35th
ANNUAL
REPORT
2018 - 19

KONARK Konark Synthetic Limited



BOARD OF DIRECTORS AND KMPs

Mr. Prakashchand Dalmia Chairman (Non Executive)

Mr. Amitabh Kejriwal Managing Director
Mr. Satish Deshmukh Independent Director
Ms. Suvriti Gupta Independent Director
Mr. R. B. Somany Chief Financial Officer

Mr. Mehnuddin Khan Company Secretary & Compliance Officer

STATUTORY AUDITORS

M/s. Pansari & Dalmia Associates Chartered Accountants, Mumbai

SECRETARIAL AUDITORS

M/s. KRS AND CO. Company Secretaries, Mumbai

INTERNAL AUDITORS

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

BANKERS

Indian Bank Corporation Bank

REGISTERED OFFICE

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

Tel No.: 022-4089 6300 Fax No.: 022-4089 6322 Email: info@konarkgroup.co.in Website: www.konarkgroup.co.in

REGISTRAR 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

Plot No. 25,

Silvassa Industrial Co-op. Soc., 66 KVA Sub Station Road,

Village: Amli,

Dist.: Silvassa - 396230. (UT of Dadra & Nagar Haveli)

BENGALURU UNIT

Plot No. 62/4,13,14,15

Begur Road,

11th Cross, Ward No. 12,

Bommanahalli,

Bengaluru - 560068

SARIGAM UNIT

Plot No. 13 To 20,

Opp. JBF Industries Limited, G.I.D.C. Industrial Area,

Village: Sarigam

Taluka - Umargam, Dist. Valsad,

Gujarat - 396155



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KONARK SYNTHETIC LIMITED

CIN: L17200MH1984PLC033451

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

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the members of **KONARK SYNTHETIC LIMITED** will be held on Monday, 30th day of September, 2019 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, 2019 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, 2019 together with the reports of Auditors' thereon and in this regard, if thought fit, pass the following resolution as an

ORDINARY RESOLUTION:

- (a) **"RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2019 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, 2019 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 (DIN: 00005813), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to the necessary approvals, consents, permissions and/or sanctions from the appropriate authorities to the extent applicable, consent of the Members of the Company be and is hereby accorded to Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred hereunder) to sell, transfer or otherwise dispose of the leasehold rights in its undertaking at Sarigam Industrial Estate, Gujarat Industrial Development Corporation, Sarigam - 396155 with underlying land bearing Plot No. 13 to 20 admeasuring approximately 9500 sq. mtrs. out of 18959 sq. mtrs. (approximately) and factory buildings standing thereon to Orbit Export Limited ("Buyer") for an overall consideration of Rs. 13,45,00,000 (approximately) and balance land admeasuring approximately 9459 sq. mtrs. and factory buildings standing thereon to any prospective buyer, in such manner/arrangements, for consideration as the Board may consider appropriate on such terms and conditions, with effect from such date and with such modifications as may be required by any of the concerned authorities or as the Board may deem fit and appropriate in the interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do and perform all such acts, deeds, matters and things as it may, in their absolute discretion, deem fit, necessary, proper or desirable, including finalizing, varying and settling the terms and conditions of such sale and to finalize, execute, deliver and perform the Business Transfer Agreement, contracts, deeds, undertakings, and other documents in respect thereof and seek the requisite approvals, consents and permissions as may be applicable."

By Order of the Board of Directors For Konark Synthetic Limited

Place: Mumbai Date: 23rd August, 2019 Mehnuddin Khan Company Secretary & Compliance Officer

Registered office:

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



NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A person can act as proxy on behalf of 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. The 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. At the 34th AGM, M/s. Pansari & Dalmia, Chartered Accountants (Firm Registration No. 107370W), Mumbai, were appointed as Statutory Auditors of the Company for a period of 5 years untill the conclusion of the 39th AGM of the Company. The ratification of their appointment pursuant to Section 139 of the Companies Act, 2013 is not required in terms of notification no. SO 1833(E) dated 7th May, 2018 issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of this AGM Notice.
- 4. Members/Proxies are requested to bring duly filled in Attendance slip along with the Annual Report at the Annual General Meeting.
- 5. 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).
- 6. Pursuant to Regulations 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on "General Meetings" the particulars of Directors seeking appointment/re-appointment at the ensuing 35th Annual General Meeting is annexed to the notice.
- 7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive).
- 8. 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.
- 9. 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.
- 10. In case of joint holders attending the meeting, the joint holder with highest in order of names will be entitled to vote.
- 11. 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.
- 12. Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the Company's Registrar & Share Transfer Agents, Purva Sharegistry (India) Pvt. Ltd for consolidation of all such shareholding into one folio to facilitate better services.
- 13. Members holding shares in physical form are requested to intimate any change in their address or bank mandates immediately to the Company's Registrar & Share Transfer Agents (RTA), viz. Purva Sharegistry (India) Pvt. Ltd., 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai 400011 quoting their Folio Number and Bank Account details along with self-attested documentary proof. Members holding shares in Demat form may update such details with their respective Depository Participants.
- 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 Sharegistry (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. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar & Share Transfer Agents (RTA), viz. Purva Sharegistry (India) Pvt. Ltd in this regard.
- 17. 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.
- 18. 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.



- 19. The Notice of the 35th 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.
- 20. Route Map for the venue of the 35th Annual General Meeting of the Company is appearing at the end of the Annual Report.
- 21. 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 35th Annual General Meeting to be held on Monday, 30th September, 2019. 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 35th 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 Friday, 27th September, 2019 (10.00 A.M.) and ends on Sunday, 29th September, 2019 (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. Monday, 23rd September, 2019, 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 cutoff date i.e. Monday, 23rd September, 2019.
- (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. Monday, 23rd September, 2019 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 have appointed CS Ketan. R. Shirwadkar, M/s KRS AND CO., Company Secretaries, Mumbai, as scrutinizer to conduct and scrutinize the voting through polling papers and remote e-voting in a fair and transparent manner.
- (g) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Monday, 23rd September, 2019, may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or info@konarkgroup.co.in. However, if the member is already registered with CDSL for remote e-voting then he can use his exiting user ID and password for casting the vote through e-voting. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com or contact CDSL at the following toll free no.: 1800-200-5533.
- (h) The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be done, allow voting with the assistance of scrutinizer, by use of "Polling Papers" to all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (i) The Scrutinizer after conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter 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. Monday, 30th September, 2019.

(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
 - 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,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.

(3)



- 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*	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)	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	• 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.
- 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. 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 Monday, 30th September, 2019.

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]:

- (a) Please follow all steps from SI. No. A (a) to SI. No. A (I) above, to cast vote.
- (b) 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.
- (c) Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

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

Name of Director	Mr. Prakashchand Dalmia		
Date of birth	07/09/1954		
Date of appointment as director	17/07/1984		
Qualification	Bachelor of Commerce		
Experience/Expertise in specific functional area/Brief Resume	He has over 32 years of experience in textile industry.		
Shareholding in the Company (Equity shares of Rs. 10/- each)	57501 Equity Shares		
List of Directorship in other entities	India Denim Limited		
	Konark Infratech Private Limited		
	Kayo Investments and Finance Private Limited		
	Goan Real Estate and Construction Private Limited		
Membership/Chairmanship of Committees of other listed entities (includes only Audit Committee and Stakeholder's Relationship Committee)	Nil		
No. of Board Meetings attended during the year	07 (As per CG Report)		
Terms and Conditions of re-appointment	He will be liable to retire by rotation.		
Remuneration to be paid (if applicable)	Nii		
Relationship with any Director (s) of the Company	Not related		
Justification for appointing as an Independent Director	Not Applicable		

By Order of the Board of Directors For Konark Synthetic Limited

Place: Mumbai Date: 23rd August, 2019 Mehnuddin Khan Company Secretary & Compliance Officer

Registered office:

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



EXPLAINATORY STATEMENT

Item No. 3

Due to changing economic scenario and due to increasing competitive environment particularly from the unorganized sector, the businesses at Sarigam Unit have been outperforming and which resulted in adequate adverse pressure on the overall performance and cash flows in the group.

Further, looking at the bigger picture of the Textile Industry in whole, in the coming years most of the business will either be taken over by growing no of imports or by emerging markets in Cambodia, Vietnam, and Philippines, which in turn will affect the competitiveness of the Company's manufacturing facilities.

It is desired to use the proceeds from hiving off of the Undertaking to reduce debt. Reduction in debt on one hand and positive performance of existing businesses on the other hand, is expected to give much needed fillip to the entire group's performance.

Company's Sarigam manufacturing facility has become unviable due to high manufacturing and operating cost. It is more economically viable to procure / import goods and sell in the open market rather than to self manufacture / self production. Several initiatives, such as cost reduction, substantial improvement in quality and service etc were taken in the past. However, the performance of the Unit did not improve.

The Board of Directors of the Company has consented to place proposal to sell, transfer or otherwise dispose of the leasehold rights in its undertaking at Sarigam Industrial Estate, Gujarat Industrial Development Corporation, Sarigam – 396155 with underlying land bearing Plot No. 13 to 20 admeasuring approximately 9500 sq. mtrs. out of 18959 sq. mtrs. (approximately) and factory buildings standing thereon to Orbit Export Limited ("Buyer") for an overall consideration of Rs. 13,45,00,000 (approximately) and balance land admeasuring approximately 9459 sq. mtrs. and factory buildings standing thereon to any prospective buyer, in such manner/arrangements, for consideration as the Board may consider appropriate on such terms and conditions, with effect from such date and with such modifications as may be required by any of the concerned authorities or as the Board may deem fit and appropriate in the interest of the Company, before the shareholders.

The net proceeds from the sale of the undertaking will be utilized to repay the existing loans, or reduce interest burden, or enhancement of working capital of the Company or general business purpose.

The sale of the undertaking will not have any impact on the Company's existing business.

In compliance with the applicable provisions of the Companies Act, 2013, Special Resolution as set out in the accompanying notice is now being placed before the members for their approval.

Your Directors recommend approving the proposal by passing the resolutions as Special Resolutions.

None of the Directors and/ or key managerial personnel of the Company or their respective relatives are concerned or interested in the said Special Resolution.

By Order of the Board of Directors For Konark Synthetic Limited

Place: Mumbai

Date: 23rd August, 2019

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 35th Annual Report together with the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on 31st March 2019.

FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Sr.	Particulars	Standa	lone	Consolid	ated
No.		For the Year ended 31 st March, 2019	For the Year ended 31 st March, 2018	For the Year ended 31 st March, 2019	For the Year ended 31 st March, 2018
1.	Total Revenue	7879.05	9777.50	7879.28	11271.35
2.	Total Expenses	7386.13	9004.90	7650.78	9798.12
3.	Profit before Depreciation & Amortization expenses, Finance Cost and Tax	492.92	772.61	228.50	1473.23
	Less: Depreciation and Amortization Expenses	262.17	286.67	490.44	904.14
	Less: Finance Cost	403.98	429.94	403.98	1059.50
4.	Profit before exceptional / extraordinary items and tax	(173.24)	56.00	(665.93)	(490.41)
5.	Share in Profit/(Loss) in Equity Accounted Investments(Net of Tax)	-	-	25.71	-
	Less: Exceptional Item/ extraordinary items	-	163.02	-	(163.02)
6.	Profit before tax	(173.24)	(107.02)	(640.22)	(653.44)
	Less: Provision for tax (Including deferred tax)	(21.94)	(42.79)	(21.94)	(8.53)
7.	Profit after tax	(151.30)	(64.23)	(618.29)	(644.91)
8.	Less: Minority Interest	-	-	-	187.10
	Profit/Loss for the period after Minority Interest	-	-	(618.29)	(832.01)

REVIEW OF BUSINESS OPERATIONS:

During the year under review, the Company earned total revenue of Rs. 7879.05 Lakhs as against Rs. 9777.50 Lakhs in the previous year. The profit before tax was Rs. (173.24) Lakhs as against Rs (107.02) Lakhs in previous year. The profit after tax was Rs. (151.30) Lakhs as against Rs. (64.23) Lakhs in the previous year.

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

SHARE CAPITAL:

There was no change in Share Capital of the Company during the year 2018-19. As on 31st March, 2019, the paid up share capital of the Company stood at Rs. 5,80,80,000/-(Rupees Five Crores Eighty Lakhs and Eighty Thousand Only) divided into 58,08,000 Equity shares of Rs. 10/- (Rupee Ten) each.

DIVIDEND:

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

RESERVES

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

PUPLIC DEPOSITS:

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



EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of the Company in Form MGT-9 is annexed as 'Annexure I' and forms an integral part of this report. The Annual Return as referred in Section 134(3)(a) of the Companies Act, 2013 for the financial year ended March 31, 2019 shall be placed on the website of the Company at https://www.konarkgroup.co.in.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the Articles of Association of the Company, Mr. 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 reappointment.

Mr. Satish Deshmukh (DIN:00005864) was re-appointed as an Independent Director of the Company for the second term of five years w.e.f. 1st April, 2019.

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

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

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

MEETINGS OF THE BOARD:

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

The Board met seven times during the financial year, the details of which are given in the Corporate Governance Report. 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;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as at 31st March, 2019 and of the loss of the company for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF MANEGERIAL REMUNERATION AND OTHER DETAILS:

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

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

As on 31st March 2019, the Company has one subsidiary company i.e. India Denim Limited and one Associate Company i.e Konark Infratech Pvt. Limited. During the year, the Board of Directors reviewed the affairs of the subsidiary Company. As per Section 129(3) of Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company, along with India Denim Limited (Subsidiary) and Konark Infratech Private Limited (associate company), which form part of the Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiary in the prescribed format AOC-1 is attached herewith and marked as 'Annexure IV'. The statement also provides the details of performance and financial position of the subsidiary and associate.

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

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

AUDIT COMMITTEE AND ITS COMPOSITION:

The Audit Committee comprised of Mr. Satish Deshmukh, Ms. Suvriti Gupta, Independent Directors and Mr. Prakashchand Dalmia, Director of the Company.

Mr. Satish Deshmukh 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..

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of Rs. 88,924. Further, 17190 corresponding shares were transferred as per the requirements of the IEPF rules. The details are available on our website, at www.konarkgroup.co.in.



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 2018-19 are given under Notes to Accounts on financial statements. The Company has not made any investments during the year.

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

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

INTERNAL FINANCIAL CONTROL WITH REFRENCE TO THE FINANCIAL STATEMENTS:

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

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

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

WHISTLE BLOWER/VIGIL MECHANISM POLICY:

The Company has a Vigil Mechanism / Whistle Blower Policy 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 2018-19, no employee or director was denied access to the Audit Committee.

STATUTORY AUDITORS:

Pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder M/s. Pansari & Dalmia, Chartered Accountants (Firm Registration No. 107370W), Mumbai, were appointed as Statutory Auditors of the Company at the 34th Annual General Meeting for a term of five consecutive years from the conclusion of the 34th Annual General Meeting till the conclusion of 39th Annual General Meeting to be held for the year ending 31st March, 2023.

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 re-appointed M/s. KRS AND CO., Company Secretaries, Mumbai to undertake Secretarial Audit of the Company for the year 2018-19. The Secretarial Audit Report is annexed herewith as 'Annexure V' and forms 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:

- 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.
- Since, the financials of the Company were not ready, the annual audited consolidated financial results and audited consolidated financial accounts were adopted on 11th June, 2018
- The Company is generally regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance and GST. However in case of its Bangalore Unit there have been some delays in payment of such payments due to internal administrative delays

REPORT ON CORPORATE GOVERNANCE:

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

- Management Discussion and Analysis Report;
- Corporate Governance Report; and
- Practicing Company Secretary's' Certificate regarding compliance of conditions of Corporate Governance.

LISTING OF SECURITIES:

The Company's shares are listed on BSE Limited (BSE) under the script code 514128. The payment of Annual Custodial Fees to BSE Limited for the financial year 2019-2020 is under process.

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY:

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

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, 2019 Prakashchand Dalmia Chairman DIN: 00005813



Annexure I

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

Extract of Annual Return

(As on the financial year ended on 31st March, 2019)

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

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

I.

