



KONARK

Konark Synthetic Limited

**33rd
Annual Report
2016-17**

BOARD OF DIRECTORS AND KMPs

Mr. Prakashchand Dalmia	Chairman
Mr. Amitabh Kejriwal	Managing Director (w.e.f. 1 st April, 2017)
Mr. Mahendra Agarwal	Independent Director
Mr. Satish Deshmukh	Independent Director
Ms. Kavita Bhat	Independent Director (upto 2 nd March, 2017)
Ms. Suvriti Gupta	Independent Director (w.e.f. 1 st April, 2017)
Mr. Ramniwas B. Somany	Chief Financial Officer
Mr. Mehnuddin Khan	Company Secretary & Compliance Officer

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

M/s. M Baldeva Associates
Company Secretaries, Thane

INTERNAL AUDITORS

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

BANKERS

Indian Bank
Corporation Bank

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

PLANT LOCATIONS

SILVASSA UNIT	BENGALURU UNIT	SARIGAM UNIT
Plot No. 25, Silvassa Industrial Co-op. Soc., 66 KVA Sub Station Road, Village: Amli, Dist.: Silvassa - 396230 , (UT of Dadra & Nagar Haveli)	Plot No. 62/4,13,14,15 Begur Road, 11 th Cross, Ward No. 12, Bommanahalli, Bengaluru - 560068	Plot No. 13 To 20, Opp. JBF Industries Limited, G.I.D.C. Industrial Area, Village: Sarigam Taluka - Umargam, Dist. Valsad, Gujarat - 396155

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KONARK SYNTHETIC LIMITED

CIN: L17200MH1984PLC033451

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

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the members of **KONARK SYNTHETIC LIMITED** will be held on Friday, 29th day of September, 2017 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, 2017 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, 2017 together with the reports of Auditors' thereon and in this regard, if thought fit, pass the following resolutions as **ORDINARY RESOLUTIONS**:
 - (a) **"RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2017 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, 2017 together with the Auditors' Report thereon be and are hereby received, considered and adopted."
2. To appoint a Director in place of Mr. Prakashchand Dalmia, Director (DIN:00005813), who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Prakashchand Dalmia (DIN:00005813), Director of the Company, who retired by rotation and being eligible, had offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."
3. To appoint Statutory Auditors of the Company and fix their remuneration and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT pursuant to the provisions of Sections 139(2), 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, M/s. Shrawan Kumar & Co., Chartered Accountants, Mumbai (having FRN:110221W), in place of retiring auditors viz. M/s. Bhufania & Agarwal Associates, Chartered Accountants, Mumbai, be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 (five) consecutive years from the conclusion of the this 33rd Annual General Meeting until the conclusion of the 38th Annual General Meeting of the Company to be held for the year ending 31st March, 2022, subject to the ratification of the members of the Company every year, as applicable, at such remuneration and out of pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. To consider and if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT Ms. Suvriti Gupta (DIN: 07139828), who was appointed as an Additional Independent Director of the Company for a period of 5 years with effect from 1st April, 2017 pursuant to the provisions of Sections 149 and 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company and in respect of whom the Company has received a notice in writing along with the requisite deposit from a member as required under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 to hold office upto 31st March, 2022, who shall not be liable to retire by rotation."
5. 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 as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the appointment of Mr. Amitabh Kejriwal, Whole Time Director of the Company as Managing Director of the Company for a period of 5 (five) years w.e.f. 1st April, 2017 be and is hereby approved on the following terms and conditions:
 - a) The Managing Director shall exercise and perform such powers and duties as the Board of Directors (hereinafter called the "Board") may from time to time determine and subject to any directions and restrictions given and imposed by the Board, shall look after such aspects of the Business of the Company which are assigned to him by the Board and perform the duties that may be delegated to him from time to time, subject to the overall supervision and control of the Board of Directors.
 - b) He shall, throughout the said term, devote appropriate time, attention and abilities to the business of the Company and shall conform to and comply with the directions and regulations issued by the Board and use his utmost endeavor to promote the interest thereof.
 - c) The terms and conditions of his appointment may be varied by the Board of Directors in such manner as may be mutually agreed between the Board and Mr. Amitabh Kejriwal, subject to applicable provisions of the Act.
 - d) The Managing Director shall be entitled for reimbursement of all the expenses that may be legitimately incurred by him for and on behalf of the Company or in conduct of the business / affairs of the Company.

RESOLVED FURTHER THAT remuneration payable to Mr. Amitabh Kejriwal as Managing Director be and is hereby approved for a period of 3 (three) years w.e.f. 1st April, 2017 as follows:

- Remuneration:
 - i. Salary: Rs. 75,000/- per month
 - ii. Perquisites: Rs. 300,000/- 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. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Amitabh Kejriwal as Managing Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds as may be required to give effect to the above resolution."

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

Place: Mumbai
Date: 11th August, 2017

Registered office:

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

Mehnuddin Khan
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.
2. A statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this notice.
3. Members/Proxies are requested to bring duly filled in Attendance slip along with the Annual Report at the Annual General Meeting.
4. Corporate Members are requested to send duly certified copy of the Board resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting (including through e-voting).
5. Pursuant to Regulations 26(4) and 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/re-appointment at the ensuing 33rd Annual General Meeting is annexed to the notice.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd September, 2017 to Friday, 29th September, 2017 (both days inclusive).
7. The Register of Directors and Key Managerial Personnel and their Shareholdings maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
8. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account details along with self-attested documentary proofs. Members holding shares in the demat form may update such details with their respective Depository Participants.
9. In case of joint holders attending the meeting, the joint holder with highest in order of names will be entitled to vote.
10. Members desirous of obtaining any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary & Compliance Officer at the Registered Office of the Company at least seven days in advance of the meeting to enable the Company to provide the information required at the meeting.
11. Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the Company's Registrar & Share Transfer Agents, Purva Shareregistry (India) Pvt. Ltd for consolidation of all such shareholding into one folio to facilitate better services.
12. Members holding shares in physical form are requested to intimate any change in their address or bank mandates immediately to the Company's Registrar & Share Transfer Agents (RTA), viz. Purva Shareregistry (India) Pvt. Ltd., 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai – 400011 quoting their Folio Number and Bank Account details along with self-attested documentary proof. Members holding shares in Demat form may update such details with their respective Depository Participants.
13. The unclaimed dividend in respect of the financial year ended on 31st March, 2010 is due for transfer to the IEPF in month of October, 2017. The shareholders whose dividend remained unclaimed for the financial year 2009-10 and 2010-11 are requested to claim it immediately from the Company. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 30th September, 2016 (date of the previous Annual General Meeting) under "Investor Relations" section on the website of the Company. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: www.mca.gov.in and on the website of IEPF viz. www.iepf.gov.in.

Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

In accordance with the aforesaid provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2009-10 or earlier financial years has not been paid or claimed by the members for 7 (seven) consecutive years or more.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN details to their respective Depository Participants with whom they have their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents of the Company – Purva Shareregistry (India) Pvt. Ltd.
15. 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.
16. 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.

17. To comply with the provisions of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule, 2014, the Company is required to update its database by incorporating some additional details of the members.

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

The e-mail IDs provided shall be updated subject to successful verification of their signatures as per record available with the RTA of the Company.

18. The Notice of the 33rd Annual General Meeting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company/Depository Participants unless member has requested for hard copy of the same. For members who have not registered their email IDs, physical copies of the aforesaid documents are being sent by courier.

19. Route Map for the venue of the 33rd Annual General Meeting of the Company is appearing at the end of the Annual Report.

20. 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 33rd Annual General Meeting to be held on Friday, 29th September, 2017. 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 33rd 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 Tuesday, 26th September, 2017 (10.00 A.M.) and ends on Thursday, 28th September, 2017 (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. Friday, 22nd September, 2017, 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. Friday, 22nd September, 2017.
- (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. Friday, 22nd September, 2017 only shall be entitled to avail the facility of remote e-voting and voting at Meeting through polling papers.
- (f) The Board of Directors of the Company has appointed CS Manish Baldeva (FCS 6180), Proprietor, M/s. M Baldeva Associates, Company Secretaries, Thane, as scrutinizer to conduct and scrutinize the voting through polling papers and remote e-voting in a fair and transparent manner.
- (g) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Friday, 22nd September, 2017, 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 existing user ID and password for casting the vote through e-voting. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com 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 unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of conclusion of the Annual General Meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (j) The results 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.
- (k) Subject to receipt of requisite number of votes in favour, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. Friday, 29th September, 2017.

(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)]:

- a. Log on to the e-voting website <https://www.evotingindia.com>
- b. Now click on "Shareholders" to Login.
- c. Fill up the following details in appropriate boxes
 - i. Now Enter the User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - ii. Next enter the Image Verification as displayed and Click on Login.
 - iii. Members holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then the existing password is to be used.
 - iv. In case Member is a first time user follow the steps given below:

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

- d. After entering these details appropriately, click on "SUBMIT" tab.
 Members holding shares in Physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended to the members not to share their password with any other person and take utmost care to keep the password confidential.
- e. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- f. Click on the EVSN for **KONARK SYNTHETIC LIMITED** on which member choose to vote.
- g. On the voting page, Members will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that the member assent to the Resolution and option NO implies that the member dissent to the Resolution.
- h. Click on the 'Resolution File Link' if the member wishes to view the entire AGM Notice.
- i. After selecting the resolution, the member has decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If the member wishes to confirm their vote, click on "OK", else to change the vote, click on "CANCEL" and accordingly modify the vote.
- j. Once the member 'CONFIRM' their vote on the resolution, they will not be allowed to modify their vote.
- k. Members' can also take out print of the voting done by them by clicking on "Click here to print" option on the Voting page.

- l. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- m. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- n. Note for Institutional Shareholders and Custodian:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Friday, 29th September, 2017.

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

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

In pursuance of Regulations 26(4) and 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 Annual General Meeting are as follows:

Name of Director	Mr. Prakashchand Dalmia	Mr. Amitabh Kejriwal	Ms. Suvriti Gupta
Date of birth	07/09/1954	20/11/1965	01/01/1989
Date of appointment as director	17/07/1984	01/04/2017 (As Managing Director)	01/04/2017
Qualification	Bachelor of Commerce	Bachelor of Commerce	B. Com, MBA (Finance), CFP (Certified Financial Planner).
Experience/Expertise in specific functional area/Brief Resume	He has over 32 years of experience in textile industry.	He has over 25 years of experience in textile industry.	She has over 8 years of experience in Business Management and Finance.
Shareholding in the Company (Equity shares of Rs. 10/- each)	57501 Equity Shares	68200 Equity Shares	Nil
List of Directorship in other entities	1. India Denim Limited 2. KonarkInfratech Private Limited 3. Kayo Investments and Finance Private Limited	1. Konark Infratech Private Limited 2. Kayo Investments and Finance Private Limited	1. India Denim Limited
Membership/Chairmanship of Committees of other listed entities (includes only Audit Committee and Stakeholder's Relationship Committee)	Nil	Nil	Nil

No. of Board Meetings attended during the year	07	07	Not Applicable
Terms and Conditions of re-appointment	He will be liable to retire by rotation.	He is appointed for a period of 5 years.	She will not be liable to retire by rotation.
Remuneration to be paid (if applicable)	Nil	Rs. 9.00 Lakhs p.a. plus perquisites.	Nil
Relationship with any Director (s) of the Company	Not related	Not related	Not related
Justification for appointing as an Independent Director	Not Applicable	Not Applicable	She has over 8 years of experience in Business Management and Finance. Her association would be immense of benefit to the Company and it is desirable to avail services of Ms. Suvriti Gupta as an Independent Director.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

Ms. Suvriti Gupta (DIN: 07139828) being eligible, was appointed as an Additional Independent Director for a period of five years with effect from 1st April, 2017, subject to approval of shareholders at the ensuing Annual General Meeting. She is MBA in Finance and CFP and has experience in Business Management.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Director requires approval of shareholders.

Ms. Suvriti Gupta (DIN: 07139828) has given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notice along with requisite deposit under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Independent Director. Further, she is not disqualified from being appointed as director in terms of Section 164 of the Act and has given her consent to act as Director.

In the opinion of the Board, Ms. Suvriti Gupta (DIN: 07139828) fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and she is independent of the management.

The Nomination and Remuneration Committee has also recommended the appointment of Ms. Suvriti Gupta (DIN: 07139828) as Independent Director for a period of 5 years.

The draft letter for her appointment is available for inspection by members at the registered office of the Company between 11 a.m. to 1 p.m. on any working day of the Company.

The Board recommends the resolution in relation to appointment of Ms. Suvriti Gupta (DIN: 07139828) as an Independent Director, as set out at item no. 4 of the Notice, for the approval by the shareholders of the Company.

Ms. Suvriti Gupta (DIN: 07139828) is not holding any shares in the Company. Except Ms. Suvriti Gupta (DIN: 07139828), being an appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise in the said resolution.

Item No. 5:

Mr. Amitabh Kejriwal (DIN: 00005864) being Whole Time Director of the Company shoulders a huge responsibility.

Upon the recommendation of Nomination and Remuneration Committee and approval of the Audit Committee of the Company, Mr. Amitabh Kejriwal was appointed as Managing Director of the Company for a period of 5 (Five) years w.e.f. 1st April, 2017 on the terms and conditions as set out in resolution no.5 of this Notice, subject to the approval of the members of the Company.

The above remuneration is to be paid as minimum remuneration in absence or inadequacy of profits, subject to the provisions of Schedule V of the Companies Act, 2013.

The Board seeks approval of the members for appointment of Mr. Amitabh Kejriwal as Managing Director for a period of 5 years and remuneration payable to him for a period of 3 years as set out in the Special Resolution at item no. 5 of the Notice.

Except Mr. Amitabh Kejriwal, being an appointee, none of the other Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise in the said resolution.

The details as required under Clause (A) of Part II Section II of Schedule V of the Companies Act, 2013 are given below:

I General Information		
(1)	Nature of industry	Textile
(2)	Date or Expected date of Commencement of Commercial Production	The Company is an existing Company and is in operation since 1984
(3)	In case of new companies, expected date of commencement of activity as per project approved by the financial institution appearing in the prospectus	N.A.
(4)	Financial performance based on given indicators	EPS : Rs. (1.83)/- Return on net worth : (3.62 %)
(5)	Foreign investments or collaborators, if any	Nil
II Information about the Directors		
(1)	Background details	He is B. Com. and has over 25 years of experience in textile industry. Before appointing as Managing Director, he served Company as Whole Time Director for a period of 22 years approximately.
(2)	Past Remuneration	Rs. 8,80,000/- p.a.
(3)	Recognition or awards	-
(4)	Job profile and his suitability	He has been working with the Company as Whole Time Director since 1995 and is actively involved in the Company and manages day to day affairs of the Company. Considering his long association with the Company and his expertise in various areas of business, he is considered best suited for the responsibilities currently assigned to him by the Board of Directors.
(5)	Remuneration proposed	Rs. 9,00,000/- p.a plus perquisites.
(6)	Comparative remuneration size of Company, profile of the position and person	At par with the industry standards in which the Company operates.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any	He does not have any pecuniary relationship directly or indirectly with company and other managerial personnel.
III. Other information		
(1)	Reasons of loss or inadequate profits	Due to unfavorable market conditions the Company incurred loss.
(2)	Steps taken or proposed to be taken for improvement	The Company has taken cost cutting measures to improve profitability.
(3)	Expected increase in productivity and profits in measurable terms	The Company hopes increase in revenue and profits by improved margins in future.

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

Place: Mumbai
Date: 11th August, 2017

Mehnuddin Khan
Company Secretary & Compliance Officer

Registered office:

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

DIRECTORS' REPORT

To

The Members

Konark Synthetic Limited

Your Directors present the 33rd Annual Report together with the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on 31st March 2017.

FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		For the Year ended 31 st March, 2017	For the Year ended 31 st March, 2016	For the Year ended 31 st March, 2017	For the Year ended 31 st March, 2016
1.	Total Revenue	11517.62	11490.73	14320.88	14494.62
2.	Total Expenses	11190.01	10644.95	13029.82	12816.63
3.	Profit before Depreciation & Amortization expenses, Finance Cost and Tax	327.62	845.78	1291.06	1677.99
	Less: Depreciation and Amortization Expenses	332.10	363.32	952.09	985.17
	Less: Finance Cost	472.48	452.51	1290.58	1072.80
4.	Profit before exceptional and extraordinary items and tax	(476.96)	29.95	(951.61)	(379.98)
	Less: Prior Period Expenses	(0.10)	0.03	(0.11)	-
5.	Profit before Exceptional Item & Tax	(476.86)	29.92	(951.50)	(379.98)
	Less: Exceptional Item	338.55	-	338.55	0.03
6.	Profit before tax	(138.31)	29.92	(612.95)	(380.01)
	Less: Provision for tax (Including deferred tax)	(31.93)	13.49	9.71	107.47
7.	Profit after tax	(106.38)	16.43	(622.66)	(487.48)
8.	Less: Minority Interest	-	-	40.60	(159.07)
	Profit/Loss for the period after Minority Interest	-	-	(663.26)	(328.41)
9.	Balance of profit as per last Balance Sheet	1114.70	1098.33	(328.42)	903.92
10.	Balance of profit carried to Balance Sheet	1008.32	1114.70	(622.66)	(328.42)

REVIEW OF BUSINESS OPERATIONS:

During the year under review, the Company earned total revenue of Rs.11517.62 Lakhs as against Rs.11490.73 Lakhs in the previous year. The revenue out of operations earned to Rs.11444.30 Lakhs and other income earned to Rs.73.33 Lakhs. The profit before tax was Rs. (138.31) Lakhs as against Rs.29.92 Lakhs in previous year. The profit after tax was Rs. (106.38) Lakhs as against Rs.16.43 Lakhs in the previous year.

In an unfortunate event, there was a fire occurred at the Silvassa Plant of the Company. The Company has made a claim to the insurance company for compensation of loss occurred due to fire.

TEXTILE DIVISION:

The Primary segment of the Company is Textile and there is no geographic segment as such. During the year under review, the consolidated turnover of the textile division was at Rs. 12892.24 Lakhs as compared to Rs.13002.97 Lakhs in the previous year. The Company continues to focus on measures to improve the efficiency of financial performance of this division.

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

POWER DIVISION:

The Company has one other segment i.e. Power Generation (Energy) which had started in last quarter of the Financial Year 2011-12 operating through its stepdown subsidiary company (upto 30th March, 2017) Konark Gujarat PV Private Limited. During the financial year 2016-17, the revenue earned from power generation activity was Rs.1405.42 Lakhs as compared to Rs. 1450.68 Lakhs in the previous year. The Company continues to focus on cost reduction measures and improve efficiency to pathway the business in this division.

SHARE CAPITAL:

There was no change in Share Capital of the Company during the year 2016-17. As on 31st March, 2017, 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.

PUBLIC DEPOSITS:

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

EXTRACT OF ANNUAL RETURN:

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

BOARD OF DIRECTORS 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. Prakashchand Dalmia (DIN:00005813), 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 Board of Directors of the Company appointed Ms. Suvriti Gupta (DIN No. 07766090) as an Additional Independent Director of the Company for a period of five years w.e.f. 1st April, 2017, subject to approval of shareholders at the ensuing Annual General Meeting. The Company has received a notice along with requisite deposit from a member of the Company under Section 160 of Companies Act, 2013 proposing her candidature for the office of Director of the Company and your Board recommends her appointment.

Mr. Prakashchand Dalmia resigned from the post of Managing Director of the Company w.e.f closing hours of 31st March, 2017, however he continues to be Non-Executive Director of the Company.

Mr. Amitabh Kejriwal (DIN:00005864) Whole Time Director of the Company was elevated as Managing Director of the Company for a period of five years w.e.f. 1st April, 2017, subject to approval of shareholders at the ensuing Annual General Meeting.

Ms. Kavita Bhat resigned from directorship of the Company w.e.f. 2nd March, 2017. The Board places on record its sincere appreciation for the valuable contribution made by her during her tenure as director of the Company.

DECLARATION OF INDEPENDENT DIRECTORS:

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

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

The policy on 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 II'.

