Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties:

## A. Loans repayable on Demand

Type of Borrower	Amount of loan or advance in the nature of loan outstanding as on March 31, 2022	Percentage to the total Loan and Advances in the nature of loans			
Related Parties	735.94	100.00%			

43. Summary of reconciliation of Statement of Current assets filed with the bank or financial institution: (Rupees in Lakhs)

Quarter Ended on	Amount of Current Assets as filed with the Bank (A)	Amount of Current Assets as per Books (B)	Difference, if Any (A-B)	Reason for Discrepancies, if any
June, 2021	3,928.10	3,418.75	509.35	The quarterly statements were submitted to bank based on the Cost
September, 2021	3,903.66	3,355.58	548.08	method of stock valuation whereas, during the quarterly review/audit the stock was valued at lower of Cost or
December, 2021	4,034.71	3,717.03	317.68	Net Realizable Value
March, 2022	4,078.32	3,902.53	175.79	



44. Registration or Satisfaction of Charges pending with Registrar of Companies (ROC) beyond the statutory period:

Asset under charge	Name of Charge Holder	Creation or Satisfaction	Amount in Lakhs	Reason of non-registration or satisfaction of charge
Corporate Guarantee for Konark Gujarat PV Private Limited	L & T Infrastructure Finance Co. Ltd	Creation	4,600.00	As per the banker, Corporate Guarantee given in case of borrowing is contingent in nature and does not amount to a charge. Hence charge not created by banker.
Corporate Guarantee for India Denim Ltd	Bank of Baroda, State Bank of India and Indian Bank	Creation	2,706.00	As per the banker, Corporate Guarantee given in case of borrowing is contingent in nature and does not amount to a charge. Hence charge not created by banker.

## 45. Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

- 46. The Covid-19 pandemic has caused significant disturbance and slowdown of economic activities globally. The lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Company in terms of sales and production. The Management has considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial statements.
- **47.** 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 reports of even date attached

For and on behalf of the Board

For Jhunjhunwala Jain & Associates LLP

Chartered Accountants
Firm Registration No: 113675W
(CA Priteesh Jitendra Jain)
Partner

Membership No.164931

Place : Mumbai Date : 30<sup>th</sup> May, 2022 Amitabh Kejriwal Managing Director

Indrajit Kanase Company Secretary & Compliance officer Shonit Dalmia Director

**R.B. Somany** Chief Finance Officer



## KONARK SYNTHETIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 48 Ratio Analysis

All Amounts are in INR ( Laks) otherwise stated

Sr	Ratio Analysis	Numerator	Amount		Denominator	Amount		31-03-2022			31-03-2021	ale III IINN ( Laks) OL		T %	Reason for Change
No.	Ratio Allalysis	Numerator	31-03- 2022	31-03-	Denominator	31-03-	31-03-	Numerator	Denomina	Ratio	Numerator	Denomina	Ratio	Change	where change is more than 25%
<u> </u>				2021		2022	2021		tor			tor			
1	Current Ratio (in times)	Current Assets Inventories	<b>4637.50</b> 1843.52	<b>4286.25</b> 1194.62	Current Liabilities Creditors for goods and services	<b>3611.38</b> 1204.62	<b>3647.42</b> 979.17	4637.50	3611.38	1.28	4286.25	3647.42	1.18	-9.27%	NA
	,	Sundry Debtors	1836.84	2180.18	Short term loans	2203.55	2463.89								
	,	Cash and Bank balances	4.42	9.64	Any other current	203.20	204.35								
	,	Loans and Advances	748.83	681.65	liabilities										
		Any other current assets	203.88	220.16											
2	Debt Equity Ratio (in times)	Total Debt Total Outside Liabilities	1170.56	1203.58	Total Equity Total Shareholders	1170.56	1203.58	3051.75	1170.56	2.61	3585.20	1203.58	2.98	12.48%	NA
					Equity										
3	Debt Service Coverage Ratio (in times)	Net Operating Income Net Profit after tax + non-cash operating expenses like depreciation and other amortizations + Interest+other	459.25	616.42	Debt Service Current Debt Obligation (Interst + Installments)	3051.75	3585.20	459.25	3051.75	15.05	616.42	3585.20	17.19	12.47	NA
		adjustments like loss on sale of fixed assets.etc.													
4	Return on Equity	Profit for the period			Avg. Shareholders									<del>                                     </del>	During The Year March'21
	Ratio (in %)	Net Profit after taxes - preference dividend (if any)	(31.74)	172.41	Equity (Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	1187.07	1128.47	(31.74)	1187.07	(2.67)	172.41	1128.47	15.28	117.50%	Company Sold out one of its Manufacturing Unit
5	Inventory	Cost of Goods sold			Average Inventory								-	<del>                                     </del>	In March'21, The Covid-19
3	Turnover Ratio (in times)	(Opening Stock + Purchases) – Closing Stock	3170.47	1887.58	(Opening Stock + Closing Stock)/2	1125.07	1023.79	3170.47	1128.07	2.82	1887.58	1023.79	184.37	98.47%	pandemic has caused significant disturbance
6	Trade Receivables Turnover Ratio (in times)	Net Credit Sales Credit Sales	4009.76	1837.69	Average Trade Receivables (Beginning Trade Receivables + Ending Trade Receivables) / 2	2008.51	2760.27	4009.76	2008.51	2.00	1837.69	2760.27	0.67	199.86%	and slowdown of economic activities globally. The lockdown has resulted in significant reduction in economic
7	Trade Payables Turnover Ratio (in times)	Total Purchases Annual Net Credit Purchases	3830.43	1523.93	Average Trade Payables (Beginning Trade Payables + Ending Trade Payables) / 2	1089.16	1055.45	3830.43	1089.16	3.52	1523.93	1055.44	1.44	- 143.57%	activities and also the business operations of the Company in terms of sales and production.
8	Net Capital Turnover Ratio (in times)	Net Sales Total Sales - Sales Return	4009.76	1837.69	Average Working Capital Current Assets - Current Liabilities	1026.12	638.83	4009.76	1026.12	3.91	1837.69	638.83	2.88	-35.84%	
9	Net Profit Ratio (in %)	Net Profit Profit After Tax	(44.74)	162.47	Net Sales Sales	4009.76	1837.69	(44.74)	4009.76	(0.01)	162.47	1837.69	0.09	112.62%	During The Year March'21 Company Sold out one of its Manufacturing Unit
10	Return on Capital employed (in %)	EBIT Profit before Interest and Taxes	222.28	518.27	Capital Employed Total Assets - Current Liabilities	2058.62	2373.73	222.28	2058.62	0.11	518.27	2373.73	0.22	50.55%	During The Year March'21 Company Sold out one of its Manufacturing Unit
11	Return on Investment (in %)	Return/Profit/Earnings			Investment	-	-	-	-	-	-	-	-	-	NA



## INDEPENDENT AUDITOR'S REPORT

## To the members of KONARK SYNTHETIC LIMITED

## Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **KONARK SYNTHETIC LTD** ("the Holding Company"), its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group") its associates Comprising of Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to consolidated financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries and associates the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 As amended("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2022, its consolidated Loss (including other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

## Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the Subsidiaries and Associates audited by the other auditors, to the extent it relates to the Subsidiaries and Associates and, in doing so, place reliance on the work of the other auditors and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the Subsidiary is traced from the financial statements audited by the other auditors.

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

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

The Holding Company's Management and Board of Directors is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provision of the act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the directors of the holding company, as aforesaid.



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

The respective board of directors of the companies included in the group and of its associates are also responsible for overseeing the financial reporting process of the group.

#### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and
  perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our
  opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve
  collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain Sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, Supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further prescribed in section titled 'Other Matters' to this audit report.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

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



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

#### Other Matters:

We did not audit the financial statements and other financial information, in respect of a subsidiary whose financial statements include total assets of Rs.1793.93 Lacs as at March 31, 2022 and total revenues of NIL, Net loss of Rs.253.79 Lacs, Other Compressive Income of Rs. NIL and net cash outflow of Rs.15.00 lacs for the year ended on that date and financial statements and other information of an associate which reflects group' share of net profit of Rs. 2.75 lacs for the year ended March 31, 2022, whose financial statements and other financial information have been audited by other auditors. These financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub section (3) of section 143 of the act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors. Our opinion on the consolidated financial statements, and our report on the other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

We would like to draw attention to the following matters included in the standalone financial statements of the subsidiary company India Denim limited and related notes to accounts and considering the same we report as under:

- a) During the year the company has not recognized Deferred Tax Assets on losses due to uncertainty of future profit but the Company has continued to carry old deferred tax asset recognized in earlier year amounting to Rs 2,03,19,855/-. This, in our opinion is not in accordance with the Ind AS 12 "Income Taxes" which requires that each year the Deferred Tax Asset and Liabilities shall be reviewed.
- b) The Company has not accounted for interest on the secured loans.
- c) The Gratuity and Other retirement benefits are recorded on cash basis. This, in our opinion is not in accordance with the Ind AS 19 "Employee Benefits" which requires that each year the provision for Gratuity and other retirement benefits is to be made.

Statutory auditor of the subsidiary company has not qualified their report in respect of the above matters and accordingly, our opinion is not modified considering our reliance on the work done and the report of the auditor of subsidiary company.

#### Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statement and other financial information of subsidiaries and associates as noted in the other matter paragraph 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Statement of Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow and notes to the consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of 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 Companies (Indian Accounting Standards) Rules,2015, as amended except Ind AS 12 "Income Taxes" and Ind AS 19 "Employee Benefits" as mentioned in other matter paragraph.
- e) On the basis of the written representations received from the directors of holding company as on March 31, 2022 taken on record by the Board of Directors of Holding company and report of statutory auditors of its subsidiaries and associates, none of the directors of group company are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy and operating effectiveness of the Internal financial controls over financial reporting with reference to these consolidated financial statements of the holding company and its subsidiaries and associates, refer to our separate report in "Annexure A" to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our Opinion and based on the consideration of reports of other statutory auditors of subsidiaries and associates incorporated in India the Managerial Remuneration for the year ended March 31, 2022 has been paid/provided by the Holding company, subsidiaries and associates to its directors in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit



laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- h) 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, as amended 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 the other auditors on separate financial statements of subsidiaries and associates as noted in other matters paragraph:
- i. Note 35 of the Consolidated financial statements disclose the impact of pending litigations on its financial position of the group and its associate in consolidated financial statements.
- ii. Provisions has been made in consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. No amount was required to be transferred, to the Investor Education and Protection Fund by the Holding company, subsidiary and its associate.
- iv. (a) The respective Managements of the Company, its subsidiaries and associates, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of the subsidiaries or associates to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shal1, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The respective Managements of the Company, its subsidiaries and associates, has represented that, to the best of their knowledge and belief no funds (which are material either individually or in the aggregate) have been received by the Company or any of the subsidiaries or associates from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of the subsidiaries or associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in my manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. Since the Holding Company has not declared or paid any dividend during the year, the question of commenting on whether the same is in accordance with Section 123 of the Companies Act, 2013 does not arise.
- 2. With respect to the matters specified in clause (xxi) of paragraph and paragraph 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us and the auditors of respective companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report the following qualifications or adverse remarks in these CARO reports of the said respective companies included in the consolidated financial statements:
  - A. In case of the Holding Company with respect to its Standalone Financial Statements:
  - i. Refer Clause (ii)(b) in respect of discrepancies between Value of Current assets as per Quarterly Statement filed with the bank and as per books of accounts
  - ii. Refer Clause (iv) in respect of non-compliance with provisions of section 185 and 186 of companies Act, 2013.
- iii. Refer Clause (vii) (a) & (vii) (b) in respect of irregularities in payment of statutory dues.
- iv. Refer Clause (ix) (a) in respect of default in repayment of dues in respect of liability towards term loans with banks and financial institutions.
- v. Refer Clause (xix) in respect of Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
  - B. In case of the Subsidiary Company India Denim Limited, with respect to its Standalone Financial Statements:
- i. Refer Clause (vii) (a) & (vii) (b) in respect of irregularities in payment of statutory dues in respect of Income Tax of Rs.2.78 Lakhs.
- ii. Refer Clause (ix) (a) in respect of default in repayment of dues in respect of liability towards loans from banks or financial institutions.



The statutory auditors of the respective company in their auditor' report has not given the details about whether the company has defaulted in repayment of dues in respect of liability towards banks or financial institution.

In this regard, based on the documents and information available with us, we are of the opinion that the company has defaulted in repayment of dues in respect of liability towards banks or financial institution considering the fact that the all the secured loans of the company have been classified as NPA by the bankers in the year FY 2016-17 and FY 2017-18. In the absence of detailed information, we are unable to quantify the default amount and period of default for the same.