1.	CIN	L17200MH1984PLC033451
2.	Registration Date	17 th July, 1984
3.	Name of the Company	Konark Synthetic Limited
4.	Category/Sub-Category of theCompany	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	57.30
Manufacture of synthetic or artificial filament yarn, whether or not textured including high tenacity yarn	20303	33.76

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**	U45200MH2008PTC177455	Associate Company	26.92%	2(6)
3.	Konark Gujarat PV Private Limited **(Subsidiary of Konark Infratech Private Limited)	U40101MH2010PTC206540	Subsidiary Company of an Associate	26.92% ##	2(87)(ii)

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

##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		neld at the bear (01.04.201		N	lo. of Share of the ye	es held at the ar(31.03.20		% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	the year
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	1	_
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	_	_	_	_	_	-	_	_	-
	-								
		-	-		-	-	-	-	-
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.	_	_		_	_	_	_	<u> </u>	_
	_	<u> </u>	_	_	_	_	_	_	
0	-					_			
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	96,524	1,400	97,924	1.69	94,409	1,300	95,709	1.65	(0.04)
ii. Overseas									
b. Individual									
a. i. Individual shareholders holding nominal share									
capital upto Rs. 1lakh	3,26,687	97,600	4,23,287	7.29	3,24,043	79,950	4,03,993	6.96	(0.33)
ii. Individual shareholders holding nominal share capital in excess of									
Rs.1lakh	7,42,430	-	7,42,430	12.78	7,51,717	-	7,51,717	12.94	(0.16)
c. Others									
(i) IEPF	106466	-	106466	1.83	123656	-	123656	2.13	0.30
(i) NRI (Rep& Non-Rep.)	3,450	-	3,450	0.06	4,150	-	4,150	0.07	0.01
(ii) Hindu Undivided Family	75,706	_	75,706	1.30	71,807	_	71,807	1.24	(0.07)
(iii) Clearing Member	3,320	_	3,320	0.06	1,551	-	1,551	0.03	(0.03)
(iv) IEPF	5,525		3,020	0.00	1,001		1,001	0.00	(0.00)
, ,	12 E2 E02	90 000	14 52 502	25.04	12 74 222	94 250	14 52 502	25.04	
Sub-total B (2)	13,53,583	99,000	14,52,583	25.01	13,71,333	81,250	14,52,583	25.01	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	13,53,583	99,000	14,52,583	25.01	13,71,333	81,250	14,52,583	25.01	-
C. Shares held by Custodians for GDR's and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	57,09,000	99,000	58,08,000	100.00	57,26,750	81,250	58,08,000	100.00	-



ii) Shareholding of Promoters and Promoters group:

Sr. No		Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% Change in
		No. of Shares	% of total shares of the company	% of shares Pledged/ encum -bered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/ encum -bered to total shares	shareh- olding during the year
1.	Mrs. Rakadevi Dalmia Jt. with Mr. Prakashchand Dalmia (HUF)	12,34,128	21.25	-	12,34,128	21.25	-	-
2.	Kayo Investment & Finance Pvt. Ltd.	8,56,850	14.75	-	8,56,850	14.75	-	-
3.	Mrs. RakadeviDalmia	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. Prakashchand Dalmia (HUF)	3,36,600	5.80	ı	3,36,600	5.80	-	-
6.	Mr. Amitabh Kejriwal	68,200	1.17	-	68,200	1.17	-	-
7.	Ms. SmitaKejriwal	60,900	1.05	-	60,900	1.05	-	-
8.	Mr. Prakash Chand Dalmia	57,501	0.99		57,501	0.99	-	-
9.	Mr. Shonit Prakash Dalmia	26,475	0.46		26,475	0.46	-	-
10.	Ms. Shikha Dalmia	800	0.01		800	0.01	-	-
	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		at the beginning ar (01.04.2018)	Cumulative Shareholding during the year (As on 31.03.2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Harsh Subhash Vaid				
Α	At the beginning of year	2,45,000	4.22	-	-
В	Changes during the year		No change duri	ng the year	
С	At the end of year	-	-	245,000	4.22
2	IEPF AUTHORITY (MINISTRY OF CORPORATE AFFAIRS)				
Α	At the beginning of year	1,06,466	1.83	-	-
В	Changes during the year	-	-	17,190	0.30
С	At the end of year	-	-	1,23,656	2.13
3	M/s.Spanco Respondez Services Limited				
Α	At the beginning of year	80,000	1.38	-	-
В	Changes during the year	•	No change dur	ing the year	•
С	At the end of year	-	-	80,000	1.38
4	Mr. Shreekant Khaitan				
Α	At the beginning of year	77,000	1.33	-	-
В	Changes during the year		No change dur	ing the year	
С	At the end of year	-	-	77,000	1.33
5	Ms. Nupur Sanjay Jhunjhunwala				
Α	At the beginning of year	52,700	0.91		
В	Change during the year		No change dur	ing the year	
С	At the end of year	-	-	52,700	0.91



6	Mr. Sanjukta Devi Rajgarhia				
Α	At the beginning of year	42,000	0.72	-	-
В	Change during the year		No change during the yea	r	
С	At the end of year	-	-	42,000	0.72
7	Mr. Prakash Kumar Rajgarhia				
Α	At the beginning of year	42,000	0.72	-	-
В	Change during the year		No change during the year	r	
С	At the end of year	-	-	42,000	0.72
8	Ms. Sunita Rajgarhia				
Α	At the beginning of year	42,000	0.72	-	-
B.	Change during the year		No change during the year	r	
С	At the end of year	-	-	42,000	0.72
9	Ms. Rajkumari S. Gadia				
Α	At the beginning of year	40,000	0.69	-	-
B.	Change during the year		No change during the yea	r	
С	At the end of year	-	-	40,000	0.69
10	Mr. Anand Kumar Chhaparia				
Α	At the beginning of year	40,000	0.69	-	-
В	Change during the year (sold on 14.05.2018)	(40000)	(0.69)	-	-
С	At the end of year	-	-	-	-
11	Mr. Sushil R. Gadia				
Α	At the beginning of year	40,000	0.69	-	-
B.	Change during the year		No change during the year	r	
С	At the end of year	-	-	40,000	0.69
12	Mr. Sunil R. Gadia				
Α	At the beginning of year	40,000	0.69	-	-
В	Change during the year		No change during the year	ır	
С	At the end of year	-	-	40,000	0.69
13	Mrs. Alka Sunil Gadia				
Α	At the beginning of year	40,000	0.69	-	-
В	Change during the year		No change during the year	r	
С	At the end of year	-	-	40,000	0.69
14	Mr. Arun Kumar				
Α	At the beginning of year	0	0.00		
В	Change during the year (bought on 04.05.2018)			40000	0.69
С	At the end of year			40000	0.69

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMD	beginn	holding at the ing ofthe year n 01.04.2018)	Cumulative Shareholding during the year (As on 31.03.2019)			
	Name of the Director/KMP	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company		
1.	Mr. PrakashchandDalmia						
	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		
3.	Mr. R. B Somany						
	At the beginning of year	500	0.01	-	-		
	Change during the year		No Change during the year				
	At the end of year	-	-	500	0.01		

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 thefinancial year (01.04.2018)				
1) Principal Amount	3160.19	1766.36	-	4926.56
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	3160.19	1766.36	-	4926.56
Change in Indebtedness during thefinancial year				
+ Addition	141.56	169.47	-	311.03
-Reduction	147.56	457.62	-	605.07
Net change	-5.90	-288.15	-	-294.05
Indebtedness at the end of the financial year (31.03.2019)	3154.30	1478.20	-	4632.50
1) Principal Amount	3154.30	1478.20	-	4632.50
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	3154.30	1478.20	-	4632.50

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 WTD/MD/Manager
		Mr. Amitabh Kejriwal
		ManagingDirector
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17(1)of the Income Tax Act	9.60
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1.50
	(c) Profits in lieu of salary under Section 17(3) IncomeTax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission- As % of Profit- Others, specify	-
5.	Others, please specify	-
	Total (A)	11.10
	Ceiling as per the Act	84 Lakhs



B. Remuneration of other directors:

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of D		
		Independent	Independent Directors	
		Mr. Satish Deshmukh	Ms. Suvriti Gupta	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. 84 Lakhs.		

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

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Namo	Name of the KMP			
		Mr. R. B. Somany (CFO)	Mr. Mehnuddin Khan (Company Secretary)	Total Amount		
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	12.00	4.02	16.02		
	(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 IncomeTax Act, 1961	-	-	-		
2.	Stock Option	-	-	-		
3.	Sweat Equity	-	-	-		
4.	Commission- As % of Profit- Others, specify	-	-	-		
5.	Others, please specify	-	-	-		
	Total	12.00	4.02	16.02		

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Prakashchand Dalmia Chairman DIN:00005813

Place: Mumbai Date: 30th May, 2019



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 to appointed as Director if he/she possesses the disqualifications as contained under Section 164 (1) of the Companies Act, 2013.

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

CRITERIA FOR FIXING THE REMUNERATION:

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

GUIDING PRINCIPLES:

The Nomination and Remuneration Committee while deciding the remuneration package for directors, key managerial personnel and other employeesshall takenot only take into consideration the legal provision of Section 197 of the Companies Act, 2013 but also the following items;

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



CRITERIA FOR MAKING PAYMENTS TO SENIOR MANAGEMENT:

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

CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

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

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

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

CRITERIA FOR PERFORMANCE APPRAISAL/ EVALUATION PROCESS OF INDEPENDENT DIRECTOR:

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

Guiding principles:

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

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

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

- 1. review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors:
- 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 2018-19, the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19:-

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. Amitabh Kejriwal (Managing Director)	09.87:1	(2.26%)				
2.	Mr. R. B. Somany (Chief Financial Officer)	10.68:1	-				
3.	Mr. Mehnuddin khan(Company Secretary & Compliance Officer)	1.93%					
	Note: Non-Executive Directors of the Company are not paid any sitting fees or commission.						
(ii)	18.01%						
(iii)	The number of permanent employees on the rolls of the compan	394					
(iv)	(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 in Employee's other than the managerial in Employee's other than the managerial remuneration in Employee's other than the managerial remuneration in Employee's other tha						

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, of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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		Experience (In Years)		Gross Remuneration Paid (Amt in Rs.)	Previous Employment and Designation
Mr. Amitabh Kejriwal	Managing Director	B.Com	53	23	28.02.1995	11,10,007	-
Mr. R.B. Somany	CFO	B.Com	56	30	26.12.1995	12,00,000	G.M (Commercial) in Matule Syntex Ltd
Mr. Dinesh Didwania	Sales Head	S.Y.B.Com	50	22	01.04.1995	8,64,000	-
Mr. Pramod Kakrania	Factory Head	B.Com	64	45	02.05.2008	6,84,000	-
Mr. Lalmani Yadav	Sales Manager	B.A	43	20	03.11.1997	5,82,000	-
Mr. Karunakar Sherigar	Chief Accountant	B.Com	51	28	15.04.2009	5,75,355	Accountant in Vengaboys Timetech Ltd.
Mr. G. L. Rajgar	Factory Manager	B.A	56	32	20.09.1990	6,33,800	Black Rose India Ltd as Senior Logistics Manager
Mr. Amit Prajapati	Accounts Manager	M.Com	29	08	01.06.2012	4,52,430	Bhuwaniya & Agrawal Associates
Mr. Mehnuddin Khan	CS & Compliance Officer	CS	30	3	18.08.2015	4,10,000	-
Mr. Manish Jain	Factory Manager	B.Com, LLB	44	21	14.11.2010	4,02,000	Commercial Manager in Tikko Industries Ltd.

Notes

- 1. All appointments are contractual and terminable by notice on either side.
- 2. Remuneration includes salary, various allowances, contribution to Provident Fund and taxable value of perks.
- 3. None of the employees of the Company was drawing remuneration of Rs. 8,50,000/- p.m. or Rs. 1,02,00,000/- p.a. or more during the year.

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

Prakashchand Dalmia Chairman DIN:00005813

Place: Mumbai Date: 30th May, 2019



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
Reporting Period	1st April, 2018 - 31st March, 2019
Share Capital	1144.59
Reserves& Surplus	(2706.84)
Total Assets	5658.68
Total Liabilities	7220.93
Investments (except in subsidiary companies)	-
Turnover	-
Profit/(Loss) before Taxation	(492.96)
Provision for Taxation	-
Profit/(Loss) after Taxation	(492.96)
Proposed Dividend	-
% of Shareholding	61.17

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

Part "B" Associates and Joint Ventures

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

(Rs. In Lakhs)

Name of Associates	Koanrk Infratech Private Limietd
Latest audited Balance Sheet Date	31st March, 2019
Shares of Associate held by the company on the year end	
i) No. of shares held as on 31stMarch, 2019	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	375.87
Profit / Loss for the year	95.48

- 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
For Konark Synthetic Limited

Prakashchand Dalmia Chairman DIN:00005813

Place: Mumbai Date: 30th May, 2019



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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, CIN: L17200MH1984PLC033451 Bldg No. 7, Mittal Industrial Estate, Andheri-Kurla Rd, Sakinaka, Andheri (E), Mumbai - 400059

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, 2019 ('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, 2019 according to the provisions of:

- 1. The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- 5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
 - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period)
 - h) The Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013 (Not applicable to the Company during the audit period)
- 6. I have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head group of Acts, Laws and Regulations as applicable to the Company is given below;
 - a) Factories Act, 1948;
 - b) Industrial Dispute Act 1947;
 - c) Industries (Development and Regulation) Act, 1951;
 - d) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;
 - e) Maternity Benefit Act, 1961;
 - f) Acts prescribed under prevention and control of pollution;
 - g) Acts prescribed under environmental protection;
 - h) Acts as prescribed under Direct Tax and Indirect Tax; and



- i) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013;
- j) Registration Act, 1908;
- k) Indian Stamp Act, 1899;
- I) Indian Contract Act, 1872;
- m) Negotiable Instrument Act, 1881;
- n) Prevention of Money Laundering Act, 2002
- o) Consumer Protection Act, 1986;
- p) The Indian Copyright Act, 1957;
- q) The Patents Act, 1970;
- r) The Trade Marks Act, 1999;
- s) Local laws as applicable at registered office and plant.
- 7. As informed and certified by the management, there are no industry specific laws that are 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:

- Secretarial Standard 1- on Meetings of the Board of Directors and Secretarial Standard 2 General Meetings, issued by the Institute of Company Secretaries of India;
 - During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, except:
- i. the Company has complied with the provisions of Section 186 of the Companies Act, 2013, except that, the Company on request of one of its Subsidiary Company has extended loan to such Company, which is interest free and there is no stipulation as to repayment of loan given, which is not in compliance with the provision of Section 186(7) of the Act.
- ii. since the financials of the Subsidiary Company was not ready, the annual audited consolidated financial results and audited consolidated financial accounts for the year ended 31st March 2018 were adopted on 11th June, 2018.
- iii. According to the records of the Company, the Company is generally regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance and GST. However in case of its Bangalore Unit there have been some delays in payment of such payments.

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 KRS AND CO Practicing Company Secretaries

Mr. Ketan R. Shirwadkar Proprietor ACS No. 37829 COP No. 15386

Place: Mumbai Date: 30th May, 2019

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, CIN: L17200MH1984PLC033451 Bldg No. 7, Mittal Industrial Estate, Andheri-Kurla Rd, Sakinaka, Andheri (E), Mumbai - 400059

My report of even date is to be 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 KRS AND CO Practicing Company Secretaries

Mr. Ketan R. Shirwadkar Proprietor ACS No. 37829 COP No. 15386

Place: Mumbai Date: 30th May, 2019



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	2018-19	2017-18
Foreign Exchange Earning	0.00	0.00
Foreign Exchange Outgo	0.74	0.00

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

Place: Mumbai Date: 30th May, 2019 Prakashchand Dalmia Chairman DIN:00005813



MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry structure and developments:

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.

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 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 2018-19 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, Company's sales continued to decline and it made losses. The Company witnessed lower level of operations due to working capital constraints. The revenue from operations has been decreased by approximately 19% in this year. The Company is looking forward to increase consumer confidence and grow market consumption along with other cost cutting measures including better finance control, working capital management, etc.

4. Outlook:

Demand (both domestic as well as international) for textiles remains not 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.



5. Risk and Concerns:

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

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.

6. Internal Control System & Adequacy:

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

7. 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 2018-19, the Company had 394 permanent employees on its payroll.

8. 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, 2019, the Board of Directors comprised of total Four Directors out of which two were Non-Executive Independent Directors, one Non Executive Non Independent Director and one Executive Director. The Company complies with the norms prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time for composition of Board of Directors.

b) Board Procedure:

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairman 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, 2019 the Board of Directors had 7(Seven) meetings which were held on 30th May, 2018, 11th June, 2018, 14th August,2018, 5th November, 2018, 14th November, 2018, 14th February, 2019, 19th March, 2019. The last Annual General Meeting (AGM) was held on 29th September, 2018.

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2018-19 and at the last Annual General Meeting, their Directorships in other companies and Membership / Chairmanship in Committees are as follows:

Name		ce at Board etings	No. of directorships in other public Companies (excluding this Company)	Membership / Chairmanship of Committees in other public Companies (including this Company)		Attendance at A.G.M. held on 30 th September, 2018	
Category	Held Attended		Director	Chairman	Member		
Executive Director / Non-Executive Non	-Independe	nt Director/ P	romoters				
Mr. Prakashchand Dalmia (Chairman)	7	7	1	-	3	Yes	
Mr. Amitabh Kejriwal (Managing Director)	7	7	0	-	1	Yes	
Non- Executive / Independent Directors							
Mr. Satish Deshmukh	7	7	1	2	-	Yes	
Ms. Suvriti Gupta	7	7	1	1	2	Yes	

Notes:

- 1. None of the Directors hold Directorship in other Listed Companies.
- 2. The directorship held by Directors as mentioned above do not include directorships in Foreign Companies, Section 8 companies and Private Limited Companies.
- 3. Membership/Chairmanship only in Audit Committee and Stakeholder's Relationship Committee of all public companies/ subsidiary of public companies are considered.
- 4. None of the Directors on the Board is a Director in more than 8 Listed Companies.



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, 2019, except for Mr. Prakashchand Dalmia, Chairman & Non-Executive Director who holds 57501 Shares, none of the Non-Executive Directors 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, 2019 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) Statement of Declaration by the Independent Directors / Director:

All Independent Directors have given declaration that they meet the Criteria of Independence, as lain down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors, after due assessment of the veracity of declarations received from the Independent Directors to the extent possible, confirms that, Independent Directors fulfill the conditions specified in Regulation

h) Directors Familiarization Programme:

The Company undertakes and makes necessary provision of an appropriate induction programmes 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.

i) Skill Matrix for the Directors:

The Board of Directors of the company comprises members who bring in required skills and expertise for the effective functioning of the Company, the Board and its Committees. The table below summarizes key skills and expertise the Board possesses;

SKILLS	SKILL DEFINITIONS
Strategy and Strategic Planning	Ability to identify and critically assess strategic opportunities and threats to the Company, vis-à-vis the Company's objectives and develop strategies for the Company's long term growth and sustainability
Business Acumen	Ability to drive success in the market and formulate policies for enhancing market share; ability to understand business environment and economic and regulatory conditions impacting markets
Leadership	Understanding of operations and organizational processes; ability to develop talent and ensure succession planning; ability to bring about organizational change and improvement; ability to manage crisis
Industry Knowledge	Experience and Knowlegde with respect to yarn industry
Technology	Ability to anticipate changes in Technology; drive product and process innovation
Financial Skills	Expertise in financial management, capital allocation, financial reporting requirements, ability to evaluate merger / acquisition decisions and execute the same effectively, including integration of operations
Corporate Governance	Ability to maintain management accountability and formulate policies to safeguard interests of the Company and Shareholders; understanding of control environments and ability to ensure adherence to highest standards of Corporate Governance
Legal and Regulatory	Understanding of Legal and Regulatory Frameworks

(29)



3. AUDIT COMMITTEE:

a) Composition:

The Board has constituted a well-qualified Audit Committee. As on 31st March, 2019, the Audit Committee comprised of Mr. Satish Deshmukh, Non - Executive Independent Director, Ms. Suvriti Gupta, Non - Executive Independent Director and Mr. Prakashchand Dalmia, Non - Executive Director (Chairman of the Company) as its Members. Mr. Satish Deshmukh, Independent Director is the Chairman of the Audit 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 5 (Five) times viz. 30th May, 2018, 11th June, 2018, 14th August, 2018, 14th November, 2018 and 14th February, 2019. 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 2018-2019 are as follows:

Name of the Member	Designation	No. of Meetings held	Meetings Attended
Mr. Satish Deshmukh (Chairman)	Chairman	5	5
Mr. Prakashchand Dalmia	Member	5	5
Ms. Suvriti Gupta	Member	5	5

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, 2019, the Nomination and Remuneration Committee comprise of Mr. Satish Deshmukh, Independent Director, Ms. Suvriti Gupta, Independent Director and Mr. Prakashchand Dalmia, Chairman of the Company as its Members. Mr. Satish Deshmukh, Independent Director is the Chairman of the Nomination and Remuneration 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 2018-19, the Nomination and Remuneration Committee met 2(Two) times viz. 30th May, 2018, and 14th February, 2019. The attendance of the Committee is as follows:

Name of the Member	Designation	No. of meeting	
		Held	Attended
Mr. Satish Deshmukh (Chairman)	Chairman	2	2
Mr. Prakashchand Dalmia	Member	2	2
Ms. Suvriti Gupta	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:

- a) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2018-2019.
- b) 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.
- c) Details of remuneration/sitting fees paid and number of Equity shares held by the Directors during the year ended 31st March, 2019 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 (Chairman)	-	-	-	-	-	57,501
Mr. Amitabh Kejriwal (Managing Director)	9,60,000	1,50,007	-	-	11,10,007	68,200
Mr. Satish Deshmukh	-	-	-	-	-	-
Ms Suvriti Gupta	-	-	-	_	_	_

Notes:

- (i) Apart from the above mentioned remuneration or fees paid there are no other fixed component and performance linked incentives based on the performance criteria;
- (ii) There are no separate service contracts with any of the directors. The tenure of office of the Managing/Whole Time Director is for 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.
- (iii) 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 2018-19, the Stakeholder's Relationship Committee met 5 (Five) times on 30th May, 2018, 11th June, 2018, 14th August, 2018, 14th November, 2018 and 14th February, 2019.