ANNUAL PERFORMANCE EVALUATION BY THE BOARD:

Pursuant to the provisions of the Section 134(3) Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and the SEBI (Listing Obligations and Disclosure 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 and 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](http://www.konarkgroup.co.in/investor%20relation/policies/Familiarisation%20programme%20for%20Independent%20Directors).

MEETINGS OF THE BOARD:

The Board meets at regular intervals to discuss and decide on Company / 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 nine times during the financial year, the details of which are given in the Corporate Governance Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2017 and of the loss of the company for that period;
- 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;
- the directors have prepared the annual accounts on a going concern basis;
- 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
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF MANAGERIAL REMUNERATION AND OTHER DETAILS:

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

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

As on 31st March 2017, the Company had two subsidiary companies i.e. India Denim Limited and Trade Bazaar Retail Private Limited and two step down subsidiary companies i.e. Konark Wind Projects Private Limited and Konark Natural Foods Private Limited. During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with the provisions of Section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiaries in the prescribed format AOC-1 is attached herewith and marked as 'Annexure IV'. The statement also provides the details of performance and financial position of each of the subsidiaries.

Konark Infratech Private Limited has issued and allotted further equity shares on preferential basis on 30th March, 2017. After the said allotment, the holding of shares of the Company in the said Konark Infratech Private Limited has decreased below 50%, accordingly this Company ceased to be a subsidiary of the Company with effect from 30th March, 2017 and become associate. Accordingly, Konark Gujarat PV Pvt. Ltd., which was subsidiary of Konark Infratech Private Limited, also ceased to be step down subsidiary of the Company.

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 each of its subsidiaries, 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 companies during business hours on all working days and during the Annual General Meeting.

AUDIT COMMITTEE AND ITS COMPOSITION:

During the year, the Audit Committee comprised of Mr. Mahendra Agarwal, Mr. Satish Deshmukh, Independent Directors and Mr. Prakashchand Dalmia, Director of the Company.

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

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

Other details with respect to Audit Committee are given in Corporate Governance Report.

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

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

The details as required under Section 186 of the Companies Act, 2013 of loans and guarantee made by your Company during the financial year 2016-17 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 REFERENCE TO THE FINANCIAL STATEMENTS:

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

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

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

WHISTLE BLOWER/VIGIL MECHANISM POLICY:

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The details of the Vigil mechanism Policy is explained in the Corporate Governance Report and also posted on the website of the Company. We affirm that during the financial year 2016-17, no employee or director was denied access to the Audit Committee.

SECRETARIAL AUDITORS:

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. M Baldeva Associates, Company Secretaries, Thane to undertake Secretarial Audit of the Company for the year 2016-17. The Secretarial Audit Report is annexed herewith as '**Annexure V**' and forming part of this report.

INTERNAL AUDITORS:

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

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

REMARKS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS:

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

With respect to the observations made by Secretarial Auditors in their report, we would like to state an under:

1. Delay in filing some forms with Registrar of Companies (ROC) was inadvertent; and
2. The Company has not extended any interest free loan, as per the request received from subsidiary company, the Company has not charged interest on loans given to it considering its financial position and the loans given are repayable on demand.

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
- Auditors' Certificate regarding compliance of conditions of Corporate Governance.

LISTING OF SECURITIES:

The Company's shares are listed on BSE Limited (BSE) under the script code 514128. The Company has paid listing fees to BSE Limited for the financial year 2017-2018.

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

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

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

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

ACKNOWLEDGEMENT:

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

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

Place: Mumbai
Date: 30th May, 2017

Prakashchand Dalmia
Chairman
DIN:00005864

Annexure I
EXTRACT OF ANNUAL RETURN

Form No. MGT-9

Extract of Annual Return

(As on the financial year ended on 31st March, 2017)

[Pursuant to Section 92(3) of the Companies Act, 2013 and

Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
Manufacture of Curtains, bed covers and furnishing and Various type of Fabric.	13921	77.08
Manufacture of synthetic or artificial filament yarn, whether or not textured including high tenacity yarn	20303	16.10

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name & Address of the company	CIN / GLN	Holding / subsidiary / associate	%of shares held	Applicable Section
1.	India Denim Limited*	U17110GJ2005PLC046159	Subsidiary Company	61.17%	2(87)(ii)
2.	Konark Infratech Private Limited** (Ceased to be a subsidiary w.e.f 30 th March, 2017)	U45200MH2008PTC177455	Associate Company	26.92%	2(6)
3.	Trade Bazaar Retail Private Limited**	U52500MH2010PTC207113	Subsidiary Company	100%	2(87)(ii)
4.	Konark Gujarat PV Private Limited** (Subsidiary of Konark Infratech Private Limited) (Ceased to be a step down subsidiary w.e.f 30 th March, 2017)	U40101MH2010PTC206540	Subsidiary Company of an Associate	26.92% ##	2(87)(ii)
5.	Konark Wind Projects Private Limited** (Subsidiary of Trade Bazaar Retail Private Limited)	U40101MH2010PTC207023	Step-down Subsidiary Company	100%	2(87)(ii)
6.	Konark Natural Foods Private Limited** (Subsidiary of Trade Bazaar Retail Private Limited)	U15495MH2010PTC206728	Step-down Subsidiary Company	100%	2(87)(ii)

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

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

##Konark Infratech Private Limited holds 100% shares in Konark Gujarat PV Private Limited, whereas Konark Synthetic Limited holds 26.92% shares in Konark Infratech Private Limited.

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

i) Category-wise Share Holding:

Category of shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year(31.03.2017)				% Change during the year
	Demat	Physical	Total Total Shares	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
1. Indian									
a. Individual/ HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	16,96,850	-	16,96,850	29.22	16,96,850	-	16,96,850	29.22	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other(Specify)	-	-	-	-	-	-	-	-	-
f-i Directors	1,25,701	-	1,25,701	2.16	1,25,701	-	1,25,701	2.16	
f-ii Directors Relatives	25,32,866	-	25,32,866	43.61	25,32,866	-	25,32,866	43.61	
Sub-total(A) (1):-	43,55,417	-	43,55,417	74.99	43,55,417	-	43,55,417	74.99	-
2. Foreign	-	-	-	-	-	-	-	-	-
a. NRI- Individual	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank/ FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub-total(A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1) + (A)(2)	43,55,417	-	43,55,417	74.99	43,55,417	-	43,55,417	74.99	-
B. Public Shareholding									
1. Institution									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIIs -	-	-	-	-	-	-	-	-	-
h. Foreign Portfolio Corporate	-	-	-	-	-	-	-	-	-
i. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
j. Others	-	-	-	-	-	-	-	-	-
Sub- Total –B(1)	0	0	0	0	0	0	0	0	-
2. Non-Institutions									
a. Body Corp.									
i. Indian	94,133	9,400	1,03,533	1.78	1,00,693	9,400	1,10,093	1.89	0.11
ii. Overseas									
b. Individual									
a. i. Individual shareholders holding nominal share capital upto Rs. 1lakh	4,01,032	1,77,353	5,78,385	9.96	3,44,558	1,76,653	5,21,211	8.97	(0.99)
ii. Individual shareholders holding nominal share capital in excess of Rs.1lakh	6,81,100	-	6,81,100	11.73	7,36,121	-	7,36,121	12.67	0.94
c. Others									
(i) NRI (Rep& Non-Rep.)	14,850	-	14,850	0.26	3,450	-	3,450	0.06	(0.20)
(ii) Hindu Undivided Family	73,961	-	73,961	1.27	74,760	-	74,760	1.29	0.02
(iii) Clearing Member	754	-	754	0.01	6,948	-	6,948	0.12	0.11
Sub-total B (2)	12,65,830	1,86,753	14,52,583	25.01	12,66,530	1,86,053	14,52,583	25.01	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	12,65,830	1,86,753	14,52,583	25.01	12,66,530	1,86,053	14,52,583	25.01	-
C. Shares held by Custodians for GDR's and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	56,21,247	1,86,753	58,08,000	100.00	56,21,947	1,86,053	58,08,000	100.00	-

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	
1.	Mrs. Rakadevi Dalmia Jt. with Mr. Prakashchand Dalmia (HUF)	12,34,128	21.25	-	12,34,128	21.25	-	-
2.	Kayo Investment and Finance Pvt. Ltd.	8,56,850	14.75	-	8,56,850	14.75	-	-
3.	Mrs. Rakadevi Dalmia	8,73,963	15.05	-	8,73,963	15.05	-	-
4.	Filmore Trading & Investment Private Limited	8,40,000	14.46	-	8,40,000	14.46	-	-
5.	Mr. Prakash Chand Dalmia (HUF)	3,36,600	5.80	-	3,36,600	5.80	-	-
6.	Mr. Amitabh Kejriwal	68,200	1.17	-	68,200	1.17	-	-
7.	Ms. Smita Kejriwal	60,900	1.05	-	60,900	1.05	-	-
8.	Mr. Prakashchand Dalmia	57,501	0.99	-	57,501	0.99	-	-
9.	Mr. Shonit Prakash Dalmia	26,475	0.46	-	26,475	0.46	-	-
10.	Ms. Shikha Dalmia	800	0.01	-	800	0.01	-	-
	Total	43,55,417	74.99	-	43,55,417	74.99	-	-

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

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

Sr. No	Shareholders' Name	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (As on 31.03.2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Harsh Subhash Vaid				
A	At the beginning of year	245,000	4.21	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	245,000	4.21
2	M/s.Spanco Respondez Services Limited				
A	At the beginning of year	80,000	1.37	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	80,000	1.37
3	Mr. Shreekant Khaitan				
A	At the beginning of year	77,000	1.32	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	77,000	1.32
4	Ms. Nupur Sanjay Jhunjhunwala				
A	At the beginning of year	52,700	0.90	-	-
B	Change during the year	No change during the year			
C	At the end of year	-	-	52,700	0.90

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

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (As on 31.03.2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Prakashchand Dalmia				
	At the beginning of year	57,501	0.99	-	-
	Change during the year	No Change during the year			
	At the end of year	-	-	57,501	0.99
2.	Mr. Amitabh Kejriwal				
	At the beginning of year	68,200	1.17	-	-
	Change during the year	No Change during the year			
	At the end of year	-	-	68,200	1.17

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

V. INDEBTEDNESS

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

(Rs. in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
1) Principal Amount	3117.12	2062.11	0	5157.73
2) Interest due but not paid	0	0	0	0
3) Interest accrued but not due	5.47	0	0	5.47
Total of (1+2+3)	3122.59	2062.11	0	5184.70
Change in Indebtedness during the financial year				
+ Addition	314.32	1006.65	0	1320.97
-Reduction	263.93	693.33	0	957.26
Net change	50.44	1748.79	0	363.71
Indebtedness at the end of the financial year (31.03.2017)				
1) Principal Amount	3167.57	1748.79		4916.36
2) Interest due but not paid		0		
3) Interest accrued but not due	7.34	0		7.34
Total of (1+2+3)	3174.91	1748.79		4923.70

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

(Rs. in Lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTM/Manager		
		Mr. Prakashchand Dalmia	Mr. Amitabh Kejriwal	Total Amount
		Chairman and Managing Director	Whole Time Director	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	9.00	6.60	15.60
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	4.30	2.20	6.50
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission- As % of Profit- Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	13.30	8.80	22.10
	Ceiling as per the Act	Rs. 168 Lakhs.		

B. Remuneration of other directors:

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors			
		Independent Directors			
		Mr. Mahendra Agarwal	Mr. Satish Deshmukh	Ms. Kavita Bhat	Total Amount
1	Independent Directors				
	• Fee for attending Board/committee meetings				
	• Commission				
	• Others	---	---	---	---
	Total (B)	-	-	-	-
	Ceiling as per the Act	Nil			
	Overall ceiling as per the Act	Rs. 168Lakhs.			

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

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the KMP		Total Amount
		Mr. Ramniwas Somany(CFO)	Mr. Mehnuddin Khan (Company Secretary)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	8.13	2.79	10.92
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission- As % of Profit- Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	8.13	2.79	10.92

IV. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Prakashchand Dalmia
Chairman
DIN:00005813

Place: Mumbai
Date: 30th May, 2016

Annexure II**POLICY ON CRITERIA FOR APPOINTMENT OF DIRECTORS, EVALUATION OF PERFORMANCE AND REMUNERATION****OBJECTIVE OF THE POLICY:**

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

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

CRITERIA FOR APPOINTMENT OF DIRECTORS:

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

Appointment of Directors:

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

Qualifications:

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

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

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

1. He/she should be financially literate, which means he/she possess the ability to read and understand basic financial statements i.e. Balance Sheet, 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 appointed as Director if he/she possesses the disqualifications as contained under Section 164 (1) of the Companies Act, 2013.

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

CRITERIA FOR FIXING THE REMUNERATION:

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

GUIDING PRINCIPLES:

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

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

CRITERIA FOR MAKING PAYMENTS TO SENIOR MANAGEMENT:

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

CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

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

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

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

CRITERIA FOR PERFORMANCE APPRAISAL/ EVALUATION PROCESS OF INDEPENDENT DIRECTOR:

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

Guiding principles:

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

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

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

1. review the performance of non-independent directors and the Board as a whole;
2. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
3. assess the quality, quantity and timeliness of flow of information between the company management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

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

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

DISCLOSURE OF INFORMATION:

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

Annexure III

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 2016-17, the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016-17:-		
Sr. No.	Name of the Director / KMP	Ratio of remuneration to the median remuneration of the employees	% Increase / (Decrease) over last F.Y.
1.	Mr. Prakashchand Dalmia (Chairman & Managing Director)*	14.89:1	10.94%
2.	Mr. Amitabh Kejriwal (Whole-Time Director)**	09.85:1	0.01%
3.	Mr. Ramniwas Somany (Chief Financial Officer)	09.85:1	36.43%
4.	Mr. Mehnuddin Khan (Company Secretary & Compliance Officer)	03.51:1	25.00%
Note: Non-Executive Directors of the Company are not paid any sitting fees or commission. Cease from the post of Managing Director of the Company from the closing hours w.e.f. 31 st March, 2017. Appointed as Managing Director of the Company w.e.f. 1 st April, 2017.			
(ii)	The percentage increase in the median remuneration of employees in the financial year		(16.33%)
(iii)	The number of permanent employees on the rolls of the company		477
(iv)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.		Average percentile increase in Employee's other than managerial remuneration is (8.16%) while managerial remuneration is increased by 6.32%.

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

(i) Details of top ten employee 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)	Experience (In Years)	Date of Employment	Gross Remuneration Paid (Amt in Rs.)	Previous Employment and Designation
Mr. Prakashchand Dalmia	Chairman & M D	B.Com	63	32	17.07.1984	13,30,000	-
Mr. Amitabh Kejriwal	Whole Time Director	B.Com	52	23	28.02.1995	8,80,000	-
Mr. R.B. Somany	CFO	B.Com	54	30	26.12.1995	8,80,000	G.M (Commercial) in Matule Syntex Ltd
Mr. A. K. Singhal	General Manager	CA	65	40	01.04.2006	8,55,000	-
Mr. Dinesh Didwania	Sales Manager	S.Y.B.Com	49	22	01.04.1995	5,92,000	-
Mr. Dwarka Prasad Agrawal	Accounts Manager	CA	32	48	20.09.2017	4,70,975	CFO in Resonance Specialty Ltd.
Mr. Lalmani Yadav	Sales Executive	B.A	42	20	03.11.1997	4,52,000	-
Mr. Karunakar Sherigar	Chief Accountant	B.Com	51	28	15.04.2009	4,43,161	Accountant in Vengaboys Timetech Ltd.
Mr. G. L. Rajgar	Factory Manager	B.A	55	32	20.09.1990	4,10,400	Black Rose India Ltd as Senior Logistics Limited
Mr. Manish Jain	Factory Manager	B.Com, LLB	44	21	14.11.2010	3,72,000	Commercial Manager in Tikko Industries Ltd.

Notes:

1. All appointments are permanent except of Managing Director and Whole Time Director whose 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.

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

Place: Mumbai
Date: 30th May, 2017

Prakashchand Dalmia
Chairman
DIN:00005813

Annexure-IV**Form AOC-I**

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

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

Part "A" Subsidiaries

(Rs. In Lakhs)

Particulars	India Denim Limited	Trade Bazaar Retail Pvt. Ltd.	**Konark Wind Projects Pvt. Ltd.	**Konark Natural Foods Pvt. Ltd.
Reporting Period	31/03/2017	31/03/2017	31/03/2017	31/03/2017
Share Capital	1144.59	1.00	1.00	1.00
Reserves & Surplus	(1382.82)	(0.66)	(0.34)	(49.85)
Total Assets	6912.66	41.57	39.37	104.13
Total Liabilities	7150.88	41.23	38.70	152.99
Investments(except in subsidiary companies)	-	-	-	-
Turnover	1262.81	-	-	185.13
Profit/(Loss) before Taxation	(593.36)	(0.15)	(0.16)	(10.53)
Provision for Taxation	-	-	-	0.35
Profit/(Loss) after Taxation	(593.41)	(0.15)	(0.16)	(10.88)
Proposed Dividend	-	-	-	-
% of Shareholding	61.17	100.00	100.00	100.00

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

1. Name of subsidiaries which are yet to commence operations:

- Trade Bazaar Retail Pvt. Ltd.
- Konark Wind Projects Pvt. Ltd.

2. Name of subsidiaries which have been liquidated 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	Koanrk Infratech Private Limietd
Latest audited Balance Sheet Date	31 st March,2017
Shares of Associate held by the company on the year end	
i) No. of shares held as on 31 st March, 2017	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	Not Applicable
Net Worth attributable to Shareholding as per latest audited Balance Sheet	Rs. 259.44
Profit / Loss for the year	Rs. 88.45
i) Considered in Consolidation	Rs. 87.97
ii) Not Considered in Consolidation (Unaudited)	Rs. 0.48

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
Konark Synthetic Limited**

**Amitabh Kejriwal
Managing Director**

**Prakashchand Dalmia
Chairman**

**Place: Mumbai
Date: 30th May, 2017**

**Mehnuddin Khan
Company Secretary
& Compliance Officer**

**Ramniwas B. Somany
Chief Financial Officer**

Annexure - V

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

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

To,

The Members,

Konark Synthetic Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Konark Synthetic Limited** (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluation of the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (iv) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (vi) 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;
 - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period); and
 - (ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As informed and certified by the management, there are no laws that are specifically applicable to the business activities carried on by the Company based on its sector/ industry.

I have also examined compliance with the applicable clause/regulations of the following:

- (i) Secretarial Standards (SS – 1 and SS – 2) issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreement entered into with the stock exchange, where shares of the Company are listed.

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

- i. Delay in filling of some e-forms with the Registrar of Companies; and
- ii. the Company has extended some loans which are interest free and there is no stipulation as to repayment of loans given, which

is not in compliance with the provisions of Section 186 of the Act.

I further report that

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no major corporate event having a major bearing on the company's affairs.

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva
Proprietor
M. No. FCS 6180
C.P. No. 11062

Place : Thane
Date: 30th May, 2017

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

'Annexure I'

To,
The Members,
Konark Synthetic Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Wherever required, I have obtained Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva
Proprietor
M. No. FCS 6180
C.P. No. 11062

Place : Thane
Date: 30th May, 2017

Annexure VI

Statement of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo pursuant to the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

CONSERVATION OF ENERGY:**A) Energy Conservation measures taken:**

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

B) Impact of the above measures:

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

TECHNOLOGY ABSORPTION:**Research & Development (R & D):****(i) Specific areas in which R&D is carried out by the Company:**

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

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

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

(iii) Future plan of action:

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

Expenditure on Research and Development:

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

Technology Absorption, Adoption & Innovation:**(i) Efforts in brief made towards technology absorption, adaptation and innovation.**

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

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in Lakhs)

Particulars	2016-17	2015-16
Foreign Exchange Earning	0.00	0.00
Foreign Exchange Outgo	0.00	0.94

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

Place: Mumbai
Date: 30th May, 2017

Prakashchand Dalmia
Chairman
DIN:00005813

ADDENDUM TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

**To the Members,
Konark Synthetic Limited**

Following para be inserted in and be read with the Directors' Report dated 30th May, 2017:

STATUTORY AUDITORS:

M/s. Bhuwania & Agarwal Associates, Chartered Accountants, Mumbai (having Firm Registration No. 101483W), the Statutory Auditors of the Company hold office until the conclusion of the ensuing 33rd Annual General Meeting. The Company has proposed to appoint M/s. Shrawan Kumar & Co., Chartered Accountants, Mumbai (having Firm Registration No. 110221W), as the Statutory Auditors of the Company for a period of 5 (five) consecutive years i.e. from the conclusion of the ensuing 33rd Annual General Meeting upto the conclusion of 38th Annual General Meeting of the Company to be held for the financial year ending on 31st March, 2022.