- iii. Refer Clause (xvii) wherein the company has incurred cash losses of Rs. 349.22 Lakhs in the current financial year and Rs.2010.88 Lakhs in the immediately preceding financial year.
  - C. In case of the Associate Company Konark Infratech Private Limited, with respect to its Standalone Financial Statements:
- i. Refer Clause (vii) (a) in respect of statutory dues in respect of TDS on Interest of Rs.34.19 Lakhs outstanding for more than six months as on March 31, 2022.
- ii. Refer Clause (xvii) wherein the company has incurred cash losses in the current financial year and in the immediately preceding financial year.
- iii. Refer Clause (xix) wherein based on the financial ratios and negative net worth material uncertainty exists as on the date of audit report that the company is not capable of meeting its liabilities existing of the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

## For Jhunjhunwala Jain & Associates LLP

**Chartered Accountants** 

Firm's Registration No: 113675W/W100361

## (CA Priteesh Jitendra Jain)

Partner

Membership No. : 164931 UDIN : 22164931AJYBTA7924

Place: Mumbai Date: May 30, 2022



#### ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls Over Financial Reporting with reference to the aforesaid Consolidated Financial Statements under Clause (i) Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (1) (f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of KONARK SYNTHETIC LIMITED on the consolidated financial statements for the year ended March 31, 2022)

We have audited the internal financial controls over financial reporting of **KONARK SYNTHETIC LIMITED** ("the Holding Company") and its subsidiary and associate which are companies incorporated in India, as of March 31, 2022 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The respective board of directors of the holding company, its subsidiary and associate which are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Holding company, its subsidiary and associates internal financial controls over financial reporting with reference to these consolidated financial statements 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 Standard son Auditing prescribed under section143(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 with reference to these consolidated financial statements 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 judgments, 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 the audit evidence obtained by the other auditors in terms of their report referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting with reference to these consolidated financial statements.

## Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

## Inherent Limitations of Internal Financial Controls with reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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, and based on the consideration of reports of other auditors, as referred to in other matters paragraph, the Holding Company, its subsidiary and its associate, which are companies incorporated in India have maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal financial control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



#### Other Matter

a. According to the information and explanations given to us and based on our examination of the records of the holding company, we report that, material weakness has been identified in the Holding Company's internal financial controls over recovery of trade receivables of the company. Such weak internal control system is contributing to the negative growth of the holding company and deteriorating the funds of shareholders.

A 'material weakness' is a deficiency or a combination of deficiencies in internal financial control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

b. Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the holding company, in so far as it relates to separate financial statements of a subsidiary and an associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and an associate.

## For Jhunjhunwala Jain & Associates LLP

**Chartered Accountants** 

Firm's Registration No: 113675W/W100361

#### (CA Priteesh Jitendra Jain)

Partner

Membership No.: 164931 UDIN: 22164931AJYBTA7924

Place : Mumbai Date : May 30, 2022



# Konark Synthetic Limited CIN:L17200MH1984PLC033451

## Consolidated Balance Sheet as at March 31, 2022

All amount are in INR (Lakhs) otherwise stated

	Note	As at	As at
Non-current Assets	No.	March 31,2022	March 31,2021
(a) Property, Plant and Equipment	5	2,144.66	2,588.43
(b) Capital work-in-progress			473.53
(c) Intangible assets		1.02	1.02
(d) Financial Assets		1.02	1.02
(i) Investments	6	417.51	414.76
(ii) Others	7	63.00	87.49
(e) Other non-current assets		-	0
(f) Defferred Tax assets	8	280.74	269.99
Total Non-current assets		2,906.93	3,835.2
Current Assets		2,000.00	0,000.2
	9	2.012.27	1 262 77
	9	2,012.27	1,363.77
	10	1,836.84	2,180.18
(i) Trade Receivables	11	4.88	25.10
(ii) Cash and cash equivalents	''	4.00	25.10
(iii) Bank balances other than above	12	691.87	624.69
(iv) Loans	12	091.87	024.03
(iv) Investment	40	-	
(v) Others	13	445.44	440.00
(c) Current Tax Assets (Net)	14	115.41	112.23
(d) Assets classified as held for sale	45	457.00	070.44
(e) Other Current Assets	15	157.20	272.19
Total current assets		4,818.48	4,577.70
Total Assets		7,725.41	8,412.98
Equity and Liabilities	Note No.	As at March 31,2022	As at March 31,2021
Equity		, ,	, ,
(a) Equity Share Capital			=00.0
(a) Equity Share Capital	16	580.80	
(b) Other Equity	16 17	(2,387.99)	(2,144.13
(b) Other Equity (c) Non-Controlling Interest		(2,387.99) (2,153.84)	(2,144.13 (2,018.23
(b) Other Equity (c) Non-Controlling Interest  Total Equity		(2,387.99)	(2,144.13 (2,018.23
(b) Other Equity (c) Non-Controlling Interest  Total Equity  Liabilities		(2,387.99) (2,153.84)	(2,144.13 (2,018.23
(b) Other Equity (c) Non-Controlling Interest  Total Equity  Liabilities  Non-current Liabilities		(2,387.99) (2,153.84)	(2,144.13 (2,018.23
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities  (a) Financial Liabilities	17	(2,387.99) (2,153.84) (3,961.04)	(2,144.13 (2,018.23 (3,584.55
(b) Other Equity (c) Non-Controlling Interest  Total Equity  Liabilities  Non-current Liabilities  (a) Financial Liabilities (i) Borrowings	17	(2,387.99) (2,153.84) (3,961.04)	(2,144.13 (2,018.23 (3,584.55 4,969.49
(b) Other Equity (c) Non-Controlling Interest  Total Equity  Liabilities  Non-current Liabilities  (a) Financial Liabilities (i) Borrowings (b) Provisions	17	(2,387.99) (2,153.84) (3,961.04)	(2,144.13 (2,018.23 (3,584.55 4,969.49
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (i) Financial Liabilities (ii) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)	17	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87	(2,144.13 (2,018.23 (3,584.55 4,969.44 48.88
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (i) Financial Liabilities (ii) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities	17	(2,387.99) (2,153.84) (3,961.04)	(2,144.13 (2,018.23 (3,584.55 4,969.44 48.88
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (a) Financial Liabilities (i) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  Current Liabilities	17	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87	(2,144.13 (2,018.23 (3,584.55 4,969.44 48.88
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (a) Financial Liabilities (i) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  (a) Financial Liabilities	17	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87	(2,144.13 (2,018.23 (3,584.55 4,969.44 48.88
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities  (a) Financial Liabilities (i) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  Current Liabilities  (a) Financial Liabilities  (ii) Borrowings	17	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87	(2,144.13 (2,018.23 (3,584.55 4,969.49 48.89 5,018.33
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (a) Financial Liabilities (i) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  Current Liabilities  (a) Financial Liabilities  (ii) Borrowings (iii) Trade Payables	18 19 20	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87 - 4,735.24	(2,144.13 (2,018.23 (3,584.55 4,969.44 48.83 5,018.33
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (a) Financial Liabilities (i) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  (a) Financial Liabilities (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities (a) Financial Liabilities (ii) Borrowings (iii) Trade Payables (a) total outstanding dues of micro enterprises and small enterprises~ and	17 18 19	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87 - 4,735.24 5,363.66	(2,144.13 (2,018.23 (3,584.55 4,969.49 48.89 5,018.33
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities  (a) Financial Liabilities (i) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  (a) Financial Liabilities  (b) Financial Liabilities  (c) Deferred tax Liabilities  (d) Financial Liabilities  (e) Financial Liabilities  (g) Financial Liabilities  (g) Financial Liabilities  (g) Liabilities  (	18 19 20 21	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87 - 4,735.24 5,363.66 12.62 1,337.59	(2,144.13 (2,018.23 (3,584.55 4,969.44 48.86 5,018.33 5,611.01
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (a) Financial Liabilities (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  (a) Financial Liabilities  (b) Liabilities  (ii) Trade Payables  (iii) Trade Payables  (a) total outstanding dues of micro enterprises and small enterprises."  (iii) Other Financial Liabilities	18 19 20	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87 - 4,735.24 5,363.66	(2,144.13 (2,018.23 (3,584.55 4,969.44 48.86 5,018.33 5,611.01
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (i) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  (a) Financial Liabilities  Current Liabilities  (a) Financial Liabilities  (a) Financial Liabilities  (a) Financial Liabilities  (b) Borrowings  (ii) Trade Payables  (a) total outstanding dues of micro enterprises and small enterprises—and  (b) total outstanding dues of creditors other than micro enterprises and small enterprises."  (iii) Other Financial Liabilities	18 19 20 21	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87 - 4,735.24 5,363.66 12.62 1,337.59	(2,144.13 (2,018.23 (3,584.55) 4,969.44 48.83 5,018.33 5,611.0 15.5; 1,123.99 67.53
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (i) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  (a) Financial Liabilities  Current Liabilities  (a) Financial Liabilities  (i) Borrowings (ii) Trade Payables (i) Borrowings (iii) Trade Payables (iii) Other Financial Liabilities  (b) total outstanding dues of creditors other than micro enterprises and small enterprises."  (iii) Other Financial Liabilities  (b) Other Current Liabilities  (c) Current Tax Liabilities (Net)	18 18 19 20 21 22	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87 - 4,735.24 5,363.66 12.62 1,337.59 98.70	(2,144.13 (2,018.23 (3,584.55 4,969.4 48.8 5,018.3 5,611.0 15.5 1,123.9 67.5
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (i) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  (a) Financial Liabilities  (a) Financial Liabilities  (i) Borrowings (ii) Trade Payables (i) Borrowings (iii) Other Financial Liabilities  (b) other Current Liabilities  (c) Current Liabilities (d) Provisions	18 18 19 20 21 22	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87 - 4,735.24 5,363.66 12.62 1,337.59 98.70	(2,144.13 (2,018.23 (3,584.55 4,969.44 48.83 5,018.33 5,611.0 15.55 1,123.94 67.55 154.44
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (i) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  (a) Financial Liabilities  (a) Financial Liabilities  (i) Borrowings (ii) Trade Payables (ii) Borrowings (iii) Trade Payables (a) total outstanding dues of micro enterprises and small enterprises."  (iii) Other Financial Liabilities  (b) Other Current Liabilities  (c) Current Tax Liabilities  (c) Current Tax Liabilities	17 18 19 20 21 22 23	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87 - 4,735.24 5,363.66 12.62 1,337.59 98.70 137.39	580.86 (2,144.13 (2,018.23 (3,584.55 4,969.46 48.86 5,018.33 5,611.01 15.52 1,123.96 67.55 154.46 3.77 6,976.26
(b) Other Equity (c) Non-Controlling Interest  Total Equity Liabilities  Non-current Liabilities (i) Borrowings (b) Provisions (c) Deferred tax Liabilities (Net)  Total non-current Liabilities  (a) Financial Liabilities  (a) Financial Liabilities  (i) Borrowings (ii) Trade Payables (a) total outstanding dues of micro enterprises and small enterprises~ and (b) total outstanding dues of creditors other than micro enterprises and small enterprises."  (iii) Other Financial Liabilities (c) Current Tax Liabilities (d) Provisions	17 18 19 20 21 22 23	(2,387.99) (2,153.84) (3,961.04) 4,696.38 38.87 - 4,735.24 5,363.66 12.62 1,337.59 98.70 137.39	(2,144.13 (2,018.23 (3,584.55 4,969.44 48.83 5,018.33 5,611.0° 15.55 1,123.94 67.55 154.44

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date attached For Jhunjhunwala Jain & Associates LLP

**Chartered Accountants** 

Firm Registration No: 113675W / W100361

(CA Priteesh Jitendra Jain)

Partner

Membership No: 164931

Place: Mumbai Date: 30th May, 2022 For and on behalf of the Board of directors

Amitabh Kejriwal (Managing Director) **Shonit Dalmia** (Director)

Indrajit Kanase (Company Secretary

R.B. Somany (Chief Finance Officer)

& Compliance Officer)