The composition and attendance of the members at the Stakeholder's Relationship Committee Meetings held during the financial year 2018-2019 are as follows:

Name of the Member	Designation	No. of Meetings held	Meetings Attended
Ms. Suvriti Gupta (Chairman w.e.f 14th November, 2018)*	Chairman	5	5
Mr. Prakashchand Dalmia	Member	5	5
Mr. Amitabh Kejriwal (Member w.e.f 14th November, 2018)	Member	5	5

^{*} The Stakeholders Relationship Committee was re-constituted at Board of Directors meeting held on 14th November, 2018 wherein Ms. Suvriti Gupta, Independent Director and Member of the Committee was appointed as Chairman of the Committee and Mr. Amitabh Kejriwal, Managing Director and Chairman of the Committee was appointed as member of the Committee.

The Company Secretary and Compliance Officer of the Company act as the Secretary to the Committee and oversee 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 2018-19 are as under:

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

7. SUBSIDIARY COMPANIES

As on 31st March, 2019, India Denim Limited was falling under "Material non-listed Indian subsidiary".

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:

- 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;
- 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
2017-18	34 th AGM	29 th September,2018	03.30 p.m.	Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri(East), Mumbai - 400 059.
2016-17	33 rd AGM	29 th September,2017	03.30 p.m.	Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri(East), Mumbai - 400 059.
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	31st AGM	30 th September, 2015	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
29 th September,2018	Nil
30 th September,2017	Appointment of Mr. Amitabh Kejriwal as Managing Director of the Company for a period of five years w.e.f 1st April ,2017
30 th September, 2016	Nii

c) Postal Ballot:

During the year 2018-19, the following resolution was passed through postal ballot process.

Item No. 1: To approve related party transactions of the Company.

Item No. 2: To re-appoint Mr. Satish Kamalakar Deshmukh (DIN: 03535235) as an Independent Director for a second term of 5 (five) consecutive years from April 1, 2019 till March 31, 2024 on the Board of the Company.

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:

- a. The quarterly, half-yearly and yearly financial results of the Company are published in "Financial Express" and "The Global Times".
- b. 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.



c. News releases, presentations, among others: All Corporate Announcements made to the Stock Exchange during the year 2018-19 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 : Monday, 30th September, 2019

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 2019-20

Event	Due Date
Financial Results for the quarter ended 30th June, 2019	On 14 th August, 2019
Financial Results for the quarter ending 30th September, 2019	By 14 th November, 2019
Financial Results for the quarter ending 31st December, 2019	By 14 th February, 2020
Audited Financial Results for the quarter and year ending 31st March, 2020	By 30 th May, 2020 (Audited).
Annual General Meeting for the year ending on 31st March, 2020	By 30 th September, 2020

e. Date of Book Closure : Tuesday, 24th September, 2019 to Monday, 30th September,

2019 (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 2018-19.

 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. Monday, 23rd September, 2019.

I. Market Price Data:

The monthly high / low market price of the shares during the financial year 2018-19 at the BSE Limited were as under:-

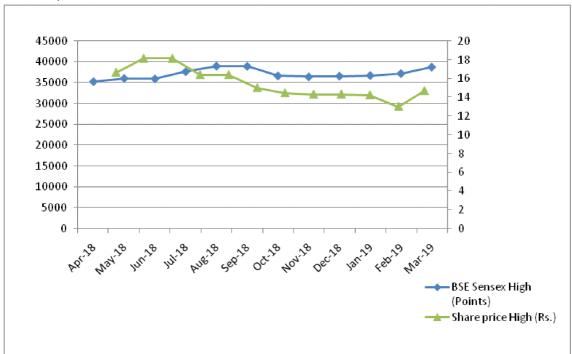
Month	Volume (No. of Shares)	BSE S	Sensex	Share	price
		High (Points)	Low (Points)	High (Rs.)	Low (Rs.)
Apr-18	1592	35,213.30	32,972.56	16.65	10.40
May-18	12441	35,993.53	34,302.89	18.15	14.60
Jun-18	4886	35,877.41	34,784.68	18.15	13.87
Jul-18	4104	37,644.59	35,106.57	16.40	13.45
Aug-18	16201	38,989.65	37,128.99	16.40	14.10
Sep-18	4485	38,934.35	35,985.63	15.00	13.68
Oct-18	2044	36,616.64	33,291.58	14.46	12.45
Nov-18	1777	36,389.22	34,303.38	14.33	12.51
Dec-18	2418	36,554.99	34,426.29	14.33	12.94
Jan-19	4915	36,701.03	35,375.51	14.25	12.91
Feb-19	1351	37,172.18	35,287.16	13.00	11.74
Mar-19	8543	38,748.54	35,926.94	14.70	11.05

^{*} Source: www.bseindia.com

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m. Performance of Konark Synthetic Limited share price in comparison to BSE Sensex for the financial year ended 31st March, 2019.



n. Trading of Securities:

The securities of the Company were not suspended from trading during the year 2018-19.

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 2010-11 have been transferred to the said fund..

The details of unpaid/unclaimed dividend transferred to IEPF account during the year are as follows:

Year	Dividend Rate per share	Date of Declaration	Date of Dividend Transferred to IEPF
2010-11	Re. 0.75	26 th September, 2011	02 nd December, 2018

Registrar and Share Transfer Agents:

Purva Sharegistry (India) Private Limited

Unit: Konark Synthetic Limited,

9, Shiv Shakti Industrial Estate,

J. R. Boricha Marg, Lower Parel (East),

Mumbai - 400011

Tel. No.: 2301 6761/8261,Fax No.: 2301 2517 E-Mail: purvashr@gmail.com / busicomp@vsnl.com

p. Share Transfer System:

Pursuant to the Notification No. LIST/COMP/15/2018-19 dated 5th July, 2018, issued by the Securities and Exchange Board of India, transfer of securities held in physical form will not be permited after 31st March, 2019. However there is no restriction on transmission / transposition of securities held in physical form.

The applications for transfer of shares in physical form are processed by the Registrar and Share Transfer Agent of the Company and are returned after registration of transfers within 15 days from the date of receipt, subject to validity of all the documents lodged with the Company. The applications 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 31stMarch, 2019:

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	95709	1.65
3.	Individual	1155710	19.90
4.	IEPF	123656	2.13
5.	N.R.I. (Repatriate & Non-Repatriate)	4150	0.07
6.	Hindu Undivided Family	71807	1.24
7.	Clearing Members	1551	0.03
	Total	58,08,000	100.00

r. Distribution of Shareholding as at 31st March, 2019:

The distribution of shareholding of the equity shares as on 31st March, 2019 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	То				
1	5000	1189	86.28	1716370	2.96
5,001	10,000	83	6.02	685700	1.18
10,001	20,000	39	2.83	590530	1.02
20,001	30,000	20	1.45	525710	0.91
30,001	40,000	4	0.29	130010	0.22
40,001	50,000	8	0.58	377870	0.65
50,001	1,00,000	9	0.65	533910	0.92
1,00,001 and above		26	1.89	53519900	92.15
	TOTAL	1378	100.00	5,80,80,000	100.00

s. Dematerialization of Equity Shares and Liquidity:

As on 31^{st} March, 2019 about 98.60% 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, 2019.

u. 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.

v. 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)	G.I.D.C. Industrial Area, Village: Sarigam,	No. 62/4, 13, 14, 15, Begur Road, 11 th Cross, Ward No. 12, Bommanahalli, Bengaluru - 560 068		

w. 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. Statury Auditors:

During the financial year 2018-19, the Company has paid the Statutory Audit Fees, Tax Audit Fees and Other Fees to the Statutory Auditors. The details of fees paid are disclosed in note no. 42 forming part of the Financial Statements.

b. Recommendations given by the Committees of the Board:

During the year under review the Board has accepted all the recommendations given by the Committees of the Board, which are mandatorily required.

Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

The Company has not raised funds through preferential allotment of qualified institutions under Regulations 32(7A) during the year under review.

d. 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, 2019 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 Indian Accounting Standard (Ind AS) 24, are disclosed in the Notes on Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transactions is available on Company's website at www.konakgroup.co.in.

e. Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS).

f. 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.

g. 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.

h. Review of Directors' Responsibility Statement:

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2019 have been prepared as per Indian Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) and that sufficient care has been taken for maintaining adequate accounting records.

i. 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. R. B 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

j. Certificate from Practicing Company Secretary:

A certificate has been obtained from Mr. Ketan Shirwadkar, Practicing Company Secretary and Proprietor of KRS AND CO., Mumbai, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Companies by the Board/ Ministry of Corporate Affairs or such other statutory authority.

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

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

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

I. Code for Prevention of Insider Trading Practices:

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

m. 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 2018-19, whenever applicable. Regulations 21 and 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company.



n. 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, 2019. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

o. 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, 2019 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 2018-19.

For Konark Synthetic Limited

Place: Mumbai Date: 30th May, 2019 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

I have examined the records concerning compliance of the conditions of Corporate Governance by Konark Synthetic Limited for the year ended 31st March, 2019 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. My 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 my opinion and to the best of my information and according to the explanations given to us, I 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.

I 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 KRS AND CO Practicing Company Secretaries

Mr. Ketan R. Shirwadkar Proprietor ACS No. 37829 COP No. 15386

Place: Mumbai Date: : 30th May, 2019



FINANCIAL STATEMENTS



Independent Auditor's Report

TO THE MEMBERS OF KONARK SYNTHETIC LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Konark Synthetic Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures
 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2018 prepared in accordance with Indian Accounting Standards, included in these Standalone Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditor on the comparative financial information dated May 30, 2018 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report
 - g) In our Opinion the Managerial Remuneration for the year ended March 31, 2019 has been paid/provided by the company to its directors in accordance with the provisions of sec 197 read with schedule V to the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For and on behalf of M/S PANSARI & DALMIA Chartered Accountants Firm Reg. No. 107370W

(NARESH S. DALMIA) Partner M.No.035036

Place: Mumbai Dated: 30th May, 2019



ANNEXURE "A"

To the Independent Auditors' Report of even date on the Standalone Financial Statements of Konark Synthetic Ltd.

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 Ltd. ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management 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 the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 and on behalf of M/S PANSARI & DALMIA Chartered Accountants Firm Reg. No. 107370W

(NARESH S. DALMIA) Partner M.No.035036

Place: Mumbai Dated: 30th May, 2019



ANNEXURE "B"

To the Auditors' Report of even date on the Standalone Financial Statements of Konark Synthetic Ltd.

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

- 1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets except in case of certain Plant & Machinery and few other assets where item wise particulars are not available and the company is in process of retrieving the relevant information and updating the same in Fixed Assets register.
 - (b) As explained to us the company has a regular programme for physical verification of Fixed Assets in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the company and the nature of its fixed assets. As informed to us no material discrepancies were noticed on such verification.
 - (c) As informed and explained to us, the title deeds of immovable property are held in the name of the company.
- 2. (a) According to the information and explanations given to us, physical verification of Inventories except stores and spares has been conducted at reasonable intervals by the management.
 - (b) We are informed that no material discrepancies have been noticed on such physical verification.
- 3. According to the information and explanations given to us, The company has granted two unsecured loans to its subsidiary/associate, (Interest bearing to associate and Non-interest bearing to subsidiary), covered in the register maintained under section 189 of companies Act, 2013 in respect of which:
 - (a) Interest wherever charged and other terms and conditions of the grant of such Loan are in our opinion, prima facie, not prejudicial to the interest of the company.
 - (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 repayment of principal and payment of interest.
 - (c) The Loan amount is not over due as at year end as the loans are repayable on demand and the company has not demanded for repayment of loan and interest accrued thereon.
- 4. In our opinion and According to the information and explanations given to us, The Company has complied with the provisions of section 185 and 186 of companies Act, 2013 in respect of grant of loans, making investment and providing guarantees and securities, as applicable, except that company has extended loan to its subsidiary company which is interest free and there is no stipulation as to repayment of loan given, which is not in compliance with the provisions of section 186(7) of the Act.
- 5. The company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 6. Cost records maintained by the company are broadly reviewed by us but the same are not strictly as per rules made by the central government for the maintenance of cost records under section 148(1) of the companies act 2013 relating to the manufacturing activities of the company. We have not, however, made a detailed examination of the said cost records.
- 7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company; amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Employees' Provident fund, ESIC, Income Tax, Sales Tax, Excise duty, Service Tax, GST, Duty of Customs and other Material statutory dues have been regularly deposited during the year by the company with the appropriate authorities except that statutory dues pertaining to ESIC, PF and GST have generally been deposited with delays with the appropriate authorities while property tax payable to GIDC are in arrears since last 4 years.
 - (b) According to the information and explanations given to us, undisputed amounts payable in respect of ESIC and Provident fund aggregating to Rs 20,83,749/- and Property tax payable to GIDC aggregating to Rs.29,11,887/- were in arrears, as at 31st March, 2019 for a period of more than six months from the date they became payable. However the company has since paid sums aggregating to Rs 4,24,758/- in respect of ESIC and PF dues out of the aforesaid arrears towards statutory dues.
 - (c) According to the records of the company and the explanations given to us, the following are the particulars of disputed dues on account of Income Tax that have not been deposited:

Name of Statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Income Act, 1961 Tax	Income Tax Demand	20,25,640/-	F.Y. 2009-10	CIT (Appeals)



- 8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, government, bank or debenture holders.
- 9. The Company has not raised any money by way of initial public offer or by further public offer (Including debt instruments) or by way of term loan during the year. Accordingly, the provisions of the clause 3(ix) of the Order are not applicable to the Company.
- 10. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- 11. In our opinion and according to the information and explanations given to us, the company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act,
- 12. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, clause 3 (xii) of the Order is not applicable.
- 13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14. According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non cash transactions with directors or person connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- 16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of M/S PANSARI & DALMIA Chartered Accountants FIRM REG. NO. 107370W

(NARESH S. DALMIA)
Partner
M.No.035036

Place: Mumbai Dated: 30th May, 2019



Konark Synthetic Limited CIN:L17200MH1984PLC033451 Balance Sheet as at 31st March, 2019

(Amount in Rs.)

