36th
ANNUAL
REPORT
2019 - 20

KONARK Konark Synthetic Limited



BOARD OF DIRECTORS AND KMPs

Mr. Prakashchand Dalmia Chairman

Mr. Amitabh Kejriwal Managing Director
Mr. Satish Deshmukh Independent Director
Ms. Suvriti Gupta Independent Director

Mr. Mehnuddin Khan Company Secretary & Compliance Officer

Chief Financial Officer

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

M/s. KRS AND CO.

Mr. R. B. Somany

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 AGENT

Purva Sharegistry (India) Private Limited

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,

Lower Parel (East), Mumbai - 400011

Tel No.: 022-23018261/6761 Fax No.: 022-23012517 Email: busicomp@vsnl.com

PLANT LOCATIONS

SILVASSA UNIT	BENGALURU UNIT	SARIGAM UNIT

Plot No. 25, Plot No. 62/4,13,14,15 Plot No. 13 To 20,

Silvassa Industrial Co-op. Soc., Begur Road, Opp. JBF Industries Limited,

66 KVA Sub Station Road, 11th Cross, Ward No. 12, G.I.D.C. Industrial Area, Village: Sarigam

Village: Amli, Dist.: Silvassa - 396230. Bommanahalli, Taluka - Umargam, Dist. Valsad,

(UT of Dadra & Nagar Haveli) Bengaluru - 560068 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 36th Annual General Meeting of the members of **KONARK SYNTHETIC LIMITED** will be held on Wednesday, 30th day of September, 2020 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, 2020 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, 2020 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, 2020 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, 2020 together with the Auditors' Report thereon be and are hereby received, considered and adopted."
- 2. To appoint a Director in place of Mr. Amitabh Kejriwal (DIN: 00005864), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board of Directors For Konark Synthetic Limited

Place: Mumbai Date: 05th September, 2020 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.

In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, has allowed companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVMs"), However, considering the cost and the hassles in implementation of Audio Visual means and w.r.t the cost cutting measures undertaken by the Company, the management of the Company find it prudent to hold the 36th Annual General Meeting of the Company in physical attendance of the members by following proper social distancing measures and guidelines laid down by local authorities.

- 2. 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.
- 3. Members/Proxies are requested to bring duly filled in Attendance slip along with the Annual Report at the Annual General Meeting.



- Corporate Members are requested to send duly certified copy of the Board resolution pursuant to Section 113 of the Companies Act, 2013
 authorizing their representative to attend and vote at the Annual General Meeting (including through e-voting).
- 5. Pursuant to Regulations 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on "General Meetings" the particulars of Directors seeking appointment/re-appointment at the ensuing 36th Annual General Meeting is annexed to the notice.
- 6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive).
- 7. The Register of Directors and Key Managerial Personnel and their Shareholdings maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
- 8. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account details along with self-attested documentary proofs. Members holding shares in the demat form may update such details with their respective Depository Participants.
- 9. In case of joint holders attending the meeting, the joint holder with highest in order of names will be entitled to vote.
- 10. Members desirous of obtaining any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary & Compliance Officer at the Registered Office of the Company at least seven days in advance of the meeting to enable the Company to provide the information required at the meeting.
- 11. Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the Company's Registrar & Share Transfer Agents, Purva Sharegistry (India) Pvt. Ltd for consolidation of all such shareholding into one folio to facilitate better services.
- 12. Members holding shares in physical form are requested to intimate any change in their address or bank mandates immediately to the Company's Registrar & Share Transfer Agents (RTA), viz. Purva Sharegistry (India) Pvt. Ltd., 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai 400011 quoting their Folio Number and Bank Account details along with self-attested documentary proof. Members holding shares in Demat form may update such details with their respective Depository Participants.
- 13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN details to their respective Depository Participants with whom they have their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents of the Company Purva Sharegistry (India) Pvt. Ltd.
- 14. Non Resident Indian members are requested to inform to the Company's Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.
- 15. 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.
- 16. As per provisions of Section 72 of the Companies Act 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in single name and physical form are advised to make nomination in the prescribed form SH-13 with RTA and in respect of shares held in demat form, the nomination form may be filed with their respective DPs.
- 17. To comply with the provisions of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule, 2014, the Company is required to update its database by incorporating some additional details of the members.

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

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

- 18. The Notice of the 36th 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.
- 19. Route Map for the venue of the 36th Annual General Meeting of the Company is appearing at the end of the Annual Report.



20. Information and other instruction relating to e-voting process

- (a) Pursuant to provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 36th Annual General Meeting to be held on Wednesday, 30th September, 2020. 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 36th Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend and participate at the meeting, but shall not be entitled to cast their vote again.
- (c) The remote e-voting shall commence on Sunday, 27th September, 2020 (10.00 A.M.) and ends on Tuesday, 29th September, 2020 (5.00 P.M.) During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, 23rd September, 2020, 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. Wednesday, 23rd September, 2020.
- (e) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. Wednesday, 23rd September, 2020 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. Wednesday, 23rd September, 2020, 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. Wednesday, 30th September, 2020.

(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,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- ii. Next enter the Image Verification as displayed and Click on Login.
- iii. Members holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then the existing password is to be used.
- iv. In case Member is a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*

- 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 Wednesday, 30th September, 2020.
 - 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 Sl. No. A (a) to Sl. No. A (l) above, to cast vote.
- In case of any queries regarding e-voting, members may refer to the Frequently Asked Questions ('FAQs') and e-voting manual available at www.evotingindia.com under 'HELP' section or write an email to helpdesk.evoting@cdslindia.com.
- Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

In pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Regulrements) 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. Amitabh Kejriwal
Date of birth	20/11/1965
Date of appointment as director	01/04/2017 (As Managing Director)
Qualification	Bachelor of Commerce
Experience/Expertise in specific functional area/Brief Resume	He has over 25 years of experience in textile industry.
Shareholding in the Company (Equity shares of Rs. 10/- each)	68200 Equity Shares
List of Directorship in other entities	Konark Infratech Private Limited
	2. Kayo Investments and Finance 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
Terms and Conditions of re-appointment	He is appointed for a period of 5 years.
Remuneration to be paid (if applicable)	Rs. 9.00 Lakhs p.a. plus perquisites.
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: 05th September, 2020

Registered office:

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

Mehnuddin Khan **Company Secretary & Compliance Officer**



DIRECTORS' REPORT

To

The Members

Konark Synthetic Limited

Your Directors present the 36th Annual Report together with the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on 31st March 2020.

FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Sr.	Particulars	Standal	lone	Consolidated		
No.		For the Year ended 31 st March,2020	For the Year ended 31 st March,2019	For the Year ended 31 st March,2020	For the Year ended 31 st March,2019	
1.	Total Revenue	7196.52	7879.05	7197.05	7879.28	
2.	Total Expenses	7285.78	8052.29	8683.77	8545.21	
3.	Profit before Depreciation & Amortization expenses, Finance Cost and Tax	(89.26)	492.92	(1486.72)	228.50	
	Less: Depreciation and Amortization Expenses	254.61	262.17	482.25	490.44	
	Less: Finance Cost	449.70	403.98	490.70	403.98	
4.	Profit before exceptional / extraordinary items and tax	(793.57)	(173.24)	(2418.68)	(665.93)	
5.	Share in Profit/(Loss) in Equity Accounted Investments (Net of Tax)	-	-	19.04	25.71	
	Less: Exceptional Item/ extraordinary items	(1092.34)	-	243.46		
6.	Profit before tax	(1885.91)	(173.24)	(2643.09)	(640.22)	
	Less: Provision for tax (Including deferred tax)	(234.66)	(21.94)	(234.66)	(21.94)	
7.	Profit after tax	(1651.25)	(151.30)	(2408.43)	(618.29)	
8.	Less: Minority Interest	-	-	-		
	Profit/Loss for the period after Minority Interest	-	-	(2408.43)	(618.29)	

REVIEW OF BUSINESS OPERATIONS:

During the year under review, the Company earned total revenue of Rs. 7197.05 Lakhs as against Rs. 7879.05 Lakhs in the previous year. The profit before tax was Rs. (1885.91) Lakhs as against Rs(173.24) Lakhs in previous year. The profit after tax was Rs. (1651.25) Lakhs as against Rs. (151.30) Lakhs in the previous year.

The beginning of the year 2020 witnessed the global spread of COVID-19. Government in many countries announced lockdown and adviced people to stay indoors. Around the world, these COVID-19 lockdowns have driven professional and social life out of the physical world. The economic fallout of this is still difficult to assess as the situation is still evolving.

Consequent to this, the Government of India declared a nationwide lockdown on March 24, 2020, which impacted the normal business operations of the Company. For the Company the focused immediately shifted to ensuring the health and well being of all the employees and minimizing the disruptions in the business operations of the Company. Since Lockdown, work from home policy has been enabled to almost all employees to work remotely and securely. The company is in the phase of slowly commencing is operations at its Plant. The exact impact of this pandemic on the business operations of the company cannot be assessed at this very moment. However the management is considering all relevant internal and external information available to determine the impact on the company's revenue from operations for foreseeable future. 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 2019-20. As on 31st March, 2020, 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 vear under review.