## Konark Synthetic Limited

## CIN:L17200MH1984PLC033451

## Statement of Consolidated Profit and Loss for the Year ended March 31,2022

All amount are in INR (Lakhs) otherwise stated

	Danthaulaua	1	ount are in INR (Lakh	
	Particulars	Note No.	For the year	For the year
			Ended	Ended
			March 31,2022	March 31,2021
I.	Income			
	Revenue from operations	25	4,009.76	1,837.69
	Other Income	26	259.30	90.45
	Total Revenue (I)		4,269.06	1,928.14
II.	Expenses		,	•
	Cost of Material Consumed	27	890.63	527.01
	Purchase of Stock-in-trade		2,927.14	977.96
	Change in inventories of finished goods/stock in trade	28	(647.30)	781.36
	Employee benefit expenses	29	143.44	105.01
	Finance Costs	30	271.10	355.80
	Impairment of financial assets		202.26	1,307.98
	Depreciation and amortisation expenses	5	353.51	388.27
	Other Expenses	31	406.69	623.00
	Total Expenses (II)		4,547.48	5,066.38
ш	Profit / (loss) before Share of Profit/(Loss) in Associates,		,-	,
	exceptional items and income tax (I-II)		(278.42)	(3,138.24)
IV	Share of Profit/(Loss) in Associates		2.75	19.77
v	Profit / (loss) before exceptional items and tax (III+IV)		(275.66)	(3,118.47)
VI	Exceptional item			
	- Diminution in the value of Investments of subsidiary		-	-
	- Profit / (Loss) on sale of Fixed Assets/ Store		(25.86)	1,933.73
	- Bad Debts		(93.76)	(735.74)
VII	Profit / (Loss) before tax (V + VI)		(395.28)	(1,920.47)
VIII	Tax expenses			
	Current tax		-	4.00
	DeferredTax		(15.32)	(95.05)
	Tax expense for earlier years		11.24	(0.40)
IX	Profit / (Loss) for the year (VII - VIII)		(391.21)	(1,829.02)
Х	Other Comprehensive Income			
	Items that will not be classified to profit or loss			
	- Remeasurement gain/(loss) on defined benefit plans		17.57	13.43
	- Income tax relating to remeasurement (gain)/loss on above		(4.57)	(3.49)
ΧI	Other Comprehensive Income for the year		13.00	9.94
	Total Comprehensive Income for the year (X+XI)		(378.21)	(1,819.08)
	Net Profit Attributable to:			•
	a) Owners of the Company		(255.59)	(1047.73)
	b) Non-Controlling Interest		(135.62)	(780.90)
	Other Comprehensive Income Attributable to:		13.00	9.94
	a) Owners of the Company     b) Non-Controlling Interest		13.00	9.94
	Total Comprehensive Income Attributable to:		-	-
	a) Owners of the Company		(242.59)	(1037.46)
	b) Non-Controlling Interest		(135.62)	(780.90)
Х	Earnings Per Equity Share of Face Value of Rs.10 each			
	Basic - After Exceptional Items		(4.40)	(18.04)
	Basic - Before Exceptional Items		(2.34)	(38.67)
	Diluted – After Exceptional Items		(4.40)	(18.04)
	Diluted – Before Exceptional Items		(2.34)	(38.67)
Cum	mary of significant accounting policies	4		

Summary of significant accounting policies

The accompanying notes form an integral part of the Financial Statements.

## As per our report of even date attached

For and on behalf of the Board of directors

For Jhunjhunwala Jain & Associates LLP

Chartered Accountants

Firm Registration No: 113675W / W100361

Amitabh Kejriwal (Managing Director)

(Director)

(CA Priteesh Jitendra Jain)

Partner

Membership No: 164931

Place : Mumbai Indrajit Kanase R.B. Somany
Date : 30th May, 2022 (Company Secretary & Compliance Officer)

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## Konark Synthetic Limited

CIN:L17200MH1984PLC033451

## Statement of Consolidated Cash Flow Statement for the Year ended March 31,2022

All amount are in INR (Lakhs) otherwise stated

Particulars	For the year 31st March		For the year ended 31st March, 2021		
A. Cash flow from operating activity					
Net Profit before tax & Extra Ordinary Items			(395.28)		(1920.09)
Adjustment for: Depreciation		353.51	, 1	388.27	, ,
Interest paid		271.10		355.80	
Prior Period Adjustments		-		-	
Provision for Impairment		202.26		1307.98	
(Profit)Loss on Sale of Fixed Assets		25.86		(1,933.73)	
(Profit)Loss on Sale of Investment		(111.87)		-	
Interest Income (considered Seperately	)	(75.80)	225.00	(79.27)	00.04
Operating Profit before working capital changes	-		665.06 <b>269.78</b>		39.04 (1,881.05)
Working Capital Changes			209.76		(1,001.03)
((Increase)Decrease in Trade Receivables (Increase)		236.32		2,530.62	
Decrease in Loans & Advances & other receivables		72.29		(58.65)	
(Increase)Decrease in Inventories		(648.90)		845.10	
Increase(Decrease) in Trade Payable & other payables		160.61	(179.68)	(3,662.26)	(345.19)
Cash Generated From operations	-	100.01	90.09	(5,002.20)	(2,226.24)
Income Tax Paid			(3.18)		(29.09)
Cash Flow Before Prior Period & Extra Ordinary Items	s		86.91	-	(2,255.33)
Prior Period & Extra Ordinary Items			(1.28)		(22.21)
Net Cash Flow From Operating Activities	(I)		85.63		(2,277.54)
II Cash Flow From Investing Activities			03.03		(2,211.04)
Purchase of Fixed Assets		(53.66)		(18.76)	
Interest Income		1.45		79.27	
Advance Received against Sale of Land and Building		_		-	
Sale of fixed assets		607.66		2,417.40	
Net Cash Outflow for investing Activities	(II)		555.45	,	2,477.92
Cash flow after investing activities	(III)=(I-II)		641.08		200.38
Cash Flow From Financing Activities	( ) ( )				
Proceeds from Long term borrowing (Net of Repayments	3)	(199.33)		4.21	
Proceeds from Short term borrowing (Net of Repayment	-	(293.39)		(1,395.38)	
Interest paid	3)	(168.58)		(355.80)	
Net Cash Flow from financing activity	(IV)		(661.29)		(1,746.97)
Increase in cash and cash equivalents	(V)=(III-IV)		(20.21)		(1,546.60)
Cash &Cash Equivalent (Opening Balance)	(.,–(,		25.10		1,571.69
Cash &cash equivalent (Closing balance)			4.88		25.10
Increase in cash & cash equivalent	(VI)		(20.21)		(1546.59)

Summary of significant accounting policies

The accompanying notes form an integral part of the Financial Statements.

## As per our report of even date attached

For and on behalf of the Board of directors

For Jhunjhunwala Jain & Associates LLP

**Chartered Accountants** 

Firm Registration No: 113675W / W100361 Amitabh Kejriwal (Managing Director) Shonit Dalmia (Director)

(CA Priteesh Jitendra Jain)

Partner

Membership No: 164931

Place : Mumbai Indrajit Kanase R.B. Somany
Date : 30th May, 2022 (Company Secretary & Compliance Officer)



# Konark Synthetic Limited Consolidated Statement of changes in equity as at March 31, 2022

All amount are in INR ( Lakhs) otherwise stated

## A. Equity Share Capital

Changes in Balance as at share capit April1,2021 prior perio		I due to	ted balance as s April1,2021	share ca	es in equity apital during e year	Balance as at March 31,2022		
580.80		-	580.8	30	-		580.80	
Changes ir share capita Balance as at prior period April1,2020		due to April1,2020		share ca	es in equity pital during e year	Balance as at March 31,2021		
580.80		-	580.8	0	-		580.80	
B. Other Equity								
Particulars		Capital Redemption Reserve	Securities Premium Reserve	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total	
Balance as at 01st April, 20	)21	40.00	688.07	25.00	597.51	(3494.71)	(2144.13)	
Add: Profit /(Loss) for the	year	-	-	-	-	(255.59)	(255.59)	
Add : Other Comprehensiv the year	re Income for	-	-	-	-	13.00	13.00	
Add : Prior Period Adjustme	ent	-	-	-	-	(1.28)	(1.28)	
Balance as at 31st March	, 2022	40.00	688.07	25.00	597.51	(3738.58)	(2387.99)	
Particulars		Capital Redemption Reserve	Securities Premium Reserve	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total	
Balance as at 01st April, 20	)20	40.00	688.07	25.00	597.51	(3672.03)	2321.45	
Add: Profit /(Loss) for the	year	-	-	-	-	(1047.73)	(1047.73)	
Add : Add : Other Compreh Income for the year	nensive	-	-	-	-	9.94	9.94	
Add :Restatement of Non- Controlling Interest upto 3		-	-	-	-	1237.32	1237.32	
Add : Prior Period Adjustm	ent	-	-	-	-	( 22.21)	( 22.21)	
Balance as at 31st March Summary of significant ac	counting policies		688.07	25.00	597.51	(3494.71)	(2144.13)	
The accompanying notes  As per our report of ever  For Jhunjhunwala Jain &	date attached		ai Statements.	For an	nd on behalf of	f the Board of c	lirectors	
Chartered Accountants Firm Registration No: 113675W / W100361		1		Amitabh (Managing	-		t Dalmia rector)	
( CA Priteesh Jitendra Jain) Partner Membership No : 164931 Place : Mumbai Date : 30th May, 2022				I <b>ndrajit</b> (Company S & Complia			Somany ance Officer)	



#### **KONARK SYNTHETIC LIMITED**

Notes to the Consolidated Financial Statement for the year Ended March 31, 2022

#### **Note 1 Corporate Information:**

The Consolidated Financial Statements comprise financial statements of Konark Synthetic Limited ("the company") and its domestic subsidiary namely, India Denim Limited and Consolidated financial statements of associate concern Konark Infratech Private Limited (collectively "the Group") for the year ended March 31, 2022. The Company is a limited Company domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange (BSE), in India. The registered office of the Company is situated at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai -400059, India.

Group is engaged in the business of Trading and Manufacturing of Textile goods and also in Power generation.

#### Note 2 Basis of Preparation and Presentation:

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS).

The Consolidated financial statements have been prepared as a going concern basis under the historical cost basis, except for certain financial assets and liabilities, which are measured at fair value / amortised cost if any.

The Consolidated financial statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest Lakhs, except when otherwise indicated.

#### Note 3 Basis of Consolidation:

- a) The consolidated financial statements comprise the financial statement of the Company and its subsidiaries and associates as at 31st March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
- b) Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statements till the date the Group ceases to control the subsidiary.

#### Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- 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 parent 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 Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements". In case an associate, company follows equity method of consolidation as per Ind AS.
- c) Non-Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.
- e) The details of the Subsidiaries, / Step-Down Subsidiaries and Associates in the consolidated financial statement are as follows:

Name of the Subsidiary Company	Financial Year of the Subsidiary/Associates company ended on	Extent of Holding/Subsidiary Company's Interest	Country of Incorporation
India Denim Limited	March 31, 2022	61.17 %	India
Konark Infratech Private Limited. (KIPL)*	March 31, 2022	26.925%	India
Konark Gujrat PV Private Limited	March 31, 2022	100% by KIPL	India

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Konark Infratech Private Limited is an associate concern of Konark Synthetic Limited.

## **Note 4 Significant Accounting Policies:**

#### 4.1 Property Plant and Equipment:

Property, plant and equipment are carried at cost of acquisition or construction, net of recoverable taxes less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchases price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Capital work in progress includes cost of property, plant and equipment under installation as at the balance sheet date.

Depreciation on the Property plant and equipment is provided using straight line method over useful life of assets as specified in schedule II to the Companies Act,2013, Depreciation on Property Plant & equipment addition/deletion during the year has been provided on pro-rata basis from the date of such addition or upto date of such deletion as the case may be. Freehold land is not depreciated.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Property plants and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits/Losses arising in the case of retirement/disposal of property plant and equipment are recognized in the statement of profit and losses in the year of occurrence.

Leasehold Lands are amortized over period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

## 4.2 Intangible Assets:

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Computer software are capitalized at the amount paid to acquire the respective license for use and are amortized over period of useful lives. The assets useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

#### 4.3 Leases:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

## 4.4 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. Cost of finished products are determined at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal level of activities.

In case of subsidiary company India Denim Limited, all the inventories are valued at Net Realisable Value.

## 4.5 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.



For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

#### 4.6 Impairment of assets:

An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the statement of profit and loss. The impairment loss recognised in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

#### 4.7 Financial instruments – initial recognition, subsequent measurement and impairment:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### I) Financial assets - Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

#### Financial assets - Subsequent measurement:

For the purpose of subsequent measurement of financial assets are classified in two broad categories:-

- a) Financial assets at fair value
- b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- a) Business model test: The objective of the Group's business model is to hold the financial asset to collect the contractual cash flow and selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

#### Financial assets - Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Group has transferred its rights to receive cash flow from the asset.