Assets	Note No.	As at March 31,2019	As at March 31, 2018
Non-current Assets			
(a) Property, Plant and Equipment		219,546,231	243,773,881
(b) Capital Work-In-Progress	4	43,877,068	42,139,906
(c) Intangible Assets		112,444	112,445
(d) Financial Assets		-	
(i) Investments	5	85,171,100	85,171,100
(ii) Others	6	6,162,892	6,123,492
(e) Other Non-Current Assets		-	-
Total Non-Current Assets		354,869,735	377,320,823
Current Assets			
(a) Inventories	7	212,302,483	195,088,190
(b) Financial Assets			
(i) Trade Receivables	8	287,130,635	279,470,240
(ii) Cash and Cash Equivalents	9	6,841,765	714,869
(iii) Bank Balances Other Than Above	10	5,021,552	8,152,429
(iv) Loans	11	56,677,696	51,910,523
(v) Others	12	-	943,690
(c) Current Tax Assets (Net)	13	6,565,266	4,513,996
(d) Other Current Assets	14	19,201,309	27,709,880
Total Current Assets	''	593,740,705	568,503,816
Total Assets		948,610,440	945,824,639
Equity and Liabilities	Note No.	As at	As at
Equity and Elabilities	Note No.	March 31,2019	March 31, 2018
Equity		,	
(a) Equity Share Capital	15	58,080,000	58,080,000
(b) Other Equity	16	212,893,152	229,017,705
Total Equity		270,973,152	287,097,705
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities	47	105.014.700	440 000 704
(i) Borrowings	17	105,914,783	112,233,734
(b) Provisions	18 19	5,257,813	5,286,146
(c) Deferred Tax Liabilities (Net) Total Non-Current Liabilities	19	25,942,938 137,115,534	28,136,607 145,656,487
Current Liabilities		137,115,534	145,050,407
(a) Financial Liabilities			
(i) Borrowings	20	351,005,155	369,354,109
(ii) Trade Payables		001,000,100	000,004,100
(a) Total outstanding dues of micro enterprises and small enterprises,	and	962,403	503,737
(b) Total outstanding dues of creditors other than micro enterprises and	l l	002,100	000,101
small enterprises."	21	141,323,184	95,390,187
(iii) Other Financial Liabilities	22	15,523,788	19,728,746
(b) Other Current Liabilities	23	31,468,109	27,779,406
(c) Current Tax Liabilities (Net)		-	-
(d) Provisions	24	239,115	314,263
Total Current Liabilities		540,521,754	513,070,447
Total Liabilities		677,637,289	658,726,934

As per our report of even date attached

1 to 43

For and on behalf of the Board

For Pansari & Dalmia (Chartered Accountants) Firm Reg. No. 107370W

Amitabh Kejriwal (Managing Director)

Prakashchand Dalmia (Chairman)

Naresh S Dalmia

(Partner) Membership No. 035036

Mehnuddin Khan

R.B. Somany

Place : Mumbai Date : 30th May, 2019

(Company Secretary & Compliance Officer)

(Chief Finance Officer)



Konark Synthetic Limited CIN:L17200MH1984PLC033451 Statement of Profit and Loss for the year ended 31st March, 2019

(Amount in Rs.)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Income			
	Revenue from operations	25	776,252,762	944,699,514
	Other Income	26	11,652,245	33,051,017
	Total Revenue (I)		787,905,007	977,750,531
II.	Expense			
	Cost of Material Consumed	27	137,324,816	202,379,048
	Purchase of Stock-in-trade		444,446,885	624,277,427
	Change in inventories of finished goods/stock in trade	28	(15,012,091)	(101,327,992)
	Employee benefits expense	29	81,993,156	76,292,371
	Finance Cost	30	40,398,478	42,993,722
	Depreciation	4	26,217,218	28,666,824
	Impairment		1,224,994	-
	Other Expenses	31	88,635,143	98,869,174
	Total Expenses (II)		805,228,600	972,150,574
III	Profit / (loss) before exceptional items and income tax (I-II)		(17,323,593)	5,599,957
ıv	Exceptional item		-	(16,302,390)
v	Profit / (Loss) before tax (III - IV)		(17,323,593)	(10,702,433)
VI	Tax expense			
	Current tax		-	600,000
	Deferred Tax Asset		(2,193,669)	(5,204,739)
	Short Provision for Taxation		-	325,476
VII	Profit / (Loss) after tax for the period (V - VI)		(15,129,924)	(6,423,170)
VIII	Other Comprehensive Income		-	-
IX	Profit/(loss) for the period (VII-VIII)		(15,129,924)	(6,423,170)
x	Profit attributable to:			
	Basic earnings per share		(2.61)	(1.11)
	Diluted earnings per share		(2.61)	(1.11)

As per our report of even date attached

1 to 43

For and on behalf of the Board

For Pansari & Dalmia (Chartered Accountants) Firm Reg. No. 107370W

Amitabh Kejriwal (Managing Director)

Prakashchand Dalmia (Chairman)

Naresh S Dalmia (Partner)

Membership No. 035036

Place : Mumbai Date : 30th May, 2019 Mehnuddin Khan (Company Secretary & Compliance Officer) **R.B. Somany** (Chief Finance Officer)



Konark Synthetic Limited CIN:L17200MH1984PLC033451 Cash Flow Statement For The Year Ended 31st March, 2019

(Amount in Rs.)

Particulars	31 ST MARC	H. 2019		31 ST MARCH, 2018	
Cash flow from operating activity		0		V	1011, 2010
Net Profit before tax & Extra Ordinary Items			(17,323,593)		5,599,957
Adjustment for: Depreciation		26,217,218	(11,020,000)	28,666,824	3,000,001
Interest paid		40,398,478		42,993,722	
Prior Period Adjustments		(994,630)		,,,,,	
Provision for Impairment		1,224,994		_	
(Profit)Loss on Sale of Fixed A	ssets	(3,583,856)		2,526,776	
Interest Income (considered S	eperately)	(5,865,020)	57,397,185	(4,517,668)	69,669,654
Operating Profit before working capital cha	anges		40,073,592		75,269,611
WORKING CAPITAL CHANGES					
(Increase)Decrease in Sundry debtors		(7,660,395)		(3,299,669)	
(Increase)Decrease in Loans & Advances		(5,992,167)		(3,374,881)	
(Increase)Decrease in Inventories		(17,214,293)		(47,849,264)	
Increase(Decrease) in Trade Payable(Incl.Work'g	Cap.Fin)	55,184,790	24,317,935	59,744,313	5,220,499
Cash Generated From operations			64,391,527		80,490,110
Direct Tax Paid			(2,051,270)		(925,476)
Cash Flow Before Prior Period & Extra Ordi	nary Items		62,340,257		79,564,634
Prior Period & Extra Ordinary Items					(16,302,390)
Net Cash Flow From Operating Activities	(I)		62,340,257		63,262,244
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets		(3,857,074)		(2,268,424)	
Interest Income		5,865,020		4,517,668	
Sale of Investment		-		100,000	
Sale of fixed assets		3,714,201		1,470,000	
Net Cash Outflow for investing Activities	(II)		5,722,146		3,819,243
Cash flow after investing activities	(III) = (I-II)		68,062,403		67,081,487
CASH FLOW FROM FINANCING ACTIVITIES Proceeds from Long term borrowing (Net of Rep	aumonto)	(6 249 0E4)		(24.405.244)	
Proceeds from Short term borrowing (Net of Rep	,	(6,318,951)		(34,495,244)	
Interest paid	Jayments)	(18,348,954) (40,398,478)		(42,993,722)	
Net Cash Flow from financing activity	(IV)	(40,330,470)	(65,066,383)	(42,993,722)	(77,488,965)
Cash flow after financing activity	(V)=(III-IV)		2,996,020		(10,407,478)
Such now alter infancing activity	(v /=(111-1 v /		2,330,020		(10,707,770)
Opening Balance:					
Cash &Cash Equivalent (Opening Balance)			8,867,297		19,274,776
Cash &cash equivalent(Closing balance)			11,863,317		8,867,297
Increase in cash & cash equivalent	(VI)		2,996,020		(10,407,478)

As per our report of even date attached

For Pansari & Dalmia (Chartered Accountants) Firm Reg. No. 107370W

Amitabh Kejriwal (Managing Director)

For and on behalf of the Board

Prakashchand Dalmia (Chairman)

Naresh S Dalmia

(Partner)

Membership No. 035036

Place : Mumbai Date : 30th May, 2019 Mehnuddin Khan (Company Secretary & Compliance Officer)

R.B. Somany (Chief Finance Officer)



Konark Synthetic Limited Statement Of Changes In Equity For The Year Ended 31st March, 2019

A. Equity Share Capital

Particulars	(Amount in Rs.)
As at 31st March, 2018	58,080,000
Changes during 2018-19	-
As at 31st March, 2019	58,080,000

B. Other Equity

Particulars	Capital Redemption Reserve	Securities Premium account	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total
Balance as at 31st March, 2018	4,000,000	68,357,165	2,500,000	59,751,143	94,409,397	229,017,705
Add : Prior Period Adjustment					(994,630)	(994,630)
Add : Total Comprehensive Income for the year 2018-19	-	-	-	-	(15,129,924)	(15,129,924)
Balance as at 31st March, 2019	4,000,000	68,357,165	2,500,000	59,751,143	78,284,844	212,893,152

As per our report of even date attached

For Pansari & Dalmia (Chartered Accountants) Firm Reg. No. 107370W

Naresh S Dalmia (Partner)

Membership No. 035036

Place : Mumbai Date : 30th May, 2019 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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 1 CORPORATE INFORMATION:

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

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

The financial statements for the year ended 31st March, 2019 were approved and adopted by board of directors in their meeting held on 30th May, 2019.

Note 2 BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS).

The financial statements have been prepared as a going concern basis under the historical cost basis, except for certain financial assets and liabilities, which are measured at fair value / amortised cost if any.

The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency

Note 3 SIGNIFICANT ACCOUNTING POLICIES:

3.1 Property Plant and Equipment:

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

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

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

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

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

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

3.2 Intangible Assets:

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

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

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

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

3.3 Leases

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

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

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



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

3.4 Inventories:

In general, all inventories of finished, work-in-progress etc. are stated at lower of cost or net realizable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. Raw materials & Stores and Spares are stated at cost on FIFO basis. Waste and by product are valued at net realizable value. Cost of finished products are determined at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity.

3.5 Cash and cash equivalents:

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

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

3.6 Impairment of assets:

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

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

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

I) Financial assets - Initial recognition and measurement:

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

Financial assets - Subsequent measurement:

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

- a) Financial assets at fair value
- b) Financial assets at amortised cost

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

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

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

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

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

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

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

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



Financial assets - Derecognition

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

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

II) Financial liabilities - Initial recognition and measurement:

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

Financial liabilities - Subsequent measurement:

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

Financial Liabilities - Financial guarantee contracts:

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

Financial Liabilities - Derecognition:

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

3.8 Current and non-current classification:

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

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

3.9 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

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

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



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

3.10 Dividend Distribution:

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

3.11 Sales & Purchase:

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

3.12 Foreign Currency Reinstatement and translation:

Transactions denominated in foreign currency are normally recorded at the customs exchange rate prevailing at the time of transaction. Monetary Items denominated in foreign currencies at the yearend are restated at year end rates. Exchange difference relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of depreciable fixed asset is adjusted to the carrying cost of the fixed asset. All other exchange differences are dealt with in the Statement of Profit and Loss. Non monetary foreign currency items are carried at cost.

3.13 Borrowing Cost:

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

3.14 Export Incentives:

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

3.15 Employee Benefit:

Short term employee benefits are recognised as an expense in the statement of profit and loss of the year in which the related services are rendered.

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

3.16 Taxes on Income

Income tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.



3.17 Earnings per share:

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

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

3.18 Significant Accounting Judgements, Estimates and Assumptions:

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

Property, plant and equipment and Intangible Assets:

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

Income Tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

Contingencies:

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

Impairment of financial assets:

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

Defined benefits plan:

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

Recoverability of trade receivable:

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

Provisions:

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



Konark Synthetic Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Note 04 - Property, Plant And Equipment & Capital Work-In-Progress

														(Am	(Amount in Rs.)
Description	Leasehold Freehold Land Land	Freehold Land	Office 'Building	Factory Buildings	Plant & Machineries	Electric Installation	Equipments	Fire Fighting	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total	Software*	Work in Progres
Cost															
As at 01st April 2018	6, 180, 340	1,069,088	48,535,549	75,556,576	452,186,567	21,386,885	868,043	72,860	6,324,412	2,823,026	22,247,063	3,064,777	640,315,185	2,403,698	42,139,906
Additions/Adjustments	•	•	•	•	126,000	1,580,390	21,484	•	246,500	128,843	•	16,695	2,119,912	•	1,737,162
Deductions/Impairments	•	95,035	•	•	•			•	•	•	706,184	•	801,219	•	•
As at 31st March 2019	6, 180, 340	974,053	48,535,549	75,556,576	452,312,567	22,967,275	889,527	72,860	6,570,912	2,951,870	21,540,879	3,081,472	641,633,879	2,403,698	43,877,068
<u>Depreciation</u>															
As at 01st April 2018	741,872	•	1,728,482	31,398,224	312,765,041	20,260,083	701,180	71,811	6,024,336	2,339,658	17,653,160	2,857,458	396,541,305	2,291,254	•
Depreciation for the year	62,421	'	768,444	2,315,591	22,024,341	134,033	23,064	'	15,828	142,758	687,174	43,564	26,217,218	'	'
Deductions/Impairments	•	•	•	•	•	•	•	•	•	•	670,875	•	670,875	•	•
As at 31st March 2019	804,293	i	2,496,926	33,713,815	334,789,382	20,394,116	724,244	71,811	6,040,164	2,482,416	17,669,459	2,901,022	422,087,648	2,291,254	•
Net Book Value															
As at 01st April 2018	5,438,468	1,069,088	46,807,067	44,158,352	139,421,526	1,126,802	166,863	1,049	300,076	483,368	4,593,903	207,319	243,773,880	112,444	42,139,906
As at 31st March 2019	5,376,047	974,053	46,038,623	41,842,761	117,523,185	2,573,159	165,283	1,049	530,748	469,454	3,871,420	180,450	219,546,231	112,444	43,877,068

Other intangiable assets represents Computer software other than self generated

Freehold land are not depreciated



(Amounts in Rs.)

Konark Synthetic Limited

Notes to Financial Statements for the year ended March 31, 2019

Note 5 - Non - Current Investments

Particulars		As at	As at 31 March, 2019			As at	As at 31 March, 2018	
	Extent of Holding (%)	No. of Shares/ Units	Face Value (Rs.) Unless otherwise stated	Rs.	Extent of Holding (%)	No. of Shares/ Units	Face Value (Rs.) Unless otherwise stated	Rs.
In Equity Instruments:								
Unquoted Fully Paid -up								
Carried at Cost								
Subsidiary Company								
India Denim Limited	61.17	7001000	10	84,888,000	61.17	7001000	10	84,888,000
Konark Greentech Private Limited*		-	-	1	-	1	-	-
Associates								
Konark Infratech Private Limited	26.92	28000	10	280,000	26.92	28000	10	280,000
Others								
Silvassa Co-op. Society Limited		10	100	1,100		10	100	1,100
The City Co-op. Bank Ltd.		40	25	2,000		40	25	2,000
Quoted Fully Paid -up								
Carried at cost								
Sun Earth Ceramics limited		0089	10	204,000		0089	10	204,000
Total Equity Instruments				85,375,100				85,375,100
Less: Provision for dimunition in the value of Investments				204,000				204,000
Total				85,171,100				85,171,100

^{*}Ceased to be subsidiry from 05th July 2017

Particulars	As at March 31,2019	As at As at March 31,2018
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.	85,171,100	85,171,100



Notes to Financial Statements for the year ended March 31, 2019

6 Non-Current Financial Assets - Others

(Amounts in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits with more than 12 months maturity	1,000	1,000
Security Deposits Govts & Other	6,161,892	6,122,492
Total	6,162,892	6,123,492

7 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Inventories		
Raw Materials	2,331,144	2,203,934
Stores, Spares	15,683,208	13,608,215
Process Stock	19,635,878	20,837,902
Finished Goods	174,652,253	158,438,138
Total	212,302,483	195,088,190

8 Current Financial Assets - Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Unsecured, considered good;	184,556,372	178,448,770
(b) Having significant increase in Credit Risk	102,574,263	101,021,470
(c) Credit Impaired	124,994	-
	287,255,629	279,470,240
Less: Provision for Credit Impaired	124,994	-
Total	287,130,635	279,470,240

9 Current Financial Assets - Cash & Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash & Cash Equivalents		
Balance with banks;		
(i) Current Accounts	6,574,111	110,997
(ii) Dividend Accounts	-	120,649
Cash on hands	267,654	483,223
Total	6,841,765	714,869

10 Current Financial Assets - Bank balances other than above

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposits with maturity more than 3 months	5,021,552	8,152,429
Total	5,021,552	8,152,429



Notes to Financial Statements for the year ended March 31, 2019

11 Current Financial Assets - Loans

(Amounts in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good;		
- To Subsidaries	5,696,550	5,696,550
- To Associate concern	49,767,450	44,916,471
- Loans to employees	1,213,696	1,297,502
Total	56,677,696	51,910,523

12 Current Financial Assets -Other Assets

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Interest Receviable	-	99,095
Interest Subsidy Receivable	-	844,595
Total	-	943,690

13 Current Tax Assets (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Tax/TDS & Income Tax (Net)	6,565,266	4,513,996
Total	6,565,266	4,513,996

14 Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good, unless otherwise stated:		
Receivable from Government Authorities	10,753,643	10,373,590
Prepaid Expenses	703,724	454,454
Advances to creditors	583,103	8,516,406
Others	8,260,838	8,365,430
	20,301,309	27,709,880
Less: Provision for Assets Impaired	1,100,000	-
Total	19,201,309	27,709,880

15 Equity Share Capital

Authorized

Particulars	No. of Shares	Amount
As at April 1, 2018	15,000,000	150,000,000
Increase during the year	-	-
As at March 31, 2019	15,000,000	150,000,000



Notes to Financial Statements for the year ended March 31, 2019

Issued subscribed and paid up share Movement in Equity Share Capital

(Amounts in Rs.)

	No. of Shares	Equity Share Capital per value
A) Equity Share Capital		
As at April 1, 2018	5,808,000	58,080,000
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Calls unpaid (Other than directors)	-	-
As at March 31, 2019	5,808,000	58,080,000

A) Rights, preference and restrictions attached to the 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.