RESERVES:

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

PUPLIC DEPOSITS:

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

EXTRACT OF ANNUAL RETURN:

The Annual Return as referred in Section 134(3)(a) of the Companies Act, 2013 for the financial year ended March 31, 2020 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. Amitabh Kejriwal (DIN: 00005864), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

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 I'.

ANNUAL PERFORMANCE EVALUATION BY THE BOARD:

Pursuant to the provisions of the Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as them 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 five 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, 2020 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
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF MANEGERIAL REMUNERATION AND OTHER DETAILS:

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

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

As on 31st March 2020, the Company has one subsidiary company i.e. India Denim Limited and one Associate Company i.e Konark Infratech Pvt. Limited. During the year, the Board of Directors reviewed the affairs of the subsidiary Company. As per Section 129(3) of Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company, along with India Denim Limited (Subsidiary) and Konark Infratech Private Limited (associate company), which form part of the Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiary in the prescribed format AOC-1 is attached herewith and marked as 'Annexure III'. The statement also provides the details of performance and financial position of the subsidiary and associate.

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

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

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..

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



2019-20 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.

The economy has been affected all over the World due to COVID-19 Pandemic. Due to relaxation on various fronts by the Government in recent past, operations are expected to be normalized in the coming months. However impact of COVID-19 will affect the profit margin and percentage of such margin will depend on the period required for restoration of normalcy in all the relevant areas and blooming of the economy in the coming days particularly in the textile industry. Effects of COVID-19 being unclear, it will be extremely difficult to predict market behavior as of now.

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 2019-20, 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, subject to ratification of their appointment at every AGM.

The Ministry of Corporate Affairs (MCA), vide its commencement Notification No. SO 1833(E) dated 7th May, 2018, has notified and amended the relevant provision of the Companies Act, 2013 relating the requirement of placing the matter relating to ratification of appointment of Statutory Auditors by members at every Annual General Meeting. The said amendment has done away with the requirement of ratification of appointment of the Statutory Auditors. Therefore, M/s. Pansari & Dalmia, Chartered Accountants (Firm Registration No. 107370W), Mumbai, will continue to hold office till conclusion of the 39th AGM and their appointment will not be subject to ratification by the members at every intervening AGM held after 34th AGM.

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 2019-20. The Secretarial Audit Report is annexed herewith as 'Annexure IV' 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.
- 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 there have been some delays in payment of such payments due to

(9)



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 2020-2021 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 V'.

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

Prakashchand Dalmia Chairman DIN:00005813

Date: 05th September, 2020

Place: Mumbai



Annexure I

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

OBJECTIVE OF THE POLICY:

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

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

CRITERIA FOR APPOINTMENT OF DIRECTORS:

The criteria for appointment of a person as a Director on the Board of Directors of the Company

are given below:

Appointment of Directors:

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

Qualifications:

Any person to be appointed as a Director on the Board of Director of the Company, including Independent Directors, shall possess appropriate skills, experience and knowledge in one or more fields of 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:

- 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



employees shall takenot only take into consideration the legal provision of Section 197 of the Companies Act, 2013 but also the following items;

- 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:

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

CRITERIA FOR PERFORMANCE APPRAISAL/ EVALUATION PROCESS OF INDEPENDENT DIRECTOR:

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

Guiding principles:

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

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

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

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

- (A) Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended:
 - (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20, the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20:-

Sr. No.	Sr. Ratio of rem No. Name of the Director / KMP to the median r of the em		% Increase / (Decrease) over last F.Y.
1.	Mr. Amitabh Kejriwal* (Managing Director) 10.02:1		(2.19)
2.	Mr. R. B. Somany (Chief Financial Officer)	10.15:1	-
3.	Mr. Mehnuddin khan(Company Secretary& Compliance Officer) 03.47:1		1.93%
Not	e: Non-Executive Directors of the Company are not paid any sitting fe	ees or commission.	
(ii)	The percentage increase in the median remuneration of employees	in the financial year	5.23%
(iii)	The number of permanent employees on the rolls of the company		
(iv)	Average percentile increase already made in the salaries of employ personnel in the last financial year and its comparison with the percentage managerial remuneration and justification thereof and point out if the circumstances for increase in the managerial remuneration.	Average percentile increase in Employee's other than managerial remuneration is 6.25% while managerial remuneration is increased by (2.19%)	

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

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

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

Employee Name	Designation	Educational Qualifications	Age (Years)	Experience (In Years)	Date of Employment	Gross Remuneration Paid (Amt in Rs.)	Previous Employment and Designation
Mr. Amitabh Kejriwal	Managing Director	B.Com	53	23	28.02.1995	10,85,712	-
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 Manager	B.Com	64	45	02.05.2008	5,12,200	-
Mr. Lalmani Yadav	Sales Manager	B.A	43	20	03.11.1997	5,82,000	-
Mr. Karunakar Sherigar	Chief Accountant	B.Com	52	28	15.04.2009	5,88,000	Accountant in Vengaboys Timetech Ltd.
Mr. G. L. Rajgar	Factory Manager	B.A	56	32	20.09.1990	6,20,400	Black Rose India Ltd as Senior Logistics Limited
Mr. Amit Prajapat	Accounts Manager	M. Com	29	08	01.06.2012	4,74,839	Bhuwaniya & Agrawal Associates
Mr. Mehnuddi Khan	CS & Compliance Manager	CS	30	3	18.08.2015	4,10,000	-
Mr. Manish Jain	Factory Manager	B.Com, LLB	45	21	14.11.2010	4,24,000	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 Sd/-Prakashchand Dalmia Chairman DIN:00005813

Place: Mumbai

Date: 05th September, 2020



Annexure-III

Form AOC-I

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

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

Part "A" Subsidiaries

(Rs. In Lakhs)

Particulars	India Denim Limited
Reporting Period	31/03/2020
Share Capital	1144.59
Reserves& Surplus	(4330.77)
Total Assets	4020.37
Total Liabilities	7206.55
Investments (except in subsidiary companies)	-
Turnover	<u>-</u>
Profit/(Loss) before Taxation	(1625.11)
Provision for Taxation	-
Profit/(Loss) after Taxation	(1625.11)
Proposed Dividend	<u>-</u>
% 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,2020
Shares of Associate held by the company on the year end	
i) No. of shares held as on 31st March, 2020	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	394.88
Profit / Loss for the year	70.60

- 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
Sd/Prakashchand Dalmia
Chairman
DIN:00005813

Place: Mumbai

Date: 05th September, 2020



Annexure IV Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,

Konark Synthetic Limited, CIN: L17200MH1984PLC033451 Mittal Industrial Estate, Bldg No.7, Saki Naka, Andheri (East), Mumbai -400059

I have conducted the Secretarial Audit of the Compliance of applicable 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 evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes 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, 2020, complied with the statutory provisions listed here under 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, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- 1. The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- 4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies act and dealing with the client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (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.
- 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 clauses of the Secretarial Standards Issued by the Institute of Company Secretaries of India

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc, mentioned above subject to the following observation(s);

- 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. 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, Income-tax, Sales-tax, GST, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues. However it 's been observed that during the financial year 2019-20 there have been some delays in payment of such payments due to administrative delays on part of the Company.

I further report that

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

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

Majority decision is carried through while the dissenting members, views are captured and recorded as part of the minutes.

I further report that there are moderate 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.

Note: This report is based on information, documents, material etc seen/verified/made available to me. However due to the current lockdown situation in view of COVID-19 Pandemic some of the data was made available to me in electronic form by the secretarial team of the Company and such data will be verified physically after the lock down in lifted.

For KRS AND CO. Practicing Company Secretaries

Mr. Ketan Ravindra Shirwadkar Proprietor ACS No. 37829 COP No. 15386 UDIN: A037829B000671462

Date: 5th September, 2020

Place: Mumbai

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



ANNEXURE A OF SECRETARIAL AUDIT REPORT

To, Konark Synthetic Limited, CIN: L17200MH1984PLC033451 Mittal Industrial Estate, Bldg No.7, Saki Naka, Andheri (East), Mumbai -400059

My report of even date 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 have followed provide a reasonable basis for my opinion.
- 3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards, is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
- 6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy and effectiveness with which the management has conducted the affairs of the Company.

For KRS AND CO.
Practicing Company Secretaries

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

UDIN: A037829B000671462

Date: 5th September, 2020

Place: Mumbai



Annexure V

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

CONSERVATION OF ENERGY:

A) Energy Conservation measures taken:

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

B) Impact of the above measures:

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

TECHNOLOGY ABSORPTION:

Research & Development (R & D):

- (i) Specific areas in which R&D is carried out by the Company:
- New product being designed and developed by Company.
- > 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	2019-20	2018-19
Foreign Exchange Earning	0.00	0.00
Foreign Exchange Outgo	0.00	0.00
	For and on Behalf of the Boa	rd of Directors

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

Sd/-Prakashchand Dalmia Chairman

DIN:00005813

Date: 05th September, 2020

Place: Mumbai



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 2019-20 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. KEY FINANCIAL RATIOS

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

Particulars	F.Y 2019-20	F.Y 2018-19
Debtors Turnover Ratio	1.49	1.82
Inventory Turnover Ratio	1.64	1.38
Interest Coverge Ratio	0.57	0.57
Net Profit Margin	(0.26%)	(0.02%)
Current Ratio	1.31%	1.15%
Return on Capital Employed	0.10%	0.06%
Return on Networth	(2.50)	(0.06)

8. Human Resource Development:

Your Company gives utmost importance to Human Resource. It considers Human Resource as Human Capital and believes in development of Human Resource. Over the years, your Company has developed an environment, which fosters excellence in performance by empowering its people, who are always on continuous improvement path with an ultimate aim to add value to their intellectual and knowledge resources. The key focus is to attract, retain and develop talent as a resource through rewards mechanism, performance evaluation and harmonious & constructive working climate. During the year 2019-20, the Company had 297 permanent employees on its payroll.