The Company has received a letter from them to the effect that they are willing to act as Statutory Auditors, if appointed, and their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and they are not disqualified from being appointed as Statutory Auditors.

Your Directors recommend the appointment of M/s. Shrawan Kumar & Co., Chartered Accountants, Mumbai (having FRN: 110221W), as Statutory Auditors of the Company to hold office from the conclusion of the ensuing 33rd Annual General Meeting up to the conclusion of 38th Annual General Meeting of the Company, subject to ratification by the members of the Company every year.

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

**Place: Mumbai
Date: 11th August, 2017**

**Prakashchand Dalmia
Chairman
DIN:00005813**

MANAGEMENT DISCUSSION AND ANALYSIS**1. Industry structure and developments:****TEXTILE BUSINESS:**

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

POWER SECTOR BUSINESS:

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

2. Opportunities and Threats:

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

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

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

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

3. Performance**Overall performance**

The overall performance during the year 2016-17 was not satisfactory due to sluggish demand and increase in cost. The details of financial performance is given in Directors Report.

Business Review

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

Financial Review

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

The company has entered in Power Generation (Energy) sector in last quarter of the Financial Year 2011-12 operating through its step down subsidiary company Konark Gujarat PV Private Limited (Ceased to be subsidiary w.e.f 30th March, 2017), revenue of this segment increase positively. During the financial year 2016-17, the revenue earned from power generation activity was Rs.1405.42 Lac as compared to Rs.1450.68 Lac in the previous year.

4. Segment –Wise performance:

Segment wise performance together with discussion on financial performance with reference to operational performance has been

dealt within the Directors' Report which should be treated as forming part of this Management Discussion and Analysis.

5. Outlook:

TEXTILE DIVISION:

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

POWER DIVISION:

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

6. Risk and Concerns:

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

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

7. Internal Control System & Adequacy:

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

8. Human Resource Development:

Your Company gives utmost importance to Human Resource. It considers Human Resource as Human Capital and believes in development of Human Resource. Over the years, your Company has developed an environment, which fosters excellence in performance by empowering its people, who are always on continuous improvement path with an ultimate aim to add value to their intellectual and knowledge resources. The key focus is to attract, retain and develop talent as a resource through rewards mechanism, performance evaluation and harmonious & constructive working climate. During the year 2016-17, the Company had 477 permanent employees on its payroll.

9. Cautionary Statement:

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

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

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

2. BOARD OF DIRECTORS:**a) Composition:**

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. As on 31st March, 2017, the Board of Directors comprised of total Four Directors out of which two were Non-Executive / Independent Directors and two were Executive Directors. The Company complies with the norms prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time for constitution of Board of Directors.

Mr. Prakashchand Dalmia resigned from the post of Managing Director of the Company w.e.f closing hours of 31st March, 2017, however he continues as Non-Executive Director of the Company.

Mr. Amitabh Kejriwal (DIN:00005864) Whole Time Director of the Company was appointed as Managing Director of the Company for a period of five years w.e.f. 1st April, 2017, subject to approval of shareholders at the ensuing Annual General Meeting.

Ms. Kavita Bhat, Independent Director resigned from directorship of the Company w.e.f. 2nd March, 2017.

Ms. Suvriti Gupta (DIN No. 07766090) was appointed as an Independent Director of the Company for a period of five years w.e.f. 1st April, 2017 to 31st March, 2022, subject to approval of shareholders at the ensuing Annual General Meeting.

b) Board Procedure:

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

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

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

During the year ended on 31st March, 2017, the Board of Directors had 9(Nine) meetings which were held on 30th April, 2016, 30th May, 2016, 1st July, 2016, 12th August, 2016, 14th September, 2016, 30th September, 2016, 11th October, 2016, 14th November, 2016, 14th February, 2017. The last Annual General Meeting (AGM) was held on 30th September, 2016.

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2016-17 and at the last Annual General Meeting, their Directorships in other companies and Membership / Chairmanship in Committees are as follows:

Name/Category/ Executive Director/ Promoters	Attendance at Board Meetings		No. of directorships in other public Companies (excluding this Company)	Membership / Chairmanship of Committees (including this Company)		Attendance at A.G.M. held on 30 th September, 2016
	Held	Attended		Chairman	Member	
Mr. Prakashchand Dalmia (Chairman & Managing Director and Promoter)	9	9	1	-	3	Yes
Mr. Amitabh Kejriwal (Whole-Time Director)	9	9	0	-	1	Yes
Non- Executive/ Independent Directors						
Mr. Satish Deshmukh	9	9	0	-	-	Yes
Mr. Mahendra Agrawal	9	9	1	3	-	Yes
Ms. Kavita Bhat (Resigned w.e.f 2 nd March, 2017)	9	9	0	-	-	Yes

Notes:

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

d) Disclosure of relationship between directors inter se:

None of the directors are related with each other.

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

As on 31st March, 2017, no Non-Executive Director held any share/convertible instruments in the Company.

f) Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 14th February, 2017 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole and the flow of information between the Board and the Management of the Company.

g) Directors Familiarization Programme:

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

The induction process is designed to:

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

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

3. AUDIT COMMITTEE:
a) Composition:

The Board has constituted a well-qualified Audit Committee. As on 31st March, 2017, the Audit Committee comprised of Mr. Mahendra Agarwal and Mr. Satish Deshmukh, Independent Directors and Mr. Prakashchand Dalmia, Chairman and Managing Director as its Members. Mr. Mahendra Agarwal is the Chairman of the Committee.

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

b) Meeting and attendance during the year:

During the financial year, the Audit Committee met 4 (Four) times viz. 30th May, 2016, 12th August, 2016, 14th November, 2016, 14th February, 2017. As stipulated the gap between two Audit Committee Meetings did not exceed 120 days.

The attendance of the members at the Audit Committee Meetings held during the financial year 2016-2017 is as follows:

Name of the Member	Designation	No. of Meetings held	Meetings Attended
Mr. Mahendra Agarwal	Chairman	4	4
Mr. Satish Deshmukh	Member	4	4
Mr. Prakashchand Dalmia	Member	4	4

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

The terms of reference of the Audit Committee are as per Regulation 18 and Schedule II of Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. These broadly includes (i) Develop an annual plan for Committee (ii) review of financial reporting processes (iii) review of risk management, internal control and governance processes (iv) discussions on quarterly, half yearly and annual financial statements (v) interaction with statutory, internal and cost auditors (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.

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

- Matters to be included in the Director's Responsibility Statement.
- Changes, if any, in the accounting policies.

- Major accounting estimates and significant adjustments in financial statement.
- Compliance with listing and other legal requirements concerning financial statements.
- Disclosures in financial statements including related party transactions.
- Management's Discussions and Analysis of Company's operations.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Periodical review of Internal Audit Reports.
- Findings of any special investigations carried out either by the Internal Auditors.
- Letters of Statutory Auditors to management on internal control weakness, if any.
- Major non routine transactions recorded in the financial statements involving exercise of judgment by the management.
- Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory auditors considering their independence and effectiveness, and recommend the audit fees.

4. **NOMINATION AND REMUNERATION COMMITTEE:**

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

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

The Committee is empowered to—

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

b) **Composition:**

As on 31st March, 2017, the Nomination and Remuneration Committee comprise of Mr. Mahendra Agarwal, Mr. Satish Deshmukh, and Mr. Prakashchand Dalmia, Chairman and Managing Director. Mr. Mahendra Agarwal is Chairman of the Committee.

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

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

During the financial year 2016-17, the Nomination and Remuneration Committee met 2 (Two) times viz. 30th May, 2017 and 14th February, 2017. The attendance of the Committee is as follows:

Name of the Member	Designation	No. of meeting	
		Held	Attended
Mr. Mahendra Agarwal	Chairman	2	2
Mr. Satish Deshmukh	Member	2	2
Mr. Prakashchand Dalmia	Member	2	2
Ms. Kavita Bhat (Resigned w.e.f 2 nd March, 2017)	Member	2	2

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

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

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

e) **Remuneration Policy:**

The details of the Remuneration policy forms part of this Annual Report.

5. REMUNERATION OF DIRECTORS:

- The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2016-2017.
- The Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by them of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managing Director) Rules, 2014.
- Details of remuneration/sitting fees paid and number of Equity shares held by the Directors during the year ended 31st March, 2017 are as follows:

(Amount in Rs.)

Name	Salary	Perquisites or Allowances	Contribution to PF & Others	Sitting Fees	Total	No. of Shares Held
Mr. Prakashchand Dalmia	9,00,000	4,30,000	Nil	Nil	13,30,000	57,501
Mr. Amitabh Kejriwal	6,60,000	2,20,000	Nil	Nil	8,80,000	68,200
Mr. Mahendra Agarwal	-	-	-	-	-	-
Mr. Satish Deshmukh	-	-	-	-	-	-
Ms. Kavita Bhat (Resigned w.e.f 2 nd March, 2017)	-	-	-	-	-	-

Notes:

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

6. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

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

During the financial year 2016-17, the Stakeholder's Relationship Committee met four times on 30th May, 2016, 12th August, 2016, 14th November, 2016 and 14th February, 2017.

The composition and attendance of the members at the Stakeholder's Relationship Committee Meetings held during the financial year 2016-2017 are as follows:

Name of the Member	Designation	No. of Meetings held	Meetings Attended
Mr. Mahendra Agarwal	Chairman	4	4
Mr. Prakashchand Dalmia	Member	4	4
Mr. Amitabh Kejriwal	Member	4	4

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

Name and designation of Compliance Officer:

Mr. Mehnuddin Khan, Company Secretary and Compliance officer

The details of investors' complaints received and redressed during the year 2016-17 are as under:

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

7. SUBSIDIARY COMPANIES

As on 31st March, 2017, the Company has two subsidiaries and two steps down subsidiaries, viz.:

- Subsidiary companies:
 - India Denim Limited

2. Trade Bazaar Retail Private Limited
- b) Step down subsidiary companies:
 1. Konark Wind Projects Private Limited
(Wholly owned subsidiary of Trade Bazaar Retail Private Limited)
 2. Konark Natural Foods Private Limited
(Wholly owned subsidiary of Trade Bazaar Retail Private Limited)

As on 31st March, 2017, India Denim Limited was falling under "Material non-listed Indian subsidiary".

Konark Infratech Private Limited ceased to be subsidiary w.e.f. 30th March, 2017 accordingly Konark Gujarat PV Private Limited ceased to be step subsidiary of Konark Synthetic Limited.

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

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

The policy of the Company is available on the website of the Company www.konarkgroup.co.in.

8. VIGIL MECHANISM POLICY/ WHISTLE BLOWER MECHANISM:

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

E-mail	:	info@konarkgroup.co.in
Phone No.	:	022 40896300
Fax Number	:	022 40896322
Written Communication to	:	Building No. 7, Mittal Industrial Estate, Saki Naka, Andheri (East) Mumbai – 400059

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

Objectives of Vigil Mechanism Policy/ Whistle Blower Mechanism:

- To protect the brand, reputation and assets of the Company from loss or damage, resulting from suspected or confirmed incidents of fraud / misconduct.
- To provide guidance to the employees, vendors and customers on reporting any suspicious activity and handling critical information and evidence.
- To provide healthy and fraud-free work culture.

Working of Vigil Mechanism Policy/ Whistle Blower Mechanism:

The Committee under the control of Audit Committee is responsible for:

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

The Audit Committee reports to the Board of Directors.

9. GENERAL BODY MEETINGS:

a) Annual General Meetings:

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

Financial Year	AGM	Date of AGM	Time	Venue
2015-16	32 nd AGM	30 th September, 2016	03.30 p.m.	Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri(East), Mumbai - 400 059.
2014-15	31 st AGM	30 th September, 2015	03.30 p.m.	Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri(East), Mumbai - 400 059.
2013-14	30 th AGM	30 th September, 2014	03.30 p.m.	Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri(East), Mumbai - 400 059.

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

Date of AGM	Particulars of Special Resolutions
30 th September, 2016	Nil
30 th September, 2015	<ul style="list-style-type: none"> Re-appointment of Mr. Amitabh Kejriwal as Whole-time-Director of the Company for a period of 3 (Three) years w.e.f 1st April, 2015.
30 th September, 2014	<ul style="list-style-type: none"> Authority to the Board of Directors to borrow money, whether secured or unsecured, exceeding aggregate of the paid up capital and free reserves subject to maximum limit of Rs.500 Crores. Authority to the Board of Directors to create mortgages / charges / hypothecation on all or any of the immovable and/or movable assets of the Company, both present and future up to an amount as approved by the shareholders of the company under section 180(1)(c) of the Companies Act, 2013. Adoption of new set of Article of Association of the Company.

c) Postal Ballot :

During the year 2016-17, there was no special resolution passed through postal ballot process.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting are required to be passed through Postal Ballot.

10. MEANS OF COMMUNICATIONS:

- The quarterly, half-yearly and yearly financial results of the Company are published in "Financial Express", "Business Standard" and "Mumbai Lakshadeep".
- Website:** The Company's website viz. www.konarkgroup.co.in contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.
- News releases, presentations, among others:** All Corporate Announcements made to the Stock Exchange during the year 2016-17 are available on the website of the Company. The Company has not made any presentations to Institutional Investors or to the Analysts and has not given any press release during the year under review.

11. GENERAL SHAREHOLDERS' INFORMATION

a. Annual General Meeting

Date	: Friday, 29 th September, 2017
Time	: 3.30 p.m.
Venue	: Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 059.

b. Financial Year : April to March

c. Dividend Payment N.A.

d. Financial Calendar 2017-18

Event	Due Date
Financial Results for the quarter ended 30 th June, 2017	On 14 th September, 2017
Financial Results for the quarter ending 30 th September, 2017	By 14 th November, 2017
Financial Results for the quarter ending 31 st December, 2017	By 14 th February, 2018
Audited Financial Results for the quarter and year ending 31 st March, 2018	By 30 th May, 2018 (Audited).
Annual General Meeting for the year ending on 31 st March, 2018	By 30 th September, 2018

- e. **Date of Book Closure** : Saturday, 23rd September, 2017 to Friday, 29th September, 2017 (both days inclusive)
- f. **Listing on Stock Exchange** : BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- g. **Listing Fees** : The Company has paid the necessary listing fees to BSE Limited for the year 2017-18.
- h. **Stock Code** : 514128
- i. **Scrip Id** : KONARKSY
- j. **ISIN** : INE517D01019
- k. **Cut-off date for remote e-voting** :

The remote e-voting /voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. Friday, 22nd September, 2017

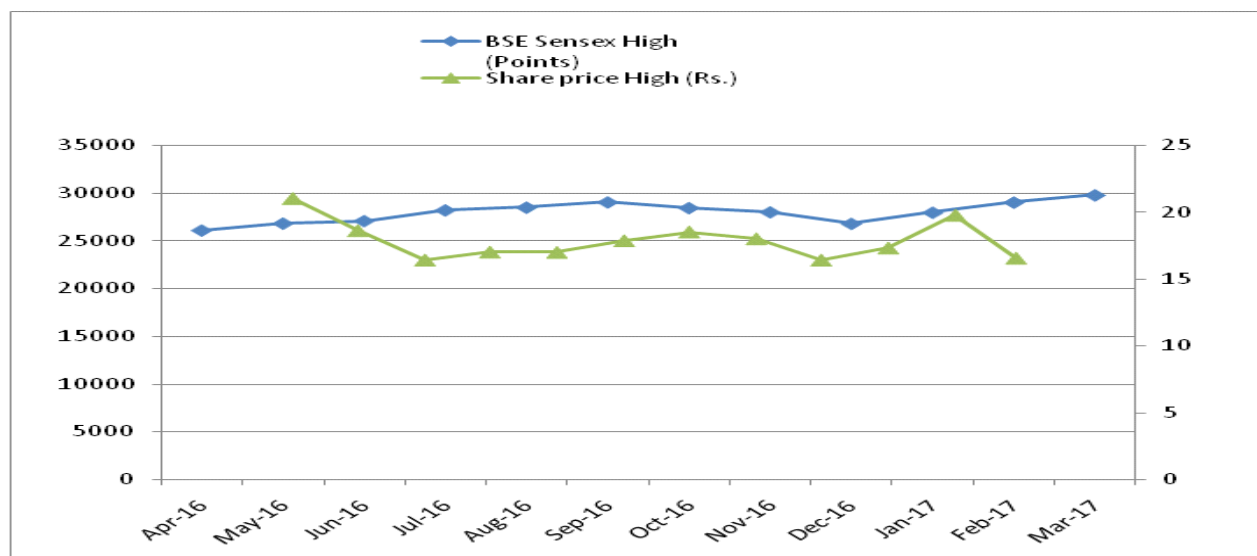
l. Market Price Data:

The monthly high / low market price of the shares during the financial year 2016-17 at the BSE Limited were as under:-

Month	Volume (No. of Shares)	BSE Sensex		Share price	
		High (Points)	Low (Points)	High (Rs.)	Low (Rs.)
Apr-16	1,850	26,100.54	24,523.20	21.00	15.45
May-16	6,720	26,837.20	25,057.93	18.60	12.90
Jun-16	8,595	27,105.41	25,911.33	16.40	14.35
Jul-16	9,932	28,240.20	27,034.14	17.00	13.60
Aug-16	2,748	28,532.25	27,627.97	16.98	14.02
Sep-16	3,192	29,077.28	27,716.78	17.85	13.90
Oct-16	10,071	28,477.65	27,488.30	18.50	14.40
Nov-16	3,777	28,029.80	25,717.93	18.00	12.65
Dec-16	16,136	26,803.76	25,753.74	16.40	12.80
Jan-17	31,420	27,980.39	26,447.06	17.30	12.62
Feb-17	12,528	29,065.31	27,590.10	19.75	15.40
Mar-17	5,816	29,824.62	28,716.21	16.55	14.90

* Source: www.bseindia.com

m. Performance of Konark Synthetic Limited share price in comparison to BSE Sensex for the financial year ended 31st March, 2017.



n. Trading of Securities:

The securities of the Company were not suspended from trading during the year 2016-17.

o. Unclaimed Dividends:

As per the provisions of Section 124 of the Companies Act, 2013 (Section 205C of the Companies Act, 1956), any dividend remained unpaid / unclaimed for a period of seven years, needs to be transferred to the Investor Education and Protection Fund administered by the Central Government. The unpaid/unclaimed dividends upto the financial years 2006-2007 have been transferred to the said fund. The members who have not claimed their dividend for the year 2009-10 and 2010-11 may write to the Company immediately.