B) Shareholders holding more than 5 percent of Equity Shares

Name of Shareholder	% holding in the class	As at March 31, 2019 No. of share held	As at March 31, 2018 No. of share held
Equity Shares of Rs. 10/- each			
Rakadevi Dalmia	36.30%	2,108,091	2,108,091
Kayo Investment And Finance Pvt. Ltd	14.75%	856,850	856,850
Fillmore Trading & Investments Pvt. Ltd.	14.46%	840,000	840,000
Prakashchand Dalmia (HUF)	5.80%	336,600	336,600

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

C) The reconcilation of the number of shares outstanding as on 31st March, 2019

Particulars	Number of Shares as at 31st March, 2019	Number of Shares as at 31st March, 2018
Number of shares at the beginning	5,808,000	5,808,000
Add: Shares issued during the year	-	-
Less :Shares bought back during the year	-	-
Number of shares at the end	5,808,000	5,808,000

16 Other Equity

Particulars	Capital Redemption Reserve	Securities Premium account	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2018	4,000,000	68,357,165	2,500,000	59,751,143	94,409,397	229,017,705
Add : Total Comprehensive Income for the year 2018-19	-	-	_	-	(15,129,924)	(15,129,924)
Add : Prior Period Adjustment					(994,630)	(994,630)
Balance as at 31st March, 2019	4,000,000	68,357,165	2,500,000	59,751,143	78,284,844	212,893,152



Notes to Financial Statements for the year ended March 31, 2019

17 Non-Current Financial Liabilities - Borrowings

(Amounts in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings		
a) Secured Loan - Term Loan		
(i) from Banks		
Loan against Flat	17,075,833	17,075,833
Loan Against Property	56,888,983	60,002,752
Vehicle Loans (Against Motor Cars)	279,119	547,895
(ii) from Other		
Loan Against Property	30,541,692	31,820,570
Vehicle Loans (Against Motor Cars)	1,129,156	1,478,827
b) Unsecured Loan		
Loan From Related Parties	-	-
Other	-	1,307,857
Total	105,914,783	112,233,734

Secured Loans-Term Loans:

- (a) Loan of Rs.17075833/- (P.Y. Rs. 17075833/-) against sanctioned of Rs. 5.72 Crores is Secured against the same Flat i.e. Flat No. 2101, situated at Orchid Crown, Tower B, Gokhale Road South, Dadar (W), Mumbai, which is payable in 120 EMIs of Rs. 788525 after getting the possession from the Developer. The loan is also guaranteed by Mr. Prakashchand Dalmia as a co-applicant.
- (b) The loan of Rs. 60045302/- (P.Y. 62582963/-) including Current Maturities of Long Term Borrowings under note no. 22 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 @11.50% p.a. floating.
- (c) Loan of Rs. 9330894/-(P.Y. 9689108/-) including Current Maturities of Long Term Borrowings under Note No. 22 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.
- (d) Loan of Rs. 22458199/-(P.Y. 23215337/-) including Current Maturities of Long Term Borrowings under Note No. 22 is secured against Property from PNB Housing Finance Limited against Shop No. 6 and 11 situated at Skylark Building, Plot No. 63, Sector -11, CBD Belapur, Navi-Mumbai 400614 on the term i.e 180 EMI of Rs. 272784/- and interest rate is 11% p.a floating, The loan was also guaranteed as co-applicants by Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal, Mr. Shonit Dalmia, Mrs. Rakadevi Dalmia, Prakashchand Dalmia HUF and M/s Kayo Investments & Finance Pvt. Ltd.
- (e) Vehicle Loans of Konark Synthetics Limited: The loans are hypothecated against the specific vehicles for which it was sanctioned by the bank
 - Of the above loans, amounts (including current maturities under Note 22) of,
 - -Rs. 1,03,642 is repayable in 4 remaining EMI of Rs. 28,450 upto July 01, 2019
 - -Rs. 4,44,344 is repayable in 30 remaining EMI of Rs. 16700 upto Sep. 05, 2021
 - -Rs. 14,78,831 is repayable in 45 remaining EMI of Rs. 38488 upto Dec. 05, 2022
- (f) Unsecured Loans
 - Of the loans from others, amounts (including current maturities under Note 22) of,
 - Rs. 2,85,611 is repayable in remaining 2 EMI of Rs. 1,46,119 upto May 05, 2019
 - Rs. 8,95,125 is repayable in remaining 11 EMI of Rs. 88,877 upto February 05, 2020
 - Rs. 1,27,121 is repayable in remaining 1 EMI of Rs. 1,29,185 upto Apr 07, 2019

18 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions		
Provisions for Employee Benefits		
- Provision For Gratuity	5,257,813	5,286,146
Total	5,257,813	5,286,146



Notes to Financial Statements for the year ended March 31, 2019

(Amounts in Rs.)

19 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities		
a) Related to Fixed Assets	29,062,925	31,437,436
Less:		
Deferred tax assets		
b) Disallowance u/s 43B of I.T.Tax, 1961 and MAT Credit	3,119,987	3,300,829
Total	25,942,938	28,136,607

20 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
a) Loans repayable on demands		
(i) Secured -		
Cash credit facility from Banks	195,472,254	197,952,814
ADHOC Cash Credit facility from Banks	9,020,367	-
(ii) Unsecured -		
Loans from Related Parties	146,512,534	171,401,295
Total	351,005,155	369,354,109

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 and 40% on Book Debts; at interest rate of Base Rate + 3.70%. "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 + 3.15%.

ADHOC Cash credit facility of Rs. 90 Lacs has been sanctioned by Indian Bank against paripassu first charge on inventory and book debts of the Company with margin of 23.97% on Stock and 23.85% on Book Debts; at interest rate of Base Rate + 3.15%

Unsecured Loans

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

21 Current Financial Liabilities - Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
(ii) Bills Payable Under Letter of Credit From Banks	72,473,405	53,987,428
(ii) Trade Payables		
a) Total outstanding dues of Micro and small enterprises	962,403	503,737
b) Total outstanding dues of trade payable other than Micro and small enterprises	68,560,779	41,194,759
c) Other	289,000	208,000
Total	142,285,586	95,893,924



Notes to Financial Statements for the year ended March 31, 2019

22 Current Financial Liabilities - Other Liabilities

(Amounts in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Financial Liabilities		
a) Current maturities of long-term debts;		
Secured Loans	4,403,720	3,664,087
Unsecured Loans	1,307,857	3,927,045
Vehicle Loans	618,542	3,476,689
b) Interest accrued but not due on borrowings	649,978	747,526
c) Liability for expenses	7,852,171	7,792,750
d) Unpaid/Unclaimed dividends	-	120,649
e) Advance from Customer	683,125	
f) Other	8,395	
Total	15,523,788	19,728,746

23 Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
a) Advance Received against Sale of Land	6,850,000	7,600,000
b) Others		
i) Taxes & duty	6,108,655	3,996,535
ii) Payable-ESIC, PF & Prof. Tax etc.	5,385,277	1,373,570
iii) Payable-Employee	13,124,177	12,796,924
iv) Bank balance overdrawn as per books	-	2,012,376
Total	31,468,109	27,779,406

24 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions		
Provisions for Employee Benefits		
Gratuity	239,115	314,263
Total	239,115	314,263



Notes to Financial Statements for the year ended March 31, 2019

(Amounts in Rs.)

Sr. No.	Particulars	Amount (Rs.)	For the Year ended 31.03.2019	Amount (Rs.)	For the Year ended 31.03.2018
			Amount (Rs.)		Amount (Rs.)
25	Revenue From Operations				
	Sales				
	Sale of Products		706,449,612		861,335,387
	Other Operating Revenue		69,803,150		83,364,127
	Total		776,252,762		944,699,514
26	Other Income				
20	Interest Income		5,865,020		4,517,668
	Rent Received		3,000,020		1,51,500
	Others*		5,787,225		28,381,850
	Total		11,652,245		33,051,017
	*Others includes		11,002,240		00,001,017
	In currrent year profit on surrender of land, and balar	nces w/back and			
	In previous year Include sale of leasehold rights, foreign		and balance W/back		
27	Cost Of Materials Consumed				
	Raw Material Consumed				
	Opening Stock		2,203,934		55,388,382
	Add : Purchases				
	Yarns		137,452,026		115,413,908
	Grey Fabric		-		36,218,444
			139655960		207020735
	Less: GST Available on stock (30.06.2017)		-		2,437,753
			139655960		204582982
	Less: Closing Stock		2,331,144		2,203,934
	Total		137,324,816		202,379,048
28	Changes In Inventories Of Finished Goods,				
	Work In Progress And Stock In Trade				
	Opening Stock - Process		20,837,902		20,167,502
	Opening Stock - Finished		158,438,138		57,780,547
	Total - A	а	179,276,041		77,948,049
	Closing Stock - Process		19,635,878]	20,837,902
	Closing Stock - Finished		174,652,253		158,438,138
	Total - B	b	194,288,131		179,276,041
	(Increase) / Decrease in Stocks				
	Total - A-B	a-b	(15,012,091)		(101,327,992)



Konark Synthetic Limited Notes to Financial Statements for the year ended March 31, 2019

(Amounts in Rs.)

		1	1		mounts in Rs.)
Sr. No.	Particulars	Amount (Rs.)	For the Year ended 31.03.2019 Amount (Rs.)	Amount (Rs.)	For the Year ended 31.03.2018 Amount (Rs.)
29	Employee Benefits Expsnses		Amount (KS.)		Amount (RS.)
29	Salaries, Wages, Bonus & Other Allowance		76 040 200		74 500 063
	, ,		76,018,390		71,529,963
	Gratuity Contribution to Provident Funds & FSIC		1,005,572		(151,362)
	Contribution to Provident Funds & ESIC Staff Welfare Expenses		4,439,711		4,260,968
ı	Total		529,484		652,802
	Iotai		81,993,156		76,292,371
ı	The disclosures required under Indian Accounting Standard	19 "Employee B	enefits" are given	below:	•
	A. Defined Contribution Plan	2018	-2019	2017-20	18
	Contribution to Defined Contribution Plan,				Ī
	recognized as expense for the years are as under:				
	Employer's Contribution to Provident Fund		3,189,465		2,859,491
	Employer's Contribution to ESI Scheme		1,250,246		1,401,477
	The contribution to provident fund is made to Employees' Pr towards ESIC made to Employees' State Insurance Corporation it has no further contractual nor any constructive obligation. B. Defined Benefit Plan The present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present value of Employees' Gratuity obligation is determined by the present of the present value of Employe	on. The obligation i. nined based on ac	of the Company is	limited to the amour	nt contributed and
	separately to build up the final obligation.			Suntuitus (Illuformalas	J\
			As at	Gratuity (Unfunded	Asat
			31st March, 2019		31st March, 2018
	a. Movement in present value of defined benefit obligation	tion			
	Obligation at beginning of the year		5,600,409		6,374,097
	Current Service Cost		418,306		526,632
	Interest Cost		434,032		426,427
	Actuarial (gain)/loss		153,234		(1,104,421)
	Benefits paid		(1,109,053)		(622,326)
	Obligation at the end of year		5,496,928		5,600,409
	b. Reconciliation of fair value of assets and obligation	ons			
	Fair value of plan assets at year end		-		-
	Present value of obligation at year end		5,496,928		5,600,409
	Amount recognised in Balance Sheet				
	- Current		239,115		314,263
	- Non- Current		5,257,814		5,286,146
	C. Expenses recognized during the year		Period ended 31 st March, 2019		Period ended 31 st March, 2018
	Current Service Cost		418,306		526,632
	Interest Cost		434,032		426,427
	Expected return on plan assets		-		-
	Actuarial (gain) / loss		153,234		(1,104,421)
	Net Cost		1,005,572	·	(151,362)
	D. Actuarial assumptions	For the period ended 31st March 2019		For the perio	
	fortality Table (L.I.C.) IALM 2006-08 (Ultimate			IALM 2006-08	
			75% ´	7.759	
			00%	5.009	%
	, ,		00%	1.009	%
	The estimated future salary increases takes into account inflation, seniority, promotion and other retirement factors including sup and demand in the employment market. The above information is certified by the actuary.				including supply
30	Finance Cost				
	Interest Expense		37,451,959		39,181,278
	Other Borrowing Cost		2,946,519		3,812,444
	TOTAL		40,398,478		42,993,722

^{*} Interest expenses are net of interest capitalised of Rs. 17,37,162 (P.Y. Rs. 17,70,414)



Notes to Financial Statements for the year ended March 31, 2019

(Amounts in Rs.)

Sr.	Particulars	Amount (Rs.)	For the	Amount (Rs.)	For the
No.		1	Year ended	, ,	Year ended
			31.03.2019		31.03.2018
0.4	Other Francisco		Amount (Rs.)		Amount (Rs.)
31	Other Expenses				
	A. Manufacturing Expenses		00 000 400		20 427 500
	Power & Fuel		23,922,402		20,137,589
	Stores and Spares Consumed		16,288,984		27,807,271
	Repairs to Plant & Machinery		1,703,209		2,151,091
	Repair & Maintainance - Other (At Plants)		415,420		512,366
	Repairs to Factory Building		-		16,604
	Security Charges		1,321,854		1,312,480
	Labour Charges		2,896,404		2,870,164
	Job work Charges		22,079,142		20,450,514
	Freight, Octroi & Cartage		225,344		937,699
	Other Manufacturing Expenses		181,723		382,519
	Total - A		69,034,482		76,578,297
	B. Administrative & General Expenses				
	Advetisement & Publicity		197,647		110,141
	Bank Charges		241,425		514,949
	Conveyance Expenses		620,073		406,399
	Donation		26,500		4,000
	Electricity		543,798		633,883
	Filling Fees		12,000		25,800
	Foreign Exchange Fluctuation		1,121		_
	Insurance		801,834		1,052,165
	Loss on Sale of Fixed Assets		-		2,526,776
	Membership & Subscription		306,751		383,727
	Miscellaneous Expenses/General Expenses		485,750		659,485
	Interest/Penalty		852,824		89,919
	Proffessional Fees/ Legal Expenses		1,557,008		1,051,972
	Printing & Stationary		365,823		439,404
	Rent,Rates,Fees & Taxes		4,717,762		5,254,842
			222,925		669,364
	Repairs & Maintanance (Others)		292,545		
	Postage & Telegrame		·		271,354
	Stamp & Hundi Papers		17,200		70,900
	Vat Receivable Written off		- 074 400		159,016
	Telephone		371,486		466,250
	Travelling		1,302,052		711,963
	Vehicle Expenses		950,237		971,891
	Cost Audit Fees		-		-
	Auditors Remuneration:				
	- For Statutory Audit	300,000		265,000	
	- For Tax Audit	-		-	
	- For Certification	-		37,500	
	- Others	40,000	340,000	-	302,500
	Total - B		14,226,762		16,776,700
	C. Selling & Distribution Expenses				
	Marketing Expenses & Brokerage		1,515,401		1,616,154
	Outward Freight & Octroi				
	Freight Charges		2,225,924		2,141,891
	Sales Promotion Expenses		661,655		664,011
	Sample & Development Expenses		970,919		1,092,121
	Total - C		5,373,899	•	5,514,177
	Total (A+B+C)		88,635,143	•	98,869,174



Notes to Financial Statements for the year ended March 31, 2019

- **32.** The Company is operating in single segment i.e. Textiles and thus there is no reportable segments as per Indian Accounting Standard (IND AS) 108 "Operating Segment". There is no reportable geographical segment either.
- **33.** As per Indian Accounting Standard 24 "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

Konark Infratech Private Limited - Associates

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

ii) Individual having significant influence:

Smt. Raka Devi Dalmia - Share Holder

iii) Key Managerial Personnel (KMP) and Relative:

Mr. Prakashchand Dalmia - Director

Mr. Amitabh Kejriwal - Managing Director

Mr. R.B. Somany - Chief Financial Officer

Mr. Mehnuddin Khan - Company Secretary

Ms. Shikha Dalmia - Relative of Director

Ms. Smita Kejriwal - Relative of Director

Ms. Namarta Dalmia - Relative of Director

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

M/s Konark Silk Mills

M/s Konark Realtech Private Limited

B. Transactions with Related Parties:

Figures in bracket belongs to previous year

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	-	1110007 (1135653)	-	1110007 (1135653)
Salary	-	-	2768000 (2440661)	-	2768000 (2440661)
Rent Expenses	-	-	-	108000 (108000)	108000 (108000)
Loan Taken	-	-	-	16946775 (41110000)	16946775 (41110000)
Loan Repaid				41835536 (34208000)	41835536 (34208000)
Interest Income	5389977 (3375498)	-	-	-	5389977 (3375498)



Notes to Financial Statements for the year ended March 31, 2019

(Amounts in Rs.)

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

Particular	2018 - 2019	2017 - 2018
Managerial Remuneration & Perquisites		
Amitabh Kejriwal	1110007	1135653
Salary Paid		
R.B. Somany	1200000	1200000
Mehnuddin Khan	410000	382661
Sikha Dalmia	600000	600000
Smita Kejriwal	258000	258000
Namarta Dalmia	300000	-
Rent Paid		
Konark Silk Mills	108000	108000
Loans Taken		
Konark Realtech Pvt. Ltd.	16946775	41110000
Loans Repaid		
Konark Realtech Pvt. Ltd.	41835536	34208000
Interest Income		
Konark Infratech Pvt. Ltd	5389977	3375498

D. Balances with the Related Parties as at 31st March, 2019

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	-	-	154284 (85774)	-	154284 (85774)
Salary	-	-	219900 (177648)	-	219900 (177648)
Rent Expenses	-	-	-	189000 (108000)	189000 (108000)
Loan Taken	-	-	-	146512534 (171401295)	146512534 (171401295)
Loan Given	55464000 (50613021)	-	-	-	55464000 (50613021)

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

Particulars	2018-19	2017-18
Net Profit / (Loss) after Current and Deferred Tax (In Rs.)	(15129924)	(6423170)
Number of Equity Shares	5808000	5808000
Basic Earning Per Share	(2.61)	(1.11)
Diluted Earnings Per Share	(2.61)	(1.11)

35. Breakup of Net Deferred Tax Expenses Provided:

Particulars	2018-19	2017-18
A. Deferred Tax Liability (DTL)		
Due to depreciation difference	-2374511	-6219753
Due to Loss on Sale of Fixed Assets	-	-
Total DTL	-2374511	-6219753
B. Deferred Tax Assets (DTA)		
Credit under u/s 43B & 40(a)	180842	1015014
Mat credit available for the year	-	-
Difference due to rate of Income Tax	-	-
Total DTA	180842	1015014
Net Deferred Tax Liability	-2193669	-5204739



36. Contingent Liability/ Capital Commitments

The Bankers of the Company have given Guarantees to various Government Authorities amounting to Rs.3711000/-(P.Y. Rs.3011000/-) for which the Company has given ounter guarantee and margin money in form of fixed deposit/current account to the bankers amounting to Rs.1033500/- (P.Y. Rs. 875000/-).

The Company has given a Corporate Guarantee of Rs.730600000/-(P.Y. Rs730600000/-).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.

- **37.** In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the Balance Sheet realizable in the ordinary course of business. Sundry Debtors, Creditors & Advances are subject to confirmation and / or reconciliation with parties.
- 38. Additional information as per Revised Schedule III:

Raw Material Consumed:

Particulars	Consumption
Yarn	137324816
	(112821367)
Fabric	_
	(89557681)
Total	137324816
	(202379048)

Raw Material Purchased

Particulars	Purchases
Yarn	137452026
	(115413908)
Fabric	-
	(36218444)
Total	137452026
	(151632352)

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

Particulars	Sales Value	Closing Inventory	Opening Inventory
Manufactured Goods			
Yarn	242235495	15303313	12880034
	(27093509)	(12880034)	(13265460)
Fabric	-	-	-
	(123330457)	(-)	(53339237)
Garments	-	1159000	1525000
	(-)	(1525000)	(1525000)
Other (Job Work)	69803150	-	-
	(83364127)	(-)	(-)
Total	312038645	16462313	14405034
	(433788093)	(14405034)	(68129697)
Traded Goods			
Fabric	444786508	160521084	146237039
	(501611790)	(146237039)	(45039232)
Yarn	19427609	-	-
	(9981886)	(-)	(-)
Total	464214117	160521084	146237039
	(511593676)	(146237039)	(45039232)

(67)



Work In Process

Particulars	Work in Process 2018-2019	Work in Process 2017-2018
Yarn	13166793	12876553
Fabric	-	-
Readymade Garments	6469085	7961349
Total	19635878	20837902

39. Auditors Remuneration:

Particulars	2018- 19	2017 - 18
Audit Fees	300000	265000
Tax Audit	-	-
For Others	40000	37500
Total	340000	302500

- **40.** 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.
- 41. CIF Value of Imports:

Particulars	2018- 19	2017 - 18
Stores & Spares	76,713	-
Total	76,713	-

- 42. 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 31st March, 2019	Maximum Outstanding during the Year
India Denim Limited	5696550 (5696550)	5696550 (5696550)
Konark Infratech Pvt. Ltd.	49767450 (44916471)	44916471 (44916471)

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.