9. Cautionary Statement:

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

(21)



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, 2020, 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 constitution 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, 2020 the Board of Directors had 5(Five) meetings which were held on 30th May, 2019, 14th August, 2019, 23rd August, 2019, 14th November, 2019, 14th February, 2020. The last Annual General Meeting (AGM) was held on 30th September, 2019.

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2019-20 and at the last Annual General Meeting, their Directorships in other companies and Membership / Chairmanship in Committees are as follows:

Name/Category/ Executive Director/ Promoters	Attendance at Board Meetings Held Attended		No. of directorships in other public Companies (excluding this Company)	c Committees s (including this nis Company)		Chairmanship of Committees (including this		Attendance at A.G.M. held on 30 th September, 2019	
			Held Attended Director		Director	Chairman	man Member		
Executive Director / Non -Executive Non-I	ndependent	Director/ Promo	oters						
Mr. Prakashchand Dalmia(Chairman)	5	5	1	-	3	Yes			
Mr. Amitabh Kejriwal(Managing Director)	5	5	0	-	1	Yes			
Non-Executive / Independent Directors									
Mr. Satish Deshmukh	5	5	1	2	-	Yes			
Ms. Suvriti Gupta	5	5	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, 2020, 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, 2020 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.

All the Independent Directors of the company were present for the meeting.

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 25(8) of the aforesaid Regulations, and they are independent of the Management.

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:

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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	Ability to identify and critically assess strategic opportunities and threats to the Company, vis-à-vis the Company's
Planning	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

These skills /competencies are broad based, encompassing several areas of expertise / experience. Each director may possess varied



combination of skills /competencies within the described set of parameters and its is not necessary that all the Directors possess all the skills/competencies listed therein. In the table below the specific areas of focus or expertise of individual board members have been highlighted.

Name of Directors			Skills/C	ompetencies/E	Expertise			
	Strategy and Strategic Planning	Business Acumen	Leadership	Industry Knowledge	Technology	Financial Skills	Corporate Governance	Legal and Regulatory
Mr. Prakashchand Dalmia (DIN: 00005813)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Amitabh Kejriwal (DIN:00005864)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Satish Deshmukh (DIN: 03535235)	Yes	Yes	Yes	Yes	No	Yes	Yes	No
Ms. Suvriti Gupta (DIN:07766090)	Yes	Yes	No	Yes	No	Yes	Yes	No

3. AUDIT COMMITTEE:

a) Composition:

The Board has constituted a well-qualified Audit Committee. As on 31st March, 2020, 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 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 4 (Four) times viz. 30th May, 2020, 14th August, 2019, 14th November, 2019 and 14th February, 2020. 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 2019-2020 is as follows:

Name of the Member	Designation	No. of Meetings held	Meetings Attended
Mr. Satish Deshmukh (Chairman)	Chairman	4	4
Mr. Prakashchand Dalmia	Member	4	4
Ms. Suvriti Gupta	Member	4	4

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

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

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

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



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

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Brief description of terms of reference:

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

The Committee is empowered to-

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

b) Composition:

As on 31st March, 2020, 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 2019-20, the Nomination and Remuneration Committee met 1(One) times viz. 14th February, 2020. The attendance of the Committee is as follows:

Name of the Member	Designation	No. of meeting	
		Held	Attended
Mr. Satish Deshmukh (Chairman)	Chairman	1	1
Mr. Prakashchand Dalmia	Member	1	1
Ms. Suvriti Gupta	Member	1	1

d) Performance evaluation criteria for Independent Directors:

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

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

e) Remuneration Policy:

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

5. REMUNERATION OF DIRECTORS:

The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2019-2020.



- 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, 2020 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	1,25,712	-	-	1,08,572	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 2019-20, the Stakeholder's Relationship Committee met 4 (Four) times on 30th May, 2019, 14th August,2019, 14th November, 2019 and 14th February, 2020.

The composition and attendance of the members at the Stakeholder's Relationship Committee Meetings held during the financial year 2019-2020 are as follows:

Name of the Member	Designation	No. of Meetings held	Meetings Attended
Ms. Suvriti Gupta	Chairman	4	4
Mr. Prakashchand Dalmia	Member	4	4
Mr. Amitabh Kejriwal	Member	4	4

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 2019-20 are as under:

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

7. SUBSIDIARY COMPANIES

As on 31st March, 2020, the Company has one subsidiary company, viz.:

• India Denim Limited

As on 31st March, 2020, 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:



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

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

8. VIGIL MECHANISM POLICY/ WHISTLE BLOWER MECHANISM:

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

E-mail : info@konarkgroup.co.in

Phone No. : 022 40896300 Fax Number : 022 40896322

Written Communication to : Building No. 7, Mittal Industrial Estate, Saki Naka,

Andheri (East) Mumbai - 400059

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

Objectives of Vigil Mechanism Policy/ Whistle Blower Mechanism:

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

Working of Vigil Mechanism Policy/ Whistle Blower Mechanism:

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

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

The Audit Committee reports to the Board of Directors.

9. GENERAL BODY MEETINGS:

a) Annual General Meetings:

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

Financial Year	AGM	Date of AGM	Time	Venue
2018-19	35 th AGM	30 th September,2019	03.30 p.m.	Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri(East), Mumbai - 400 059.
2017-18	34 th AGM	29th 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.



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

Date of AGM	Particulars of Special Resolutions
30 th September,2019	• To dispose off the company's undertaking at sarigam industrial estate, gujarat industrial development corporation, sarigam – 396155:
29th September,2018	Nil

Appointment of Mr. Amitabh Kejriwal as Managing Director of the Company for a period of five years w.e.f. 1st April ,2017

29th September,2017 • **c) Postal Ballot**:

During the year 2019-20, no resolution was passed through postal ballot process.

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 2019-20 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 : Wednesday, 30th September, 2020

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 2020-21

Event	Due Date
Financial Results for the quarter ended 30th June, 2020	On 15 th September, 2020
Financial Results for the quarter ending 30th September, 2020	By 14 th November, 2020
Financial Results for the quarter ending 31st December, 2020	By 14 th February, 2021
Audited Financial Results for the quarter and year ending 31st March, 2021	By 30 th May, 2021 (Audited).
Annual General Meeting for the year ending on 31st March, 2021	By 30 th September, 2021

e. Date of Book Closure : Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive)

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

g. Listing Fees : The Company is in process to pay necessary listing fees to BSE Limited for the year 2020-21.

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. Wednesday, 23rd September, 2020.



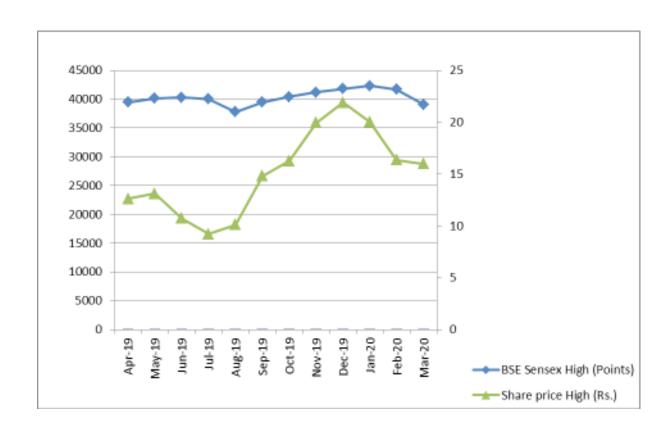
I. Market Price Data:

The monthly high / low market price of the shares during the financial year 2019-20 at the BSE Limited were as under:-

Month	Volume (No. of Shares) BSE Sensex			Share	price
		High (Points)	Low (Points)	High (Rs.)	Low (Rs.)
Apr-19	6283	39487.45	38460.25	12.62	11.45
May-19	5352	40124.96	36956.1	13.12	11.28
Jun-19	3912	40312.07	38870.96	10.72	9.68
Jul-19	220	40032.41	37128.26	9.21	8.76
Aug-19	1394	37807.55	36102.35	10.1	8.34
Sep-19	1282	39441.12	35987.8	14.82	10.6
Oct-19	303	40392.22	37415.83	16.27	14.79
Nov-19	5	41163.79	40014.23	19.95	17.05
Dec-19	51	41809.96	40135.37	21.9	19.9
Jan-20	14	42273.87	40476.55	20	17.2
Feb-20	7416	41709.3	38219.97	16.35	13.4
Mar-20	31	39083.17	25638.9	15.99	14.45

^{*} Source: www.bseindia.com

m. Performance of Konark Synthetic Limited share price in comparison to BSE Sensex for the financial year ended 31st March, 2020.





n. Trading of Securities:

The securities of the Company were not suspended from trading during the year 2019-20.