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

Year	Dividend Rate per share	Date of Declaration	Due Date for transfer to IEPF
2009-10	Re.0.50	24 th September, 2010	30 th November, 2017
2010-11	Re.0.75	26 th September, 2011	02 nd December, 2018

o. Registrar and Share Transfer Agents:**Purva Sharegistry (India) Private Limited**

Unit: Konark Synthetic Limited,
9, Shiv Shakti Industrial Estate,
J. R. BorichaMarg, Lower Parel (East),
Mumbai – 400011
Tel. No.: 2301 6761/8261, Fax No.: 2301 2517
E-Mail: busicomp@vsnl.com

p. Share Transfer System:

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

q. Shareholding Pattern as on 31st March, 2017:

Sr. No.	Category of Holders	Total no. of shares held (of Rs.10/- each)	% of total Shareholdings
1.	Promoters & Promoter Group	43,55,417	74.99
2.	Other Bodies Corporate	1,10,093	1.89
3.	Individual	12,57,332	21.65
4.	N.R.I. (Repatriate & Non-Repatriate)	3,450	0.06
5.	Hindu Undivided Family	74,760	1.29
6.	Clearing Members	6,948	0.12
	Total	58,08,000	100.00

r. Distribution of Shareholding as at 31st March, 2017:

The distribution of shareholding of the equity shares as on 31st March, 2017 is given below:

Shareholding by nominal value		No. of Shareholders	% to the total no. of shareholders	Share Amount (Rs.)	% to the total Share Amount
From	To				
1	5000	2073	90.88	28,45,760	4.90
5,001	10,000	101	4.43	8,34,300	1.44
10,001	20,000	39	1.71	5,85,270	1.01
20,001	30,000	19	0.83	4,88,870	0.84
30,001	40,000	6	0.26	2,07,500	0.36
40,001	50,000	4	0.18	1,92,080	0.33
50,001	1,00,000	14	0.61	7,98,840	1.38
1,00,001	and above	25	1.10	5,21,27,380	89.75
TOTAL		2281	100.00	5,80,80,000	100.00

s. Dematerialization of Equity Shares and Liquidity:

As on 31st March, 2017 about 96.80% of the Company's Equity Shares has been held in dematerialized form with NSDL & CDSL.

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

The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments during financial year ended 31st March, 2017.

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

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

u. Plant locations:

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

v. Address for investor correspondence:

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

Mr. Mehnuddin Khan,
Company Secretary & Compliance Officer

Konark Synthetic Limited
Building No.7, Mittal Industrial Estate,
Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 059.
Phone: (022) 40896300
Fax: (022) 40896322
E-mail: info@konarkgroup.co.in.

Purva Sharegistry (India) Pvt. Ltd.

Unit : Konark Synthetic Limited,
9, Shiv Shakti Industrial Estate,
J. R.Boricha Marg, Lower Parel (East),
Mumbai - 400 011
Tel No.: 022 - 2301 6761; 2301 8261
Fax No.: 022 - 2301 2517
E-Mail: busicomp@vsnl.com

12. DISCLOSURES**a. Related Party Transactions:**

There were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors during the financial year ended 31st March, 2017 that may have potential conflict with the interest of the Company at large. The transactions with the related parties, as per the requirements of the Accounting Standard (AS) 18, are disclosed in the Notes on Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transactions is available on Company's website at www.konarkgroup.co.in.

b. Disclosure of Accounting Treatment:

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

c. Disclosure of Risk Management:

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

d. Compliance by the Company:

The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no penalties or strictures imposed either by SEBI or Stock Exchange or any other statutory authorities for non compliance of any matter relating to capital market during the last three years.

e. Review of Directors' Responsibility Statement:

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2017 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

f. CEO/CFO Certification:

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Mr. Amitabh Kejriwal, Managing Director and Mr. Ramniwas Somany, Chief Financial Officer of the Company certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs was placed before the Board.

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

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

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

h. Code for Prevention of Insider Trading Practices:

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

i. Disclosure of the Compliance with Corporate Governance:

The Company has complied with the Regulations 17 to 20, 22, 23, 25 to 27 and Clauses (b) and (i) sub-regulations 46 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year 2016-17, whenever applicable. Regulations 21 and 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

j. Disclosure with respect to demat suspense account/unclaimed suspense account

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2017. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

k. 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, 2017 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.

DECLARATION ON CODE OF CONDUCT

To

The Members of

Konark Synthetic Limited

I, Amitabh Kejriwal, 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 2016-17.

For Konark Synthetic Limited

Place: Mumbai
Date: 30th May, 2017

Amitabh Kejriwal
Managing Director
DIN:00005864

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

To,

The Members of

Konark Synthetic Limited

We have examined the records concerning compliance of the conditions of Corporate Governance by **Konark Synthetic Limited** for the year ended 31st March, 2017 as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Uniform Listing Agreement of the said Company with stock exchange.

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

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

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

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

Place: Mumbai
Date: 30th May, 2017

N. K Agrawal
Partner
M. No. 034659

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KONARK SYNTHETIC LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Konark Synthetic Limited** ('the Company'), which comprises of the Balance Sheet as at 31st March 2017, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143 (11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) the Company does not have any pending litigations, as has been informed and therefore no impact or disclosure in relation to the same has been made in financial statements;
 - (ii) the Company does not see any foreseeable losses on long-term contracts as on the balance sheet date and the Company has not entered into any derivative contracts, therefore no provision has been made in relation to the same;
 - (iii) the Company has not declared any dividends either in the current year or during any of the previous years and therefore transferring of the amounts in the Investor Education and Protection Fund by the Company does not arise.
 - (iv) the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 35 to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in the paragraph 3 and 4 of the Order.

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

Place: Mumbai
Date: 30th May, 2017

N.K Agrawal
Partner
M. No. 034659

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

We have audited the internal financial controls over financial reporting of Konark Synthetic Limited (“the Company”) as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.” These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

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

Place: Mumbai
Date: 30th May, 2017

N.K Agrawal
Partner
M. No. 034659

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

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

Place: Mumbai
 Date: 30th May, 2017

N.K Agrawal
Partner
M. No. 034659

BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in Rs.)

Sr. No	Particulars	Note No	As At 31.03.2017	As At 31.03.2016
I.	<u>EQUITY AND LIABILITIES</u>			
1	Shareholders' funds			
a.	Share capital	2	5,80,80,000	5,80,80,000
b.	Reserves and surplus	3	23,54,40,875	24,60,78,776
c.	Money received against share warrants		-	-
2	Non-current liabilities			
a.	Long-term borrowings	4	26,53,52,612	29,00,07,700
b.	Deferred tax liabilities (Net)	5	3,33,41,346	3,78,26,565
c.	Other Long term liabilities		-	-
d.	Long-term provisions	6	55,08,946	45,62,316
3	Current liabilities			
a.	Short-term borrowings	7	21,47,40,323	21,81,11,771
b.	Trade payables	8	13,02,18,724	11,41,15,384
c.	Other current liabilities	9	3,40,84,125	2,91,47,795
d.	Short-term provisions	10	8,65,151	62,51,745
	TOTAL		97,76,32,102	1,00,41,82,052
II.	<u>ASSETS</u>			
1	Non-current assets			
a.	Fixed assets			
(i)	Tangible assets	11	27,41,68,444	30,63,33,973
(ii)	Intangible assets		1,13,055	1,58,096
(iii)	Capital work-in-progress		3,95,88,009	3,76,37,139
(iv)	Intangible assets under development		-	-
b.	Non-current investments	12	8,52,71,100	8,52,71,100
c.	Long-term loans and advances	13	89,78,750	89,78,750
d.	Other non-current assets	14	73,74,492	73,56,952
2	Current assets			
a.	Inventories	15	14,72,38,926	18,00,87,604
b.	Trade receivables	16	27,61,70,571	24,33,06,437
c.	Cash and cash equivalents	17	1,92,74,776	1,41,65,234
d.	Short-term loans and advances	18	11,88,93,819	12,01,39,560
e.	Other current assets	19	5,60,160	7,47,209
	TOTAL		97,76,32,102	1,00,41,82,052

Notes on Accounts Including Significant Accounting Policies 1 to 41

As per our Report of even date attached

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

N.K. AGRAWAL
 PARTNER
 Membership No. 034659

Place : Mumbai
 Date : 30th May, 2017

FOR AND ON BEHALF OF THE BOARD

AMITABH KEJRIWAL
 Managing Director

MEHNUDDIN KHAN
 Company Secretary &
 Compliance Officer

PRAKASHCHAND DALMIA
 Chairman

R. B. SOMANY
 Chief Finance Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2017

(Amount in Rs.)

Sr. No	Particulars	Note No	FOR THE YEAR ENDED ON 31.03.2017	FOR THE YEAR ENDED ON 31.03.2016
I.	Revenue from operations	20	1,14,44,29,643	1,13,74,76,854
II.	Other income	21	73,32,653	1,15,96,512
III.	Total Revenue (I + II)		1,15,17,62,297	1,14,90,73,366
IV.	Expenses:			
	Cost of materials consumed	22	81,44,39,514	52,25,54,108
	Purchases of Stock-in-Trade		5,81,43,255	43,54,35,362
	Change in inventories of finished goods/stock in trade	23	9,34,72,703	(4,34,40,977)
	Employee benefits expense	24	6,89,79,766	7,54,20,908
	Finance costs	25	4,72,47,844	4,52,51,328
	Depreciation and amortization expense	11	3,32,10,052	3,63,31,760
	Other expenses	26	8,39,65,916	7,45,25,553
	Total expenses		1,19,94,59,051	1,14,60,78,043
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(4,76,96,754)	29,95,323
VI.	Exceptional items			
	Prior Period Expenses		(10,514)	3,190
VII.	Profit before extraordinary items and tax (V - VI)		(4,76,86,240)	29,92,133
VIII.	Extraordinary Items		3,38,55,390	-
IX.	Profit before tax (VII- VIII)		(1,38,30,850)	29,92,133
X	Tax expense:			
	(1) Current tax		-	57,50,000
	(2) Deferred tax		(44,85,219)	(44,00,937)
	(3) Short Provision for Taxation		12,92,270	
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		(1,06,37,901)	16,43,070
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		(1,06,37,901)	16,43,070
XV	Profit (Loss) for the period (XI + XIV)		(1,06,37,901)	16,43,070
XVI	Earnings per equity share:			
	(1) Basic		(1.83)	0.28
	(2) Diluted		(1.83)	0.28

Notes on Accounts Including Significant Accounting Policies 1 to 41

As per our Report of even date attached

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

N.K. AGRAWAL
PARTNER
Membership No. 034659

Place : Mumbai
Date : 30th May, 2017

FOR AND ON BEHALF OF THE BOARD

AMITABH KEJRIWAL
Managing Director

PRAKASHCHAND DALMIA
Chairman

MEHNUDDIN KHAN
Company Secretary &
Compliance Officer

R. B. SOMANY
Chief Finance Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

Particulars		31 ST MARCH, 2017		31 ST MARCH, 2016	
Cash flow from operating activity					
Net Profit before tax & Extra Ordinary Items			(4,76,96,754)		29,95,323
Adjustment for : Depreciation		3,32,10,052		3,63,31,760	
Interest paid		4,72,47,844		4,54,09,356	
Provision for Bad Debts		-		-	
(Profit)Loss on Sale of Fixed Assets		-		1,28,475	
Interest Income (considered Separately)		(62,89,668)	7,41,68,229	(1,02,70,249)	7,15,99,341
Operating Profit before working capital changes			2,64,71,474		7,45,94,664
WORKING CAPITAL CHANGES					
(Increase)Decrease in Sundry debtors		(3,28,64,134)		4,31,82,031	
(Increase)Decrease in Loans & Advances		12,45,741		3,71,11,348	
(Increase)Decrease in Inventories		3,28,48,678		8,75,32,740	
Increase(Decrease) in Trade Payable (Incl.Work'g Cap.Fin)		1,24,68,677	1,36,98,962	(7,94,27,903)	8,83,98,216
Cash Generated From operations			4,01,70,436		16,29,92,879
Direct Tax Paid			(12,92,270)		(9,63,841)
Cash Flow Before Prior Period & Extra Ordinary Items			3,88,78,166		16,20,29,038
Prior Period & Extra Ordinary Items			3,38,65,904	-	
Net Cash Flow From Operating Activities	(I)		7,27,44,070		16,20,29,038
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets		(29,50,353)		(21,54,076)	
Interest Income		62,89,668		1,02,70,249	
Sale of fixed assets		-		2,50,000	
Net Cash Outflow for investing Activities	(II)		33,39,315		83,66,173
Cash flow after investing activities	(III) = (I-II)		7,60,83,385		17,03,95,212
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from long term borrowing (Net of Repayments)		(2,46,55,088)		1,20,06,667	
Proceeds from Short term borrowing (Net of Repayments)				(13,57,86,100)	
Unsecured Loan		9,46,630		-	
Other Non current assets		(17,540)		-	
Dividend paid		-		-	
Interest paid		(4,72,47,844)		(4,54,09,356)	
Net Cash Flow from financing activity	(IV)		(7,09,73,842)		(16,91,88,789)
Cash flow after financing activity	(V)=(III-IV)		51,09,542		12,06,423
Opening Balance:					
Cash &Cash Equivalent (Opening Balance)			1,41,65,234		1,53,71,657
Cash &cash equivalent(Closing balance)			1,92,74,776		1,41,65,234
Increase in cash & cash equivalent	(VI)		51,09,542		12,06,423

As per our Report of even date attached

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

N.K. AGRAWAL
PARTNER
Membership No. 034659

Place : Mumbai
Date : 30th May, 2017

FOR AND ON BEHALF OF THE BOARD

AMITABH KEJRIWAL
Managing Director

PRAKASHCHAND DALMIA
Chairman

MEHNUDDIN KHAN
Company Secretary &
Compliance Officer

R. B. SOMANY
Chief Finance Officer

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2017
1. SIGNIFICANT ACCOUNTING POLICIES:
A. GENERAL

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

B. USE OF ESTIMATE

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

C. FIXED ASSETS

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

D. DEPRECIATION

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

E. IMPAIRMENT OF ASSETS:

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

F. INVESTMENT

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

G. INVENTORIES;

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

H. TRANSACTIONS IN FOREIGN EXCHANGE

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

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

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

Non monetary foreign currency items are carried at cost.

I. SALES & PURCHASE

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

J. BORROWING COST

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

K. EXPORT INCENTIVES.

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

L. EMPLOYEES RETIREMENT BENEFIT

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

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

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

M. PROVISION FOR CURRENT AND DEFERRED TAX

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

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

N. PROVISION, CONTINGENT LIABILITY AND CONTINGENT ASSETS.

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

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2017		As At 31.03.2016	
		No. of Shares	Amount	No. of Shares	Amount
2	SHARE CAPITAL				
	Authorised Capital				
	Equity Shares of Rs. 10/- each	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
	TOTAL		15,00,00,000		15,00,00,000
	Issued, Subscribed and Paid Up				
	Equity Shares of Rs. 10/- each	58,08,000	5,80,80,000	58,08,000	5,80,80,000
	TOTAL		5,80,80,000		5,80,80,000
	Reconciliation of Outstanding Shares as on 31.03.2017				
	Particulars			Equity Shares	
				Number	Rs.
	Shares outstanding at the beginning of the year			58,08,000	5,80,80,000
	Shares Issued during the year			-	-
	Shares bought back during the year			-	-
	Shares outstanding at the end of the year			58,08,000	5,80,80,000
	Rights, Preference and Restrictions attached to equity Shares.				
	Equity Share Holder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing General Meeting. Dividend is paid to the equity Shareholders, whose name appears in the register of members as on record date. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after the distribution of all preferential amounts. Distribution will be in the proportion to the number of equity shares held by the shareholders.				

Details of Shareholders holding more than 5% of Equity Share Capital

	Name of the Shareholder	As At 31.03.2017		As At 31.03.2016	
		No. of Shares Held	%age of Shareholding	No. of Shares Held	%age of Shareholding
	RAKADEVI DALMIA	21,08,091	36.30%	21,08,091	36.30%
	KAYO INVESTMENT AND FINANCE PVT. LTD	8,56,850	14.75%	8,56,850	14.75%
	FILLMORE TRADING & INVESTMENTS PVT. LTD.	8,40,000	14.46%	8,40,000	14.46%
	PRAKASHCHAND DALMIA (HUF)	3,36,600	5.80%	3,36,600	5.80%
	TOTAL	41,41,541	71.31%	41,41,541	71.31%

Note No.	Particulars	As At 31.03.2016 Rs.	Additions during the year	Deductions during the year	As At 31.03.2017 Rs.
3	RESERVES AND SURPLUS				
	Capital Reserve	-			-
	Capital Redemption Reserve	40,00,000			40,00,000
	Securities Premium Account	6,83,57,165			6,83,57,165
	Capital Incentive Subsidy	25,00,000			25,00,000
	General Reserve	5,97,51,143			5,97,51,143
	Surplus in Profit & Loss Account *	11,14,70,468	(1,06,37,901)		10,08,32,567
	TOTAL		24,60,78,776		23,54,40,875
		2016-2017		2015-2016	
	* Profit for the period		(1,06,37,901)		16,43,070
	Less: Dividend on Equity Shares	-		-	
	Less: Dividend Distribution Tax	-		-	
	Less: Transfer to General Reserve	-	-	-	-
	TOTAL		(1,06,37,901)		16,43,070

(Amount in Rs.)

Note No.	PARTICULARS	As At 31.03.2017	As At 31.03.2016
4	NON-CURRENT LIABILITIES		
	LONG TERM BORROWINGS		
	Secured		
A.	Term Loans		
	- From Banks		
	- Loan against Flat	1,70,75,833	1,69,34,827
	- Loan Against Property	3,29,04,446	2,90,36,167
	- Loan Against Property of Director Residence	6,19,78,966	6,46,84,184
	- Vehicle Loans (Against Motor Cars)	36,93,367	59,54,469
	TOTAL - I	11,56,52,612	11,66,09,647
	Unsecured		
B.	Loans & Advances from Related Parties	-	
	- Inter Corporate Loans	14,97,00,000	17,00,00,000
	- Others	-	33,98,053
	TOTAL - II	14,97,00,000	17,33,98,053
	TOTAL I + II	26,53,52,612	29,00,07,700

Secured Loans:

Term Loans:

- Loan of Rs.17075833/- (P.Y. Rs. 16934827/-) against sanctioned of Rs. 5.72 Crores is Secured against the same Flat i.e. Flat No. 2101, situated at Orchid Crown, Tower B, Gokhale Road South, Dadar (W), Mumbai, which is payable in 120 EMIs of Rs. 788525 after getting the possession from the Developer. The loan is also guaranteed by Mr. Prakashchand Dalmia as a co-applicant.
- Loan of Rs.23893948/- (P. Y. NIL) including Current Maturities of Long term Borrowings under Note No. 09 is Secured against Property from Religare Finvest 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. 272784/- and interest rate is 11% p.a floating , The loans were also guaranteed as co-applicants by Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal, Mr. Shonit Dalmia, Mrs. Rakadevi Prakashchand Dalmia, Prakashchand Dalmia HUF and M/s Fillmore Trading & Investment Private Limited,.
- Loan of Rs. 10007793/- (P.Y. 10291309/-) including Current Maturities of Long Term Borrowings under Note No. 09 is secured against Property from PNB Housing Finance Limited against Shop No. 8 situated at Skylark Building, Plot No. 63, Sector-11, CBD Belapur, Navi-Mumbai-400614 on the term i.e 180 EMI of Rs. 123150/- and interest rate is 11.75% p.a. The loan was also guaranteed as co-applicants by Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal, Mr. Shonit Dalmia, Mrs. Rakadevi Dalmia, Prakashchand Dalmia HUF and M/s Kayo Investments & Finance Pvt. Ltd.
- The loan of Rs. 64489633/- (P.Y. 66912274/-) including Current Maturities of Long Term Borrowings under note no. 09 from IDBI Bank Ltd is secured against the flat of Shri Amitabh Kejriwal-Director, situated at Flat No. 101, Santusthi, Janki Kutir, Juhu Ville Parle, Juhu, Mumbai - 400049. The loan was also guaranteed as co-applicants by Directors Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal and Authorised Signatory Mr. Shonit Dalmia. Terms of Payment is 180 EMI of Rs. 845328/- including interest @11.65% p.a. floating.

Vehicle Loans: The loans are hypothecated against the specific vehicles for which it was sanctioned by the bank. Of the above loans, amounts (including current maturities under Note 9) of,

- Rs. 28,16,235 is repayable in 24 remaning EMI of Rs. 1,37,816 Up to 3rd March, 2019
- Rs. 19,96,506 is repayable in 24 remaning EMI of Rs. 97,701 up to 3rd March, 2019
- Rs. 4,42,661 is repayable in 15 remaning EMI of Rs. 32,950 up to 3rd June, 2018
- Rs. 6,99,068 is repayable in 15 remaining EMI of Rs. 28,450 upto 1st July, 2019-Rs. 731349 is repayble in 54 remaining EMI of Rs. 16700 upto 5th Sep., 2021

Unsecured Loans: Loan from Related Parties

Above loan was taken from associate concern Konark Realtech Pvt. Ltd. and is not guaranteed by any director of the company. The loan is repayable after 31st March, 2018.