## II) Financial liabilities - Initial recognition and measurement:

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

## Financial liabilities - Subsequent measurement:

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## Financial Liabilities - Financial guarantee contracts:

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.



#### Financial Liabilities - Derecognition:

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

#### 4.8 Current and non-current classification:

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

## An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading & manufacturing.
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

## A liability is classified as current when it is:

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading, & manufacturing.
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has identified twelve months as its normal operating cycle.

#### 4.9 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

In case of subsidiary company India Denim Limited, the Company have filled the appeal before ITAT against the assessment order passed by the CIT (A) for the assessment year 2013 -14 determining the demand of Rs.1223.82 Lakhs and the said appeal is pending before the ITAT. The company have not made any provision for the same.

## 4.10 Dividend Distribution:

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

#### 4.11 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 excluding GST, net of return, rate difference and sales claim. Purchases are recorded excluding GST, net of return, rate differences and purchase claims.

## 4.12 Foreign Currency Reinstatement and translation:

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 yearend 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.

#### 4.13 Borrowing Cost:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalised during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

In case of subsidiary company India Denim Limited, the secured loans from banks are classified as NPA during 2016-17 and 2017-18, since then no transactions are routed through the accounts, Interest /charges are not debited by the banks.

## 4.14 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.

## 4.15 Employee Benefit:

Short term employee benefits are recognised as an expense in the statement of profit and loss of the year in which the related services are 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.

The Gratuity and Other retirement benefits in case of its subsidiary India Denim Limited are recorded on cash basis.

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.

#### 4.16 Taxes on Income

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

## Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively

In case of subsidiary company India Denim Limited, the company has not followed the Ind AS 12 Income Taxes by maintaining the deferred tax asset of Rs.2,03,19,855/- despite the company incurring losses and had uncertainty of future taxable income.



#### 4.17 Earnings per share:

Basic earnings per share is computed using the 'net profit for the year attributable to the shareholders (Before and After Exceptional Items)' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the 'net profit for the year attributable to the shareholder (Before and After Exceptional Items)' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

#### 4.18 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### Property, plant and equipment and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per Schedule II of the Companies Act, 2013 or are based on the Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

#### Income Tax:

The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

#### Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

## Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## Defined benefits plan:

The Cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

## **Provisions:**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

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## **KONARK SYNTHETIC LIMITED**

Notes to the Consolidated Financial Statement for the year Ended March 31, 2022 Note 05 - Property, Plant And Equipment & Capital Work-In-Progress

## All amounts are in INR (Lakhs) unless otherwise stated

Description	Property, Plant and Equipment								Intangible Assets			Work in Progress			
	Leasehold Land	Freehold Land	Office Building	Factory Buildings	ROU Building	Plant & Machineries	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total	Software*	Internet	Total	•
Gross carrying amount (at cost)															
As at April 1, 2021	-	101.54	485.36	1,164.11	113.77	6,630.09	72.52	31.39	204.22	36.54	8,839.53	20.54	-	20.54	473.53
Additions/Adjustments	-	-	-	-	-	-	-	0.61	5.55	0.58	6.74	-	-	-	359.60
Deductions/Impairments	-	-	-	-	113.77	373.50	28.66	6.18	-	3.62	525.93	0.15	-	0.15	833.13
As at March 31, 2022	-	101.54	485.36	1,164.11	-	6,256.59	43.66	25.82	209.77	33.49	8,320.34	20.39	-	20.39	-
Accumulated depreciation															
As at April 1, 2021	-	-	40.36	483.15	47.90	5,373.33	67.33	28.05	176.51	34.58	6,251.11	19.51	-	19.51	-
Depreciation for the year	-	-	7.68	39.83	-	299.28	0.24	0.92	5.28	0.29	353.51	-	-	-	-
Deductions/Impairments	-	-	-	-	47.90	344.16	27.41	5.88	-	3.59	428.94	0.14	-	0.14	-
Reversal of Assets classified as Held for sale*	-	-	-	-	_	-		-		-		_	_	-	-
As at March 31, 2022	-	-	48.04	522.98	-	5,328.36	40.15	23.09	181.78	31.28	6,175.68	19.37	-	19.37	-
Net Carrying amount															
As at 31st March 2021	-	101.54	445.00	680.96	65.87	1,256.85	5.19	3.34	27.71	1.96	2,588.43	1.02	-	1.02	473.53
As at 31st March 2022		101.54	437.31	641.14	-	928.23	3.51	2.73	27.99	2.21	2,144.66	1.02		1.02	-

Other intangiable assets represents Computer software other than self generated goodwill

Freehold land are not depreciated



Total

Konark Synthetic Limited Notes to Consolidated Financial Statements for the year ended March 31, 2022 Note 6 - Non - Current Investments

## All amounts are in INR (Lakhs) otherwise stated

414.76

	As at 31st March,2022				As at 31st March,2021					
	Extent of Holding (%)	No. of Shares/ Units	Face Value ( Rs.)	Rs.	Extent of Holding (%)	No. of Shares/ Units	Face Value (Rs.)	Rs.		
A. In Equity Instruments:										
Unquoted Fully Paid -up										
Carried at Cost										
Investment in Associates (Equity Method)										
Konark Infratech Private Limited	26.92	0.28	10.00	2.80	26.92	2.80	10	2.80		
Share in post acquisition profits								411.93		
Others										
Silvassa Co-op. Society Limited	d	0.00	100.00	0.01		0.00	100.00	0.01		
The City Co-op. Bank Ltd.		0.00	25.00	0.02		0.00	25.00	0.02		
Quoted Fully Paid -up										
Carried at cost										
Sun Earth Ceramics limited		0.07	10.00	2.04		0.07	10.00	2.04		
Total Equity Instruments				419.55				416.80		
Less: Provision for dimunition in the value of Investments				2.04				2.04		

417.51



## Konark Synthetic Limited Notes to Consolidated Financial Statements for the year ended March 31, 2022

## All amounts are in INR (Lakhs) otherwise stated

## 7 Non-Current Financial Assets - Others

Particulars	As at March 31,2022	As at March 31,2021
Bank deposits with more than 12 months maturity	0.01	0.01
Security Deposits Govts & Other	62.99	87.48
Total	63.00	87.49

## 8 Deferred Tax Assets (Net)

Particulars	As at March 31,2022	As at March 31,2021
Tax effect of items constituting deferred tax assets		
Disallowance u/s 43B of I.T.Tax, 1961, Carry Forward of Losses and Impairment on financial assets	727.64	739.91
Tax effect of items constituting deferred tax liabilities		
Difference between book balance and tax balance of property, plant and equipment	446.90	469.92
	280 74	269 99

## 9 Inventories

Particulars	As at March 31,2022	As at March 31,2021
Inventories		
Raw Materials	41.54	28.88
Work in Progress	130.37	207.13
Finished Goods	149.71	132.34
Stores, Spares	27.21	38.27
Stock in Trade	1,494.69	788.01
Wastage & Others(Old and Non Moving Stock)	168.75	168.75
Total	2,012.27	1,363.37

## 9 Current Financial Assets - Trade Receivables

Particulars	As at	As at
	March 31,2022	March 31,2021
Undisputed Trade receivables		
(a) Unsecured, considered good;	376.38	551.29
(b) Having significant increase in Credit Risk	1,460.46	1,628.89
(c) Credit Impaired	1,592.62	1,485.59
	3,429.46	3,665.77



Total	1,836.84	2,180.18
	•	-
(c) Credit Impaired	-	-
(b) Having significant increase in Credit Risk	-	-
(a) Unsecured, considered good;	-	-
Less: Provision for Impairment		
	-	-
(c) Credit Impaired	-	-
(b) Having significant increase in Credit Risk	-	-
(a) Unsecured, considered good;	-	-
Disputed Trade receivables		
	1,836.84	2,180.18
	1,592.62	1,485.59
(d) Credit Impaired	1,592.62	1,485.59
(c) Having significant increase in Credit Risk	-	-
(b) Unsecured considered good	-	-
Less: Provision for Impairment		

## Trade receivables ageing schedule as at 31st March,2022

Particulers Outs	tanding for follow	ing periods fr	om due date d	of payments		Total
	Less Than	6 Month	1 – 2	2-3	More Than	
	6 Month	-1 Year	Years	Years	3 Years	
Undisputed Trade receivables						
(a) Unsecured, considered good;	366.11	10.27	-	-	-	376.38
(b) Having significant increase in Credit Risk	-	-	815.18	18.43	626.86	1,460.46
(c) Credit Impaired	-	-	-	0.61	1,592.01	1,592.01
•	366.11	10.27	815.18	19.03	1,592.01	3,429.46
Less: Provision for Impairment					·	•
(a) Unsecured considered good	=	-	-	-	-	-
(b) Having significant increase in Credit Risk	-	-	-	-	-	-
(c) Credit Impaired	-	-	-	0.61	1,592.01	1,592.01
( )	-	-	-	0.61	1,592.01	1,592.01
	366.11	10.27	815.18	18.43	626.86	1,836.84
Disputed Trade receivables						•
(a) Unsecured, considered good;	-	-	_	_	_	
(b) Having significant increase in Credit Risk	-	-	_	_	_	-
(c) Credit Impaired	-	-	_	_	_	-
(-)	-	-	-	_	-	-
Less: Provision for Impairment						
(a) Unsecured considered good	-	-	_	_	_	-
(b) Having significant increase in Credit Risk	-	-	_	_	_	-
(c) Credit Impaired	=	-	-	=	-	-
	-	-	-	-	-	-
Total	366.11	10.27	815.18	18.43	626.86	1,836.84

## Trade receivables ageing schedule as at 31st March,2021

Particulers Outsta	Outstanding for following periods from due date of payments					
	Less Than 6 Month	6 Month -1 Year	1 – 2 Years	2-3 Years	More Than 3 Years	
Undisputed Trade receivables						
(a) Unsecured, considered good;	527.74	1.28	27.96	0.11	0.20	551.29
(b) Having significant increase in Credit Risk	-	=	822.99	712.35	93.55	1628.89
(c) Credit Impaired	-	-	-	-	1485.59	1485.59