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 transfer
Nil	Nil	Nil	Nil

o. Registrar and Share Transfer Agents:

Purva Sharegistry (India) Private Limited

Unit: Konark Synthetic Limited, 9, Shiv Shakti Industrial Estate, J. R. BorichaMarg, Lower Parel (East), Mumbai – 400011

Tel. No.: 2301 6761/8261,Fax No.: 2301 2517 E-Mail: 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 permitted 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, 2020:

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	102223	1.76
3.	Individual	1149630	19.79
4.	IEPF	123656	2.13
5.	N.R.I. (Repatriate & Non-Repatriate)	4650	0.08
6.	Hindu Undivided Family	71919	1.24
7.	Clearing Members	505	0.01
	Total	58,08,000	100.00

(30)



r. Distribution of Shareholding as at 31st March, 2020:

The distribution of shareholding of the equity shares as on 31st March, 2020 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	1185	86.50	1701930	2.93
5,001	10,000	80	5.84	663830	1.14
10,001	20,000	39	2.85	581600	1
20,001	30,000	19	1.39	503670	0.87
30,001	40,000	3	0.22	99000	0.17
40,001	50,000	8	0.58	364990	0.63
50,001	1,00,000	10	0.73	605080	1.04
1,00,001 and above		26	1.90	53559900	92.22
TOTAL	1370	100.00	5,80,80,000	100.00	

s. Dematerialization of Equity Shares and Liquidity:

As on 31st March, 2020 about 98.62% 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, 2020.

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

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

u. Plant locations:

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

v. Address for investor correspondence:

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

Mr. Mehnuddin Khan, Company Secretary & Compliance Officer

Konark Synthetic Limited Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 059. Phone: (022) 40896300

Fax: (022) 40896322

E-mail: info@konarkgroup.co.in.

Purva Sharegistry (India) Pvt. Ltd.

Unit: Konark Synthetic Limited, 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai - 400 011

Tel No.: 022 - 2301 6761; 2301 8261

Fax No.: 022 - 2301 2517 E-Mail: busicomp@vsnl.com

12. DISCLOSURES

a. Total Fees Paid to the Statutory Auditors:

During the financial year 2019-20, the Company is in process to make payment of 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.

c. 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 31 st March, 2020 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, 2020 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 then 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 19-20, 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, 2020. 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, 2020 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

То

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 2019-20.

For Konark Synthetic Limited

Amitabh Kejriwal Managing Director DIN:00005864

Place: Mumbai Date: 05th September, 2020



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Konark Synthetic Limited
Mittal Industrial Estate, Bldg No.7,
Saki Naka, Andheri (East), Mumbai -400059

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	MR. PRAKASHCHAND KISHORILAL DALMIA	00005813	17/07/1984
2.	MR. AMITABH KEJRIWAL RAMSWAROOP	00005864	28/02/1995
3.	MR.SATISH KAMALAKAR DESHMUKH	03535235	30/05/2011
4.	MS. SUVRITI GUPTA	07766090	01/04/2017

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KRS AND CO. Practicing Company Secretaries

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

UDIN: A037829B000671462

Date: 5th September, 2020

Place: Mumbai



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, 2020 as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Uniform Listing Agreement of the said Company with stock exchange.

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

In 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 Ravindra Shirwadkar Proprietor ACS No. 37829 COP No. 15386 UDIN: A037829B000671462

Date: 5th September, 2020

Place: Mumbai



FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KONARK SYNTHETIC LTD.

Report on the Audit of 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, 2020, 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, 2020, 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.

Key Audit Matter

How our audit addressed the key audit matter

1) Investments in Equity shares of Subsidiaries and Associates.

As at 31/03/2020 the company has total investments of Rs. 851.68 lakhs in equity shares of subsidiary/associate which constitutes 99.75% of total investment portfolio of the company. Management regularly reviews whether there are indication of impairment on the investment made by the company with reference to the requirement under Ind AS 36 'Impairment of Assets', accordingly, management has identified impairment indication (operating losses, negative net worth and substantially eroded net worth) in equity investments of the subsidiaries of the company with an investment of Rs. 848.88 lakhs. As a result, impairment assessment has been performed by the company by comparing the carrying value of these investments to their recoverable amount to determine whether any impairment was required to be recognized.

The determination of the recoverable amounts of investments in those subsidiaries involved judgement due to inherent uncertainty in the assumptions supporting the recoverable amounts of these investments. Our audit procedures included the following:

- Assessing the appropriateness of the methodology applied in determining the recoverable amount.
- Discussion/evaluation with management in order to evaluate whether the impairment assessment has been made as per the assumptions which are suitable.
- Considered the completeness and accuracy of the disclosures, which are included in standalone financial statements.

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

As informed by the management due to Covid-19 pandemic and consequent lockdown by government of India, Inventories at various units of the company were physically verified subsequent to the year end after the lockdown was lifted by the government. Accordingly, on that basis, management has prepared the statements of inventories as on 31/03/2020 considering the transactions between the intervening period from 01/04/2020 to the



date of actual physical verification and these statements as certified by the management have been relied upon by us for considering the value of inventories as on 31/03/2020.

Our report is not qualified in respect of the above matter.

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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 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, 2020 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. No Amount was required to be transfer to the Investor Education and Protection Fund.
- 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: 05th September, 2020



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, 2020 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, 2020, 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: 05th September, 2020



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)

- (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 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.
 - (b) According to the information and explanations given to us, undisputed amounts payable in respect of ESIC and Provident fund aggregating to Rs 47,15,387/- were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.
 - (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 Tax Act, 1961	Income Tax Demand	9,42,417/-	F.Y. 2000-01	Rectification pending with Assessing officer.
Income Tax Act, 1961	Income Tax Demand	22,98,355/-	F.Y. 2009-10	CIT (Appeals)
Income Tax Act, 1961	Income Tax Demand	3,98,670/-	F.Y. 2013-14	Rectification pending with Assessing officer.
Income Tax Act, 1961	Income Tax Demand	8,65,160/-	F.Y. 2014-15	Rectification pending with Assessing officer.

(41)



- 8. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues in respect of liability towards letter of credit and term loans with banks. Out of these dues L/c liabilities have since been regularized by the company, but default in repayment of various term loans of the bank amounted to Rs. 31 lakhs as on 31/03/2020.
- 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: 05th September, 2020



Konark Synthetic Limited CIN:L17200MH1984PLC033451 Balance Sheet as at 31st March,2020

Amounts in Rs.

Assets		As at	As at
	Note No.	March 31,2020	March 31,2019
Non-current Assets			04.05.40.004
(a) Property, Plant and Equipment	4	13,30,91,444	21,95,46,231
(b) Capital Work-In-Progress		4,56,25,581	4,38,77,068
(c) Intangible Assets		1,12,444	1,12,444
(d) Financial Assets			
(i) Investments	5	2,83,100	8,51,71,100
(ii) Others	6	64,83,192	61,62,892
(e) Other Non-Current Assets		-	-
Total Non-Current Assets		18,55,95,761	35,48,69,735
Current Assets			
(a) Inventories	7	16,40,97,554	21,23,02,483
(b) Financial Assets			
(i) Trade Receivables	8	33,40,35,152	28,71,30,635
(ii) Cash and Cash Equivalents	9	15,33,84,115	68,41,765
(iii) Bank Balances Other Than Above	10	37,38,646	50,21,552
(iv) Loans	11	6,22,99,690	5,66,77,696
(v) Others	-	-	
(c) Current Tax Assets (Net)	12	79,06,781	65,65,266
(d) Non Current Assets classified as held for sale	40	4,25,02,718	-
(e) Other Current Assets	13	82,71,485	1,92,01,309
Total Current Assets		77,62,36,140	59,37,40,705
Total Assets		96,18,31,901	94,86,10,440
Equity and Liabilities		As at	As at
	Note No.	March 31,2020	March 31,2019
Equity			
(a) Equity Share Capital	14	5,80,80,000	5,80,80,000
(b) Other Equity	15	4,72,57,379	21,28,93,152
Total Equity		10,53,37,379	27,09,73,152
Inter Unit Balances		-	
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	11,17,59,648	10,59,14,783
(b) Provisions	17	61,93,323	52,57,813
(c) Deferred Tax Liabilities (Net)	18	24,76,489	2,59,42,938
Total Non-Current Liabilities	"	12,04,29,460	13,71,15,534
Current Liabilities		12,04,23,400	13,71,13,334
(a) Financial Liabilities			
	19	38,31,02,158	25 10 05 155
(i) Borrowings (ii) Trade Payables	19	30,31,02,130	35,10,05,155
		20 57 250	0.62.402
(a) Total outstanding dues of micro enterprises and small enterprises; and		20,57,359	9,62,403
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises."	20	14,67,64,559	14,13,23,184
(iii) Other Financial Liabilities	21	1,26,23,782	1,55,23,788
(b) Other Current Liabilities	22	19,12,69,272	3,14,68,109
(c) Current Tax Liabilities (Net)			
(d) Provisions	23	2,47,932	2,39,115
Total Current Liabilities		73,60,65,062	54,05,21,754
Total Liabilities		85,64,94,522	67,76,37,288
Total Equity and Liabilities		96,18,31,901	94,86,10,440

As per our report of even date attached

1 to 44 For and on behalf of the Board

For Pansari & Dalmia (Chartered Accountants)

Firm Reg. No. 107370W

Naresh S Dalmia (Partner)

Membership No. 035036

Place : Mumbai Date: 05th September,2020

Amitabh Kejriwal (Managing Director) **Prakashchand Dalmia** (Chairman)

Mehnuddin Khan (Company Secretary & Compliance Officer)

R.B. Somany (Chief Finance Officer)



Konark Synthetic Limited CIN:L17200MH1984PLC033451 Statement of Profit and Loss for the year ended 31st March, 2020

Amounts in Rs.