5	DEFERRED TAX LIABILITY	As At 31.03.2017	As At 31.03.2016
	Deferred Tax Liabilities		
	Related to Fixed Assets	3,76,57,189	4,10,69,832
	Deferred Tax Assets		
	Disallowance u/s 43B of I.T.Tax, 1961 and MAT Credit	43,15,843	32,43,267
	Deferred Tax Liabilities (NET)	3,33,41,346	3,78,26,565

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2017	As At 31.03.2016
6	<u>LONG TERM PROVISIONS</u>		
	Provision for Employees Benefits - Gratuity	55,08,946	45,62,316
	Refer Note No. 26		
	TOTAL	55,08,946	45,62,316

Note No.	Particulars	As At 31.03.2017	As At 31.03.2016
7	<u>CURRENT LIABILITIES</u>		
	<u>SHORT TERM BORROWINGS</u>		
	A. Secured		
	Loans repayable on demand		
	- From Bank		
	Cash Credit	19,46,03,083	18,87,39,731
	Loan Against FDR	-	-
	B. Unsecured		
	- Loans & Advances from Related Parties	1,47,99,295	1,84,85,345
	- Others	53,37,945	1,08,86,695
	(Of the above Rs. Nil is guaranteed by Directors)		
	TOTAL	21,47,40,323	21,81,11,771

Secured Loans

Cash credit of Rs. 10.00 Crores has been sanctioned by Corporation Bank against paripassu first charge on inventory and book debts of the Company with margin of 25% on Stock, 30% on Consumables and Stores, and 40% on Book Debts; at interest rate of Base Rate + 4.35%. Cash credit of Rs. 9.25 Crores has been sanctioned by Indian Bank against paripassu first charge hypothecation of stock and book debts of the Company with margin of 25% on Stock, and 50% on Book Debts; at the interest rate of Base Rate + 4.25%.

Unsecured Loans

- Loans from related parties is from Konark Realtech Private Limited and is payable on demand
- Of the loans from others, amounts (including current maturities under Note 9) of,
- Rs. 31,09,412 is repayable in remaining 26 EMI of Rs. 1,46,119 upto 05th May, 2019
- Rs. 24,06,411 is repayable in remaining 35 EMI of Rs. 88,877 upto 05th February, 2020
- Rs. 26,36,751 is repayable in remaining 25 EMI of Rs. 1,29,185 upto 07th April, 2019
- Rs. 22,26,672 is repayable in remaining 13 EMI of Rs. 1,89,712 upto 03rd April, 2018

Note No.	Particulars	As At 31.03.2017	As At 31.03.2016
8	<u>TRADE PAYABLES</u>		
	i) Acceptance	8,99,77,579	7,99,77,162
	ii) Trade Payables (In ordinary course of Business)		
	For Trade Goods & Expenses	3,97,25,145	3,12,39,679
	For Others	5,16,000	28,98,543
	TOTAL	13,02,18,724	11,41,15,384

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

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2017		As At 31.03.2016	
9	<u>OTHER CURRENT LIABILITIES</u>				
	Current Maturities of Long-term debts				
	- Secured Loans	35,07,962		39,29,996	
	- Unsecured Loans	50,41,301		34,41,200	
	- Vehicle Loans	29,92,451	1,15,41,714	24,33,504	98,04,700
	Interest accrued but not due		-		5,46,614
	Unpaid/Unclaimed dividends		1,85,736		1,85,736
	Advance Received against Sale of Land		76,00,000		76,00,000
	Other Payables				
	a) Taxes & duty		8,94,613		8,80,867
	b) Payable-ESIC, PF & Prof. Tax etc.		2,96,717		2,65,152
	c) Payable-Employee		1,35,65,345		98,64,726
	TOTAL		3,40,84,125		2,91,47,795
10	<u>SHORT TERM PROVISIONS</u>				
	Provision for Income Tax		-		57,50,000
	Employee Benefit - Gratuity		8,65,151		5,01,745
	TOTAL		8,65,151		62,51,745

NOTE 11 - FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01-04-2016 Rs.	Additions/ Adjustments Rs.	Deductions/ Impairments Rs.	As at 31-03-2017 Rs.	Up to 01-04-2016 Rs.	For the year Rs.	Deductions/ Impairments Rs.	Upto 31-03-2017 Rs.	As At 31-03-2017 Rs.	As At 31-03-2016 Rs.
Tangible :										
Leasehold Land	61,80,340	-	-	61,80,340	6,17,030	62,421	-	6,79,451	55,00,889	55,63,310
Freehold Land	10,69,088	-	-	10,69,088	-	-	-	-	10,69,088	10,69,088
Office Building	4,85,35,549	-	-	4,85,35,549	1,91,594	7,68,444	-	9,60,038	4,75,75,511	4,83,43,955
Factory Buildings	7,55,56,576	-	-	7,55,56,576	2,67,66,164	23,16,030	-	2,90,82,194	4,64,74,381	4,87,90,412
Plant & Machineries	46,21,34,657	-	-	46,21,34,657	26,90,24,472	2,65,08,864	-	29,55,33,336	16,66,01,321	19,31,10,185
Electric Installation	2,13,86,885	-	-	2,13,86,885	1,75,98,023	17,23,100	-	1,93,21,123	20,65,762	37,88,862
Equipments	8,68,043	-	-	8,68,043	6,53,624	23,778	-	6,77,402	1,90,641	2,14,419
Fire Fighting Equipments	72,860	-	-	72,860	71,811	-	-	71,811	1,049	1,049
Furniture & Fixtures	63,24,412	-	-	63,24,412	56,85,364	3,21,640	-	60,07,004	3,17,408	6,39,048
Office Equipments	25,39,803	1,45,188	-	26,84,991	21,26,119	88,778	-	22,14,896	4,70,095	4,13,685
Vehicles	2,08,99,417	8,23,500	-	2,17,22,917	1,67,10,805	13,00,841	-	1,80,11,646	37,11,271	41,88,612
Computers	29,75,570	30,795	-	30,06,365	27,64,221	51,115	-	28,15,336	1,91,029	2,11,349
Intangible:										
Software*	24,03,698	-	-	24,03,698	22,45,602	45,041	-	22,90,643	1,13,055	1,58,096
Total	65,09,46,897	9,99,483	-	65,19,46,380	34,44,54,828	3,32,10,052	-	37,76,64,880	27,42,81,500	30,64,92,069
Previous Year	60,28,54,623	4,88,25,192	7,32,918	65,09,46,897	30,84,27,511	3,63,31,760	3,04,443	34,44,54,828	30,64,92,069	29,44,27,112
Capital Work in progress	3,76,37,139	19,50,870	-	3,95,88,009	-	-	-	-	3,95,88,009	3,76,37,139

* other than internally generated .

NOTE 12 - NON - CURRENT INVESTMENTS (Long Term Investments)

Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
A Trade Investments (Refer A below)		
(a) Investment in Equity instruments	85,268,000	85,268,000
(b) Other non-current investments (specify nature)		
Total (A)	85,268,000	85,268,000
B Other Investments (Refer B below)		
(a) Investment in Equity instruments	207,100	207,100
(b) Other non-current investments (specify nature)		
Total (B)	207,100	207,100
Grand Total (A + B)	85,475,100	85,475,100
Less : Provision for diminution in the value of Investments	204,000	2,04,000
Total	85,271,100	85,271,100
Particulars	31.03.2017 Rs.	31.03.2016 Rs.
Aggregate amount of quoted investments (Market value of NIL (Previous Year NIL) (Company has made the Provision in the Dimunition value of Such Investments)	204,000	204,000
Aggregate amount of unquoted investments.	85,271,100	85,271,100

A. Details of Trade Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value Rs. unless otherwise stated	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount in Rs.		Whether stated at Cost	If Answer to Column (9) is 'No'
				2017	2016			2017	2016	2017	2016		
(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Investment in Equity Instruments												
	India Denim Limited	Subsidiary	10	7001000	7001000	unquoted	Fully	61.17	61.17	8,48,88,000	8,48,88,000	Yes	
	Konark InfraTech Private Limited	Associates	10	28000	28000	unquoted	Fully	26.92	53.85	2,80,000	2,80,000	Yes	
	Trade Bazaar Retail Private Limited	Subsidiary	10	10000	10000	unquoted	Fully	100	100.00	1,00,000	1,00,000	Yes	
	Total									8,52,68,000	8,52,68,000	-	

B. Details of Other Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value Rs. unless otherwise stated	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount in Rs.		Whether stated at Cost	If Answer to Column (9) is 'No'
				2017	2016			2017	2016	2017	2016		
(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Investment in Equity												
	Silvassa Co-op. Society Limited	Others	100	10	10	unquoted	Fully	N.A	N.A	1,100	1,100	Yes	
	The City Co-op. Bank Ltd.	Others	25	40	40	unquoted	Fully	N.A	N.A	2,000	2,000	Yes	
	Sun Earth Ceramics limited	Others	10	6800	6800	Quoted	Fully	N.A	N.A	2,04,000	2,04,000	Yes	
	Total							-		2,07,100	2,07,100	-	

(Amount in Rs.)

Note No.	Particulars	As At 31.03.2017		As At 31.03.2016	
	NON-CURRENT ASSETS				
13	<u>LONG TERM LOAN AND ADVANCES</u>				
	Others		89,78,750		89,78,750
	TOTAL		89,78,750		89,78,750
14	<u>OTHER NON-CURRENT ASSETS</u>				
	Security Deposits		73,74,492		73,56,952
	TOTAL		73,74,492		73,56,952
	CURRENT ASSETS				
15	<u>INVENTORIES</u>				
	- Raw Materials		5,53,88,382		3,25,937
	- Stores, Spares		76,91,691		83,40,915
	- Process Stock		2,01,67,502		4,48,93,740
	- Finished Goods		5,77,80,547		12,65,27,012
	- Dyes & chemical		62,10,804		-
	TOTAL		14,72,38,926		18,00,87,604
16	<u>TRADE RECEIVABLES</u>				
	<u>Unsecured</u>				
	- Over 6 months -Good	6,31,94,063		4,21,34,063	
	- Doubtful	-		-	
	- Other Debts - Good	21,29,76,508		20,09,18,194	
	- Other Debts - Related Party	-		2,54,180	
		27,61,70,571		24,33,06,437	
	Less: Provision for Doubtful debts	-		-	
			27,61,70,571		24,33,06,437
	TOTAL		27,61,70,571		24,33,06,437
17	<u>CASH & CASH EQUIVALENTS</u>				
	- Cash in Hand (incl'd Imprest)		4,00,329		1,99,044
	- On Current Accounts		53,34,485		18,35,771
	- On Dividend Accounts		1,85,736		1,85,736
	- On Deposit Accounts (More then 12 Months)		1,000		7,000
	- On Margin Money		1,33,53,226		1,19,37,683
	TOTAL		1,92,74,776		1,41,65,234
18	<u>SHORT TERM LOANS AND ADVANCES</u>				
	- To Subsidiaries		4,72,37,523		10,32,08,208
	- Insurance Claim Receivable		3,38,55,390		-
	- To Employees		12,98,119		10,47,714
	- Advance Payment of Income Tax/Wealth Tax (incl'd TDS)		35,82,405		50,58,730
	- Receivable from Government Authorities & Others		77,86,141		79,80,416
	- Interest Subsidy Receivable		8,44,595		8,44,595
	- Advances to Suppliers		2,34,64,985		3,37,588
	- Others		8,24,660		16,62,309
	TOTAL		11,88,93,819		12,01,39,560
19	<u>OTHER CURRENT ASSETS</u>				
	Prepaid Expenses		5,60,160		7,47,209
	TOTAL		5,60,160		7,47,209

NOTES TO ACCOUNTS:

Note No.	Particulars	Amount (Rs.)	For the year ended 31.03.2017 Amount (Rs.)	Amount (Rs.)	For the year ended 31.03.2016 Amount (Rs.)
20	<u>REVENUE FROM OPERATIONS</u>				
	<u>Sales</u>				
	Sale of Products		1,07,06,11,496		1,05,96,15,684
	Other Operating Revenue		7,38,18,147		7,78,61,170
	TOTAL		1,14,44,29,643		1,13,74,76,854
21	<u>OTHER INCOME</u>				
	Interest Income		62,89,668		1,02,70,249
	Rent Received		7,85,000		9,04,200
	Others*		2,57,986		4,22,063
	TOTAL		73,32,653		1,15,96,512
22	*Others includes balances w/back <u>COST OF MATERIALS CONSUMED</u>				
	Raw Material Consumed				
	Opening Stock		3,25,936		13,11,66,680
	Add : Purchases				
	Yarns		9,78,16,394		9,95,79,553
	Grey Fabric		77,16,85,566		29,21,33,813
			86,98,27,896		52,28,80,046
	Less: Closing Stock		5,53,88,382		3,25,938
	TOTAL		81,44,39,514		52,25,54,108
23	<u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</u>				
	Opening Stock - Process		4,48,93,740		8,02,14,919
	Opening Stock - Finished		12,65,27,012		4,77,64,856
	TOTAL - A		17,14,20,752		12,79,79,775
	Closing Stock - Process		2,01,67,502		4,48,93,740
	Closing Stock - Finished		5,77,80,547		12,65,27,012
	TOTAL - B		7,79,48,049		17,14,20,752
	(Increase) / Decrease in Stocks TOTAL - A-B		9,34,72,703		(4,34,40,977)

Note No.	Particulars	Amount (Rs.)	For the year ended 31.03.2017 Amount (Rs.)	Amount (Rs.)	For the year ended 31.03.2016 Amount (Rs.)
24	EMPLOYEE BENEFITS EXPENSES				
	Salaries, Wages, Bonus & Other Allowance		6,28,76,867		6,51,03,405
	Gratuity		13,52,486		55,10,549
	Contribution to Provident Funds & ESIC		40,16,667		41,85,264
	Staff Welfare Expenses		7,33,746		6,21,690
	TOTAL		6,89,79,766		7,54,20,908
	The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below :				
	A. Defined Contribution Plan		Year Ended 31.03.2017		Year Ended 31.03.2016
	Contribution to Defined Contribution Plan, recognised and charged off for the year are as under :				
	Employer's Contribution to Provident Fund		30,16,132		31,69,500
	Employer's Contribution to ESI Scheme		10,00,535		10,15,764
	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 build up the final obligation.				
	Gratuity (Unfunded)		As at 31.03.2017		As at 31.03.2016
	a. Reconciliation of opening and closing balances of Defined Benefit obligation				
	Defined Benefit obligation at beginning of the year		50,64,061		-
	Current Service Cost		6,61,127		50,64,061
	Interest Cost		3,76,196		-
	Actuarial (gain)/loss		3,15,163		-
	Benefits paid		(42,450)		-
	Defined Benefit obligation at year end		63,74,097		50,64,061
	b. Reconciliation of fair value of assets and obligations				
	Fair value of plan assets at year end		-		-
	Present value of obligation at year end		63,74,097		50,64,061
	Amount recognised in Balance Sheet				
	- Current		8,65,151		5,01,745
	- Non- Current		55,08,946		45,62,316
	c. Expenses recognized during the year		As at 31.03.2017		As at 31.03.2016
	Current Service Cost		6,61,127		50,64,061
	Interest Cost		3,76,196		-
	Expected return on plan assets		-		-
	Benefits paid		(42,450)		-
	Actuarial (gain) / loss		3,15,163		-
	Net Cost		13,52,486		50,64,061
	d. Amount for the current and previous four years^ are as follows : Gratuity :		For the year ended 31.03.2017 Amount (Rs.)		For the year ended 31.03.2016 Amount (Rs.)
	Defined Benefit Obligation		63,74,097		50,64,061
	Plan Assets		-		-
	Experience Adjustments on plan Liabilities		-		-
	Experience Adjustments on plan Assets		-		-
	e. Actuarial assumptions		For the year ended 31.03.2017 Amount (Rs.)		For the year ended 31.03.2016 Amount (Rs.)
	Mortality Table (L.I.C.)		IALM 2006-08 (Ultimate)		IALM 2006-08 (Ultimate)
	Rate of Interest (per annum)		6.69%		7.46%
	Salary growth Rate (per annum)		5.00%		5.00%
	Withdrawal Rate		2.00%		2.00%
	The estimated future salary increases takes into account inflation, seniority, promotion and other retirement factors including supply and demand in the employment market. The above information is certified by the actuary.				

Note No.	Particulars	Amount (Rs.)	For the year ended 31.03.2017 Amount (Rs.)	Amount (Rs.)	For the year ended 31.03.2016 Amount (Rs.)
25	<u>FINANCE COST</u>				
	Interest Expense		4,22,76,454		4,04,08,248
	Other Borrowing Cost		49,71,391		48,43,080
	TOTAL		4,72,47,844		4,52,51,328
26	<u>OTHER EXPENSES</u>				
	<u>A. MANUFACTURING EXPENSES</u>				
	Power & Fuel		2,02,25,366		1,93,07,717
	Stores and Spares Consumed		1,22,13,810		1,08,87,764
	Colour, Chemical, Oil & Lubricant Consumed		93,86,297		4,74,913
	Repairs to Plant & Machinery		22,78,536		18,58,613
	Repair & Maintenance - Other (At Plants)		3,65,657		1,44,593
	Repairs to Factory Building		42,832		
	Security Charges		14,70,653		15,12,447
	Labour Charges		22,30,536		36,09,174
	Job work Charges		1,63,82,668		1,65,08,095
	Freight, Octroi & Cartage		21,86,896		9,06,562
	Other Manufacturing Expenses		4,44,786		4,05,673
	TOTAL - A		6,72,28,037		5,56,15,551
	<u>B. Administrative & General Expenses</u>				
	Advertisement & Publicity		80,183		61,281
	Bank Charges		2,99,543		1,58,027
	Conveyance Expenses		6,09,017		5,74,140
	Donation		2,000		42,000
	Electricity		6,85,915		6,67,216
	Filing Fees		26,400		52,800
	Insurance		5,43,978		6,87,657
	Loss on Sale of Fixed Assets		-		1,28,475
	Membership & Subscription		3,15,681		3,45,436
	Miscellaneous Expenses/General Expenses		6,26,322		7,56,879
	Interest/Penalty		11,542		3,72,233
	Professional Fees/ Legal Expenses		10,45,036		14,93,387
	Printing & Stationary		6,12,718		5,33,400
	Rent,Rates,Fees & Taxes		47,30,107		56,94,337
	Repairs & Maintenance (Others)		1,72,240		2,82,526
	Postage & Telegrams		2,84,887		3,17,125
	Stamp & Hundi Papers		72,520		33,700
	Telephone		6,58,683		7,58,503
	Travelling		8,46,556		4,64,900
	Vehicle Expenses		8,81,903		10,12,518
	Cost Audit Fees		-		-
	<u>Auditors Remuneration:</u>				
	- For Statutory Audit	3,04,750		3,03,425	
	- For Tax Audit	57,500		57,250	
	- For Certification	28,750		34,250	
	- Others (Cost Audit)	-	3,91,000	-	3,94,925
	TOTAL - B		1,29,12,180		1,48,31,465
	<u>C. Selling & Distribution Expenses</u>				
	Marketing Expenses & Brokerage		13,30,336		16,53,474
	Outward Freight & Octroi				
	Freight Charges		8,74,311		7,79,594
	Sales Promotion Expenses		4,97,303		4,90,421
	Sample & Development Expenses		11,23,749		11,55,049
	TOTAL - C		38,25,699		40,78,538
	TOTAL (A+B+C)		8,39,65,916		7,45,25,553

27. Company adopted the Accounting Standard (AS-15) (Revised 2005) "Employee Benefits" effective from April 01, 2015 Company has provided for Rs.13,52,486/- (P.Y. 50,64,061/-) in the Statement of Profit & Loss towards Gratuity Provision as per actuarial valuation done in accordance with Accounting Standard (AS) - 15 "Employee Benefits". As per the report company has shown a sum of Rs. 55,08,946 /- (P. Y. Rs. 4562316/-) under the head of Long Term Provisions and Rs. 8,65,151/- (P.Y. Rs. 501745)/- shown under the head other Current Liability.
28. The Company is operating in single segment i.e. Textiles and thus there is no reportable segments as per Accounting Standard 17 "Segment Reporting". There is no reportable geographical segment either.
29. As per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the disclosure of Related Parties and transactions with them thereof are given below:

A. Related Parties

i) Subsidiaries and Fellow Subsidiaries:

India Denim Limited – Subsidiary

Trade Bazaar Retail Private Limited – Subsidiary

Konark Natural Foods Private Limited – Subsidiary of Trade Bazaar Retail Private Limited

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

Konark Infratech Private Limited – Subsidiary (From 30th March 2017 Konark Infratech Pvt Ltd. become associate of Konark Synthetic Ltd)

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

ii) Individual having significant influence:

Smt. Raka Devi Dalmia – Shareholder

iii) Key Managerial Personnel (KMP) and Relative:

Mr. Prakashchand Dalmia – Director

Mr. Amitabh Kejriwal – Managing Director

Ms. Shikha Dalmia – Relative of Director

Ms. Smita Kejriwal – Relative of Director

Mr. Ramniwas Bhanwarlal Somany – Chief Financial Officer

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

M/s Konark Silk Mills

M/s Konark Realtech Private Limited

M/s Trade Bazaar Homotech Ventures LLP.