43. 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 Pansari & Dalmia (Chartered Accountants)

For and on behalf of the Board

Firm Reg. No. 107370W

Naresh S Dalmia (Partner)

Membership No. 035036

Mehnuddin Khan (Company Secretary

Amitabh Kejriwal

(Managing Director)

R.B. Somany (Chief Finance Officer)

Prakashchand Dalmia

(Chairman)

Place: Mumbai Date: 30th May, 2019

& Compliance Officer)



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KONARK SYNTHETIC LTD.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Konark Synthetic Ltd.("the Holding Company"), its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group") its associates Comprising of Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, And notes to consolidated financial statement, Including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiary and associate the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 As amended("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Company as at March 31, 2019, their consolidated Loss including other comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the IndAS and other accounting principles generally accepted in India read with the companies (Indian accounting standards) Rules, 2015,as amended. The respective Board of Directors of the companies included in the group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provision of the act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the directors of the holding company, as aforesaid.

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



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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

Other Matters:

We did not audit the financial statements and other financial informations, in respect of a subsidiary whose Ind AS financial statements include total assets of Rs 5658.68 lacs as at 31/3/2019 and total revenues of Rs 0.23 lacs and net cash inflow of Rs 0.02 lacs for the year ended on that date and financial statements and other information of an associate which reflects group share of net profit of Rs. 25.71 lacs for the year ended March,31 2019. This Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditors reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub section(3) of section 143 of the act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors. Our opinion on the consolidated financial statements, and our report on the other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



We would like to draw attention on other matters reported by the auditor of the subsidiary company India Denim limited in its report as under:

- a) During the year the company has not recognized Deferred Tax Assets on losses due to uncertainty of future profit but the Company has continued to carry old deferred tax asset recognized in earlier year amounting to Rs 2,03,19,855/-. This, in our opinion is not in accordance with the Ind AS 12 "Income Taxes" which requires that each year the Deferred Tax Asset and Liabilities shall be reviewed
- b) The Balances of Account Receivable, Account payables, loans advances and balances with Govt Authorities are subject to confirmations and reconciliations, as management did not provide the balance confirmation from outside parties. The effect of adjustment that may require on such 'confirmation and reconciliations remains unascertained.
- c) As informed by the management, Stock is lying at plant under lock at the instance of lenders, Consisting of yarn, fabrics etc. is non-moving for quite some time, has deteriorated with eflux of time. The same has not been physically verified and keeping in view this aspect the Inventories are devalued by 20% in value by the management. The final adjustment that may require in value of realizable stock at actual valuation of inventories based on physical verification will be taken in to account on such valuation as and when done.
- d) No interest has been provided on loans taken from banks (as the banks have classified the account as Non Performing Assets (NPA) and have not debited interest) due to which Loss for the year is understated, the amount is not quantified by the management.

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

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on seperate financial statement and other financial information of subsidiary and associate as noted in the 'other matter' paragraph we report that:
 - a) We/the other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Statement of Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statement.
 - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors of holding company as on March 31, 2019 taken on record by the Board of Directors of Holding company and report of statutory auditors of its subsidiary and associate, none of the directors of group company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy and operating effectiveness of the Internal financial controls over financial reporting with reference to these consolidated financial statements of the holding company and its subsdiary and associate company, referred to our separate report in Annexure A to this report.
 - g) In our Opinion and based on the consideration of reports of other statutory auditors of subsidiary and associate incorporated in India the Managerial Remuneration for the year ended March 31, 2019 has been paid/provided by the Holding company, subsidiary and associate to its directors in accordance with the provisions of sec 197 read with schedule V to the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of subsidiary and associate as noted in the 'other matter' paragraph:
 - The Consolidated financial statements disclose the impact of pending litigations on its financial position of the group and its associate in consolidated financial statements.
 - ii. Provisions has been made in consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company, subsidiary and its associate.

For and on behalf of M/S PANSARI & DALMIA Chartered Accountants Firm Reg. No. 107370W

(NARESH S. DALMIA) Partner M.No.035036

Place: Mumbai Dated: 30th May, 2019



ANNEXURE "A"

To the Independent Auditors' Report of even date on the Consolidated Financial Statements of Konark Synthetic Ltd.

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")

In conjunction with our audit of consolidated financial statements of Konark Synthetic Ltd as of and for the year ended March 31,2019, we have audited the internal financial control over financial reporting of Konark Synthetic Ltd(the "HOLDING COMPANY") and its subsidiary and associate which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding company, its subsidiary and associates internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards onAuditing 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 with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their report referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, as referred to in other matters paragraph, the Holding Company, its subsidiary and its associate, which are companies incorporated in India have maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal financial control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

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

For and on behalf of M/S PANSARI & DALMIA Chartered Accountants Firm Reg. No. 107370W

(NARESH S. DALMIA) Partner M.No.035036

Place: Mumbai Dated: 30th May, 2019



Konark Synthetic Limited CIN:L17200MH1984PLC033451 Consolidated Balance Sheet as on 31st March, 2019

(Amounts in Rs.)

Assets	Note No.	As at March 31, 2019	As at March 31, 2018
Non-current Assets			
(a) Property, Plant and Equipment		412,781,203	859,455,769
(b) Capital work-in-progress	5	43,877,068	42,139,906
(c) Intangible assets		112,444	137,782
(d) Financial Assets			
(i) Investments	6	37,594,697	23,806,671
(ii) Others	7	6,976,420	8,199,537
(e) Other non-current assets	8	9,715,273	18,000
(f) Defferred Tax assets	9	20,319,855	23,524,741
Total Non-current assets		531,376,959	957,282,406
Current Assets			
(a) Inventories	10	301,079,075	306,058,930
(b) Financial Assets			
(i) Trade Receivables	11	428,247,211	439,504,921
(ii) Cash and cash equivalents	12	6,870,465	2,163,491
(iii) Bank balances other than above	13	5,021,552	8,152,429
(iv) Loans	14	50,981,146	152,962,523
(iv) Investment	15	-	31,755,965
(v) Others	16	-	943,690
(c) Current Tax Assets (Net)	17	6,737,808	6,682,706
(d) Other current assets	18	130,891,441	143,442,426
Total current assets		929,828,699	1,091,667,080
Total Assets		1,461,205,658	2,048,949,486
Equity and Liabilities	Note No.	As at	As at
Equity		March 31, 2019	March 31, 2018
(a) Equity Share Capital	19	58,080,000	58,080,000
(b) Other Equity	20	9,091,500	71,914,819
Total Equity	20	9,091,500 67,171,500	129,994,819
Other Shareholders Stack		67,171,500	125,554,015
India Denim Limited			
Konark Infratech Private Limited		-	95,056,715
Liabilities		-	95,050,715
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	490,682,888	890,029,709
(b) Provisions	22	5,257,813	5,286,146
(c) Deferred tax Liabilities (Net)	23	25,942,938	28,136,607
Total non-current Liabilities	25	521,883,639	923,452,461
Current Liabilities		021,000,000	320,402,401
(a) Financial Liabilities			
(i) Borrowings	24	472,778,164	496,823,668
(i) borrowings		472,770,104	+30,023,000
(ii) Trade Pavables			503.737
(ii) Trade Payables (a) total outstanding dues of micro enterprises and small enterprises, and	25	Q62 <u>4</u> ∩3	
(a) total outstanding dues of micro enterprises and small enterprises, and	25	962,403 161 776 400	,
(a) total outstanding dues of micro enterprises and small enterprises, and(b) total outstanding dues of creditors other than micro enterprises and small enterprises.		161,776,400	108,929,727
(a) total outstanding dues of micro enterprises and small enterprises, and(b) total outstanding dues of creditors other than micro enterprises and small enterprises.(iii) Other Financial Liabilities	26	161,776,400 116,088,538	108,929,727 173,764,444
 (a) total outstanding dues of micro enterprises and small enterprises, and (b) total outstanding dues of creditors other than micro enterprises and small enterprises. (iii) Other Financial Liabilities (b) Other Current Liabilities 		161,776,400	108,929,727
 (a) total outstanding dues of micro enterprises and small enterprises, and (b) total outstanding dues of creditors other than micro enterprises and small enterprises. (iii) Other Financial Liabilities (b) Other Current Liabilities (c) Current Tax Liabilities (Net) 	26 27	161,776,400 116,088,538 120,305,898	108,929,727 173,764,444 114,816,700
 (a) total outstanding dues of micro enterprises and small enterprises, and (b) total outstanding dues of creditors other than micro enterprises and small enterprises. (iii) Other Financial Liabilities (b) Other Current Liabilities (c) Current Tax Liabilities (Net) (d) Provisions 	26	161,776,400 116,088,538 120,305,898 - 239,115	108,929,727 173,764,444 114,816,700 - 5,607,216
 (a) total outstanding dues of micro enterprises and small enterprises, and (b) total outstanding dues of creditors other than micro enterprises and small enterprises. (iii) Other Financial Liabilities (b) Other Current Liabilities (c) Current Tax Liabilities (Net) 	26 27	161,776,400 116,088,538 120,305,898	108,929,727 173,764,444 114,816,700

As per our report of even date attached

1 To 46

For Pansari & Dalmia (Chartered Accountants) For and on behalf of the Board

Firm Reg. No. 107370W

Naresh S Dalmia (Partner) Amitabh Kejriwal (Managing Director) Prakashchand Dalmia (Chairman)

Membership No. 035036

Place: Mumbai (Company Secretary
Date: 30th May, 2019 & Compliance Officer)

R.B. Somany (Chief Finance Officer)



Konark Synthetic Limited CIN:L17200MH1984PLC033451 Consolidated Statement of Profit and loss for the year ended 31st March, 2019

(Amounts in Rs.)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Income			
	Revenue from operations	29	776,252,762	1,084,321,780
	Other Income	30	11,674,764	42,813,219
	Total Income (I)		787,927,526	1,127,134,999
II.	EXPENSE			
	Cost of Material Consumed	31	137,324,816	233,610,695
	Purchase of Stock-in-trade		444,446,885	628,191,187
	Change in inventories of finished goods/stock in trade	32	7,182,057	(82,872,620)
	Employee benefits expense	33	82,507,376	78,022,215
	Finance Cost	34	40,398,478	105,950,326
	Impairment		1,224,994	-
	Depreciation	5	49,044,276	90,414,321
	Other Expenses	35	92,391,702	122,860,137
	Total Expenses (II)		854,520,585	1,176,176,261
Ш	Profit / (loss) before exceptional items and income tax (I-II)		(66,593,059)	(49,041,262)
١٧	Share in Profit/(Loss) in Equity Accounted Investments(Net of Tax)		2,570,702	-
	Exceptional item		-	(16,302,390)
v	Profit / (Loss) before tax (III - IV)		(64,022,357)	(65,343,652)
۷I	Tax expense			
	Current tax		-	7,872,682
	MAT Credit Entitlement		-	-
	Deferred Tax		(2,193,669)	(8,724,951)
	Short Provision for Taxation		-	(309)
VII	Profit / (Loss) after tax for the period (V - VI)		(61,828,689)	(64,491,074)
VIII	Less Minority Interest			
	i. India Denim Limited		-	-
	ii. Konark Infratech Private Limited		-	18,709,952
	Less Preacquisition Loss adjusted in Capital Reserve		-	
	Less : Profit Related to others		-	-
			(61,828,689)	(83,201,026)
IX	Other Comprehensive Income		-	-
x	Total Comprehensive Income for the year (VII-IX)		(61,828,689)	(83,201,026)
ΧI	Profit attributable to:			
	Basic earnings per share		(10.65)	(14.33)
	Diluted earnings per share		(10.65)	(14.33)

As per our report of even date attached

1 To 46

For Pansari & Dalmia (Chartered Accountants) Firm Reg. No. 107370W

For and on behalf of the Board

(Partner) Membership No. 035036

Naresh S Dalmia

Mehnuddin Khan (Company Secretary

Amitabh Kejriwal

(Managing Director)

Prakashchand Dalmia (Chairman)

Place: Mumbai

R.B. Somany (Chief Finance Officer) & Compliance Officer)

Date: 30th May, 2019



Konark Synthetic Limited CIN:L17200MH1984PLC033451 Consolidated Cash Flow Statement For The Year Ended 31st March, 2019

(Amount in Rs.)

Banti autau	0497 MADO			CAIIIOUIII III INS.
Particulars	31 ST MARC	H, 2019	31 ³¹ MAI	RCH, 2018 ⊺
Cash flow from operating activity				
Net Profit before tax & Extra Ordinary Items		(64,022,357)		(49,041,262)
Adjustment for : Depreciation	49,044,276		90,414,321	
Interest paid	40,398,478		105,950,326	
Provision for Impairment	1,224,994		-	
FV of financial assets through FVTPL	-		(1,707,451)	
(Profit)Loss on Sale of Fixed Assets (Profit)Loss on Sale of Mutual Fund	(3,583,856)		2,526,776 (906,196)	
Interest Income (considered Seperately)	(5,865,020)	81,218,872	(11,709,750)	184,568,026
Operating Profit before working capital changes		17,196,515		135,526,764
Working Capital Changes				
(Increase)Decrease in Sundry debtors & Other receivables	17,503,223		47,550,935	
(Increase)Decrease in Loans & Advances	101,981,377		(110,123,431)	
(Increase)Decrease in Inventories	4,979,855		3,119,168	
Increase(Decrease) in Trade Payable(Incl.Work'g Cap.Fin)				
& other payables	2,026,368	126,490,823	140,247,546	80,794,219
Cash Generated From operations		143,687,338		216,320,983
Income Tax Paid		(5,348,055)		10,223,048
		,		
Cash Flow Before Prior Period & Extra Ordinary Items		138,339,283		226,544,031
Prior Period & Extra Ordinary Items		(994,630)		(16,302,390)
Net Cash Flow From Operating Activities (I)		137,344,653		210,241,641
Cash Flow From Investing Activities				
Net (Purchase & Sales) of Fixed Assets	(3,857,074)		(437,561,282)	
Interest Income	5,865,020		11,709,750	
Diffreance Due to consolidation of Associate Concern (KIPL)	322,300,102		98,674,186	
Purchase of Investment	-		(56,986,987)	
Sale of Fixed Assets	3,714,201		-	
Net Cash Outflow for investing Activities (II)		328,278,567		(384, 164, 333)
Cash flow after investing activities (III) = (I-I	I)	465,366,901		(173,922,692)
Cash Flow From Financing Activities				
Cash Flow From Financing Activities Proceeds from long term borrowing (Net of Repayments)	(399,346,821)		384,271,047	
Proceeds from short term borrowing (Net of Repayments)	(24,045,504)		(113,623,001)	
Interest paid	(40,398,478)		(105,950,326)	
Net Cash Flow from Financing Activity (IV)	` , , , , , ,	(463,790,803)	, , , , ,	164,697,719
Cash flow after Financing Activity (V)=(III-IV	v)	1,576,098		(9,224,973)
			1	, , , , ,
Opening Balance Cash & Cash Equivalent		10,315,919		19,540,892
Closing Balance Cash & Cash Equivalent		11,892,017	-	10,315,919
Increase in cash & cash equivalent (VI)		1,576,098		(9,224,973)

As per our Report of even date.

For Pansari & Dalmia (Chartered Accountants) Firm Reg. No. 107370W

For and on behalf of the Board

(Partner) Membership No. 035036

Naresh S Dalmia

Place: Mumbai & Compliance Officer) Date: 30th May,2019

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

Prakashchand Dalmia

(Chairman)

Amitabh Kejriwal

(Managing Director)



Konark Synthetic Limited Statement Of Changes In Equity For The Year Ended 31st March, 2019

A. Equity Share Capital

Particulars	(Amount in Rs.)
As at 31st March, 2018	58,080,000
Changes during 2018-19	-
As at 31st March, 2019	58,080,000

Other Equity

Particulars	Capital Redemption Reserve	Securities Premium account	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total
Balance as at 31st March, 2018	4,000,000	68,807,066	2,500,000	59,751,143	(63,143,390)	71,914,819
Add : Total Comprehensive Income for the year 2018-19	-	-	-	-	(61,828,689)	(61,828,689)
Add : Prior Period Adjustments					(994,630)	(994,630)
Less : Deduction During the year	-	-	-	-	-	-
Balance as at 31st March, 2019	4,000,000	68,807,066	2,500,000	59,751,143	(125,966,709)	9,091,500

As per our report of even date attached

For Pansari & Dalmia (Chartered Accountants)

Firm Reg. No. 107370W

Naresh S Dalmia (Partner)

Membership No. 035036

Place : Mumbai Date: 30th May, 2019 For and on behalf of the Board

Amitabh Kejriwal

Prakashchand Dalmia (Managing Director) (Chairman)

Mehnuddin Khan

(Company Secretary & Compliance Officer)

R.B. Somany (Chief Finance Officer)



Notes to the Consolidated Financial Statement for the year Ended 31st March, 2019

Note 1 Corporate Information:

The Consolidated Financial Statements comprise financial statements of Konark Synthetic Limited ("the company") and its domestic subsidiaries namely, India Denim Limited, Trade Bazaar Retail Private Limited -Formerly known as Konark Greentech Private Limited (ceased to be subsidiary w.e.f. 5th July,2017) and associate concern Konark Infratech Private Limited (collectively "the Group") for the year ended 31st March,2019. The Company is a limited Company domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange (BSE), in India. The registered office of the Company is situated at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai -400059, India.

Group is engaged in the business of Trading and Manufacturing of Textile and also in Power generation.