	Particulars	Note No.	For the year ended March 31,2020	For the year ended March 31,2019
I.	Income		Wat C11 31,2020	Walch 31,2019
	Revenue from operations	24	71,30,38,877	77,62,52,762
	Other Income	25	66,12,793	1,16,52,245
	Total Revenue (I)		71,96,51,670	78,79,05,007
II.	Expense			,,,
	Cost of Material Consumed	26	7,95,57,262	13,73,24,816
	Purchase of Stock-in-trade		43,50,56,327	44,44,46,885
	Change in inventories of finished goods/stock in trade	27	4,32,79,608	(1,50,12,091)
	Employee benefits expense	28	7,79,34,456	8,18,39,922
	Finance Cost	29	4,49,69,920	4,03,98,478
	Depreciation	4	2,54,60,914	2,62,17,218
	Impairment		2,41,36,775	12,24,994
	Other Expenses	30	6,86,13,421	8,86,35,143
	Total Expenses (II)		79,90,08,683	80,50,75,366
ш	Profit / (loss) before exceptional items and income tax (I-II)		(7,93,57,013)	(1,71,70,359)
IV	Exceptional item		-	
	- Dimunition in the value of Investments of subsidiary		(8,48,88,000)	-
	- Loss on sale of Fixed Assets		(2,43,45,998)	-
v	Profit / (Loss) before tax (III - IV)		(18,85,91,011)	(1,71,70,359)
VI	Tax expense			
	Current tax		-	
	Deferred Tax Adjustment		(2,34,66,449)	(21,93,669)
	Short Provision for Taxation		-	
VII	Profit / (Loss) after tax for the period (V - VI)		(16,51,24,562)	(1,49,76,690)
VIII	Other Comprehensive Income		-	-
	- Net Actuarial Loss of gratuity		(3,12,130)	(1,53,234)
ıx	Total Comprehensive Income for the period (VII-VIII)		(16,54,36,692)	(1,51,29,924)
x	Profit attributable to:			
	Basic earnings per share		(28.43)	(2.58)
	Diluted earnings per share		(28.43)	(2.58)

As per our report of even date attached

For and on behalf of the Board

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

Naresh S Dalmia (Partner) Membership No. 035036

Place : Mumbai

Date: 05th September,2020

Amitabh Kejriwal (Managing Director)

1 to 44

Prakashchand Dalmia (Chairman)

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,2020

(Amount in Rs)

Particulars		31st Ma	arch, 2020	31st Marc	(Amount in Rs) h, 2019
Cash flow from operating activity			,		,
Net Profit before tax & Extra Ordinary Items			(7,93,57,013)		(1,73,23,593)
Adjustment for : Depreciation		2,54,60,914	,	2,62,17,218	
Interest paid		4,49,69,920		4,03,98,478	
Prior Period Adjustments		1,99,081		(9,94,630)	
Provision for Impairment		2,41,36,775		12,24,994	
(Profit)Loss on Sale of Fixed Assets		-		(35,83,856)	
Interest Income (considered Seperately)		(64,65,420)	8,83,01,269	(58,65,020)	5,73,97,185
Operating Profit before working capital changes			89,44,256		4,00,73,592
WORKING CAPITAL CHANGES					
(Increase)Decrease in Sundry debtors		(4,69,04,517)	(76,60,395)		
(Increase)Decrease in Loans & Advances		(2,97,58,769)	(59,92,167)		
(Increase)Decrease in Inventories		4,82,04,929	(1,72,14,293)		
Increase(Decrease) in Trade Payable(Incl.Work'g Cap.Fin)		1,57,69,039	(1,26,89,318)	5,51,84,790	2,43,17,935
Cash Generated From operations			(37,45,062)		6,43,91,527
Direct Tax Paid			(13,41,515)		(20,51,270)
Cash Flow Before Prior Period & Extra Ordinary Items			(50,86,577)		6,23,40,257
Prior Period & Extra Ordinary Items			(1,99,081)	-	
Net Cash Flow From Operating Activities	(I)		(52,85,658)		6,23,40,257
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets		(1,46,10,604)		(38,57,074)	
Interest Income		64,65,420		58,65,020	
Advance Received against Sale of Land and Building		15,86,23,589			
Sale of fixed assets		70,94,748		37,14,201	
Net Cash Outflow for investing Activities	(II)		15,75,73,153		57,22,146
Cash flow after investing activities	(III) = (I-II)		15,22,87,496		6,80,62,403
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Long term borrowing (Net of Repayments)		58,44,865		(63,18,951)	
Proceeds from Short term borrowing (Net of Repayments)		3,20,97,003		(1,83,48,954)	
Interest paid		(4,49,69,920)		(4,03,98,478)	
Net Cash Flow from financing activity	(IV)		(70,28,052)		(6,50,66,383)
Cash flow after financing activity	(V)=(III-IV)		14,52,59,444		29,96,020
Opening Balance:					
Cash &Cash Equivalent (Opening Balance)			1,18,63,317		88,67,297
Cash &cash equivalent(Closing balance)			15,71,22,761		1,18,63,317
Increase in cash & cash equivalent	(VI)		14,52,59,444		29,96,020

As per our separate report of even date.

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

Naresh S Dalmia (Partner)

Membership No. 035036

Place : Mumbai

Date: 05th September,2020

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)



Statement Of Changes In Equity For The Year Ended 31st March, 2020

A. Equity Share Capital

Partic	ulars (Amount in Rs.)
Equity Share Capital	
As at 31st March, 2019	5,80,80,000
Changes during 2019-20	-
As at 31st March, 2020	5,80,80,000

B. Other Equity

Particulars	Capital Redemption Reserve	Securities Premium account	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total
Balance as at 31st March, 2019	40,00,000	6,83,57,165	25,00,000	5,97,51,143	7,82,84,844	21,28,93,152
Add: Prior Period Adjustment		(1,99,081)	(1,99,081)			
Add: Profit /(Loss) for the year 2019-20	-	-	-	-	(16,51,24,562)	(16,51,24,562)
Add : Other Comprehensive Income for the year 2019-20		(3,12,130)	(3,12,130)			
Balance as at 31st March, 2020	40,00,000	6,83,57,165	25,00,000	5,97,51,143	(8,73,50,929)	4,72,57,379

As per our separate report of even date.

For and on behalf of the Board

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

Naresh S Dalmia (Partner)

Membership No. 035036

Place : Mumbai

Date: 05th September,2020

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, 2020

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, 2020 were approved and adopted by board of directors in their meeting held on 5th September, 2020.

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



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:

- 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.
- 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.

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

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.



All amounts are in Rs.

Konark Synthetic Limited

Notes to Financial Statements for the year ended March 31, 2020

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

							Ä	Property, Plant and Equipment	and Equipm	ent						
Description	Leasehold	Freehold	Office Building	ROU Building	Factory Buildings	Plant & Machineries	Electric Installation	Equipments	Fire Furniture Fighting & Equipments Fixtures	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total	Software*	Work in Progress
As at 01st April 2019	61,80,340	9,74,053	4,85,35,549		7,55,56,576	45,23,12,567	2,29,67,275	8,89,527	72,860	65,70,912	29,51,870	2,15,40,879	30,81,472	64,16,33,879	24,03,698	4,38,77,068
Additions/Adjustments				1,24,72,091	•	3,90,000	,	•		•		,	•	1,28,62,091	-	17,48,513
Deductions/Impairments	,	'	'	1	1	12,08,77,890	'	1	,	1	,			12,08,77,890	'	1
Reversal of Assets classifled as Held for sale*	61,80,340			·	5,56,31,901	1,11,48,559	90,02,660	,	,			,		8,19,63,461		
As at 31st March 2020		9,74,053	4,85,35,549	1,24,72,091	1,99,24,674	32,06,76,117	1,39,64,615	8,89,527	72,860	65,70,912	29,51,870	2,15,40,879	30,81,472	45,16,54,618	24,03,698	4,56,25,581
<u>Depreciation</u>																
As at 01st April 2019	8,04,293	'	24,96,926	•	3,37,13,815	33,47,89,382	2,03,94,116	7,24,244	71,811	60,40,164	24,82,416	1,76,69,459	29,01,022	42,20,87,648	22,91,254	•
Depreciation for the year	54,576	'	7,70,550	26,25,704	20,46,868	1,90,82,292	1,57,728	17,314	,	27,201	1,28,865	5,19,909	29,907	2,54,60,914	,	1
Deductions/Impairments	,	_	'	,	,	8,95,24,644	'	1	,	,	,	,	,	8,95,24,644	'	1
Reversal of Assets classified as Held for sale*	8,58,869			·	2,13,99,381	86,38,138	85,64,355	,	,	,		,		3,94,60,743		
As at 31st March 2020	·	_	32,67,476	26,25,704	1,43,61,302	25,57,08,892	1,19,87,489	7,41,558	71,811	60,67,365	26,11,281	1,81,89,368	29,30,929	31,85,63,175	22,91,254	,
Net Book Value																
As at 01st April 2019	53,76,047	9,74,053	4,60,38,623	•	4,18,42,761	11,75,23,185	25,73,159	1,65,283	1,049	5,30,748	4,69,454	38,71,420	1,80,450	21,95,46,231	1,12,444	1,12,444 4,38,77,068
As at 31st March 2020	•	9,74,053	4,52,68,073	98,46,387	55,63,372	6,49,67,225	19,77,126	1,47,969	1,049	5,03,547	3,40,589	33,51,511	1,50,543	13,30,91,443	1,12,444	1,12,444 4,56,25,581