B) Transactions with Related Parties:

Figures in bracket belongs to previous year

(Amount in Rs.)

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	-	22,10,000 (20,78,699)	-	22,10,000 (20,78,699)
Salary	-	-	5,14,000 (4,92,000)	-	5,14,000 (4,92,000)
Rent Expenses	-	1,80,000 (1,80,000)	-	1,08,000 (1,08,000)	2,88,000 (2,88,000)
Rent Received	-	-	-	NIL (9,04,200)	NIL (9,04,200)
Loan Taken	-	-	-	5,79,87,400 (7,32,14,300)	5,79,87,400 (7,32,14,300)
Loan Given	2,62,26,947 (2,90,24,595)	-	-	-	2,62,26,947 (2,90,24,595)

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

	2016 - 2017	2015 - 2016
Managerial Remuneration & Perquisites		
Prakash Chand Dalmia	13,30,000	11,98,806
Amitabh Kejriwal	8,80,000	8,79,893
Salary Paid		
SikhaDalmia	3,00,000	3,00,000
SmitaKejriwal	2,14,000	1,92,000
Rent Paid		
Konark Silk Mills	1,08,000	1,08,000
Raka Devi Dalmia	1,80,000	1,80,000
Rent Received		
Trade Bazaar Homotech Ventures LLP.	NIL	9,04,200
Loans Taken		
Konark Realtech Pvt. Ltd.	5,79,87,400	7,32,14,300
Loans Given		
India Denim Limited	51,494	7,30,782
Konark Infratech Pvt. Ltd	2,60,54,821	2,29,88,953
Trade Bazaar Retail Pvt. Ltd	0	20,20,000
Konark Natural Foods Pvt. Ltd.	1,20,632	32,84,860

D) Balances with the Related Parties as at 31st March, 2017 (Amount in Rs.)

Figures in bracket belongs to previous year

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	-	1,51,924 (77,600)	-	1,51,924 (77,600)
Salary	-	-	46,500 (41,000)	-	46,500 (41,000)
Rent Income Etc	-	-	-	NIL (2,54,180)	NIL (2,54,180)
Rent Expenses	-	3,60,000 (1,80,000)	-	2,16,000 (1,08,000)	2,88,000 (2,88,000)
Loan Taken	-	-	-	16,44,99,295 (18,84,85,345)	16,44,99,295 (18,84,85,345)
Loan Given	4,72,37,523 (10,32,08,208)	-	-	-	4,72,37,523 (10,32,08,208)

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

Particulars	2016-17	2015-16
Net Profit / (Loss) after Current and Deferred Tax (In Rs.)	(1,06,37,901)	16,43,070
Number of Equity Shares	58,08,000	58,08,000
Basic Earning Per Share (In Rs.)	(1.83)	0.28
Diluted Earnings Per Share (In Rs.)	(1.83)	0.28

31. Breakup of Net Deferred Tax Expenses Provided:

(Amount in Rs.)

Particulars	2016-17	2015-16
A. Deferred Tax Liability (DTL)		
Due to depreciation difference	-34,33,281	-42,05,796
Due to Loss on Sale of Fixed Assets	0	-42,478
Total DTL	-34,33,281	-42,48,273
B. Deferred Tax Assets (DTA)		
Credit under u/s 43B & 40(a)	10,51,938	17,33,033
Mat credit available for the year	0	-16,50,434
Difference due to rate of Income Tax	0	70,065
Total DTA	10,72,576	1,52,663
Net Deferred Tax Liability	-44,85,219	-44,00,937

32. Contingent Liability / Capital Commitments

The Bankers of the Company have given Guarantees to various Government Authorities amounting to Rs.48,41,000/- (P.Y. Rs.35,41,000/-) for which the Company has given counter guarantee and margin money to the bankers amounting to Rs.1428500/- (P.Y. Rs. 1139250/-).

The Company has given a Corporate Guarantee of Rs.73,06,00,000/- (P.Y. Rs. 1,05,60,00,000/-) to the bankers of its subsidiaries namely India Denim Limited and Konark Gujarat PV Private Limited against Term Loan and Working Capital Facilities sanctioned for the said subsidiaries. The Company does not expect any outflow of resources in respect of the above.

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

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

34. Income Tax Assessment of the company has been completed up to the Financial Year ended on 31st March, 2012.

35. Details of Specified Bank Note (SBN) held and trasacted during the period from 8th November, 2016 to 30th December, 2016 in the below Table

(Amount in Rs.)

	SBNs	Other Denomination Notes	Total
Closing Balance In Hand as on 08.11.2016	1000*1892=18,92,000 500*1199 = 5,99,500 Total =24,91,500	3,24,673	28,16,173
(+) Permitted receipts	NIL	5,99,103	5,99,103
(-) Permitted payments	NIL	7,98,159	7,98,159
(-) Amount Deposited in Banks	24,91,500	NIL	24,91,500
Closing cash in hand as on 30.12.2016	NIL	1,25,617	1,25,617

36. Additional information as per Revised Schedule III:

Raw Material Consumed: (Amount in Rs.)

Particulars	Consumption
Yarn	9,60,93,185 (14,64,68,765)
Fabric	71,83,46,329 (37,60,85,345)
Total	81,44,39,514 (52,25,54,108)

Raw Material Purchased

Particulars	Purchases
Yarn	9,78,16,394 (9,95,79,553)
'Fabric	82,98,28,821 (72,75,69,175)
Total	92,76,45,215 (82,71,48,728)

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

Particulars	Sales Value	Closing Inventory	Opening Inventory
Manufactured Goods			
Yarn	18,45,44,783 (18,56,43,981)	1,32,65,460 (1,21,91,393)	1,21,91,393 (1,32,45,913)
Fabric	77,75,18,459 (46,30,99,467)	5,33,39,237 (2,13,79,236)	2,13,79,236 (3,29,93,944)
Garments	0.00 (00)	15,25,000 (15,25,000)	15,25,000 (15,25,000)
Others	7,38,18,147 (7,78,61,170)	NIL (NIL)	NIL (NIL)
Total	1,03,58,81,389 (72,66,04,618)	6,60,80,552 (3,50,95,629)	3,50,95,629 (4,77,64,857)
Traded Goods			
Fabric	10,85,48,253 (41,08,72,236)	4,50,39,232 (9,14,31,383)	9,14,31,383 (NIL)
Total	10,98,96,735 (41,08,72,236)	4,50,39,232 (9,14,31,383)	9,14,31,383 (NIL)

Work In Process

Particulars	Work in Process 2016-2017	Work in Process 2015-2016
Work in Process		
Yarn	1,31,28,548	3,73,80,997
Fabric	0.00	0.00
Readymade Garments	70,38,954	75,12,743
Total	2,01,67,502	4,48,93,740

37. Auditors Remuneration:

Particulars	2016-17	2015-16
Audit Fees	3,04,750	3,03,425
Tax Audit	57,500	57,250
For Others	28,750	34,250
Total	3,91,000	3,94,925

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

39. CIF Value of Imports:

Particulars	2016-17	2015-16
Stores & Spares	-	93,582

40. Disclosure pursuant to Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 186 of the Company Act, 2013:

A. Loans and Advances in the nature of loans and advances given to Subsidiary are given below. The previous year figures are shown in brackets:

Name of the Company	Amount Outstanding 31 st March, 2017	Maximum Outstanding during the Year
India Denim Limited	56,96,550 (56,45,056)	56,96,550 (1,49,14,274)
Konark Infratech Pvt. Ltd.	4,15,40,973 (9,75,63,152)	9,75,63,152 (12,35,74,199)
Trade Bazaar Retail Pvt. Ltd.	0.00 (0.00)	0.00 (41,48,838)

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

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

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

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

As per our Report of even date attached

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

N.K. AGRAWAL
PARTNER
(Membership No. 034659)

Place : Mumbai
Date : 30th May, 2017

FOR AND ON BEHALF OF THE BOARD

AMITABH KEJRIWAL
Managing Director

PRAKASHCHAND DALMIA
Chairman

MEHNUDDIN KHAN
Company Secretary &
Compliance Officer

R. B. SOMANY
Chief Finance Officer

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KONARK SYNTHETICS LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **Konark Synthetics Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the consolidated balance sheet as at 31st March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules") (particularly Accounting Standard 21 – Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITORS' RESPONSIBILITY

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

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31st March 2017;
- ii) in the case of the Consolidated Statement of Profit and Loss Account, of the consolidated losses for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements of one subsidiary, namely India Denim Ltd and one associate, namely Konark Infratech Pvt Ltd (Consolidated), financial statements reflect total assets of Rs. 6912.66 lacs as at 31st March 2017, total revenues of Rs. 2668.73 lacs and net cash outflows amounting to Rs. 0.28 lacs for the year then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

EMPHASIS OF MATTER:

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

Our opinion is not qualified in respect of above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by sub-sections 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries, as noted in the 'Other Matter' paragraph, we report to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules, except except as stated above in "*Emphasis of Matter*".
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 and on the basis of the relevant assertion contained in the audit reports on standalone financial statements of subsidiary companies, none of the Directors of the Group and the jointly controlled entity are disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of sub section 2 of Section 164 of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matter' paragraph:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 32 to the consolidated financial statements;
 - (ii) the Group does not see any foreseeable losses on long-term contracts as on the balance sheet date and the Group has not entered into any derivative contracts, therefore no provision has been made in relation to the same; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.
 - (iv) The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 37 to the consolidated financial statements

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

Place: Mumbai
Date: 30th May, 2017

N.K. Agrawal
Partner
M. No. 034659

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Under Clause (l) of Subsection 3 of Section 143 of the Companies Act, 2013 ("The Act")

In conjunction with our audit of the consolidated financial statements of **Konark Synthetics Ltd.** ("the Holding Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the of the Holding Company, and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company, and its subsidiary companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company, and its subsidiary companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal controls over financial reporting criteria established by the Holding Company, and its subsidiary companies, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

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

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

Place: Mumbai
Date: 30th May, 2017

N.K. Agrawal
Partner
M. No. 034659

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2017

(Amount in Rs.)

Sr. No	Particulars	Note No	As At 31.03.2017	As At 31.03.2016
I	<u>EQUITY AND LIABILITIES</u>			
1	Shareholders' funds			
a.	Share capital	2	5,80,80,000	5,80,80,000
b.	Reserves and surplus	3	12,16,79,099	22,54,49,877
c.	Money received against share warrants			
2	Share application money pending allotment		-	-
	Minority Interest			
	India Denim Limited		-	1,38,33,909
	Konark Infratech Private Limited		-	4,00,57,847
3	Non-current liabilities			
a.	Long-term borrowings	4	65,01,20,717	93,71,25,752
b.	Deferred tax liabilities	5	3,33,41,346	3,78,26,565
c.	Other Long term liabilities			
d.	Long-term provisions	6	55,08,946	45,62,316
4	Current liabilities			
a.	Short-term borrowings	7	43,00,94,463	43,67,58,223
b.	Trade payables 8			
	Total Outstanding dues of micro and small enterprises*		15,81,75,380	14,10,69,427
	Total Outstanding dues of creditors other than micro and small enterprises*			
	*Refer Note No. 8			
c.	Other current liabilities	9	13,44,42,661	15,68,86,454
d.	Short-term provisions	10	12,30,634	2,28,04,656
	TOTAL(in Rs.)		1,59,26,73,246	2,07,44,55,026
II	<u>ASSETS</u>			
1	Non-current assets			
a.	Fixed assets	11		
	(i)Tangible assets		51,34,07,676	1,04,50,48,377
	(ii)Intangible assets		15,65,690	21,99,550
	(iii)Capital work-in-progress		4,35,08,803	4,15,57,933
	(iv)Intangible assets under development		-	-
	(v) Goodwill on Consolidation		-	-
b.	Non-current investments	12	2,83,100	3,100
c.	Deferred tax assets	13	2,03,19,855	2,03,19,855
d.	Long-term loans and advances	14	1,64,98,242	2,64,65,104
2	Current assets			
a.	Current investments		-	-
b.	Inventories	15	30,91,78,098	35,53,99,080
c.	Trade receivables	16	42,95,20,616	40,21,28,933
d.	Cash and cash equivalents	17	1,95,40,892	3,61,44,922
e.	Short-term loans and advances	18	23,82,69,794	14,37,49,477
f.	Other current assets	19	5,80,480	14,38,695
	TOTAL(in Rs.)		1,59,26,73,246	2,07,44,55,026

Notes including Significant Accounting Policies 1 to 37

As per our Report of even date attached

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

N. K. Agarwal
 Partner
 M. No. 034659

Place: Mumbai
 Date : 30th May, 2017

FOR AND ON BEHALF OF THE BOARD

AMITABH KEJRIWAL
 Managing Director

MEHNUDDIN KHAN
 Company Secretary &
 Compliance Officer

PRAKASHCHAND DALMIA
 Chairman

RAMNIWAS B SOMANY
 Chief Finance Officer

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017

(Amount in Rs.)

Sr. No	Particulars	Note No	FOR THE YEAR ENDED ON 31.03.2017	FOR THE YEAR ENDED ON 31.03.2016
I.	Revenue from operations	20	1,42,89,96,470	1,44,53,64,757
II.	Other income	21	30,91,074	40,96,764
III.	Total Revenue (I + II)		1,43,20,87,544	1,44,94,61,521
IV.	<u>Expenses:</u>			
	Cost of materials consumed	22	94,46,88,654	65,21,54,493
	Purchases of Stock-in-Trade		7,43,94,663	44,02,81,743
	Change in inventories of finished goods/stock in trade	23	9,92,47,325	(1,82,82,224)
	Employee benefits expense	24	7,28,82,393	9,02,02,219
	Finance costs	26	12,90,57,954	10,72,80,313
	Depreciation and amortization expense	11	9,52,09,385	9,85,17,048
	Other expenses	25	11,17,68,176	11,73,06,140
	Total expenses		1,52,72,48,550	1,48,74,59,731
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(9,51,61,006)	(3,79,98,211)
VI.	Exceptional Items		(10,514)	-
VII.	Profit before extraordinary items and tax (V - VI)		(9,51,50,492)	(3,79,98,211)
VIII.	Extraordinary Items		3,38,55,390	3,190
IX.	Profit before tax (VII- VIII)		(6,12,95,102)	(3,80,01,401)
X	<u>Tax expense:</u>			
	(1) Current tax		37,19,606	1,49,53,000
	(2) Deferred tax Liabilities(Assets)		(44,85,219)	(44,00,937)
	(3) Short/(Excess) Provision for Taxation		17,36,549	1,94,948
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		(6,22,66,039)	(4,87,48,413)
XII	Less Minority Interest			
	i. India Denim Limited		-	(2,96,90,938)
	ii. Konark Infratech Private Limited		40,59,972	1,37,84,231
	Less Preacquisition Loss adjusted in Capital Reserve		-	-
	Profit (Loss) for the period after Minority Interest		(6,63,26,011)	(3,28,41,705)
XIII	Profit/(loss) from discontinuing operations		-	-
XIV	Tax expense of discontinuing operations		-	-
XV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		(6,63,26,011)	(3,28,41,705)
XVI	Profit (Loss) for the period (XI + XIV)		(6,63,26,011)	(3,28,41,705)
XVII	<u>Earnings per equity share:</u>			
	(1) Basic		(11.42)	(5.65)
	(2) Diluted		(11.42)	(5.65)

Notes including Significant Accounting Policies from 1 to 37

As per our Report of even date attached

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

N. K. Agarwal
Partner
M. No. 034659

Place: Mumbai
Date : 30th May, 2017

FOR AND ON BEHALF OF THE BOARD

AMITABH KEJRIWAL
Managing Director

PRAKASHCHAND DALMIA
Chairman

MEHNUDDIN KHAN
Company Secretary &
Compliance Officer

RAMNIWAS B SOMANY
Chief Finance Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2017

(Rupees in Lac)

Particulars	31ST MARCH, 2017 Amount (Rs.)		31ST MARCH, 2016 Amount (Rs.)	
Cash flow from operating activity				
Cash flow from operating activity				
Net Profit before tax & Extra Ordinary Items		(95,161,006)		(37,998,211)
Adjustment for : Depreciation	95,209,385		98,517,048	
Interest paid	129,057,954		107,280,313	
Miscellaneous Exp. Written Off.	0		20,200	
(Profit)Loss on Sale of Fixed Assets	0		141,201	
Interest Income (considered Separately)	(1,284,934)	222,982,405	(2,277,231)	203,681,531
Operating Profit before working capital changes		127,821,399		165,683,320
WORKING CAPITAL CHANGES				
(Increase)Decrease in Sundry debtors	(27,391,683)		51,514,673	
(Increase)Decrease in Loans & Advances	(89,942,998)		6,552,936	
(Increase)Decrease in Inventories	46,220,982		111,298,953	
Increase(Decrease) in Trade Payable(Incl.Work'g Cap.Fin)	(7,329,073)	(78,442,772)	(15,892,300)	153,474,262
Cash Generated From operations		49,378,627		319,157,582
Income Tax Paid		(9,440,857)		(21,028,871)
Interest paid		(129,057,954)		(107,280,313)
Cash Flow Before Prior Period & Extra Ordinary Items		(89,120,184)		190,848,398
Prior Period & Extra Ordinary Items		33,844,876		3,190
Net Cash Flow From Operating Activities (I)		(55,275,308)		190,845,208
CASH FLOW FROM INVESTING ACTIVITIES				
Purchases of Fixed Assets	(2,950,353)		2,808,904	
Interest Income	1,284,934		2,277,231	
Adjustment on A/C of subsidiary ceased wef from 30.03.2017	338,689,585			
Minority Interest	0			
Sale of fixed assets	0		250,000	
Net Cash Outflow for investing Activities (II)		337,024,166		5,336,135
Cash flow after investing activities (III) = (I-II)		281,748,858		196,181,343
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowing (Net of Repayments)	(287,005,035)		54,438,570	
Proceeds from short term borrowing (Net of Repayments)	(11,347,853)		(243,185,083)	
Dividend paid	0.00		-	
Direct Tax Paid	0		-	
Net Cash Flow from financing activity (IV)		(298,352,888)		(188,746,513)
Cash flow after financing activity (V)=(III-IV)		(16,604,030)		7,434,830
Opening Balance:				
Cash &Cash Equivalent (Opening Balance)		36,144,922		28,710,092
Cash &cash equivalent(Closing balance)		19,540,892		36,144,922
Increase in cash & cash equivalent (VI)		(16,604,030)		7,434,830

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

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Place: Mumbai
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Chief Finance Officer

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH, 2017
1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Significant accounting policies on Consolidated Accounts:

A. GENERAL

The accompanying Consolidated Financial Statements (CFS) for Konark Synthetic Limited (KSL) ("the company") and its domestic subsidiaries India Denim Limited (IDL), Trade Bazaar Retail Private Limited (TBRPL) and Konark Infratech Private Limited (KIPL)(upto 30th March, 2017) have been prepared and presented under historical cost convention, in accordance with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standard 21 on the Consolidated Financial Statement, issued by The Institute of Chartered Accountants of India (ICAI). Specifically, the recognition, measurement and disclosure provision of AS 21 to the extent possible is in the same formats that have been adopted by the Company for its separate financial statements.