The consolidated financial statements for the year ended 31st March, 2019 were approved and adopted by board of directors in their meeting held on 30th May, 2019.

Note 2 Basis Of Preparation:

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS).

The Consolidated financial statements have been prepared as a going concern basis under the historical cost basis, except for certain financial assets and liabilities, which are measured at fair value / amortised cost if any.

The Consolidated financial statements are presented in Indian Rupees, which is the Group's functional and presentation currency

Note 3 Basis of Consolidation:

- a) The consolidated financial statements comprise the financial statement of the Company and its subsidiaries and associates as at 31st March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
- b) Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statements till the date the Group ceases to control the subsidiary.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) The consolidation financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the 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 Indian Accounting Standard (IND AS) 110 "Consolidated Financial Statements". In case an associate, company follows equity method of consolidation as per INDAS
- 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.



d) The details of the Subsidiaries, / Step-Down Subsidiaries and Associates in the consolidated financial statement are as follows:

Name of the Subsidiary Company	Financial Year of the Subsidiary/Associates company ended on	Extent of Holding/Subsidiary Company's Interest	Country of Incorporation
India Denim Limited	March 31, 2019	61.17 %	India
Konark Infratech Private Limited.(KIPL)*	March 31, 2019	26.925%	India
Konark Gujrat PV Private Limited	March 31, 2019	100% by KIPL	India
Trade Bazaar Retail Private Limited.(TBRPL)**	March 31, 2019	100.00%	India
Konark Wind Project Private Limited	March 31, 2019	100% by TBRPL	India
Konark Natural Food Private Limited	March 31, 2019	100% by TBRPL	India

^{*} Konark Infratech Private Limited is an associate concern of Konark Synthetic Limited.

Note 4 Significant Accounting Policies:

4.1 Property Plant and Equipment:

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

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

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

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

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

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

4.2 Intangible Assets:

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

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

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

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

4.3 Leases:

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

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

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

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

^{**} Trade Bazaar Retail private Limited ceased to be a subsidiary from w.e.f. 5th July, 2017.



4.4 Inventories:

In general, all inventories of finished, work-in-progress etc. are stated at lower of cost or net realizable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. Raw materials & Stores and Spares are stated at cost on FIFO basis. Waste and by product are valued at net realizable value. Finished products are determined at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity.

4.5 Cash and cash equivalents:

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

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

4.6 Impairment of assets:

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

4.7 Financial instruments - initial recognition, subsequent measurement and impairment:

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

I) Financial assets - Initial recognition and measurement:

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

Financial assets - Subsequent measurement:

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

- a) Financial assets at fair value
- b) Financial assets at amortised cost

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

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

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

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

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

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

Financial assets - Derecognition

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

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



II) Financial liabilities - Initial recognition and measurement:

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

Financial liabilities - Subsequent measurement:

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

Financial Liabilities - Financial guarantee contracts:

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

Financial Liabilities - Derecognition:

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

4.8 Current and non-current classification:

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

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

4.9 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

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

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

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



4.10 Dividend Distribution:

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

4.11 Sales & Purchase:

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

4.12 Foreign Currency Reinstatement and translation:

Transactions denominated in foreign currency are normally recorded at the customs exchange rate prevailing at the time of transaction. Monetary Items denominated in foreign currencies at the yearend are restated at year end rates. Exchange difference relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of depreciable fixed asset is adjusted to the carrying cost of the fixed asset. All other exchange differences are dealt with in the Statement of Profit and Loss. Non monetary foreign currency items are carried at cost.

4.13 Borrowing Cost:

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

4.14 Export Incentives:

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

4.15 Employee Benefit:

Short term employee benefits are recognised as an expense in the statement of profit and loss of the year in which the related services are rendered.

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

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

4.16 Taxes on Income

Income tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

4.17 Earnings per share:

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

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



4.18 Significant Accounting Judgements, Estimates and Assumptions:

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

Property, plant and equipment and Intangible Assets:

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

Income Tax:

The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

Contingencies:

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

Impairment of financial assets:

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

Defined benefits plan:

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

Recoverability of trade receivable:

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

Provisions:

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



Konark Synthetic Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Note 05 - Property, Plant And Equipment & Capital Work-In-Progress

													A)	(Amountin Rs.)
					Property, Plan	Property, Plant and Equipment	ıţ					Intang	Intangible Assets	
Description	Leasehold Land	Freehold Land	Office Building	Factory Buildings	Plant & Machineries	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total	Software*	Internet	Total	Work in Progress
Cost														
As at 31st March 2018	6,180,340	6,180,340 30,439,703	48,535,549	206,999,918	1,418,246,355	7,982,083	3,149,505	23,973,573	3,830,404	1,749,337,430	2,403,698	252,658	2,656,356	42,139,906
Additions/Adjustments	•	•	•	•	1,727,874	246,500	128,843	•	16,695	2,119,912	•	•	•	1,737,162
Deductions/Impairments	•	95,035	•	•	•	•	•	706,184	•	801,219	•	•	•	•
As at 31st March 2019	6,180,340	6,180,340 30,344,668	48,535,549	206,999,918	1,419,974,229	8,228,583	3,278,349	23,267,389	3,847,099	1,750,656,123	2,403,698	252,658	2,656,356	43,877,068
Other Deduction		19,893,536	•	21,382,505	613,506,107	309,211	65,180	511,769	121,620	655, 789, 928		252,658	252,658	•
As at 31st March 2019	6,180,340	6,180,340 10,451,132	48,535,549	185,617,413	806,468,122	7,919,372	3,213,169	22,755,620	3,725,479	1,094,866,195	2,403,698	•	2,403,698	43,877,068
Depreciation														
As at 31st March 2018	741,872	•	1,728,482	67,924,324	786,717,180	7,447,293	2,637,102	19,077,130	3,608,278	889,881,661	2,291,254	227,320	2,518,574	•
Depreciation for the year	62,421	•	768,444	5,760,063	41,564,024	15,828	142,758	687,174	43,564	49,044,276	•	•	•	•
Deductions/Impairments	•	•	•	•	•	•	•	670,875	•	670,875	•	•	•	•
As at 31st March 2019	804,293	•	2,496,926	73,684,387	828,281,204	7,463,121	2,779,860	19,093,429	3,651,842	938,255,062	2,291,254	227,320	2,518,574	•
Other Deduction	'	•	•	3,971,312	251,622,505	141,920	55,719	569,966	108,648	256,170,070		227,320	227,320	
As at 31st March 2019	804,293	•	2,496,926	69,713,075	576,658,699	7,321,201	2,724,141	18,823,463	3,543,194	682,084,992	2,291,254	•	2,291,254	•
Net Book Value														
As at 31st March 2018	5,438,468	5,438,468 30,439,703	46,807,067	139,075,594	631,529,175	534,790	512,403	4,896,443	222, 126	859, 455, 769	112,444	25,338	137,782	42,139,906
As at 31st March 2019	5,376,047	10,451,132	46,038,623	115,904,338	229,809,423	598,171	489,028	3,932,157	182,285	412,781,203	112,444	•	112,444	43,877,068

Note - Other deductions pertan to adjustment on account of M/s Konark Infratech Private Limited being consolidated as per equity method in current year while the same was consolidated as per line by lie method in previous year

KONARK

(Amounts in Rs.)

Konark Synthetic Limited

Notes to Financial Statements for the year ended March 31, 2019

Note 6 - Non - Current Investments

	Particulars		As at 3	As at 31 March, 2019			As at 3	As at 31 March , 2018	
		Extent of Holding (%)	No. of Shares/ Units	Face Value (Rs.) Unless otherwise stated	Rs.	Extent of Holding (%)	No. of Shares/ Units	Face Value (Rs.) Unless otherwise stated	Rs.
٠	In Equity Instruments:								
	Unquoted Fully Paid -up								
	Carried at Cost								
	Associates	1	1	1	1	1	1	1	1
	Konark Infrtech Private Limited	26.92	28,000.00	10.00	280,000	1	1	1	•
	Retained Earning upto 31.03.2019 on KIPL Investment	1	ı	ı	37,311,597	•	1	1	ı
	Others								
	Silvassa Co-op. Society Limited	1	10	100	1,100	1	10	100	1,100
	The City Co-op. Bank Ltd.	,	40	25	2,000	1	40	25	2,000
	Quoted Fully Paid -up								
	Carried at cost								
	Sun Earth Ceramics limited	_	0089	10	204,000	-	0089	10	204,000
	Total Equity Instruments				37,798,697				207,100
Ю.	In Other Instruments								
	L & T Short Term Opportunities Fund	-	-	-	-	-	1431443.13	-	23,783,571
	National Saving Certificate*	-	-	-	-	-	-	-	20,000
	Total Other Instruments			-	-	-	•	-	23,803,571
	Total Investment (A+B)	-	•	•	37,798,697	-	•		24,010,671
	Less: Provision for dimunition in the value of Investments	1	ı	ı	204,000	•	1	ı	204,000
	Total	•	1	1	37,594,697	•	1	•	23,806,671



Notes to Consolidated Financial Statements for the year ended March 31, 2019

7 Non-Current Financial Assets - Others

(Amounts in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits with more than 12 months maturity	1,000	1,000
Security Deposits Govts & Other	6,975,420	8,198,537
Total	6,976,420	8,199,537

8 Non-Current Assets - Other Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances		
(a) Advance for Property	-	-
(b) Others	9,715,273	18,000
Total	9,715,273	18,000

9 Deferred Tax Assets (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets		
a) In respect of MAT Credit	51,318,970	55,112,440
Less:		
Deferred Tax Liabilities		
b) In respect of Depreciation	30,999,115	31,587,699
Total	20,319,855	23,524,741

10 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Inventories		
Raw Materials	2,331,144	2,203,934
Process Stock	24,883,878	20,837,902
Finished Goods	258,180,845	262,848,878
Stores, Spares	15,683,208	20,168,215
Total	301,079,075	306,058,930

11 Current Financial Assets - Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Unsecured, considered good;	184,556,372	191,232,490
(b) Having significant increase in Credit Risk	243,690,839	248,272,431
(c) Credit Impaired	124,994	-
	428,372,205	439,504,921
Less: Provision for Credit Impaired	124,994	-
Total	428,247,211	439,504,921



Notes to Consolidated Financial Statements for the year ended March 31, 2019

12 Current Financial Assets - Cash & Cash Equivalents

(Amounts in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash & Cash Equivalents		
Balance with banks;		
(i) Current Accounts	6,601,641	1,534,735
(ii) Dividend Accounts	-	120,649
Cash on hands;	268,824	508,107
Total	6,870,465	2,163,491

13 Current Financial Assets - Bank balances other than above

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposits with maturity more than 3 months	5,021,552	8,152,429
Total	5,021,552	8,152,429

14 Current Financial Assets - Loans

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good;		
-To Subsidaries	-	-
-To Associate concern	49,767,450	151,665,021
-Loans to employees	1,213,696	1,297,502
Total	50,981,146	152,962,52 3

15 Financial Assets - Investment

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Mutual Fund (Quoted)	-	31,755,965
13,366,33 units of L & T Liquid Fund - Growth		
Total	-	31,755,965

16 Current Financial Assets -Other Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Receviable	-	99,095
Interest Subsidy Receivable	-	844,595
Total	-	943,690

17 Current Tax Assets (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Tax/TDS & Income Tax (Net)	6,737,808	6,682,706
Total	6,737,808	6,682,706



Konark Synthetic Limited Notes to Consolidated Financial Statements for the year ended March 31, 2019

18 Other Current Assets (Amounts in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good, unless otherwise stated:		
Receivable from Government Authorities & Others	16,932,881	17,247,570
Prepaid Expenses	703,724	1,052,096
Advances to creditors	106,093,997	106,944,509
Others*	8,260,838	18,198,251
	131,991,441	143,442,426
Less: Provision for Assets Impaired	1,100,000	-
Total	130,891,441	143,442,426

^{*}Others include mainly TDS on Interest Recoverable

19 Equity Share Capital

Authorized

Particulars	No. of Shares	Amount
As at March 31, 2018 (of Rs.10/- each)	15,000,000	150,000,000
Increase during the year	-	-
As at March 31, 2019 (of Rs.10/- each)	15,000,000	150,000,000

Issued subscribed and paid up share Movement in Equity Share Capital

Particulars	No. of Shares	Equity Share Capital per value
A) Equity Share Capital		
As at March 31, 2018 (of Rs.10/- each)	5,808,000	58,080,000
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Calls unpaid (Other than directors)	-	-
As at March 31, 2019 (of Rs.10/- each)	5,808,000	58,080,000

A) Rights, preference and restrictions attached to the 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.

B) Shareholders holding more than 5 percent of Equity Shares

Name of Shareholder	% holding in the class	As at March 31, 2019 No. of share held	As at March 31, 2018 No. of share held
Equity Shares of Rs. 10/- each			
Rakadevi Dalmia	36.30%	2,108,091	2,108,091
Kayo Investment And Finance Pvt. Ltd	14.75%	856,850	856,850
Fillmore Trading & Investments Pvt. Ltd.	14.46%	840,000	840,000
Prakashchand Dalmia (HUF)	5.80%	336,600	336,600

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



Notes to Consolidated Financial Statements for the year ended March 31, 2019

C) The reconcilation of the number of shares outstanding as on 31st March, 2019

(Amounts in Rs.)

Particulars	Number of Shares as at 31st March, 2019	Number of Shares as at 31 st March, 2018
Number of shares at the beginning Add: Shares issued during the year Less :Shares bought back during the year	5,808,000 - -	5,808,000 - -
Number of shares at the end	5,808,000	5,808,000

20 Other Equity

Particulars	Capital Redemption Reserve	Securities Premium Account	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total
Balance as at 31st March, 2018	4,000,000	68,807,066	2,500,000	59,751,143	(63,143,390)	71,914,819
Add : Total Comprehensive Income for the year 2018-19	-	-	-	-	(61,828,689)	(61,828,689)
Less : Prior Period Adjustment					(994,630)	(994,630)
Less : Deduction during the year	-	-				
Balance as at 31st March, 2019	4,000,000	68,807,066	2,500,000	59,751,143	(124,928,375)	10,129,834

21 Non-Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings		
a) Secured Loan - Term Loan		
(i) From Banks		
Loan against Flat	17,075,833	17,075,833
Loan Against Property	56,888,983	60,002,752
Vehicle Loans (Against Motor Cars)	279,119	547,895
Term Loan	_	324,465,270
(ii) From Other		
Loan Against Property	30,541,692	31,820,570
Vehicle Loans (Against Motor Cars)	1,129,156	1,478,827
Tourism Finance Corporation India Limited	-	
b) Unsecured Loan		
Loan From Related Parties	_	
Inter Corporate Loans	375,524,267	369,827,717
Other	9,243,838	84,810,84
Total	490,682,888	890,029,709

Term Loans of India Denim Limited

As per sactioned terms with respective banks, Term Loan from BOB, SBI, INDIAN BANK, SBIN, PNB and SBT are secured by first charge paripassu on immovable properties (Equitable Mortgage of deposit of the deed) both present and future and first charge by way of hypothecation of all movable properties including movable Plant and Machinery, Tools and Accessories and other movable present and future (save and except Stock and Book Debts). Second charge by way of hypothecation on the stock of Raw material, Semi finished, finished goods, stores & spares, packing materials, consumables and book debts and were payable over a period of 5 Years. However, as all these loan already matured for full repayment same are shown under the head current maturities of long term debts in note no 26

Secured Loans-Term Loans of Konark Synthetic Limited

- (a) Loan of Rs.17075833/- (P.Y. Rs. 17075833/-) against sanctioned of Rs. 5.72 Crores is Secured against the same Flat i.e. Flat No. 2101, situated at Orchid Crown, Tower B, Gokhale Road South, Dadar (W), Mumbai, which is payable in 120 EMIs of Rs. 788525 after getting the possession from the Developer. The loan is also guaranteed by Mr. Prakashchand Dalmia as a co-applicant.
- (b) The loan of Rs. 60045302/- (P.Y. 62582963/-) including Current Maturities of Long Term Borrowings under note no. 26 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 @11.50% p.a. floating.
- (c) Loan of Rs. 9330894/-(P.Y. 9689108/-) including Current Maturities of Long Term Borrowings under Note No. 26 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.



- Loan of Rs. 22458199/-(P.Y. 23215337/-) including Current Maturities of Long Term Borrowings under Note No. 26 is secured against Property from PNB Housing Finance Limited against Shop No. 6 and 11 situated at Skylark Building, Plot No. 63, Sector -11, CBD Belapur, Navi-Mumbai - 400614 on the term i.e 180 EMI of Rs. 272784/- and interest rate is 11% p.a floating , The loan was also guaranteed as co-applicants by Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal, Mr. Shonit Dalmia, Mrs. Rakadevi Dalmia, Prakashchand Dalmia HUF and M/s Kayo Investments & Finance Pvt. Ltd.
- Vehicle Loans of Konark Synthetics Limited: The loans are hypothecated against the specific vehicles for which it was sanctioned by

Of the above loans, amounts (including current maturities under Note 26) of,

- -Rs. 1,03,642 is repayable in 4 remaining EMI of Rs. 28,450 upto July 01, 2019 -Rs. 4,44,344 is repayable in 30 remaining EMI of Rs. 16700 upto Sep. 05, 2021
- -Rs. 14,78,831 is repayable in 45 remaining EMI of Rs. 38488 upto Dec. 05, 2022
- Unsecured Loans Konark Synthetic Limited

 - Of the loans from others, amounts (including current maturities under Note 26) of,
 Rs. 2,85,611 is repayable in remaining 2 EMI of Rs. 1,46,119 upto May 05, 2019
 Rs. 8,95,125 is repayable in remaining 11 EMI of Rs. 88,877 upto February 05, 2020
 - Rs. 1,27,121 is repayable in remaining 1 EMI of Rs. 1,29,185 upto Apr 07, 2019

22 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions		
Provisions for Employee Benefits		
- Provision For Gratuity	5,257,813	5,286,146
Total	5,257,813	5,286,146

23 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities		
a) Related to Fixed Assets	29,062,925	31,437,436
Less:		
Deferred tax assets		
b) Disallowance u/s 43B of I.T.Tax, 1961 and MAT Credit	3,119,987	3,300,829
Total	25,942,938	28,136,607

24 Current Financial Liabilities - Borrowings

	Particulars	As at March 31, 2019	As at March 31, 2018
a) Loar	ns repayable on demands		
(i)	Secured -		
	Cash credit facility from Banks	317,245,263	319,725,823
	ADHOC Cash Credit facility from Banks	9,020,367	-
(ii)	Unsecured -		
	Loans from Related Parties	146,512,534	177,097,845
Total		472,778,164	496,823,668

Secured Loans - Konark Synthetic Limited

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 and 40% on Book Debts; at interest rate of Base Rate + 3.70%.