* The company had initiated the process for transfer of certain assets related to its sarigam unit and thus are classified as * Held for Sale* as they meet the criteria laid out under Ind AS 105. Other intanglable assets represents Computer software other than self generated Freehold land are not depreciated



Konark Synthetic Limited Notes to Financial Statements for the year ended March 31, 2020

Note 5 - Non - Current Investments

Particulars		As at 31 M	arch ,2020			As at 31 M	larch , 2019	
	Extent of Holding (%)	No. of Shares/	Face Value (Rs.) Unless otherwise stated	Rs.	Extent of Holding (%)	No. of Shares/ Units	Face Value (Rs.) Unless otherwise stated	
In Equity Instruments:								
Unquoted Fully Paid -up								
Carried at Cost								
Subsidiary Company								
India Denim Limited	61.17	7001000	10	8,48,88,000	61.17	7001000	10	8,48,88,000
Associates								
Konark Infratech Private Limited	26.92	28000	10	2,80,000	26.92	28000	10	2,80,000
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		6800	10	2,04,000		6800	10	2,04,000
Total Equity Instruments				8,53,75,100				8,53,75,100
Less: Provision for dimunition in the value of Investments				8,50,92,000				2,04,000
Total				2,83,100				8,51,71,100
Particulars					As at 31 Ma	arch , 2020	As at 31 M	larch , 2019
Aggregate amount of quoted inve (Company has made the Provision						2,04,000		2,04,000
Aggregate amount of unquoted in Rs. 84888000/-)	ivestments.(Pro	ovision in dir	munition in valu	ue made for	8,	51,71,100	8	3,51,71,100



Notes to Financial Statements for the year ended March 31, 2020

6 Non-Current Financial Assets - Others

All amounts are in Rs.

Particulars	As at March 31,2020	As at March 31,2019
Bank deposits with more than 12 months maturity	1,000	1,000
Security Deposits Govts & Other	64,82,192	61,61,892
Total	64,83,192	61,62,892
7 Inventories		
Particulars	As at March 31,2020	As at March 31,2019
Inventories		
Raw Materials	9,91,450	23,31,144
Stores, Spares	1,20,97,580	1,56,83,208
Process Stock	1,31,21,573	1,96,35,878
Finished Goods	13,78,86,950	17,46,52,253
Total	16,40,97,554	21,23,02,483
8 Current Financial Assets - Trade Receivables		
Particulars	As at March 31,2020	As at March 31,2019
(a) Unsecured, considered good;	20,83,41,143	18,46,81,366
(b) Having significant increase in Credit Risk	12,56,94,009	10,24,49,269
(c) Credit Impaired	1,77,61,769	1,24,994
	35,17,96,921	28,72,55,629
Less: Provision for Credit Impaired	1,77,61,769	1,24,994
Total	33,40,35,152	28,71,30,635
9 Current Financial Assets - Cash & cash equivalents		
Particulars	As at March 31,2020	As at March 31,2019
Cash & Cash Equivalents		
Balance with banks;		
(i) Current Accounts*	15,29,32,335	65,74,111
(ii) Dividend Accounts	-	-
Cash on hands	4,51,780	2,67,654
Total	15,33,84,115	68,41,765

^{*} Cash and cash equivalents includes Rs.14.52 cr.(P.Y. Nil) Held in escrow account as per conditions laid dowm in Tri Partite agreement entered with bankers and the buyers of Land and Building of sarigam unit. Equivalent amount is included in 'Advance against sale of Land and Building" in Note No.22 "Other Current Liabilities"



Notes to Financial Statements for the year ended March 31, 2020

10	Current Financial Assets - Bank balances other than above
10	Current Financial Assets - Bank balances other than above

All amounts are in Rs.

	Particulars	As at March 31,2020	As at March 31,2019
	Fixed Deposits with maturity more than 3 months	37,38,646	50,21,552
	Total	37,38,646	50,21,552
11	Current Financial Assets - Loans		
	Particulars	As at March 31,2020	As at March 31,2019
	Unsecured, considered good;		
	- To Subsidaries	56,96,550	56,96,550
	- To Associate concern	5,53,32,065	4,97,67,450
	- Loans to employees	12,71,075	12,13,696
	Total	6,22,99,690	5,66,77,696
12	Current Tax Assets (Net)		
	Particulars	As at March 31,2020	As at March 31,2019
	Advance Tax/TDS & Income Tax (Net)	79,06,781	65,65,266
	Total	79,06,781	65,65,266
13	Other Current Assets		
	Particulars	As at March 31,2020	As at March 31,2019
	Unsecured, Considered Good, unless otherwise stated:		
	Unsecured, Considered Good, unless otherwise stated: Receivable from Government Authorities	47,23,132	1,07,53,643
		47,23,132 6,29,023	1,07,53,643 7,03,724
	Receivable from Government Authorities		
	Receivable from Government Authorities Prepaid Expenses	6,29,023	7,03,724
	Receivable from Government Authorities Prepaid Expenses Advances to creditors	6,29,023 1,22,548	7,03,724 5,83,103
	Receivable from Government Authorities Prepaid Expenses Advances to creditors	6,29,023 1,22,548 1,03,96,781	7,03,724 5,83,103 82,60,838
	Receivable from Government Authorities Prepaid Expenses Advances to creditors Others	6,29,023 1,22,548 1,03,96,781 1,58,71,485	7,03,724 5,83,103 82,60,838 2,03,01,309
14	Receivable from Government Authorities Prepaid Expenses Advances to creditors Others Less: Provision for Assets Impaired	6,29,023 1,22,548 1,03,96,781 1,58,71,485 76,00,000	7,03,724 5,83,103 82,60,838 2,03,01,309 11,00,000
14	Receivable from Government Authorities Prepaid Expenses Advances to creditors Others Less: Provision for Assets Impaired Total	6,29,023 1,22,548 1,03,96,781 1,58,71,485 76,00,000	7,03,724 5,83,103 82,60,838 2,03,01,309 11,00,000
14	Receivable from Government Authorities Prepaid Expenses Advances to creditors Others Less: Provision for Assets Impaired Total Equity Share Capital	6,29,023 1,22,548 1,03,96,781 1,58,71,485 76,00,000	7,03,724 5,83,103 82,60,838 2,03,01,309 11,00,000 1,92,01,309
14	Receivable from Government Authorities Prepaid Expenses Advances to creditors Others Less: Provision for Assets Impaired Total Equity Share Capital Authorized	6,29,023 1,22,548 1,03,96,781 1,58,71,485 76,00,000 82,71,485	7,03,724 5,83,103 82,60,838 2,03,01,309 11,00,000 1,92,01,309 (In Rupees)
14	Receivable from Government Authorities Prepaid Expenses Advances to creditors Others Less: Provision for Assets Impaired Total Equity Share Capital Authorized Particulers	6,29,023 1,22,548 1,03,96,781 1,58,71,485 76,00,000 82,71,485	7,03,724 5,83,103 82,60,838 2,03,01,309 11,00,000 1,92,01,309 (In Rupees) Amount



Notes to Financial Statements for the year ended March 31, 2020

Issued, subscribed and paid up share

Movement in Equity Share Capital

		No of shares	Equity Share Capital par value
A)	Equity Share Capital		
	As at April 1, 2019	58,08,000	5,80,80,000
	Add: Shares issued during the year	-	-
	Add: Bonus shares issued during the year	-	-
	Less: Calls unpaid (Other than directors)	-	
	As at March 31, 2020	58,08,000	5,80,80,000

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, 2020 No. of share held	As at March 31, 2019 No. of share held
Equity Shares of Rs. 10/- each			
Rakadevi Dalmia	36.30%	21,08,091	21,08,091
Kayo Investment And Finance Pvt. Ltd	14.75%	8,56,850	8,56,850
Fillmore Trading & Investments Pvt. Ltd.	14.46%	8,40,000	8,40,000
Prakashchand Dalmia (HUF)	5.80%	3,36,600	3,36,600

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, 2020

Particulars	Number of Shares as at 31st March, 2020	Number of Shares as at 31st March, 2019
Number of shares at the beginning	58,08,000	58,08,000
Add: Shares issued during the year	-	-
Less:Shares bought back during the year	-	-
Number of shares at the end	58,08,000	58,08,000