B. PRINCIPLES OF CONSOLIDATION

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

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

Name of the Subsidiary Company	Financial Year of the Subsidiary company ended on	Extent of Holding/ Subsidiary Company's Interest	Country of Incorporation
India Denim Limited	March 31, 2017	61.17 %	India
Konark Infratech Private Limited.(KIPL) (upto 30 th March, 2017)	March 31, 2017	26.925%	India
Konark Gujrat PV Private Limited (Subsidiary of Associate)	March 31, 2017	100% by KIPL	India
Trade Bazaar Retail Private Limited.(TBRPL)	March 31, 2017	100.00%	India
Konark Wind Project Private Limited	March 31, 2017	100% by TBRPL	India
Konark Natural Food Private Limited	March 31, 2017	100% by TBRPL	India

D. USE OF ESTIMATE

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

E. FIXED ASSETS

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

F. DEPRECIATION

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

G. IMPAIRMENT OF ASSETS

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

H. INVENTORIES

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

I. INVESTMENT

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

J. TRANSACTION IN FOREIGN EXCHANGE

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

K. TAXATION**Current Tax**

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

Deferred Tax

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

L. SALES & PURCHASE

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

M. EXPORT INCENTIVES.

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

N. EMPLOYEES RETIREMENT BENEFIT

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

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

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

O. PROVISION, CONTINGENT LIABILITY AND CONTINGENT ASSETS.

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

Note No.	Particulars	As At 31.03.2017 Amount (Rs.)	As At 31.03.2016 Amount (Rs.)
2	SHARE CAPITAL		
	Authorised Capital		
	15000000 Equity Shares of Rs. 10/- each (Previous Year 15000000 Equity Shares of Rs.10 /ach)	15,00,00,000	15,00,00,000
	TOTAL	15,00,00,000	15,00,00,000
	Issued, Subscribed and Paid Up		
	5808000 Equity Shares of Rs. 10/- each (Previous Year 5808000 Equity Shares of Rs.10 /ach)	5,80,80,000	5,80,80,000
	TOTAL	5,80,80,000	5,80,80,000

Reconciliation of Outstanding Shares as on 31.03.2017

Particulars	Equity Shares	
	Number	Rs.
Shares outstanding at the beginning of the year	58,08,000	5,80,80,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	58,08,000	5,80,80,000
Rights, Preference and Restrictions attached to equity Shares.		
Equity Share Holder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing General Meeting. Dividend is paid to the equity Shareholders, whose name appears in the register of members as on record date. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after the distribution of all preferential amounts. Distribution will be in the proportion to the number of equity shares held by the shareholders.		

Details of Shareholders holding more than 5% of Equity Share Capital as on 31.03.2017

Sr. No.	Name of the Shareholder	As At 31.03.2017		As At 31.03.2016	
		No. of Shares Held	%age of Shareholding	No. of Shares Held	%age of Shareholding
1	RAKADEVI DALMIA	21,08,091	36.30%	21,08,091	36.30%
2	KAYO INVESTMENT AND FINANCE PVT. LTD	8,56,850	14.75%	8,56,850	14.75%
3	FILLMORE TRADING & INVESTMENTS PVT. LTD.	8,40,000	14.46%	8,40,000	14.46%
4	PRAKASHCHAND DALMIA (HUF)	3,36,600	5.80%	3,36,600	5.80%
	TOTAL	41,41,541	71.31%	41,41,541	71.31%

Note No.	Particulars	As At 31.03.2016 Amount (Rs.)	Additions during the year	Deductions during the year	As At 31.03.2017 Amount (Rs.)
3	RESERVES AND SURPLUS				
	Capital Reserve *	-	-	-	-
	Capital Redemption Reserve	40,00,000	-	-	40,00,000
	Securities Premium Account	6,88,07,066	-	-	6,88,07,066
	Capital Incentive Subsidy	25,00,000	-	-	25,00,000
	General Reserve	5,97,51,143	-	-	5,97,51,143
	Surplus in Profit & Loss Account **	9,03,91,668	(6,22,66,039)	-	(1,33,79,110)
	TOTAL	22,54,49,877	(6,22,66,039)	-	12,16,79,099

* Capital Reserve additions includes Goodwill of Rs. 47152 which has been netted off from Capital Reserve

	As At 31.03.2017	As At 31.03.2016
** Profit for the period	(6,22,66,039)	-
		(3,28,41,704)

Note No.	Particulars	As At 31.03.2017 Amount (Rs.)	As At 31.03.2016 Amount (Rs.)
4	NON-CURRENT LIABILITIES		
	<u>LONG TERM BORROWINGS</u>		
	<u>Secured</u>		
A.	Term Loans		
-	From Banks against Plants & Equipments		
	Indian Bank	-	-
	From Others		
	Tourism Finance Corporation India Limited	-	23,20,00,000
	Against Properties		
	From Bank ICICI Bank Ltd.	1,70,75,833	1,69,34,827
	IDBI Bank (Loan Against Flat of Directors)	6,19,78,966	6,46,84,184
	Loan Against Property	3,29,04,446	2,90,36,167
	Motor Cars Loans	36,93,367	59,54,469
	Total I	11,56,52,612	34,86,09,647
	<u>Unsecured</u>		
	Loans & Advances		
	From Related Parties		
	Inter Corporate Loans	52,52,24,267	54,55,24,267
	Of the above Rs. NIL is guaranteed by Directors and/or others.		
	Terms of Repayment: Payable after 31.03.2018		
	Others	92,43,838	4,29,91,838
	Total II	53,44,68,105	58,85,16,105
	TOTAL I + II	65,01,20,717	93,71,25,752

Secured Loans:
Term Loans of India Denim Limited

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

Term Loans of Konark Synthetic Ltd.
Term Loans:

- Loan of Rs.17075833/- (P.Y. Rs. 16934827/-) against sanctioned of Rs. 5.72 Crores is Secured against the same Flat i.e. Flat No. 2101, situated at Orchid Crown, Tower B, Gokhale Road South, Dadar (W), Mumbai, which is payable in 120 EMIs of Rs. 788525 after getting the possession from the Developer. The loan is also guaranteed by Mr. Prakashchand Dalmia as a co-applicant.
- Loan of Rs.23893948/- (P. Y. NIL) including Current Maturities of Long term Borrowings under Note No. 09 is Secured against Property from Religare Finvest 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. 272784/- and interest rate is 11% p.a floating , The loans were also guaranteed as co-applicants by Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal, Mr. Shonit Dalmia, Mrs. Rakadevi Prakashchand Dalmia, Prakashchand Dalmia HUF and M/s Fillmore Trading & Investment Private Limited,.
- Loan of Rs. 10007793/- (P.Y. 10291309/-) including Current Maturities of Long Term Borrowings under Note No. 09 is secured against Property from PNB Housing Finance Limited against Shop No. 8 situated at Skylark Building, Plot No. 63, Sector-11, CBD Belapur, Navi-Mumbai-400614 on the term i.e 180 EMI of Rs. 123150/- and interest rate is 11.75% p.a. The loan was also guaranteed as co-applicants by Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal, Mr. Shonit Dalmia, Mrs. Rakadevi Dalmia, Prakashchand Dalmia HUF and M/s Kayo Investments & Finance Pvt. Ltd.
- The loan of Rs. 64489633/- (P.Y. 66912274/-) including Current Maturities of Long Term Borrowings under note no. 09 from IDBI Bank Ltd is secured against the flat of Shri Amitabh Kejriwal-Director, situated at Flat No. 101, Santusthi, Janki Kutir, Juhu Ville Parle, Juhu, Mumbai - 400049. The loan was also guaranteed as co-applicants by Directors Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal and Authorised Signatory Mr. Shonit Dalmia. Terms of Payment is 180 EMI of Rs. 845328/- including interest @ 11.65% p.a. floating.

Vehicle Loans of Konark Synthetics Limited: The loans are hypothecated against the specific vehicles for which it was sanctioned by the bank. Of the above loans, amounts (including current maturities under Note 9) of,

- Rs. 28,16,235 is repayable in 24 remaining EMI of Rs. 1,37,816 Up to 3rd March, 2019
- Rs. 19,96,506 is repayable in 24 remaining EMI of Rs. 97,701 up to 3rd March, 2019
- Rs. 4,42,661 is repayable in 15 remaining EMI of Rs. 32,950 up to 3rd June, 2018
- Rs. 6,99,068 is repayable in 15 remaining EMI of Rs. 28,450 upto 1st July, 2019
- Rs. 731349 is repayable in 54 remaining EMI of Rs. 16700 upto 5th Sep., 2021

Unsecured Loans: Loans From Related Parties of Konark Synthetics Limited:

Above loan was taken from associate concern Konark Realtech Pvt. Ltd. and is not guaranteed by any director of the company. The loan is repayable after 31st March, 2018.

Note No.	Particulars	As At 31.03.2017 Amount (Rs.)		As At 31.03.2016 Amount (Rs.)	
5	DEFERRED TAX LIABILITY				
	Deferred Tax Liabilities				
	In respect of Fixed Assets		3,76,57,189		4,10,69,832
	Deferred Tax Assets				
	In respect of disallowance U/s 43B and MAT		43,15,843		32,43,267
	Deferred Tax Liabilities (NET)*		3,33,41,346		3,78,26,565
	*Deferred Tax Assets of India Denim Limited have been disclosed in the Note No. 13				
6	LONG TERM PROVISION				
	Provision For Employee Benefits - Gratuity		55,08,946		45,62,316
	TOTAL		55,08,946		45,62,316
	CURRENT LIABILITIES				
7	SHORT TERM BORROWINGS				
	Secured				
A.	Loans repayable on demand				
	- From Bank				
	Cash Credit		39,64,02,223		39,17,18,130
	Unsecured				
	- From Bank		-		-
	- Loans from Related Parties		2,83,54,295		3,07,55,345
	- Others		53,37,945		1,42,84,748
	(Of the above Rs. Nil is guaranteed by Directors)				
	TOTAL		43,00,94,463		43,67,58,223

Secured Loans

Cash Credit Of Konark Synthetics Limited

Cash credit of Rs. 10 Crores has been sanctioned by Corporation Bank against paripassu first charge on inventory and book debts of the Company with margin of 25% on Stock, 30% on Consumables and Stores, and 40% on Book Debts; at interest rate of Base Rate + 4.35%. Cash credit of Rs. 9.25 Crores has been sanctioned by Indian Bank against paripassu first charge hypothecation of inventory and book debts of the Company with margin of 25% on Stock, and 50% on Book Debts; at the interest rate of Base Rate + 4.25%.

Cash Credit Of India Denim Limited

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

Unsecured LoansKonark Synthetics Limited

- Loans from related parties is from Konark Realtech Private Limited and is payable on demand
- Of the loans from others, amounts (including current maturities under Note 9) of,
- Rs. 31,09,412 is repayable in remaining 26 EMI of Rs. 1,46,119 upto 5th May, 2019
- Rs. 24,06,411 is repayable in remaining 35 EMI of Rs. 88,877 upto 5th February, 2020
- Rs. 26,36,751 is repayable in remaining 25 EMI of Rs. 1,29,185 upto 7th April, 2019 - Rs. 22,26,672 is repayable in remaining 13 EMI of Rs. 1,89,712 upto 3rd April, 2018

Trade Bazaar Retail Pvt Ltd.

- Loans from related parties is from Sonit Dalmia and is payable on demand

8 TRADE PAYABLES

- Total Outstanding dues of micro and small enterprises
- Total Outstanding dues of creditors other than micro and small enterprises

Particulars	As At 31.03.2017 Amount (Rs.)		As At 31.03.2016 Amount (Rs.)	
(i) Acceptance	8,99,77,579		7,99,77,162	
(ii) Trade Payables (In ordinary course of Business)				
For Trade Goods & Expenses	6,76,81,801		3,75,54,709	
For Others	5,16,000	15,81,75,380	2,35,37,556	14,10,69,427
TOTAL		15,81,75,380		14,10,69,427

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

Note No.	Particulars	As At 31.03.2017 Amount (Rs.)		As At 31.03.2016 Amount (Rs.)	
9	<u>OTHER CURRENT LIABILITIES</u>				
	Current Maturities of Long-term debts				
-	Term Loans		3,90,81,878		7,72,77,602
-	Other Secured Loans		35,07,962		39,29,996
-	Unsecured Loans		50,41,301		34,41,200
-	Vehicle Loans		29,92,451		24,33,504
	Interest Accrued but not due		-		5,46,614
	Demand Loan		-		74,83,952
	Unpaid/Unclaimed dividends		1,85,736		1,85,736
	Advance Received against Land		76,00,000		76,00,000
	Taxes & duty		12,49,751		25,63,017
	Other Payables				
a)	Payable-PF, ESIC & Professional Tax		3,31,742		3,26,134
b)	Payable - Employees		1,51,24,362		1,12,18,204
c)	Other	-	-	-	-
(i)	Konark Realtech Private Limited		5,90,20,178		3,98,12,530
(ii)	Others		3,07,300		67,965
	TOTAL		13,44,42,661		15,68,86,454
10	<u>SHORT TERM PROVISIONS</u>				
	Provision For Income Tax		-		1,39,52,066
	Expenses Payable		3,65,483		83,50,845
	Provision For Gratuity		8,65,151		5,01,745
	TOTAL		12,30,634		2,28,04,656

NOTE NO. 11
CONSOLIDATED FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01-04-2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31-03-2017	Up to 01-04-2016	For the year	Deductions/ Adjustments	Upto 31-03-2017	As At 31-03-2017	As At 31-03-2016
Tangible :										
LAND										
Leasehold Land	6,180,340	-	-	6,180,340	617,030	62,421	-	679,451	5,500,889	5,563,310
Freehold Land	30,439,703	-	-	30,439,703	-	-	-	-	30,439,703	30,439,703
Office Building	48,535,549	-	-	48,535,549	191,594	768,444	-	960,038	47,575,511	48,343,955
Buildings	207,305,868	-	-	207,305,868	55,153,106	6,385,609	-	61,538,715	145,767,153	152,152,762
Plant & Machineries	1,427,627,884	260,610	-	1,427,888,494	626,102,889	85,337,795	-	711,440,684	716,447,810	801,524,995
Furniture & Fixtures	7,965,534	16,550	-	7,982,084	6,650,644	551,649	-	7,202,293	779,791	1,314,890
Internet	252,658	-	-	252,658	148,052	39,634	-	187,686	64,972	104,606
Office Equipments	2,888,162	145,188	-	3,033,350	2,331,653	141,057	-	2,472,710	560,640	556,509
Vehicles	22,625,927	823,500	-	23,449,427	17,810,258	1,497,381	-	19,307,639	4,141,788	4,815,669
Computers	3,892,093	30,795	-	3,922,888	3,555,509	107,024	-	3,662,533	260,355	336,584
Intangible:										
Product Development Exp \$	2,421,061	-	-	2,421,061	484,212	484,212	-	968,424	1,452,637	1,936,849
Software*	2,403,698	-	-	2,403,698	2,245,602	45,041	-	2,290,643	113,054	158,095
Total	1,762,538,476	1,276,643	-	1,763,815,119	715,290,549	95,420,267	-	810,710,816	953,104,304	1,047,247,928
less Adjustment on account of Kitpl ceased to be subsidiary wef from 30.03.2017	655,765,426	277,160	-	656,042,586	179,425,913	-	-	217,911,651	438,130,936	476,339,513
	1,106,773,050	999,483	-	1,107,772,533	535,864,636	95,420,267	-	592,799,165	514,973,367	570,908,415
Previous Year	1,713,877,074	51,901,081	779,918	1,764,998,237	617,097,216	98,517,049	323,717	715,290,548	1,049,707,690	1,096,779,858
Capital Work in progress	41,557,933	1,950,870	-	43,508,803	-	-	-	-	43,508,803	36,907,925

* other than internally generated .

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

NOTE NO. 12: NON CURRENT INVESTMENTS

Particulars		As at 31 March, 2017 Amount (Rs.)	As at 31 March, 2016 Amount (Rs.)
A	Trade Investments	-	-
B	Other Investments (Refer B below)		
	(a) Investment in Equity instruments	2,07,100	2,07,100
	(b) Other non-current investments (specify nature)		
	Total (B)	2,07,100	2,07,100
	Grand Total (A + B)	2,07,100	2,07,100
	Less : Provision for diminution in the value of Investments	2,04,000	2,04,000
	Total	3,100	3,100

B. Details of Other Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value (Rs.)	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Wheth- er stated at Cost Yes / No	If Answer to Column (9) is 'No' -
				2017	2016			2017	2016	2017	2016		
(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Investment Properties												
	Silvassa Co-op. Society Limited	Others	100	10	10	unquoted	Fully			1,100	1,100	Yes	
	The City Co-op. Bank Ltd.	Others	25	40	40	unquoted	Fully			2,000	2,000	Yes	
	Sun Earth Ceramics limited	Others	10	6800	6800	Quoted	Fully			2,04,000	2,04,000	Yes	
	Total							-		2,07,100	2,07,100	-	

Amount (Rs.)

Note No.	Particulars	As At 31.03.2017		As At 31.03.2016	
	NON-CURRENT ASSETS				
13	<u>DEFERRED TAX ASSETS</u>				
	Deferred Tax Assets		5,13,18,970		5,13,18,970
	In respect of MAT Credit				
	Deferred Tax Liabilities		3,09,99,115		3,09,99,115
	In respect of Depreciation				
	Deferred Tax Assets (NET)		2,03,19,855		2,03,19,855
14	<u>LONG TERM LOAN AND ADVANCES</u>				
	Unsecured, Considered Good				
	Deposit with Govt. & Others		74,02,492		74,06,952
	Others		90,95,750		1,90,58,152
	TOTAL		1,64,98,242		2,64,65,104
15	<u>INVENTORIES</u>				
	- Raw Materials		8,66,20,029		3,62,84,126
	- Process Stock		2,96,86,022		6,24,34,240
	- Finished Goods		17,22,65,192		23,87,64,299
	- Stores, Spares		1,43,96,051		1,79,16,415
	- Stock of Dyes & Chemical		62,10,804		-
	TOTAL		30,91,78,098		35,53,99,080
16	<u>TRADE RECEIVABLES</u>				
	Unsecured				
	- Over 6 months -Good		21,17,68,460		14,31,61,041
	- Doubtful				
	- Other Debts - Good		21,77,52,156		25,87,13,712
	- Other Debts Related Parties		-		2,54,180
			42,95,20,616		40,21,28,933
	Less: Provision for Doubtful debts		-		-
			42,95,20,616		40,21,28,933
	TOTAL		42,95,20,616		40,21,28,933
17	<u>CASH & CASH EQUIVALENTS</u>				
	- On Current Accounts		55,49,810		2,30,27,913
	- Cash in Hand (incl'd Imprest)		4,51,120		9,86,590
	- Others				
	- On Dividend Accounts		1,85,736		1,85,736
	- On Deposit Accounts (More than 12 Months)		1,000		7,000
	- On Margin Money (FD for a period less than 12 Months)		1,33,53,226		1,19,37,683
	TOTAL		1,95,40,892		3,61,44,922
18	<u>SHORT TERM LOANS AND ADVANCES</u>				
	Unsecured, Considered Good				
	- To Related Parties and Subsidiaries		4,15,40,973		-
	- Insurance Claim Receivable		3,38,55,390		
	- Security Deposit		20,55,778		64,88,302
	- To Employees		12,98,119		10,47,714
	- T.D.S. and Income Tax (Net of Provision)		37,40,428		99,88,186
	- Receivable from Government Authorities		1,96,72,220		2,07,73,426
	- Interest Subsidy Receivable		8,44,595		8,44,595
	- Advances to Suppliers		12,18,05,614		9,93,05,769
	- Others*		1,34,56,677		53,01,485
	TOTAL		23,82,69,794		14,37,49,477
19	<u>OTHER CURRENT ASSETS</u>				
	*Others include mainly TDS on Interest Recoverable				
	Prepaid Expenses		5,80,480		14,38,695
			5,80,480		14,38,695
	Less Provision for Doubtful Advances		-		-
	TOTAL		5,80,480		14,38,695

CONSOLIDATED NOTES TO ACCOUNTS
Amount (Rs.)