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 + 3.15%.

ADHOC Cash credit facility of Rs. 90 Lacs has been sanctioned by Indian Bank against paripassu first charge on inventory and book debts of the Company with margin of 23.97% on Stock and 23.85% on Book Debts; at interest rate of Base Rate + 3.15%.

Cash Credit Of India Denim Limited

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

Unsecured Loans

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



Notes to Consolidated Financial Statements for the year ended March 31, 2019

25 Current Financial Liabilities - Trade Payables

(Amounts in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Bills Payable Under Letter of Credit From Banks	72,473,405	53,987,428
(ii) Trade Payables		
a) Total outstanding dues of Micro and small enterprises	962,403	503,737
b) Total outstanding dues of trade payable other than Micro and small enterprises	89,013,995	54,734,299
c) Other	289,000	208,000
Total	162,738,802	109,433,464

26 Current Financial Liabilities - Other Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Other Financial Liabilities		
a) Current maturities of long-term debts;		
Term Loans	100,414,340	139,312,340
Secured Loans	4,403,720	3,664,087
Unscured Loans	1,307,857	3,927,045
Vehicle Loans	618,542	3,476,689
b) Demand Loan	-	-
c) Interest accrued but not due on borrowings	649,978	747,526
d) Liability for expenses	8,002,581	22,516,108
e) Unpaid/Unclaimed dividends	-	120,649
f) Advance From Customer	683,125	-
g) Other	8,395	-
Total	116,088,538	173,764,444

27 Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
a) Advance Received against Sale of Land	6,850,000	7,600,000
b) others		
i) Taxes & duty	6,141,305	5,157,507
ii) Payable-ESIC, PF & Prof. Tax etc.	5,385,277	1,394,416
iii) Payable-Employee	14,384,787	13,998,308
iv) Bank Overdraft	-	2,012,376
v) Konark Realtech Private Limited	87,544,529	84,654,092
vi) Other	-	-
Total	120,305,898	114,816,700

28 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions		
Gratuity	239,115	314,263
Provision for current tax	-	5,292,953
Total	239,115	5,607,216



Notes to Consolidated Financial Statements for the year ended March 31, 2019

(Amounts in Rs.)

	_	1 -	-	· · · · · · · · · · · · · · · · · · ·	Amounts in Rs.)
Sr. No.	Particulars	Amount (Rs.)	For the Year ended 31.03.2019	Amount (Rs.)	For the Year ended 31.03.2018
			Amount (Rs.)		Amount (Rs.)
29	Revenue From Operations				
29	Sales				
	Sale of Products		706,449,612		1,000,957,653
	Other Operating Revenue		69,803,150		83,364,127
	Total		776,252,762	-	1,084,321,780
			, ,	-	, , ,
30	Other Income				
	Interest Income		5,865,020		11,709,750
	Interest Income Fair value of financial assets through FVTPL		5,005,020		1,707,451
	Profit of sale of Mutual Fund		_		906,196
	Rent Received		_		151,500
	Others*		5,809,744		28,338,322
	Total		11,674,764	-	42,813,219
	*Others includes		<u> </u>		
	In currrent year profit on surrender of land, and balar	acce w/back and			
	In previous year Include sale of leasehold rights, forei		and halance W/hack		
	The provided year morage date or leadened rights, relati	I Skondingo gain	The balance was	ı	
31	Cost Of Materials Consumed				
	Raw Material Consumed				
	Opening Stock		2,203,934		86,620,029
	Add : Purchases		137,452,026	-	151,632,353
			139,655,960		238,252,382
	Less: GST Available on stock (30.06.2017)		420.055.000	-	2,437,753
	Less: Closing Stock		139,655,960 2,331,144		235,814,629 2,203,934
				-	
	Total		137,324,816	-	233,610,695
32	Changes In Inventories Of Finished Goods, Work In Progress And Stock In Trade				
	Opening Stock - Process		27,397,902		133,175,382
	Opening Stock - Finished		262,848,878		68,775,832
	Total - A	а	290,246,781]	201,951,214
	Closing Stock - Process		24,883,878		20,837,902
	Closing Stock - Finished		258,180,845	_	263,985,931
	Total - B	b	283,064,723		284,823,834
	(Increase) / Decrease in Stocks Total - A-B	a-b	7,182,057		(82,872,620)
33	Employee Benefits Expenses				
	Salaries, Wages & Bonus		76,532,610		73,211,807
	Gratuity & other Allowances		1,005,572		(151,362)
	Contribution to Funds		4,439,711		4,260,968
	Staff Welfare Expenses		529,484	-	700,802
	Total		82,507,376	_	78,022,215
34	Finance Cost				
1	Interest Expenses*		37,451,959		101,978,135
	Other Borrowing Cost		2,946,519		3,972,191
	Total		40,398,478	-	105,950,326
		l .	-,,	1	, ,

^{*} Interest expenses are net of interest capitalised of Rs. 17,37,162 (P.Y. Rs. 17,70,414)



Notes to Financial Statements for the year ended March 31, 2019

(Amounts in Rs.)

Sr. No.	Particulars	Amount (Rs.)	For the Year ended 31.03.2019 Amount (Rs.)	Amount (Rs.)	For the Year ended 31.03.2018 Amount (Rs.)
35	Other Expenses		7		i i i i i i i i i i i i i i i i i i i
•	·				
	A. Manufacturing Expenses Power & Fuel		24,406,144		21,573,624
			16,288,984		27,951,631
	Stores & Spares & Packing Material Consumed		10,200,904		
	Repairs to Building		1 702 200		2,151,091 11,093,019
	Repairs to Plant & Machinery Repair & Maintainance - Other (At Plants)		1,703,209 415,420		16,604
			3,150,945		3,896,215
	Security Charges Labour Charges		2,896,404		2,870,164
	Job work Charges		22,079,142		20,450,514
	Freight, Octroi & Cartage		225,344		937,699
	Other Direct Manufacturing Expenses		299,271		382,519
	Total - A		71,464,863		91,323,080
			71,404,003		91,323,000
	B. Administrative & general Expenses				
	Advertisement Expenses		197,647		110,141
	Bank Charges		241,425		516,964
	Conveyance Expenses		620,073		528,420
	Claim & Discount		-		1,776,490
	Canvat Credit Receivable W/off		-		555,629
	Donation		26,500		4,000
	Electricity		543,798		2,028,428
	Filing Fees		12,000		27,851
	Foreign Exchange Fluctuation		1,121		
	Insurance		801,834		1,896,520
	Loss on Sale of Fixed Assets		-		2,526,776
	Interest/Penalty		852,824		96,426
	Marketing Expenses & Brokerage		1,515,401		1,629,168
	Membership & Subscription		306,751		383,727
	Miscellaneous Expenses/General Expenses		503,750		1,630,257
	Outward Freight & Octroi		2,225,924		2,188,186
	Postage Telegram		292,545		271,354
	Printing & Stationery		365,823		449,926
	Proffessional Fees/ Legal Expenses		1,589,288		3,602,717
	Professional tax		-		1,952
	Rent,Rates,Fees & Taxes		4,717,762		5,486,608
	Repairs & Maintanance (Ohers)		222,925		669,364
	Sales Promotion Expenses		661,655		684,689
	Sample & Development Expenses		970,919		1,092,121
	Stamp & Hundi Paper		17,200		70,900
	Telephone Expenses		371,486		470,366
	Travelling Expenses;		1,576,692		1,143,354
	Vehicle Expenses		950,237		971,891
	Vat Receivable Written off		976,258		260,581
	Auditors Remuneration:		-		404 == 2
	- For Statutory Audit		325,000		424,751
	- For Tax Audit		-		
	- For Certification		-		37,500
	- For Other		40,000		
	Total B		20,926,839		31,537,057
	Total (A+B)		92,391,702		122,860,137



Notes to Financial Statements for the year ended March 31, 2019

36. Segment Reporting:

The Company is operating in single segment i.e. Textiles and thus there is no reportable segments as per Indian Accounting Standard (IND AS) 108 "Operating Segment". There is no reportable geographical segment either:

37. As per Indian Accounting Standard 24 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

A. Related Parties:

I. Subsidiaries of Subsidiaries:

Konark Natural Foods Pvt. Ltd. (Formerly known as Konark Solartech Private Limited From 5th July, 2017 ceased to be Stepdown Subsidiary,

Konark Wind Projects Private Limited (Formerly known as Konark Rajasthan PV Private Limited) - From 5th July, 2017 ceased to be Step-down Subsidiary and

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

II. Individual having significant influence:

Smt. Rakadevi Dalmia - Share Holder

III. Key Managerial Personnel and Relative:

Mr. Prakashchand Dalmia - Chairman

Mr. Amitabh Kejriwal - Managing Director

Mr. Shonit Dalmia - Director

Mr. Punit Desai - Director

Mr. R. B. Somany - Chief Financial Officer

Mr. Mehnuddin Khan - Company Secretary

Ms. Shikha Dalmia - Relative of Director

Ms. Smita Kejriwal - Relative of Director

Ms. Namarta Dalmia - Relative of Director

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

M/s Konark Silk Mills

M/s Konark Realtech Private Limited

B. Transactions:

Particulars	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	1110007 (1135653)	-	1110007 (1135653)
Salary	-	2768000 (2440661)	-	2768000 (2440661)
Rent Expenses	-	-	108000 (108000)	108000 (108000)
Loan Taken	-	-	19924718 (68634914)	19924718 (68634914)
Loan Repaid	-	-	41923042 36099000)	41923042 (36099000)

(93)



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

Particular	2018 - 2019	2017 - 2018
Managerial Remuneration & Perquisites		
Amitabh Kejriwal	1110007	1135653
Salary Paid		
R.B. Somany	1200000	1200000
Mehnuddin Khan	410000	382661
SikhaDalmia	600000	600000
SmitaKejriwal	258000	258000
Namarta Dalmia	300000	-
Rent Paid		
Konark Silk Mills	108000	108000
Loans Taken		
Konark Realtech Pvt. Ltd.	19924718	68634914
Loans Repaid		
Konark Realtech Pvt. Ltd.	41923042	36099000

D. Balances with the Related Parties as at 31st March, 2019

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	-	-	154284	-	154284
			(85774)		(85774)
Salary	-	-	219900 (177648)	-	219900 (177648)
Rent Expenses	-	-	-	189000 (108000)	108000 (108000)
Loan Taken	-	-	-	609581330 (631579654)	609581330 (631579654

38. 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.

Particulars	31.03.2019	31.03.2018
Profit/(Loss) after Tax and Adjustment of the minority Interest Before Prior Period Items	Rs.(6,18,28,689)	Rs.(6,68,98,636)
Less: Prior period expenses / Exceptional items	Rs. Nil	Rs.(1,63,02,390)
Net Profit / (Loss) after tax	Rs.(6,18,28,689)	Rs.(8,32,01,026)
Basic Earnings per share (5808000 Equity Shares)	Rs.(10.65)	Rs.(14.33)

39. Breakup of Net Deferred Tax Expenses Provided in accordance with the Indian Accounting Standard (IND AS) 12 "Income Taxes" are as under:

Particulars	2018-19	2017-18
A. Deferred Tax Liability (DTL)		
Due to Depreciation Difference	(23.75)	(100.22)
Less: Loss On Sale Of Fixed Assets	(0.0)	(0.0)
Total	(23.75)	(100.22)
B. Deferred Tax Assets		
Credit U/s 43B & 40(a)	1.81	10.15
MAT Credit Available For The Year	0.00	0.00
Due To Change In Tax Rate	0.00	0.00
Total DTA	1.81	10.15
Net Deferred Tax Liability	(21.94)	(90.07)

(94)



40. Contingent Liability / Capital Commitments:

The Banker of the Company has given Guarantee to various Government Authorities amounting to Rs. 37.11 Lac (P.Y. Rs.30.11 Lac) for which the Company has given counter guarantee. Company has also given margin money to banker amounting to Rs. 10.34 Lac (P.Y. Rs. 8.75Lac).

The Company has given a Corporate Guarantee of Rs.730600000/-(P.Y. Rs730600000/-) 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.

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

42. Auditor Remuneration:

(Rs. in Lac)

Particulars	2018-19	2017-18
Audit Fees	3.25	4.24
Tax Audit	-	-
For Others	0.40	0.38
Total	3.65	4.62

43. 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.

CIF Value of Imports:

Particulars	2018-19	2017-18
Stores & Spares	76,713	-
Total	76,713	

46. The Consolidated Financial Statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013. Accordingly, current or Non Current assets/ Liabilities of subsidiary company are reclassified as per guidelines provided therein Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with those of the Current Year. However figures of previous year are not comparable with those of current year as the company followed line by line consolidation of an associate in last year (F.Y. 2017-18) which has been rectified in current year (F.Y. 2018-19) by following equity method of INDAS for consolidation in the case of said associate.

As per our report of even date attached

For Pansari & Dalmia (Chartered Accountants)

Firm Reg. No. 107370W

Naresh S Dalmia (Partner) Membership No. 035036

Place: Mumbai Date: 30th May, 2019 For and on behalf of the Board

Amitabh Keiriwal (Managing Director)

(Chairman)

Mehnuddin Khan (Company Secretary & Compliance Officer)

R.B. Somany (Chief Finance Officer)

Prakashchand Dalmia



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]

35th Annual General Meeting - 30th September, 2019

CIN	· ·	:	L17200MH1984PLC033451
Name of the Company		:	Konark Synthetic Limited
Re	gistered Office	:	Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400059
Na	me of the Member (s)/ Joint holder (s)	:	
Re	gistered address	:	
Em	ail Id	:	
Fol	io No/Client Id	:	
DP	ID	:	
I/W	e, 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 35th Annual General Meeting of the Company to be held on Monday, 30th day of September, 2019 at 3.30 p.m. at the Registered office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400059 and at any adjournment thereof in respect of such resolution as are indicated overleaf:



Resolution Number	Resolutions	Vote (Optional see note 2) Please mention no. of Shares		
Ordinary Bus	siness:	For	Against	Abstain
1.	Ordinary Resolutions for adoption of:			
	 a) The Standalone Audited Financial Statements for the year ended 31st March, 2019 together with the Reports of the Directors' and the Auditors' thereon; and 			
	b) The Consolidated Audited Financial Statements for the financial year ended 31st March, 2019 together with the report of Auditors' thereon.			
2.	Ordinary Resolution for appointment of director in place of Mr. Prakashchand Dalmia, Chairman of the Company, who retires by rotation and being eligible, offers himself for re-appointment.			
Special Bu	siness:			
3.	Special Resolution to sell, transfer or otherwise dispose of the leasehold rights in its undertaking at Sarigam Industrial Estate, Gujarat Industrial Development Corporation, Sarigam - 396155 with underlying land bearing Plot No. 13 to 20 admeasuring approximately 9500 sq. mtrs. out of 18959 sq. mtrs. (approximately) and factory buildings standing thereon to Orbit Export Limited ("Buyer") for an overall consideration of Rs. 13,45,00,000 (approximately) and balance land admeasuring approximately 9459 sq. mtrs. and factory buildings standing thereon to any prospective buyer, in such manner/arrangements, for consideration as the Board may consider appropriate on such terms and conditions, with effect from such date and with such modifications as may be required by any of the concerned authorities or as the Board may deem fit and appropriate in the interest of the Company.			

Signed this day of 2019	Affix
Signature of Charabaldary	Revenue
Signature of Shareholder:	Stamp of
Signature of Proxyholder(s):	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

35TH ANNUAL GENERAL MEETING - 30TH SEPTEMBER, 2019

(To be co mpleted and presented at the Entrance)

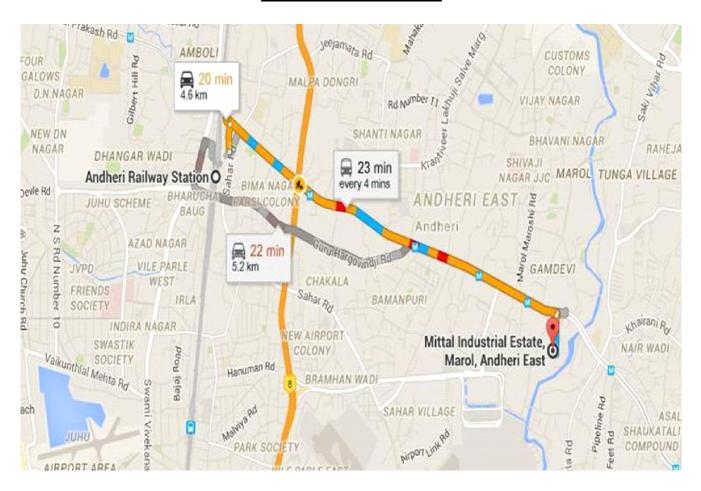
Regd. Folio No. / DP ID & Client ID		
Name and address of shareholder(s)		
Joint Holder 1		
Joint Holder 2		
No. of share(s) held		
I/We hereby my/our presence at the 35th Annual General Meeting of the KONARK SYNTHETIC LIMITED to be held on the Monday, 30th September, 2019 at 3.30 P.M. at the Registered office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400059.		
Signature of Member/Proxy/Representative	_	

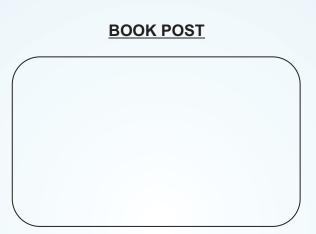
Notes:

- 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**.
- Please read the instructions foe e-voting given along with Annual Report. The Voting period starts from Friday, 27th September, 2019 (10.00 a.m.) and end on Sunday, 29th September, 2019 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.



ROUTE MAP OF AGM VENUE





If Not Delivered , Please return to :

KONARK SYNTHETIC LIMITED

Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059. Tel: 022-4089 6300; Fax: 022-4089 6322;

Email: info@konarkgroup.co.in; Website: www.konarkgroup.co.in