(a) Unsecured considered good (b) Having significant increase in Credit Risk (c) Credit Impaired (c) Credit Risk (c) Credit Impaired (c) Credit Risk (c) (c) Credit Impaired (c) Credit Risk (c) (c) Credit Impaired (c) (c) Credit Risk (c) (c) Credit Impaired (c) (c) Credi		527.74	1.28	850.95	712.47	1485.59	3665.77			
(b) Haiving significant increase in Credit Risk   1485.59   1485	ess: Provision for Impairment	_	_	_	_	_	_			
Common		-	-	-	- -	- -	-			
Sputed Trade receivables (a) Unsecured, considered good; (b) Having significant increase in Credit Risk (c) Credit Impaired		-	=	-	-	1485.59	1485.59			
Sputed Trade receivables		-	-	-	-					
(a) Unsecured, considered good;	isnuted Trade receivables	527.74	1.28	850.95	/12.4/	93.75	2180.18			
(b) Having significant increases in Credit Risk		_	-	-	-	-				
Sest Provision for Impairment (a) Unsecured considered good (b) Having significant increase in Credit Risk (c) Credit Impaired	(b) Having significant increase in Credit Risk	-	-	-	-	-	-			
(a) Unsecured considered good	(c) Credit Impaired	-	-	-	-	-	-			
(a) Unsecured considered good	ess: Provision for Impairment	-	-	-	•	-	-			
Stal   Star	(a) Unsecured considered good	_	-	-	-	-	-			
total         527.74         1.28         850.95         712.47         93.75         2180.18           11 Current Financial Assets - Cash & cash equivalents           Particulars         As at March 31,2022         As at March 31,2021           Cash & Cash Equivalents         Balance with banks;         2.29         21.38           (i) Current Accounts'         2.29         21.38           Cash in hand         2.50         3.72           Total         4.88         25.10           12 Current Financial Assets - Loans         As at March 31,2022         As at March 31,2022           Unsecured, considered good;         -         -         -           - To Subsidiaries         -         -         -           - To Subsidiaries         -         -         -         -           - To employees         12.89         11.8         -         -           Total         691.87         624.0         -         -           13 Current Financial Assets - Other Assets         As at March 31,2022         March 31,2022         March 31,2022         March 31,2022         As at March 31,2022 <td>(b) Having significant increase in Credit Risk</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td>	(b) Having significant increase in Credit Risk	-	-	-	-	-	-			
527.74         1.28         850.95         712.47         93.75         2180.18           11 Current Financial Assets - Cash & cash equivalents           As at March 31,2022         Advance Income Tax (Net of Provision)         115.41         115.41         115.41         115.41         115.41         115.41         115.41         115.41         115.41         115.41         115.41 <th <="" colspan="3" td=""><td>(c) Credit Impaired</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></th>	<td>(c) Credit Impaired</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td>			(c) Credit Impaired	-	-	-	-	-	-
11   Current Financial Assets - Cash & cash equivalents   Particulars   As at March 31,2022   March 31,2021										
Particulars         As at March 31,2022	otal	527.74	1.28	850.95	712.47	93.75	2180.18			
March 31,2022         March 31,2021           Cash & Cash Equivalents         Balance with banks;           (i) Current Accounts*         2.29         21.38           (ii) Dividend Accounts         -         -           Cash in hand         2.60         3.72           Total         4.88         25.10           12 Current Financial Assets - Loans         Particulars         As at March 31,2022         March 31,2022           Unsecured, considered good;         -         -         -         To Subsidaries         -         -         -         -         -         12.89         11.8         -         -         12.89         11.8         -         11.8         -         -         12.89         11.8         -         -         -         624.6         -         -         624.6         -	11 Current Financial Assets - Cash & cash ed	quivalents								
Cash & Cash Equivalents         Balance with banks;           (i) Current Accounts*         2.29         21.38           (ii) Dividend Accounts         -         -         -           Cash in hand         2.60         3.72           Total         4.88         25.10           12 Current Financial Assets - Loans         Particulars         As at March 31,2022         March 31,2022         March 31,2022         March 31,2022         March 31,2022         March 31,2022         March 31,202	Particulars					As at	As at			
Balance with banks;         2.29         21.38           (i) Current Accounts*         2.29         21.38           (ii) Dividend Accounts         -         -           Cash in hand         2.60         3.72           Total         4.88         25.10           12 Current Financial Assets - Loans         Particulars         As at March 31,2022         March 31,2022           Unsecured, considered good;         -         To Subsidaries         -           -         To Associate concern         678.98         612.3           -         To employees         12.89         11.8           Total         691.87         624.6           13 Current Financial Assets - Other Assets         As at March 31,2022         March 31,2022           Other Adavces         76.00         76.           Less: Provision for Impairment         76.00         76.           Total         - Total         - As at March 31,2022         As at March 31,2022           Advance Income Tax (Net of Provision)         115.41         112.4					Marc	th 31,2022	March 31,2021			
(i) Current Accounts*       2.29       21.38         (ii) Dividend Accounts       -       -         Cash in hand       2.60       3.72         Total       4.88       25.10         12 Current Financial Assets - Loans       As at March 31,2022         Particulars       As at March 31,2022       As at March 31,2022         Unsecured, considered good;       -       -       -       612.3         - To Subsidaries       -       -       12.89       11.8         - To employees       12.89       11.8       691.87       624.6         13 Current Financial Assets - Other Assets       Particulars       As at March 31,2022       March 31,2022       March 31,2022       March 31,2022       As at March 31,2022       March 31,2022       As at March 31,	Cash & Cash Equivalents									
(ii) Dividend Accounts         -	Balance with banks;									
Cash in hand         2.60         3.72           Total         4.88         25.10           12 Current Financial Assets - Loans           Particulars         As at March 31,2022         As at March 31,2022           Unsecured, considered good;         -         -           - To Subsidaries         -         -           - To Associate concern         678.98         612.7           - To employees         12.89         11.8           Total         691.87         624.6           13 Current Financial Assets - Other Assets         As at March 31,2022         As at March 31,2022           Other Adavces         76.00         76.           Less: Provision for Impairment         76.00         76.           Total         -         -           14 Current Tax Assets (Net)         As at March 31,2022         March 31,2022           Advance Income Tax (Net of Provision)         115.41         112.41	(i) Current Accounts*					2.29	21.38			
Total	(ii) Dividend Accounts					-	-			
12 Current Financial Assets - Loans	Cash in hand					2.60	3.72			
Particulars         As at March 31,2022         As at March 31,2022           Unsecured, considered good;         - To Subsidaries         - To Associate concern         678.98         612.73           - To Associate concern         678.98         612.73         11.89         11.80           - To employees         12.89         11.80         624.60	Total					4.88	25.10			
March 31,2022         March 31,2023	12 Current Financial Assets - Loans									
March 31,2022         March 31,2023	Porticulare					Ac of	Ac of			
- To Subsidaries To Associate concern 678.98 612.7 - To employees 12.89 11.8  Total 691.87 624.6  13 Current Financial Assets - Other Assets  Particulars Assets Other Adavces 76.00 76. Less: Provision for Impairment 76.00 76.  Total - Total  14 Current Tax Assets (Net )  Particulars As at March 31,2022 March 31,202  Advance Income Tax (Net of Provision) 115.41 112.	raiticulais				Ma		March 31,202			
- To Subsidaries To Associate concern 678.98 612.7 - To employees 12.89 11.8  Total 691.87 624.6  13 Current Financial Assets - Other Assets  Particulars Assets Other Adavces 76.00 76. Less: Provision for Impairment 76.00 76.  Total - Total  14 Current Tax Assets (Net )  Particulars As at March 31,2022 March 31,202  Advance Income Tax (Net of Provision) 115.41 112.	Unsecured, considered good:									
- To Associate concern         678.98         612.7           - To employees         12.89         11.6           Total         691.87         624.6           13 Current Financial Assets - Other Assets         Particulars         As at March 31,2022         March 31,2022         March 31,2022         March 31,202         Total         -         Total         -         Total         -         As at March 31,2022         As at March 31,2022         As at March 31,2022         Advance Income Tax (Net of Provision)         115.41         112.						_				
To employees         12.89         11.8           Total         691.87         624.6           13 Current Financial Assets - Other Assets           Particulars         As at March 31,2022         March 31,2022           Other Adavces         76.00         76.           Less: Provision for Impairment         76.00         76.           Total         -         -           14 Current Tax Assets (Net )         As at March 31,2022         March 31,2022           Advance Income Tax (Net of Provision)         115.41         112.						679.00	610			
Total         691.87         624.6           13 Current Financial Assets - Other Assets         Particulars         As at March 31,2022         March 31,2022         March 31,2022         76.00         76.         10.00         76.00 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>										
13 Current Financial Assets -Other Assets           Particulars         As at March 31,2022         As at March 31,20	- To employees					12.89	11.8			
Particulars         As at March 31,2022         As at March 31,2022           Other Adavces         76.00         76.           Less: Provision for Impairment         76.00         76.           Total         -         -           14 Current Tax Assets (Net )         As at March 31,2022         As at March 31,2022           Advance Income Tax (Net of Provision)         115.41         112.	Total					691.87	624.6			
Other Adavces         76.00         76.           Less: Provision for Impairment         76.00         76.           Total         -         -           14 Current Tax Assets (Net )         As at March 31,2022         As at March 31,2022           Advance Income Tax (Net of Provision)         115.41         112.	13 Current Financial Assets -Other Assets									
Other Adavces         76.00         76.           Less: Provision for Impairment         76.00         76.           Total         -         -           14 Current Tax Assets ( Net )         Particulars         As at March 31,2022 March 31,202           Advance Income Tax (Net of Provision)         115.41         112.	Particulars					As at	As at			
Less: Provision for Impairment         76.00         76.           Total         -         -           14 Current Tax Assets (Net )         As at March 31,2022         As at March 31,2022           Advance Income Tax (Net of Provision)         115.41         112.					M	arch 31,2022	March 31,202			
Total						76.00	76.			
14 Current Tax Assets ( Net )           Particulars         As at March 31,2022         As at March 31,2022         March 31,202           Advance Income Tax (Net of Provision)         115.41         112.	Less: Provision for Impairment					76.00	76.			
Particulars  As at March 31,2022 March 31,2022  Advance Income Tax (Net of Provision)  115.41 112.						-				
Advance Income Tax (Net of Provision)         March 31,2022         March 31,2022           Total         115.41         112.	14 Current Tax Assets ( Net )									
Advance Income Tax (Net of Provision)  115.41  112.	Particulars				М					
Total	Advance Income Tax (Net of Provision)						112.			
115.41 112.	Total					445 **	112.			



## Konark Synthetic Limited Notes to Consolidated Financial Statements for the year ended March 31, 2022

## All amounts are in INR (Lakhs) otherwise stated

15	Othor	Current	Accote
15	Unner	Current	ASSETS

Particulars	As at March 31,2022	As at March 31,2021
Unsecured, Considered Good, unless otherwise stated:		
Receivable from Government Authorities & Others	125.77	131.33
Prepaid Expenses	4.64	6.80
Advances to creditors	103.82	117.30
Other Current Assets	18.70	16.77
	252.44	272.19
Less: Provision for Impairment	95.24	-
Total	157.20	272.19

## 16 Equity Share Capital

## A) Authorized

Particulers	No of Shares	Amount
		In Rupees
As at April 1, 2021	150.00	1,500.00
Changes during the year	-	-
As at March 31, 2022	150.00	1,500.00

## Issued, subscribed and paid up share

**Movement in Equity Share Capital** 

	No of shares	Equity Share Capital par value
Equity Share Capital		
As at April 1, 2021	58.08	580.80
Changes during the year	-	-
As at March 31, 2022	58.08	580.80

## C) Rights, preference and restrictions attached to the shares

Each holder of equity shares is entitled to one vote per share and ranks pari passu. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



## D) Shareholders holding more than 5 percent of Equity Shares

Name of Shareholder	% holding in the class	As at March 31, 2022 No. of share held	As at March 31, 2021 No. of share held
Equity Shares of Rs. 10/- each			
Rakadevi Dalmia	17.36%	10.08	10.08
Kayo Investment And Finance Pvt. Ltd	14.75%	8.57	8.57
Fillmore Trading & Investments Pvt. Ltd.	14.46%	8.40	8.40
Prakashchand Dalmia (HUF)	5.80%	3.37	3.37
Shonit Dalmia	19.40%	11.26	0.26

As per records of company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares

**E)** The Company has neither issued equity shares pursuant to contract without payment being received in cash nor any bonus shares in the current year and five years immediately preceding the balance sheet date.

## F) Shares held by Promoter's

Name of Proamters Equity Shares of Rs. 10/- each	% Holding in the	As at March 31, 2022 No. of share held	% Change during the year	% holding in the class	As at March 31, 2021 No. of share held	% Change during the year
Rakadevi Dalmia	17.36%	10.08	-	17.36%	10.08	-17.22%
Kayo Investment And Finance Pvt. Ltd	14.75%	8.57	-	14.75%	8.57	-
Fillmore Trading & Investments Pvt. Ltd.	14.46%	8.40	-	14.46%	8.40	-
Prakashchand Dalmia (HUF)	5.80%	3.37	-	5.80%	3.37	-
Shonit Dalmia	19.40%	11.26	-	19.40%	11.26	17.22%
Prakashchand Dalmia	0.99%	0.58	-	0.99%	0.58	-
Amitabh Kejriwal	1.17%	0.68	-	1.17%	0.68	-
Smita R Kejriwal	1.05%	0.61	-	1.05%	0.61	-
Shikha Dalmia	0.01%	0.01	-	0.01%	0.01	
		43.55			43.55	-

## 17 Other Equity

Particulars	Capital Redemptio nReserve	Securities Premium Reserve	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2020	40.00	688.07	25.00	597.51	(3494.71)	2145.13
Add: Profit /(Loss) for the year	-	-	-	-	(255.59)	(255.59)
Add : Other Comprehensive Income for the year	-	-	-	-	13.00	13.00
Add: Prior Period Adjustment	-	-	-	-	(1.28)	(1.28)
Balance as at 31st March 2022	40.00	688.07	25.00	597.51	(3738.58)	2388.99

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## Konark Synthetic Limited Notes to Consolidated Financial Statements for the year ended March 31, 2022

All amounts are in INR (Lakhs) otherwise stated

#### 18 Non-Current Financial Liabilities - Borrowings

Par	rticulars	As at March 31,2022	As at March 31,2021
Boı	rrowings		
a)	Secured Loan - Term Loan		
	(i) From Banks		
	Loan against Flat	-	176.49
	Loan Against Property	512.68	553.36
	Vehicle Loans (Against Motor Cars)	-	0.31
	(ii) From Other		
	Loan Against Property	335.51	307.67
	Vehicle Loans (Against Motor Cars)	-	3.67
b)	Unsecured Loan		
	Inter Corporate Loans	3755.74	3755.74
	Other	92.44	172.22
erm	Total n Loans of India Denim Limited	4,696.38	4969.49