Note No.	Particulars	For the Year ended 31.03.2017	For the year ended 31.03.2016
20	<u>REVENUE FROM OPERATIONS</u>		
	Domestic Sales(Incl. Operational Income)	1,35,51,78,323	1,34,58,33,006
	Job Work Charges	6,73,46,913	9,00,12,296
	Weaving & Processing Charges	64,71,234	72,85,011
	Other operative Revenues*	-	22,34,443
	TOTAL	1,42,89,96,470	1,44,53,64,757
	*Other Operative revenue is mainly on account of Scrap Sale		
21	<u>OTHER INCOME</u>		
	Interest on FDR	9,04,815	21,29,272
	Interest Income	3,80,119	1,47,959
	Late Payment charges	-	2,32,259
	Rent Received	7,85,000	9,04,200
	Commission Received	-	31,680
	Foreign Exchange Fluctuation	-	17,687
	Others*	10,21,140	6,33,707
	TOTAL	30,91,074	40,96,764
	*Others includes balances W/back		
22	<u>COST OF MATERIALS CONSUMED</u>		
	Raw Material Consumed		
	Opening Stock	3,62,84,126	16,59,29,631
	Add : Purchases	99,50,24,557	52,25,08,990
		1,03,13,08,683	68,84,38,621
	Less: Closing Stock	8,66,20,029	3,62,84,128
	TOTAL	94,46,88,654	65,21,54,493
23	<u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</u>		
	Opening stock - Process	6,24,34,241	13,63,92,769
	Opening stock - Finished	23,87,64,298	14,65,23,546
	TOTAL - A	30,11,98,539	28,29,16,315
	Closing stock - Process	2,96,86,022	6,24,34,240
	Closing stock - Finished	17,22,65,192	23,87,64,299
	TOTAL - B	20,19,51,214	30,11,98,539
	Increase / (Decrease) in Stocks b-a		
	TOTAL - B - A	9,92,47,325	(1,82,82,224)
24	<u>EMPLOYEE BENEFITS EXPENSES</u>		
	Salaries, Wages & Bonus	6,66,19,387	7,96,19,614
	Gratuity & other Allowances	13,52,486	55,69,667
	Contribution to Funds	40,16,667	41,85,264
	Staff Welfare Expenses	8,93,853	8,27,674
	TOTAL	7,28,82,393	9,02,02,219

		Amount (Rs.)	
Note No.	Particulars	For the Year ended 31.03.2017	For the year ended 31.03.2016
25	<u>OTHER EXPENSES</u>		
	<u>A.MANUFACTURING EXPENSES</u>		
	Power & Fuel	2,24,00,277	3,53,64,614
	Stores & Spares & Packing Material Consumed	1,50,97,851	1,31,23,557
	Colour, Chemical, Oil & Lubricant Consumed	93,86,297	4,74,913
	Repairs to Building	42,832	2,19,954
	Repairs to Plant & Machinery	1,24,77,237	1,01,37,874
	Repair & Maintanance - Other (At Plants)	3,65,657	1,44,593
	Security Charges	32,07,872	33,20,590
	Labour Charges	22,30,536	52,40,822
	Job work Charges	1,63,82,668	1,65,08,095
	Freight, Octroi & Cartage	22,64,486	9,06,562
	Other Direct Manufacturing Expenses	4,44,786	4,05,673
	TOTAL A	8,43,00,499	8,58,47,247
	<u>B. ADMINISTRATIVE & GENERAL EXPENSES</u>		
	Advertisement Expenses	80,183	61,281
	Bank Charges	3,65,854	24,004
	Conveyance Expenses	11,84,530	8,57,201
	Claim & Discount	16,90,255	68,925
	Director's Remuneration & Perquisites	-	20,78,699
	Donation	2,000	42,000
	Electricity	20,30,910	21,14,847
	Filing Fees	35,808	58,300
	Foreign Exchange Fluctuation	-	6,87,657
	Insurance	16,43,489	11,14,194
	Loss on Sale of Fixed Assets	-	1,41,201
	Interest/Penalty	11,542	3,72,233
	Marketing Expenses & Brokerage	13,30,336	17,02,354
	Membership & Subscription	3,15,681	3,47,836
	Miscellaneous Expenses/General Expenses	17,73,160	31,19,878
	Outward Freight & Octroi	13,10,654	12,81,683
	Postage Telegram	2,85,273	3,24,801
	Printing & Stationery	6,55,122	6,26,747
	Proffessional Fees/ Legal Expenses	36,86,332	33,84,517
	Rent,Rates,Fees & Taxes	53,02,813	66,96,387
	Repairs & Maintanance (Others)	2,16,643	3,62,181
	Sales Promotion Expenses	5,65,217	5,18,630
	Sample & Development Expenses	11,23,749	11,65,807
	Stamp & Hundi Paper	72,520	33,700
	Telephone Expenses	7,83,204	9,20,430
	Travelling Expenses;	14,27,410	15,64,331
	Vehicle Expenses	9,11,974	11,65,369
	<u>Auditors Remuneration:</u>		
	- For Statutory Audit	4,87,239	4,50,025
	- For Tax Audit	91,078	99,425
	- For Certification	84,700	74,250
	TOTAL B	2,74,67,676	3,14,58,893
	TOTAL (A+B)	11,17,68,175	11,73,06,140
26	<u>FINANCE COST</u>		
	Interest Expenses	12,36,96,419	10,20,81,529
	Bank Charges	53,61,535	51,98,784
	TOTAL	12,90,57,954	10,72,80,313

27. During the year Company has debited a sum of Rs. 1352486/- in the Statement of Profit & Loss towards Gratuity Provision as per actuarial valuation done in accordance with Accounting Standard (AS) - 15 "Employee Benefits" hence the Profit of the company has reduced by the amount of Rs. 1352486/- during the year. As per the report company has shown a sum of Rs. 5508946/- under the head of Long Term Provisions and Rs.865151/- shown under the head other Current Liability.

28. Segment Reporting:

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

(Rs. In Lakhs)

Particulars	Current Year Ended 31.03.2017	Previous Year ended 31.03.2016
1. Segment Revenue		
a) Textiles	12,892.24	13,002.977
b) Energy	1,397.72	1,450.68
Total	14,289.96	14,453.65
Less: Inter Segment Revenue	--	--
Net Sales from Operation	14,289.96	14,453.65
2. Segment Results*		
a) Textiles	(524.25)	(249.75)
b) Energy	832.31	901.60
Total	308.06	651.85
Less: Finance Costs	1,290.57	1,072.80
Add Unallocable Income	30.91	40.97
Less Unallocable Expenses	0.00	0.00
Profit Before Tax	(951.60)	379.98
3. Capital Employed** (Segment Assets- Segment Liabilities)		
a) Textiles	1,797.59	1,529.79
b) Energy	-	1,844.43
Total	1,797.59	3,374.22

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

Related Party Disclosures

A. Related Parties Disclosure:

I. Subsidiaries of Subsidiaries:

Konark Natural Foods Pvt. Ltd.,
Konark Wind Projects Private Limited and
Konark Gujarat PV Private Limited.

II. Individual having significant influence:

Smt. Rakadevi Dalmia – Share Holder

III. Key Managerial Personnel and Relative:

Mr. Prakashchand Dalmia – Chairman & Managing Director
Mr. Amitabh Kejriwal – Whole-Time Director
Mr. Shonit Dalmia – Director

Mr. Punit Desai – Director

Mr. R. B. Somany – Chief Financial Officer

Ms. Shikha Dalmia – Relative of Director

Ms. Smita Kejriwal – Relative of Director

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

M/s Konark Silk Mills

M/s Konark Realtech Private Limited

M/s Trade Bazaar Homotech Ventures LLP.

B. Transactions:

(Amount in Rs.)

Particulars	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites		22,10,000 (20,78,699)		22,10,000 (20,78,699)
Salary		5,14,000 (4,92,000)		5,14,000 (4,92,000)
Rent Expenses	1,80,000 (1,80,000)		1,08,000 (1,08,000)	2,88,000 (2,88,000)
Rent Received			NIL (9,04,200)	NIL (9,04,200)
Loan Taken		22,55,000 (81,70,000)	5,79,87,400 (7,32,14,300)	6,02,42,400 (8,13,84,300)

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

(Amount in Rs.)

	2016-2017	2015-2016
Managerial Remuneration		
Prakashchand Dalmia	13,30,000	11,98,806
Amitabh Kejriwal	8,80,000	8,79,893
Salary Paid		
Sikha Dalmia	3,00,000	3,00,000
Smita Kejriwal	2,14,000	1,92,000
Rent Paid		
Konark Silk Mills	1,08,000	1,08,000
Raka Devi Dalmia	1,80,000	1,80,000
Rent Received		
Trade Bazaar Homotech Ventures LLP	NIL	9,04,200
Loans Taken		
Konark Realtech Pvt. Ltd.	5,79,87,400	7,32,14,300
Shonit Dalmia	22,55,000	81,70,000

D. Balances with the Related Parties as at 31st March, 2017
(Amount in Rs.)

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites			15,1924 (77,600)		1,51,924 (77,600)
Salary			46,500 (41,000)		46,500 (41,000)
Rent Received				NIL (2,54,180)	NIL (2,54,180)
Rent Expenses		3,60,000 (1,80,000)		2,16,000 (1,08,000)	5,76,000 (2,88,000)
Loan Taken			1,35,55,000 (1,22,70,000)	16,44,99,295 (18,84,85,345)	17,80,54,295 (20,07,55,345)

30. EARNING PER SHARE:

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

	31.03.2017	31.03.2016
Profit/(Loss) after Tax and Adjustment of the minority		
Interest Before Prior Period Items	Rs. (10,01,81,401)/-	Rs. (3,28,38,515)/-
Less: Prior period expenses / Excess Provision of Tax	Rs. 3,38,55,390/-	Rs. 3,190/-
Net Profit / (Loss) after tax	Rs. (6,63,26,011)/-	Rs. (3,28,41,705)/-
Basic Earning per share (5808000 Equity Shares)	Rs. (11.42)	Rs. (5.65)

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

A. Deferred Tax Liability	2017-16	2015-16
Due to Depreciation Difference	(34.33)	(42.06)
Less: Loss On Sale Of Fixed Assets	(0.0)	(0.42)
Total	(34.33)	(42.48)
B. Deferred Tax Assets		
Credit U/s 43B & 40(a)	10.52	17.33
MAT Credit Available For The Year	0.00	(16.50)
Due To Change In Tax Rate	0.00	0.70
Total DTA	10.52	1.53
Net Deferred Tax Liability	(44.85)	(44.01)

32. Contingent Liability / Capital Commitments:

The Banker of the Company has given Guarantee to various Government Authorities amounting to Rs. 48.41 Lac (P.Y. Rs.35.41 Lac) for which the Company has given counter guarantee. Company has also given margin money to banker amounting to Rs. 14.29 Lac (P.Y. Rs. 11.39Lac).

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

34. Auditor Remuneration:**(Rs. in Lakhs)**

Particulars	2016- 17	2015 - 16
Audit Fees	4.87	4.50
Tax Audit	0.91	0.99
For Others	0.85	0.75
Total	6.63	6.24

35. 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.

36. CIF Value Of Imports:**(Rs. in Lakhs)**

Particulars	2016-17	2015-16
Stores & Spares	0.00	.94

37. Details of Specified Bank Note (SBN) held and transacted during the period from 8th November, 2016 to 30st December 2016 in the below Table

(Amount in Rs.)

	SBNs	Other Denomination Notes	Total
Closing Balance In Hand as on 08.11.2016	1,05,000	1,00,636	2,05,636
(+) Permitted receipts	-	3,34,117	3,34,117
(-) Permitted payments	-	(2,30,151)	(2,30,151)
(-) Amount Deposited in Banks	(1,05,000)	-	(1,05,000)
Closing cash in hand as on 30.12.2016	-	2,04,602	2,04,602

As per our Report of even date attached

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

N. K. Agarwal
Partner
M. No. 034659

Place: Mumbai
Date : 30th May, 2017

FOR AND ON BEHALF OF THE BOARD

AMITABH KEJRIWAL
Managing Director

PRAKASHCHAND DALMIA
Chairman

MEHNUDDIN KHAN
Company Secretary &
Compliance Officer

RAMNIWAS B SOMANY
Chief Finance Officer

KONARK SYNTHETIC LIMITED

CIN: L17200MH1984PLC033451

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

FOR KIND ATTENTION OF SHAREHOLDERS**Dear Shareholders,**

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

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

Folio No.

Name of the Shareholder

Father's/Mother's/Spouse's Name

Address (Registered Office Address in case the Member is a Body Corporate)

E-mail Id

PAN or CIN

UIN (Aadhar Number)

Occupation

Residential Status

Nationality

In case member is a minor, name of the guardian

Date of birth of the Member

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

Place:

Date:

Signature of the Member

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

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

Thanking you,

For Konark Synthetic Limited**Mehnuddin Khan****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

FORM NO. MGT-11**PROXY FORM**

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

33rd Annual General Meeting – 29th September, 2017

Name of the Member (s)/ Joint holder (s) : _____

Registered address : _____

Email Id : _____

Folio No/Client Id : _____

DP ID : _____

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

1. Name: _____
Address: _____
Email ID: _____
Signature: _____, or failing him/her
2. Name: _____
Address: _____
Email ID: _____
Signature: _____, or failing him/her
3. Name: _____
Address: _____
Email ID: _____
Signature: _____, or failing him/her

as my/our proxy to attend and vote (on poll) for me/us on my /our behalf at the 33rd Annual General Meeting of the Company to be held on Friday, 29th day of September, 2017 at 3.30 p.m. at the Registered office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution Number	Resolutions	Vote (Optional see note 2) Please mention no. of Shares)		
Ordinary Business:		For	Against	Abstain
1.	Ordinary Resolutions for adoption of: a) The Standalone Audited Financial Statements for the year ended 31 st March, 2017 together with the Reports of the Directors' and the Auditors' thereon; and b) The Consolidated Audited Financial Statements for the financial year ended 31 st March, 2017 together with the report of Auditors' thereon.			
2.	Ordinary Resolution for appointment of director in place of Mr. Prakashchand Dalmia (DIN: 00005813), Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Ordinary Resolution for appointment of M/s. Shrawan Kumar & Co., Chartered Accountants, Mumbai (having FRN: 110221W) as Statutory Auditors of the Company in place of retiring Statutory Auditors M/s. Bhuwania & Agarwal Associates, Chartered Accountants to hold office for a period of consecutive 5 years from the conclusion of this 33 rd Annual General Meeting until the conclusion of 38 th Annual General Meeting and to fix their remuneration.			
Special Business:				
4.	Ordinary Resolution for appointment of Ms. Suvriti Gupta (DIN: 07139828) as Independent Director of the Company for a period of 5 (five) years w.e.f. 1 st April, 2017.			
5.	Special Resolution for appointment of Mr. Amitabh Kejriwal (DIN: 00005864), Whole Time Director of the Company as Managing Director of the Company for a period of 5 (five) years w.e.f. 1 st April, 2017 and approval of remuneration payable to him for a period of 3 years with effect from that date.			

Signed this _____ day of _____ 2017

Signature of Shareholder: _____

Signature of Proxyholder(s): _____

Affix
Revenue
Stamp of
Re.1

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate the preference. In case members leave the for, against or abstain column blank against any or all resolutions, their proxy will be entitled to vote in the manner as he/she may deemed appropriate.

KONARK SYNTHETIC LIMITED

CIN: L17200MH1984PLC033451

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

ATTENDANCE SLIP**33RD ANNUAL GENERAL MEETING – 29TH SEPTEMBER, 2017**

(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	

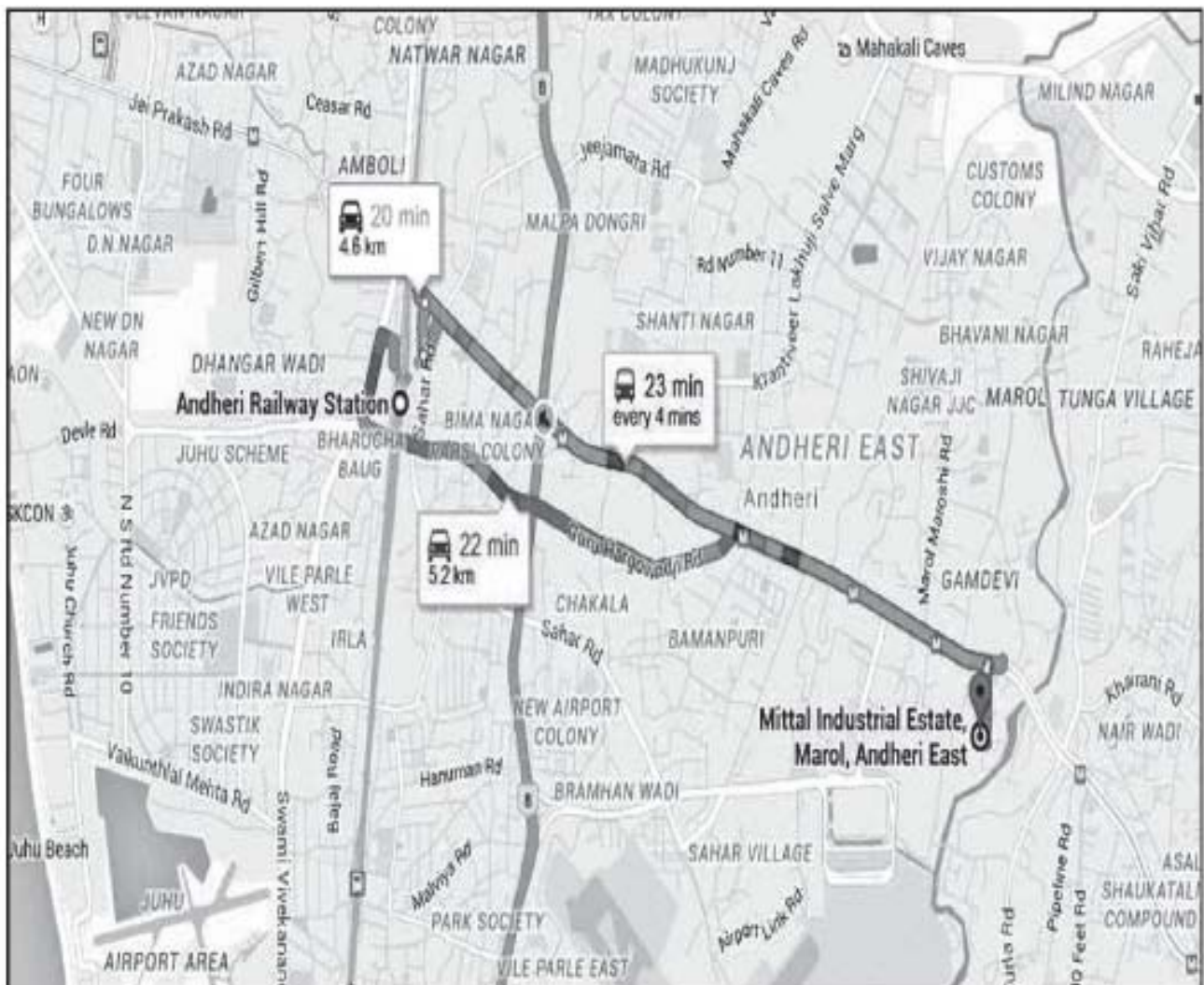
I/We hereby my/our presence at the **33rd Annual General Meeting** of the KONARK SYNTHETIC LIMITED to be held on the Friday, 29th September, 2017 at 3.30 P.M. at the Registered office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059.

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 for e-voting given along with Annual Report. The Voting period starts from Tuesday, 26th September, 2017 (10.00 a.m.) and end on Thursday, 28th September, 2017 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

ROUTE MAP OF AGM VENUE



If undelivered please return to :

KONARK SYNTHETIC LIMITED

CIN: L17200MH1984PLC033451

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

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