1,05,54,555

11,17,59,648

10,59,14,783



Konark Synthetic Limited

Notes to Financial Statements for the year ended March 31, 2020

15 Other Equity					All amour	nts are in Rs.
Particulars	Capital	Securities	Capital	General	Retained	Total

Particu	ılars		Capital Redemption Reserve	Securities Premium account	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total
Balance	e as a	at 1st April, 2019	40,00,000	6,83,57,165	25,00,000	5,97,51,143	7,82,84,844	21,28,93,152
Add : P year 20		(Loss) for the	-	-	-	-	(16,51,24,562)	(16,51,24,562)
		Comprehensive Income 2019-20					(3,12,130)	(3,12,130)
Add : P	rior P	eriod Adjustment					(1,99,081)	(1,99,081)
Balanc	e as	at 31st March 2020	40,00,000	6,83,57,165	25,00,000	5,97,51,143	(8,73,50,929)	4,72,57,379
16 No	n-Cu	rrent Financial Liabilities	- Borrowings					
			Particulars				As at March 31,2020	As at March 31,2019
Во	rrowi	ngs						
a)	Sec	cured Loan - Term Loan						
	(i)	from Banks						
		Loan against Flat					1,70,75,833	1,70,75,833
		Loan Against Property					5,38,88,586	5,68,88,983
		Vehicle Loans (Against M	lotor Cars)				97,480	2,79,119
	(ii)	from Other						
		Loan Against Property					2,93,64,307	3,05,41,692
		Vehicle Loans (Against M	lotor Cars)				7,78,888	11,29,156

Secured Loans-Term Loans:

Other

Total

Unsecured Loan

Loan From Related Parties

- (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. 57445205/- (P.Y. 60045302/-) including Current Maturities of Long Term Borrowings under note no. 21 from IDBI Bank Ltd is secured against the flat of Shri Amitabh Kejriwal-Director, situated at Flat No. 101, Santusthi, Janki Kutir, Juhu Ville Parle, Juhu, Mumbai - 400049. The loan was also guaranteed as co-applicants by Directors Mr. Prakashchand Dalmia, Mr. Amitabh Kejriwal and Authorised Signatory Mr. Shonit Dalmia. Terms of Payment is 180 EMI of Rs. 845328/- including interest @11.50% p.a. floating.
- (c) Loan of Rs. 8998667/-(P.Y. 9330894/-) including Current Maturities of Long Term Borrowings under Note No. 21 is secured against Property from PNB Housing Finance Limited against Shop No. 8 situated at Skylark Building, Plot No. 63, Sector-11, CBD Belapur, Navi-Mumbai-400614 on the term i.e 180 EMI of Rs. 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.

15,40,54,534

38,31,02,158

14,65,12,534

35,10,05,155



(ii) Unsecured -

Total

Loans from Related Parties

Konark Synthetic Limited

Notes to Financial Statements for the year ended March 31, 2020

- (d) Loan of Rs. 21760738/-(P.Y. 22458199/-) including Current Maturities of Long Term Borrowings under Note No. 21 is secured against Property from PNB Housing Finance Limited against Shop No. 6 and 11 situated at Skylark Building, Plot No. 63, Sector -11, CBD Belapur, Navi-Mumbai 400614 on the term i.e 180 EMI of Rs. 272784/- and interest rate is 11% p.a floating, The loan was also guaranteed as coapplicants 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. 2,79,119 is repayable in 18 remaining EMI of Rs. 16700 upto Sep. 05, 2021 -Rs. 11,59,439 is repayable in 33 remaining EMI of Rs. 38488 upto Dec. 05, 2022

17 Provisions		All a	mounts are in Rs.
	Particulars	Asat	As at

		Particulars	As at March 31,2020	As at March 31,2019
	Pro	ovisions		
	Pro	ovisions for Employee Benefits		
		- Provision For Gratuity	61,93,323	52,57,813
		Total	61,93,323	52,57,813
18	Def	ferred Tax Liabilities (Net)		
		Particulars	As at March 31,2020	As at March 31,2019
	<u>Def</u>	ferred tax liabilities		
	a)	Related to Fixed Assets	1,84,20,513	2,90,62,925
	Les	ss:		
	Def	ferred tax assets		
	b)	Disallowance u/s 43B of I.T.Tax, 1961 and MAT Credit	1,59,44,024	31,19,987
			24,76,489	2,59,42,938
19	Cui	rrent Financial Liabilities - Borrowings		
		Particulars	As at March 31,2020	As at March 31,2019
	a)	Loans repayable on demands		
		(i) Secured -		
		From Banks	-	-
		- Loan	3,37,14,122	-
		- Cash credit	19,53,33,502	19,54,72,254
		ADHOC Cash Credit facility from Banks	-	90,20,367

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Notes to Financial Statements for the year ended March 31, 2020

Secured LoansCash 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 + 3.20%. 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%

Term Loan from Indian Bank of Rs. 3.30 cr as confirmed by the branch by restructuring the account as per existing terms and conditions applicable to cash credit faclity sanctioned by bank

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

20	20 Current Financial Liabilities - Trade Payables			All amounts are in Rs.			
			Particulars	As at March 31,2020	As at March 31,2019		
	(ii)	Bills	s Payable Under Letter of Credit From Banks	3,51,14,327	7,24,73,405		
	(ii)	Tra	de Payables				
		a)	Total outstanding dues of Micro and small enterprises	20,57,359	9,62,403		
		b)	Total outstanding dues of trade payable other than Micro and small enterprises	11,13,61,232	6,85,60,779		
		c)	Other	2,89,000	2,89,000		
			Total	14,88,21,918	14,22,85,586		
21	Cur	rent	Financial Liabilities - Other Liabilities				
			Particulars	As at March 31,2020	As at March 31,2019		
	Oth	er Fi	nancial Liabilities				
		a)	Current maturities of long-term debts;				

		War C11 31,2020	Warch 31,2019
Other Fi	nancial Liabilities		
a)	Current maturities of long-term debts;		
	Secured Loans	49,51,717	44,03,720
	Unsecured Loans	-	13,07,857
	Vehicle Loans	5,62,190	6,18,542
b)	Interest accrued but not due on borrowings	17,80,116	6,49,978
c)	Interest accrued and due on borrowings	5,82,361	
d)	Liability for expenses	36,57,286	78,52,171
e)	Unpaid/Unclaimed dividends	-	-
f)	Advance from Customer	10,71,799	6,83,125
g)	Other	18,313	8,395
	Total	1,26,23,782	1,55,23,788



Notes to Financial Statements for the year ended March 31, 2020

22 Other Current Liabilities All amounts are in Rs.

		Particulars	As at March 31,2020	As at March 31,2019
a)	Adv	vance Received against Sale of Land and Building	16,54,73,589	68,50,000
b)	Oth	ers		
	i)	Taxes & duty	9,67,838	61,08,655
	ii)	Payable-ESIC, PF & Prof. Tax etc.	64,40,003	53,85,277
	iii)	Payable-Employee	1,66,10,098	1,31,24,177
	iv)	Bank balance overdrawn as per books	17,77,744	-
		Total	19,12,69,272	3,14,68,109
23 Pro	ovisio	ons		
		Particulars	As at March 31,2020	As at March 31,2019
Pro	ovisio	ons		
	Pro	visions for Employee Benefits		
	Gra	ıtuity	2,47,932	2,39,115
	Tot	al	2,47,932	2,39,115



Notes to Financial Statements for the year ended March 31, 2020

Sr. No.	Particulars	Amount (Rs.)	For the Period ended 31.03.2020	Amount (Rs.)	For the year ended 31.03.2019
24	Revenue From Operations		Amount (Rs.)		Amount (Rs.)
	Sales				
	Sale of Products		64,39,11,447		70,68,60,939
	Other Operating Revenue		6,91,27,430		6,93,91,823
	Total		71,30,38,877		77,62,52,762
25	Other Income				
	Interest Income		64,65,420		58,65,020
	Rent Received		-		-
	Others*		1,47,372		57,87,225
	Total		66,12,793		1,16,52,245
	*Others includes				
	In currrent year profit on surrender of land, and balan	nces w/back and in			
	last year Include sale of leasehold rights, forgian exc	hange gain and balan	ce W/back		
26	Cost Of Materials Consumed				
	Raw Material Consumed				
	Opening Stock		23,31,144		22,03,934
	Add : Purchases				
	Yarns		7,82,17,568		13,74,52,026
	Grey Fabric		-		-
			8,05,48,712		13,96,55,960
	Less: Closing Stock		9,91,450		23,31,144
	Total		7,95,57,262		13,73,24,816
27	Changes In Inventories Of Finished Goods, Work	In Progress And Sto	ck In Trade		
	Opening Stock - Process		1,96,35,878		2,08,37,902
	Opening Stock - Finished		17,46,52,253		15,84,38,138
	Total - A	а	19,42,88,131		17,92,76,041
	Closing Stock - Process		1,31,21,573		1,96,35,878
	Closing Stock - Finished		13,78,86,950		17,46,52,253
	Total - B	b	15,10,08,523		19,42,88,131
	(Increase) / Decrease in Stocks Total - A-B	a-b	4,32,79,608		(1,50,12,091)

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Notes to Financial Statements for the year ended March 31, 2020

Sr. No.		Particulars	Amount (Rs.)	For the Period ended 31.03.2020	Amount (Rs.)	For the year ended 31.03.2019
				Amount (Rs.)		Amount (Rs.)
28	Emp	loyee Benefits Expsnses				
	Sala	ries, Wages, Bonus & Other Allowance		7,33,84,143		7,60,18,390
	Grati	uity		8,86,417		8,52,338
	Cont	ribution to Provident Funds & ESIC		30,47,476		44,39,711
	Staff	Welfare Expenses		6,16,420		5,29,484
	Total	ı		7,79,34,456		8,18,39,922
	The	disclosures required under Indian Accounting Sta	ndard 19 "Employee Be	nefits" are given belo	w:	
	A.	Defined Contribution Plan	2019-20	020		2018-2019
	Contribution to Defined Contribution Plan, recognized as expense for the years are as under:				r:	
		Employer's Contribution to Provident Fund		23,63,191		31,89,465
		Employer's Contribution to ESI Scheme		6,84,285		12,50,246