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

## Secured Loans-Term Loans of Konark Synthetic Limited

- a. Loan of Nil (P.Y. Rs. 176.49 Lacs) against sanctioned of Rs. 5.72 Crores is Secured against the Flat No. 2101, situated at Orchid Crown, Tower B, Gokhale Road South, Dadar (W), Mumbai, which is payable in 120 EMIs of Rs. 7.89 Lac after getting the possession from the Developer. The loan is also guaranteed by Mr. Prakashchand Dalmia as a co-applicant. Rs. 5.74 Lac Interest related to moratorium period added in principal amount
- b. The loan of Rs. 590.00 Lacs (P.Y. 553.36 Lac) including Current Maturities of Long Term Borrowings under note no. 21 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 @10.15% p.a. floating.
- c. Loan of Rs. 100.72 Lacs ( P.Y. 94.12 Lacs ) including Current Maturities of Long Term Borrowings under Note No. 21 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. 1.53 Lac and interest rate is 11.97% 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. Loan of Rs. 245.59 Lacs ( P.Y. 227.84 Lacs ) including Current Maturities of Long Term Borrowings under Note No. 21 is secured against Property from PNB Housing Finance Limited against Shop No. 6 and 11 situated at Skylark Building, Plot No. 63, Sector -11, CBD Belapur, Navi-Mumbai 400614 on the term i.e 180 EMI of Rs. 3.41Lac and interest rate is 11.97% p.a floating, 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.
- e. Vehicle Loans of Konark Synthetics Limited: The loans are hypothecated against the specific vehicles for which it was sanctioned by

Of the above loans, amounts (including current maturities under Note 21) of,

-Rs. 4.41 Lacs is repayable in 10 remaining EMI of Rs. 0.38 Lac upto Dec. 05, 2022

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## Konark Synthetic Limited Notes to Consolidated Financial Statements for the year ended March 31, 2022

## All amounts are in INR (Lakhs) otherwise stated

#### 19 Provisions

#### **Particulars**

	As at March 31,2022	As at March 31,2021
Provisions		
Provisions for Employee Benefits		
- Provision For Gratuity	38.87	48.85
Total	38.87	48.85
20 Current Financial Liabilities - Borrowings		
Particulars	As at March 31,2022	As at March 31,2021
a) Loans repayable on demands		
(i) Secured -		
From Banks		
- Loan	2,566.99	2,573.31
- Cash credit	-	-
(ii) Current maturities of long-term debts;		
Secured Loans	1,092.26	1,058.51
Vehicle Loans	4.41	5.12
(ii) Unsecured -		
Loans from Related Parties	1,699.99	1,974.08
Total	5,363.66	5,611.01

## Secured Loans - Konark Synthetic Limited

Cash credit of Rs. 13.50 Crores has been sanctioned by Corporation Bank against paripassufirst charge on inventory and book debts of the Company with margin of 25% on Stock and 40% on Book Debts; at interest rate of Base Rate + 4.50%.

## **Cash Credit Of India Denim Limited**

Loans repayable 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. The above secured loans from banks are classified as NPA during2016-17 and 2017-18, since then no transactions are routed through the accounts, Interest /charges are not debited by the banks and hence the balances are remain unchanged.

## Unsecured Loans-

Loans from related parties is from Konark Realtech Private Limited and is payable on demand.



## **Konark Synthetic Limited**

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

## All amounts are in INR (Lakhs) otherwise stated

## 21 Current Financial Liabilities - Trade Payables

Part	ticulars	As at March 31,2022	As at March 31,2021
(i)	Bills Payable Under Letter of Credit From Banks	-	-
(ii)	Trade Payables		
	a) Total outstanding dues of Micro and small enterprises	12.62	15.52
	b) Total outstanding dues of trade payable other than Micro and small enterprises	1,334.56	1,121.49
	c) Other	3.03	2.46
	Total	1.350.21	1.139.47

## Trade Payables ageing schedule: As at 31st March,2022

Particulers	Outstanding for following periods from due date of payments				
	Less Than	1-2	2 – 3	More Than	Total
	1 Year	Year	Years	3 Years	
(i) MSME	4.16	1.59	6.87	-	12.62
(ii) Other	1043.83	45.12	20.07	79.94	1188.98
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Other	-	-	-	-	-
	1048 00	46 71	26 94	79 94	1201 59

## Trade Payables ageing schedule: As at 31st March,2021

Particulers	Outstanding for following periods from due date of payments					
	Less Than	1-2	2 – 3	More Than	Total	
	1 Year	Year	Years	3 Years		
(i) MSME	3.49	10.35	1.68	-	15.52	
(ii) Other	751.80.	65.28	90.93	53.19	961.20	
(iii) Disputed Dues – MSME	-	-	-	-	-	
(iv) Disputed Dues - Other	-	-	-	-	-	
	755.29	75.63	92.61	53.19	976.72	

## 22 Current Financial Liabilities - Other Liabilities

Particulars	As at March 31,2022	As at March 31,2021
Other Financial Liabilities		
a) Interest accrued but not due on borrowings	48.43	6.51
b) Interest accrued and due on borrowings	0.11	5.27
c) Liability for expenses	25.70	47.82
d) Unpaid/Unclaimed dividends	-	-
e) Advance from Customer	24.46	7.93
f) Other	-	-
Total	98.70	67.53



## Konark Synthetic Limited Notes to Consolidated Financial Statements for the year ended March 31, 2022

## 23 Other Current Liabilities

a) Advance Received against Sale of Land and Building b) Others i) Taxes & duty 9.27 5.69 ii) Payable-ESIC, PF & Prof. Tax etc. 25.39 51.90 Total 137.39 154.48  24 Provisions Particulars As at March 31,2021  Provision of Audit Fees 0.45 0.23  Total 0.80 3.47  Provision for Audit Fees 0.45 0.23  Total 0.80 6.70  Sr. Particulars 6.70 Particulars 6.70 Particulars 7.70 Provision of Audit Fees 0.45 0.23  Sr. Particulars 6.70 Particulars 6.70 Particulars 7.70 Provision of Part the Period Potentians 8.81  Sale 7.70  Sr. Particulars 7.70 Provision of Prof. Pr	Particulars	As at March 31,2022 Ma	As at arch 31,2021
Name   10   10   10   10   10   10   10   1	a) Advance Received against Sale of Land and Building	-	-
ii) Payable-ESIC, PF & Prof. Tax etc.         25.39         51.90           iii) Payable-Employee         102.73         96.90           Total         137.39         154.48           24 Provisions         As at March 31,2022         As at March 31,2022           Provisions         Gratuity         0.80         3.47           Provision for Audit Fees         0.45         0.23           Total         1.25         3.70           Sr. Particulars         For the Period ended 31.03.2022 Amount (Rs.)         For the Period ended 31.03.20	b) Others	-	-
Total   137.39   154.48     24 Provisions   24 Provisions   25 Particulars   As at March 31,2021     Provision   As at March 31,2021	i) Taxes & duty	9.27	5.69
Total   137.39   154.48     24 Provisions   As at March 31,2021     Provision   As at March 31,2021     Provision for Audit Fees   0.45   0.23     Total   1.25   3.70     Sr. Particulars   For the Period ended 31.03.2022     Amount (Rs.)   Provision     Sales   Sales     Sales   Sales   Sales     Sale of Products   4,009.76   1,812.97     Other Operating Revenue   2	ii) Payable-ESIC, PF & Prof. Tax etc.	25.39	51.90
Particulars   As at March 31,2021   March 31,2021     Provisions	iii) Payable-Employee	102.73	96.90
Particulars         As at March 31,2022         As at March 31,3202         As at March 31,32022         As at March 31,3202	Total	137.39	154.48
March 31,2022 March 31,2021           Provisions         Gratuity         0.80         3.47           Provision for Audit Fees         0.45         0.23           Total         1.25         3.70           Sr. Particulars No.         For the Period ended 31.03.2022 Amount (Rs.)         For the Period ended 31.03.2022 Amount (Rs.)           25 Revenue From Operations         Sales         Sales           Sale of Products         4,009.76         1,812.97           Other Operating Revenue         4,009.76         1,812.97           Total         4,009.76         1,837.69           26 Other Income         75.80         79.27           Foreign Exchange Fluctuation Gain         0.03         0.07           Profit on sale of Investment         111.87         -           Others*         71.60         11.10           Total         259.30         90.45           *Others includes sundry balances W/off         259.30         90.45           *Others includes sundry balances W/off         28.88         9.91           Add: Purchases         90.32         545.98           Opening Stock         28.88         9.91           Add: Purchases         90.32         545.98           Eners:	24 Provisions		
Gratuity         0.80         3.47           Provision for Audit Fees         0.45         0.23           Total         1.25         3.70           Sr. Particulars No.         For the Period ended 31.03.2022 and paneuti (Rs.)         For the Period ended 31.03.2022 and paneuti (Rs.)           25 Revenue From Operations         Sales         Sales           Sale of Products         4,009.76         1,812.97           Other Operating Revenue         4,009.76         1,812.97           Total         4,009.76         1,837.69           26 Other Income         75.80         79.27           Foreign Exchange Fluctuation Gain         0.03         0.07           Profit on sale of Investment Others*         111.87            Others*         75.80         90.45           *Others includes sundry balances W/off         259.30         90.45           *Others includes sundry balances W/off         28.88         9.91           Add: Purchases         903.28         545.98           Add: Purchases         903.28         545.98           Less: Closing Stock         41.54         28.88	Particulars		
Provision for Audit Fees         0.45         0.23           Total         1.25         3.70           Sr. Particulars No.         For the Period ended 31.03.2022 and Mount (Rs.)         For the Period ended 31.03.2022 and Mount (Rs.)           25 Revenue From Operations         Sales           Sale of Products         4,009.76         1,812.97           Other Operating Revenue         4,009.76         1,837.69           26 Other Income         75.80         79.27           Foreign Exchange Fluctuation Gain         0.03         0.07           Profit on sale of Investment         111.87         -           Others*         71.60         11.10           Total         259.30         90.45           *Others includes sundry balances W/off         259.30         90.45           *Total         259.30         90.45           *Others includes sundry balances W/off         28.88         9.91           Add: Purchases         903.28         545.98           Add: Purchases         903.28         545.98           Less: Closing Stock         41.54         28.88	Provisions		
Total         1.25         3.70           Sr. Particulars No.         For the Period ended 31.03.2022 Amount (Rs.)         For the Period ended 31.03.2021 Amount (Rs.)           25 Revenue From Operations         Sales           Sale of Products         4,009.76         1,812.97           Other Operating Revenue         4,009.76         1,837.69           26 Other Income         75.80         79.27           Interest Income         75.80         79.27           Foreign Exchange Fluctuation Gain         0.03         0.07           Profit on sale of Investment         111.87         -           Others*         71.60         11.10           Total         259.30         90.45           *Others includes sundry balances Woff         259.30         90.45           *Total         259.30         90.45           *Others includes sundry balances Woff         28.88         9.91           Add: Purchases         903.28         545.98           Less: Closing Stock         41.54         28.88           Less: Closing Stock         41.54         28.88	Gratuity	0.80	3.47
Sr. No.         Particulars No.         For the Period ended 31.03.2022 and mount (Rs.)         For the Period ended 31.03.2022 and mount (Rs.)           25 Revenue From Operations           Sales           Sale of Products         4,009.76         1,812.97           Other Operating Revenue         4,009.76         1,837.69           26 Other Income         75.80         79.27           For eign Exchange Fluctuation Gain         0.03         0.07           Profit on sale of Investment         111.87         -           Others*         71.60         11.11.0           Total         259.30         90.45           *Others includes sundry balances W/off         259.30         90.45           27 Cost Of Material Consumed         28.88         9.91           Add: Purchases         903.28         545.98           Less: Closing Stock         41.54         258.88	Provision for Audit Fees	0.45	0.23
No.         ended 31.03.2022 Amount (Rs.)         ended 31.03.2022 Amount (Rs.)           25 Revenue From Operations         25 Revenue From Operations           Sales         4,009.76         1,812.97           Other Operating Revenue         -         24.72           Total         4,009.76         1,837.69           26 Other Income         75.80         79.27           Interest Income         75.80         79.27           Foreign Exchange Fluctuation Gain         0.03         0.07           Profit on sale of Investment         111.87         -           Others*         71.60         11.10           Total         259.30         90.45           *Others includes sundry balances W/off         259.30         90.45           *Others includes sundry balances W/off         259.30         90.45           *Others includes sundry balances W/off         259.30         90.45           *Opening Stock         28.88         9.91           Add: Purchases         903.28         545.98           Less: Closing Stock         41.54         28.88	Total	1.25	3.70
Sales       3.81e of Products       4,009.76       1,812.97       0ther Operating Revenue       -       24.72         Total       4,009.76       1,837.69       26.00       1,837.69       26.00       26.00       25.80       79.27       75.80       79.27       75.80       79.27       75.80       79.27       75.80       79.27       70.00       70		ended 31.03.2022	ended31.03.2021
Sale of Products       4,009.76       1,812.97         Other Operating Revenue       -       24.72         Total       4,009.76       1,837.69         26 Other Income       75.80       79.27         Foreign Exchange Fluctuation Gain       0.03       0.07         Profit on sale of Investment       111.87       -         Others*       71.60       11.10         Total       259.30       90.45         *Others includes sundry balances W/off       259.30       90.45         27 Cost Of Material Consumed       28.88       9.91         Add: Purchases       903.28       545.98         Less: Closing Stock       41.54       28.88	25 Revenue From Operations		
Other Operating Revenue         -         24.72           Total         4,009.76         1,837.69           26 Other Income         75.80         79.27           Foreign Exchange Fluctuation Gain         0.03         0.07           Profit on sale of Investment         111.87         -           Others*         71.60         11.10           Total *Others includes sundry balances W/off         259.30         90.45           27 Cost Of Material Consumed         Raw Material Consumed           Opening Stock         28.88         9.91           Add : Purchases         903.28         545.98           Less: Closing Stock         41.54         28.88	Sales		
Total         4,009.76         1,837.69           26 Other Income         75.80         79.27           Foreign Exchange Fluctuation Gain         0.03         0.07           Profit on sale of Investment         111.87         -           Others*         71.60         11.10           Total *Others includes sundry balances W/off         259.30         90.45           27 Cost Of Material Consumed         8.88         9.91           Add : Purchases         903.28         545.98           Less: Closing Stock         41.54         28.88	Sale of Products	4,009.76	1,812.97
26 Other Income         Interest Income       75.80       79.27         Foreign Exchange Fluctuation Gain       0.03       0.07         Profit on sale of Investment       111.87       -         Others*       71.60       11.10         Total *Others includes sundry balances W/off         27 Cost Of Material Consumed         Raw Material Consumed         Opening Stock       28.88       9.91         Add : Purchases       903.28       545.98         Less: Closing Stock       41.54       28.88	Other Operating Revenue	-	24.72
Interest Income       75.80       79.27         Foreign Exchange Fluctuation Gain       0.03       0.07         Profit on sale of Investment       111.87       -         Others*       71.60       11.10         Total *Others includes sundry balances W/off         27 Cost Of Material Consumed         Raw Material Consumed       28.88       9.91         Add : Purchases       903.28       545.98         Less: Closing Stock       41.54       28.88	Total	4,009.76	1,837.69
Foreign Exchange Fluctuation Gain         0.03         0.07           Profit on sale of Investment         111.87         -           Others*         71.60         11.10           Total *Others includes sundry balances W/off           27 Cost Of Material Consumed         Raw Material Consumed           Opening Stock         28.88         9.91           Add: Purchases         903.28         545.98           Less: Closing Stock         41.54         28.88	26 Other Income		
Profit on sale of Investment         111.87         -           Others*         71.60         11.10           Total *Others includes sundry balances W/off           27 Cost Of Material Consumed         Raw Material Consumed           Opening Stock         28.88         9.91           Add : Purchases         903.28         545.98           Less: Closing Stock         41.54         28.88	Interest Income	75.80	79.27
Others*         71.60         11.10           Total *Others includes sundry balances W/off         259.30         90.45           27 Cost Of Material Consumed         28.88         9.91           Add : Purchases         903.28         545.98           Less: Closing Stock         41.54         28.88			0.07
Total *Others includes sundry balances W/off       259.30       90.45         27 Cost Of Material Consumed       27 Cost Of Material Consumed       28.88       9.91         Add : Purchases       903.28       545.98         Less: Closing Stock       41.54       28.88			-
27 Cost Of Material Consumed         Raw Material Consumed         Opening Stock       28.88       9.91         Add: Purchases       903.28       545.98         Less: Closing Stock       41.54       28.88			
Raw Material Consumed       28.88       9.91         Opening Stock       28.88       9.91         Add: Purchases       903.28       545.98         Less: Closing Stock       41.54       28.88	*Others includes sundry balances W/off		
Opening Stock       28.88       9.91         Add: Purchases       903.28       545.98         932.17       555.89         Less: Closing Stock       41.54       28.88	27 Cost Of Material Consumed		
Add: Purchases       903.28       545.98         932.17       555.89         Less: Closing Stock       41.54       28.88	Raw Material Consumed		
Less: Closing Stock         932.17         555.89           41.54         28.88	Opening Stock	28.88	9.91
Less: Closing Stock 41.54 28.88	Add: Purchases	903.28	545.98
		932.17	555.89
Total 890.63 527.01	Less: Closing Stock	41.54	28.88
	Total	890.63	527.01



## Konark Synthetic Limited Notes to Consolidated Financial Statements for the year ended March 31, 2022

## All amounts are in INR (Lakhs) otherwise stated

Sr. No.	Particulars	For the Period ended 31.03.2022 Amount (Rs.)	For the Period ended 31.03.2021 Amount (Rs.)
28 C	hanges In Inventories Of Finished Goods, Work In Progress And Stock In Trade		
C	Opening Stock - Process	207.13	148.72
С	Opening Stock – Finished	1,089.10	1,928.87
С	Opening Stock – Wastage & Others	168.75	
Т	otal - A	1,296.23	2,077.59
С	Closing Stock - Process	130.37	207.13
С	Closing Stock – Finished	1,813.15	1,089.10
С	Closing Stock – Wastage & Others	168.75	168.75
Т	otal - B	1,943.52	1,296.23
(I	Increase) / Decrease in Stocks <b>Total - A-B</b>	(647.30)	781.36
29 E	mployee Benefits Expenses		
S	Salaries, Wages & Bonus	133.49	94.86
G	Gratuity & other Allowances	5.99	7.45
С	Contribution to Funds	1.55	1.68
S	Staff Welfare Expenses	2.42	1.03
Т	otal	143.44	105.01
29 Fi	inance Cost		
lr	nterest Expenses	266.28	346.72
С	Other Borrowing Cost	4.82	9.07
	otal	271.10	355.80
31 O	ther Expenses		
Α	A. Manufacturing Expenses		
	Power & Fuel	122.03	83.18
	Stores & Spares & Packing Material Consumed	103.87	139.98
	Repairs to Building	0.37	-
	Repairs to Plant & Machinery	-	-
	Repair & Maintainance - Other (At Plants)	3.14	1.94
	Security Charges	18.00	12.87
	Labour Charges	56.09	22.53
		3.06	1.02
	Job work Charges		
	Freight, Octroi & Cartage	1.90	1.00
	Other Direct Manufacturing Expenses  Total - A	1.50 <b>309.95</b>	1.05 <b>262.38</b>



# Konark Synthetic Limited Notes to Consolidated Financial Statements for the year ended March 31, 2022 All amounts are in INR (Lakhs) otherwise stated

r. Particulars	All amounts are in INR (Lakhs) For the Period	All amounts are in INR (Lakhs) otherwise stated  For the Period  For the Period		
lo.	ended 31.03.2022 Amount (Rs.)			
. Administrative & general Expenses				
Advertisement Expenses	2.85	1.40		
Bank Charges	0.78	4.46		
Conveyance Expenses	3.24	3.84		
Electricity	1.79	1.45		
Filing Fees	0.26	0.15		
Insurance	4.08	4.59		
Interest/Penalty	4.79	4.16		
Marketing Expenses & Brokerage	11.09	5.68		
Membership & Subscription	3.73	3.69		
Miscellaneous Expenses/General Expenses	4.82	2.65		
Outward Freight & Octroi	12.56	7.15		
Postage Telegram	1.26	0.40		
Printing & Stationery	0.78	0.94		
Professional Fees/ Legal Expenses	8.76	11.50		
Rent,Rates,Fees & Taxes	2.56	7.74		
Repairs & Maintanance (Ohers)	3.97	3.12		
Claim and Discount on Sales	-	280.42		
Sales Promotion Expenses	1.53	4.90		
Sample & Development Expenses	4.30	1.34		
Stamp & Hundi Paper	0.04	0.27		
Sundry Balances W/off	9.41	0.01		
Telephone Expenses	1.76	2.00		
Travelling Expenses;	2.45	0.97		
Vehicle Expenses	5.73	3.07		
Vat Receivable Written off	-	0.54		
Bad Debts	-	-		
Auditors Remuneration:				
- For Statutory Audit	3.45	3.45		
- For Tax Audit	-	-		
- For Certification	-	-		
- For Other	0.75	0.75		
Total B	96.73	360.62		
Total (A+B)	406.69	623.00		



#### Konark Synthetic Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2022

All amounts are in INR (Lakhs) otherwise stated

## 32. Segment Reporting:

The group is operating in single segment i.e. Textiles and thus there is no reportable segments as per Indian Accounting Standard (IND AS) 108 "Operating Segment". There is no reportable geographical segment either:

**33.** As per Indian Accounting Standard 24 "Related Party Disclosures" 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:

#### A. Related Parties :

## I. Subsidiaries of Subsidiaries:

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

## II. Individual having significant influence:

Smt. Rakadevi Dalmia - Share Holder

## III. Key Managerial Personnel and Relative:

Mr. Shonit Dalmia - Director

Mr. Amitabh Kejriwal - Managing Director

Mr. Punit Desai - Director

Mr. R. B. Somany - Chief Financial Officer

Ms. Shikha Mishra - Company Secretary (Resigned as on 07th Jan. 2022)

Ms. Smita Kejriwal - Relative of Director

Ms. Sikha Dalmia - Relative of Director

Ms. Namrata Dalmia - 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

## B. Transactions:

Particulars	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites		10.26	-	10.26
		(8.54)		(8.54)
Salary	=	29.02	-	29.02
		(27.28)	-	(27.28)
Rent Expenses	-	-	1.08	1.08
	=	-	(1.08)	(1.08)
Loan Taken		•	856.25	856.25
		-	(267.43)	(267.43)
Loan Repaid			1130.33	1130.33
			(727.42)	(727.42)

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

	2021-2022	2020-2021
Managerial Remuneration		
Amitabh Kejriwal	10.26	8.54
Salary Paid		
R.B. Somany	12.00	10.00
Shikha Mishra	2.44	-
Mehnuddin Khan	-	3.35
SikhaDalmia	6.00	6.00
SmitaKejriwal	2.58	1.94
Namarta Dalmia	6.00	6.00
Rent Paid		
Konark Silk Mills	1.08	1.08
Loans Taken		
Konark Realtech Pvt. Ltd.	856.25	267.43
Loans Repaid		
Konark Realtech Pvt. Ltd.	1130.33	727.42

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## D. Balances with the Related Parties as at 31st March, 2022 (Amount In Lacs except EPS)

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration &	-	-	0.85		0.85
Perquisites			(0.53)		(0.53)
Salary	=	=	10.85		10.85
			(7.88)		(7.88)
Rent Expenses	-	•		3.03	3.03
				(2.55)	(2.55)
Loan Taken	=	=	-	5455.74	5455.74
				(5729.82)	(5729.82)

## 34. Earnings Per Share:

Particulars	2021-22	2020-21
a) Basic earnings per share (After Exceptional Items) (In Rs. Lacs)	<u> </u>	
Profit attributable to the equity holders of the company (After Exceptional Items)	(255.59)	(1047.73)
Weighted average number of equity shares used as the denominator	58.08	58.08
Basic Earnings Per Share (After Exceptional Items)	(4.40)	(18.04)
b) Basic earnings per share (Before Exceptional Items) (In Rs. Lacs)	l .	
Profit attributable to the equity holders of the company (Before Exceptional Items)	(135.98)	(2245.73)
Weighted average number of equity shares used as the denominator	58.08	58.08
Basic Earnings Per Share (Before Exceptional Items)	(2.34)	(38.67)
c) Diluted earnings per share (After Exceptional Items) (In Rs.)		
Profit attributable to the equity holders of the company (After Exceptional Items)	(255.59)	(1047.73)
Weighted average number of equity shares used as the denominator	5808000	58.08
Diluted Earnings Per Share (After Exceptional Items)	(4.40)	(18.04)
d) Diluted earnings per share (Before Exceptional Items) (In Rs.)	<u> </u>	
Profit attributable to the equity holders of the company (Before Exceptional Items)	(255.59)	(2245.73)
Weighted average number of equity shares used as the denominator	58.08	58.08
Diluted Earnings Per Share (Before Exceptional Items)	(2.34)	(38.67)

## 35. Contingent Liability / Capital Commitments:

The Bankers of the Parent Company have given Guarantees to various Government Authorities amounting to Rs.1.50 Lacs (P.Y. Rs.1.50 Lacs) for which the Company has given counter guarantee and margin money in form of fixed deposit/current account to the bankers amounting to Rs.1.50 Lacs (P.Y. Rs. 1.50 Lacs).

The Parent Company has given a Corporate Guarantee of Rs.2706.00 Lacs (P.Y. Rs.2706.00 Lacs) to the bankers of its subsidiary company namely India Denim Limited and a Corporate Guarantee of Rs.4600.00 Lacs (P.Y. Rs.4600.00 Lacs) to the bankers of its Associate Company' subsidiary company namely Konark Gujarat PV Private Limited against Term Loan and Working Capital Facilities sanctioned to the said companies.

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

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The above contingent liability includes corporate quarantee of Rs.2706.00 Lacs in respect of loan availed by its subsidiary company M/s. India Denim Limited. The accounts of the said subsidiary have been classified as NPA by the bankers of the company. The legal proceeding regarding the said matter when ultimately concluded, will have a material impact on financial position of the Company.

- 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 confirmation and /or reconciliation with parties.
- 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.

#### 38. CIF Value of Imports:

Particulars	2021-2022	2020-21
Stores & Spares	2.83	1.85
Total	2.83	1.85

## 39. Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

40. 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 reports of even date attached

For and on behalf of the Board

For Jhunjhunwala Jain & Associates LLP

**Chartered Accountants** 

Firm's Registration No: 113675W/W100361

(CA Priteesh Jitendra Jain)

Partner

Membership No.164931

Place: Mumbai Date: 30th May, 2022 Amitabh Kejriwal Managing Director

**Shonit Dalmia** Director

Indrajit Kanase

Company Secretary & Compliance officer R.B. Somany

Chief Finance Officer



## Konark Synthetic Limited Notes to Consolidated Financial Statements for the year ended March 31, 2022 Note 41 Ratio Analysis

Sr	Ratio Analysis	Numerator Amount			Denominator Amount			31-03-22			31-03-21			%	Reason for Change
No.			31-03-22	31-03-21		31-03-22	31-03-21	Numerator	Denomina tor	Ratio	Numerator	Denomina tor	Ratio	Change	where change is more than 25%
1	Current Ratio (in times)	Current Assets Inventories  Sundry Debtors Cash and Bank balances Loans and Advances	4818.48 2012.77 1836.84 4.88 691.87	4577.76 1363.37 2180.18 25.10 624.69	Current Liabilities Creditors for goods and services Short term loans Any other current liabilities	6951.21 1350.21 5363.66 237.34	6976.20 1139.47 5611.01 225.72	4818.48	6951.21	0.69	4577.76	6976.20	0.66	-5.64%	NA
2	Debt Equity Ratio (in times)	Any other current assets Total Debt Total Outside Liabilities	272.62 10060.04	384.42 10580.50	Total Equity Total Shareholders Equity	(1807.19)	(1563.33)	10060.04	(1807.19)	(5.57)	10580.50	(1563.33)	(6.77)	17.75%	NA
3	Debt Service Coverage Ratio (in times)	Net Operating Income Net Profit after tax + non-cash operating expenses like depreciation and other amortizations + Interest+other adjustments like loss on sale of fixed assets.etc.	431.59	223.02	Debt Service Current Debt Obligation (Interst + Installments)	10060.04	10580.50	431.59	10060.04	4.29	223.02	10580.50	2.11	-103.53%	NA
4	Return on Equity Ratio (in %)	Profit for the period Net Profit after taxes - preference dividend (if any)	(391.21)	(1829.02)	Avg. Shareholders Equity (Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	(3709.49)	(2433.65)	(391.21)	(3703.49)	10.59	(1829.02)	(2433.65)	75.16	85.94%	During The Year March'21 Company Sold out one of its Manufacturing Unit
5	Inventory Turnover Ratio (in times)	Cost of Goods sold (Opening Stock + Purchases) – Closing Stock	3170.47	2286.33	Average Inventory (Opening Stock + Closing Stock)/2	1687.82	1785.92	3170.47	1687.82	1.88	2286.33	1785.92	128.02	98.53%	In March'21, The Covid-19 pandemic has caused significant disturbance
6	Trade Receivables Turnover Ratio (in times)	Net Credit Sales Credit Sales	4009.76	1837.69	Average Trade Receivables (Beginning Trade Receivables + Ending Trade Receivables) / 2	2008.51	3445.49	4009.76	2008.51	2.00	1837.69	3445.49	0.53	-275.30%	and slowdown of economic activities globally. The lockdown has resulted in significant reduction in economic
7	Trade Payables Turnover Ratio (in times)	Total Purchases Annual Net Credit Purchases	3830.43	1523.93	Average Trade Payables (Beginning Trade Payables + Ending Trade Payables) / 2	1244.84	1396.87	3830.43	1244.84	3.08	1523.93	1396.87	1.09	-182.05%	activities and also the business operations of the Company in terms of sales and production.
8	Net Capital Turnover Ratio (in times)	Net Sales Total Sales - Sales Return	4009.76	1837.69	Average Working Capital Current Assets - Current Liabilities	(2132.73)	(2398.44)	4009.76	(2132.73)	(1.88)	1837.69	(2398.44)	(0.77)	-145.38%	
9	Net Profit Ratio (in %)	Net Profit Profit After Tax	(391.21)	(1829.02)	Net Sales Sales	4009.76	1837.69	(391.21)	4009.76	(0.10)	(1829.02)	1837.69	(1.00)	90.20%	During The Year March'21 Company Sold out one of its Manufacturing Unit
10	Return on Capital employed (in %)	EBIT Profit before Interest and Taxes	(124.19)	(1564.68)	Capital Employed Total Assets - Current Liabilities	774.20	1436.78	(124.19)	774.20	(0.16)	518.27	2373.73	(1.09)	85.27%	During The Year March'21 Company Sold out one of its Manufacturing Unit
11	Return on Investment (in %)	Return/Profit/Earnings			Investment	-	-	-	-	-	1	ı	-	-	NA



## 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: <a href="mailto:info@konarkgroup.co.in">info@konarkgroup.co.in</a>; Website: www.konarkgroup.co.in

## **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] 38th Annual General Meeting - 28th September, 2022

CIN	I	: L17200MH1984PLC033451						
Name of the Company		: Konark Synthetic Limited						
Registered Office (East),		: Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri Mumbai - 400059						
Naı	me of the Member (s)/ Joint holder (s)	:						
Re	gistered address	:						
Email Id		:						
Folio No/Client Id		:						
DP ID		<u>:</u>						
I/W 1.	e, being a Member(s) of	shares of the above named Company hereby appoint:						
	Address:							
	Email ID:							
		, or failing him/her						
2.	Name:							
	Address:							
	Email ID:							
	Signature:	, or failing him/her						
3.	Name:							
	Address:							
	Email ID:							
		, or failing him/her						

as my/our proxy to attend and vote (on poll) for me/us on my /our behalf at the 38th Annual General Meeting of the Company to be held on Thursday, 28th day of September, 2022 at 3.30 p.m. at the Registered office of the Company at Building No.7, Mittal Industrial Estate, AndheriKurla 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)			
Ordinary Bus	siness:	For	Against	Abstain	
1.	Ordinary Resolutions for adoption of:				
a)	The Standalone Audited Financial Statements for the year ended 31st March, 2022 together with the Reports of the Directors' and the Auditors' thereon; and				
b)	The Consolidated Audited Financial Statements for the financial year ended 31st March, 2022 together with the report of Auditors' thereon.				
2.	Ordinary Resolution for appointment of director in place of Mr. Anshul Agrawal (DIN: 02060092), Non-executive Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.				
Special Busi	ness				
3.	Ordinary Resolution for appointment of Mr. Anshul Agrawal (din: 02060092) as a non-executive director of the company.				
4.	Special Resolution for appointment of Mr. Riyazuddin Khan (din: 02060092) as a non-executive independent director of the company.				
5.	Special Resolution for appointment of Ms. Priyanka Jha (din: 09671850) as a non-executive independent woman director of the company				
6.	Special Resolution for appointment of Mr. Shonit Dalmia (din: 00059650) as managing director of the company.				
7.	Ordinary Resolution for Approval of Material Related Party Transaction with India Denim Limited.				
8.	Ordinary Resolution for Approval of Material Related Party Transaction with Konark Infratech Private Limited.				
9.	Ordinary Resolution for Approval of Material Related Party Transaction with Konark Gujarat PV Private Limited.				
10	Approval of Material Related Party Transaction with Konark Realtech Private Limited.				

Signed thisday of2022	Affix		
Signature of Sharahaldar	Revenue		
Signature of Shareholder:			
Signature of Proxyholder(s):	Re.1		

## Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- 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 SYNTHETIC LIMITED CIN: L17200MH1984PLC033451

Building No.7, Mittal Industrial Estate, AndheriKurla Road, Sakinaka, Andheri (East), Mumbai - 400059. Tel: 022-4089 6300; Fax: 022-4089 6322; Email: <a href="mailto:info@konarkgroup.co.in">info@konarkgroup.co.in</a>; Website: www.konarkgroup.co.in

## ATTENDANCE SLIP

## 38<sup>TH</sup> ANNUAL GENERAL MEETING - 28<sup>TH</sup> SEPTEMBER, 2022

(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 37<sup>th</sup> Annual General Meeting of the KONARK SYNTHETIC LIMITED to be held on the Thursday, 28<sup>th</sup> September, 2022 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

## Notes:

- 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 foe e-voting given along with Annual Report. The Voting period starts from Monday, Sunday, 25 September, 2022 at 9.00 am and end on Tuesday, 27th September, 2022 at 5.00 pm. The voting module shall be disabled by CDSL for voting thereafter.

Third holder



To,

#### Konark Synthetic Ltd.

Building No. 7, Mittal Industrial Estate, Andheri - Kurla Road, Saki-Naka. Andheri [E], Mumbai – 400059.

Dear Sir,

## **Sub: E-MAIL UPDATION FORM**

In view of the MCA Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011, I/we agree to receive all communication from the Company through e-mode: Folio No. DP ID Client ID No. of Shares Name of 1st Registered Holder Name of Joint Holder(s) Registered Address E-mail ID I/we hereby declare that the particulars given herein are true, correct and complete. I/we hereby undertake to promptly inform Konark Synthetic Limited of any changes to the information provided hereinabove. You are requested to please update the same in your records. Thanking you, Yours truly, Signature of holder:

NOTES:

Sole/First holder

1) On registration, all the communication will be sent to the e-mail ID registered in the Folio/DP ID & Client ID.

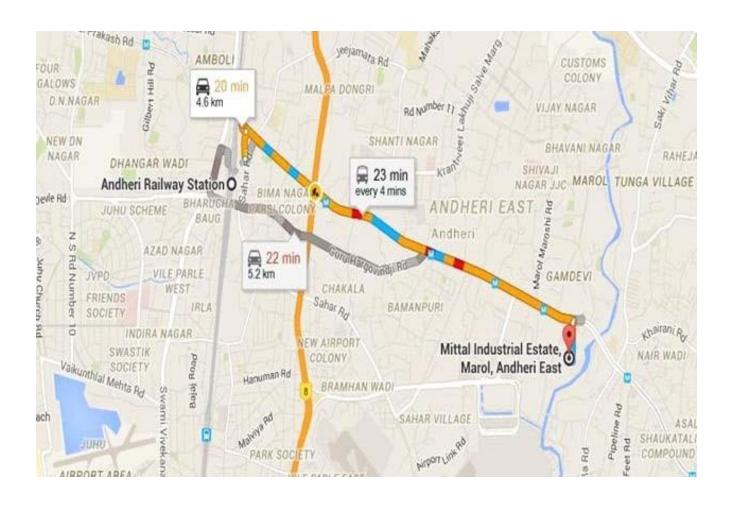
Second holder

- 2) The E-mail updation form is also available on the website www.konarkgroup.co.in
- 3) Kindly submit your e-mail ID by filling up and signing at the appropriate place provided hereinabove and furnishing this form:
  - i) by post; or ii) by way of a scan copy through e-mail at mail@purvashare.com or info@konarkgroup.co.in.

The e-mail ID provided shall be updated subject to successful verification of your signatures.



## **ROUTE MAP OF AGM VENUE**



## If Not Delivered , Please return to :

## KONARK SYNTHETIC LIMITED

Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059. Tel: 022-4089 6300; Fax: 022-4089 6322;

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