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

B. Defined Benefit Plan

The present value of Employees' Gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

		Gratuity (Unfunded)		
		As at 31st March, 2020	As at 31st March, 2019	
<u>a.</u>	Movement in present value of defined benefit obligation			
	Obligation at beginning of the year	54,96,928	56,00,409	
	Current Service Cost	4,60,405	4,18,306	
	Interest Cost	4,26,012	4,34,032	
	Actuarial (gain)/loss	3,12,130	1,53,234	
	Benefits paid	(2,54,220)	(11,09,053)	
	Obligation at the end of year	64,41,255	54,96,928	
b.	Reconciliation of fair value of assets and obligations			
	Fair value of plan assets at year end	-	-	
	Present value of obligation at year end	64,41,255	54,96,928	
	Amount recognised in Balance Sheet			
	- Current	2,47,932	2,39,115	
	- Non- Current	61,93,323	52,57,814	

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Notes to Financial Statements for the year ended March 31, 2020

	c.	Expenses recognized during the year		Period ended 31st March, 2020		Period ended 31st March, 2019
		Current Service Cost		4,60,405		4,18,306
		Interest Cost		4,26,012		4,34,032
		Expected return on plan assets		-		-
		Actuarial (gain) / loss		3,12,130		1,53,234
		Net Cost		11,98,547		10,05,572
	d.	Actuarial assumptions		period ended March 2020	For the perio	
		Mortality Table (L.I.C.)	IALM 200	06-08 (Ultimate)	IALM 2006-08	(Ultimate)
		Rate of Interest (per annum)		0	0	
		Salary growth Rate (per annum)		0	0	
		Withdrawal Rate		0	0	
		estimated future salary increases takes into acc and in the employment market. The above infor			etirement factors incl	luding supply and
29	Fina	nce Cost				
	Intere	est Expense		4,06,73,010		3,74,51,959
	Othe	r Borrowing Cost		42,96,910		29,46,519
	TOTA	AL		4,49,69,920		4,03,98,478
		Particulars	Amount (Rs.)	For the Period ended 31.03.2020	Amount (Rs.)	For the year ended 31.03.2019
				Amount (Rs.)		Amount (Rs.)
30		er Expenses				Amount (N3.)
	Manı					Amount (NS.)
		ufacturing Expenses				
		er & Fuel		1,85,63,801		2,39,22,402
	Store	er & Fuel es and Spares Consumed		1,17,01,913		2,39,22,402 1,62,88,984
	Store	er & Fuel es and Spares Consumed airs to Plant & Machinery		1,17,01,913 8,50,418		2,39,22,402 1,62,88,984 17,03,209
	Store Repa	er & Fuel es and Spares Consumed airs to Plant & Machinery air & Maintainance - Other (At Plants)		1,17,01,913		2,39,22,402 1,62,88,984
	Store Repa	er & Fuel es and Spares Consumed airs to Plant & Machinery		1,17,01,913 8,50,418		2,39,22,402 1,62,88,984 17,03,209
	Store Repa Repa Repa	er & Fuel es and Spares Consumed airs to Plant & Machinery air & Maintainance - Other (At Plants)		1,17,01,913 8,50,418 3,69,511		2,39,22,402 1,62,88,984 17,03,209
	Store Repa Repa Repa Secu	er & Fuel es and Spares Consumed airs to Plant & Machinery air & Maintainance - Other (At Plants) airs to Factory Building		1,17,01,913 8,50,418 3,69,511 28,000		2,39,22,402 1,62,88,984 17,03,209 4,15,420
	Store Repa Repa Repa Secu	er & Fuel es and Spares Consumed airs to Plant & Machinery air & Maintainance - Other (At Plants) airs to Factory Building airty Charges		1,17,01,913 8,50,418 3,69,511 28,000 12,91,268		2,39,22,402 1,62,88,984 17,03,209 4,15,420
	Store Repa Repa Repa Secu Labo	er & Fuel es and Spares Consumed airs to Plant & Machinery air & Maintainance - Other (At Plants) airs to Factory Building urity Charges our Charges		1,17,01,913 8,50,418 3,69,511 28,000 12,91,268 25,42,857		2,39,22,402 1,62,88,984 17,03,209 4,15,420 - 13,21,854 28,96,404
	Store Repa Repa Secu Labo Job v Freig	er & Fuel es and Spares Consumed airs to Plant & Machinery air & Maintainance - Other (At Plants) airs to Factory Building urity Charges our Charges work Charges		1,17,01,913 8,50,418 3,69,511 28,000 12,91,268 25,42,857 1,65,11,458		2,39,22,402 1,62,88,984 17,03,209 4,15,420 - 13,21,854 28,96,404 2,20,79,142

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Notes to Financial Statements for the year ended March 31, 2020

			Period ended 31.03.2020		year ended 31.03.2019
			Amount (Rs.)		Amount (Rs
A.	Administrative & General Expenses				
	Advetisement & Publicity		98,160		1,97,64
	Bank Charges		2,12,963		2,41,42
	Conveyance Expenses		5,69,773		6,20,07
	Donation		-		26,50
	Electricity		4,65,664		5,43,79
	Filling Fees		7,200		12,00
	Forgian Exchange Fluctuation		-		1,12
	Insurance		6,86,997		8,01,83
	Loss on Sale of Fixed Assets		-		
	Membership & Subscription		3,63,501		3,06,75
	Miscellaneous Expenses/General Expenses		5,46,606		4,85,75
	Interest/Penalty		9,92,757		8,52,82
	Proffessional Fees/ Legal Expenses		15,20,063		15,57,00
	Printing & Stationary		4,05,650		3,65,82
	Rent,Rates,Fees & Taxes		24,81,288		47,17,76
	Repairs & Maintanance (Others)		4,52,805		2,22,92
	Postage & Telegrame		2,25,928		2,92,54
	Stamp & Hundi Papers		84,650		17,20
	Sundry Balance W/Back		7,86,614		
	Telephone		3,07,911		3,71,48
	Travelling		7,56,503		13,02,05
	Vehicle Expenses		9,55,369		9,50,23
	Cost Audit Fees		-		
	Auditors Remuneration:				
	- For Statutory Audit	3,00,000		3,00,000	
	- For Tax Audit	-		-	
	- For Certification	-		-	
	- Others	1,00,000	4,00,000	40,000	3,40,00
Total	I-B		1,23,20,403		1,42,26,76
В.	Selling & Distribution Expenses				
	Marketing Expenses & Brokerage		11,38,264		15,15,40
	Outward Freight & Octroi				
	Freight Charges		16,04,563		22,25,92
	Sales Promotion Expenses		6,67,892		6,61,65
	Sample & Development Expenses		6,78,309		9,70,91
Total			40,89,028		53,73,89

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Notes to Financial Statements for the year ended March 31, 2020

- 31. The Company is operating in single segment i.e. Textiles and thus there is no reportable segments as per Indian Accounting Standard (IND AS) 108 "Operating Segment". There is no reportable geographical segment either.
- **32.** As per Indian Accounting Standard 24 "Related Party Disclosures" 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/ Associates	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	-	1085712 (1110007)	-	1085712 (1110007)
Salary	-	-	2787200 (2768000)	-	2787200 (2768000)
Rent Expenses	-	-	-	108000 (108000)	108000 (108000)
Loan Taken	-	-	-	26820000 (16946775)	26820000 (16946775)
Loan Repaid				19278000 (41835536)	19278000 (41835536)
Interest Income	6182906 (5389977)	-	-	-	6182906 (5389977)



Notes to Financial Statements for the year ended March 31, 2020

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

Particular	2019 - 2020	2018 - 2019
Managerial Remuneration & Perquisites		
Amitabh Kejriwal	1085712	1110007
Salary Paid		
R.B. Somany	1200000	1200000
Mehnuddin Khan	410000	410000
Sikha Dalmia	600000	600000
Smita Kejriwal	258000	258000
Namarta Dalmia	319200	300000
Rent Paid		
Konark Silk Mills	108000	108000
Loans Taken		
Konark Realtech Pvt. Ltd.	26820000	16946775
Loans Repaid		
Konark Realtech Pvt. Ltd.	19278000	41835536
Interest Income		
Konark Infratech Pvt. Ltd	6182906	5389977

D) Balances with the Related Parties as at 31^{st} March, 2020

Figures in bracket belongs to previous year

Particulars	Subsidiaries and Fellow Subsidiaries/ Associates	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	-	1085712		1085712
Remuneration & Perquisites	-	-	398120 (154284)	-	398120 (154284)
Salary	-	-	927790 (219900)	-	927790 (219900)
Rent Expenses	-		-	189000 (189000)	189000 (189000)
Loan Taken	-	-	-	154054534 (146512534)	154054534 (146512534)
Loan Given	61028615 (55464000)	-	-	-	61028615 (55464000)

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

Particular	2019 - 2020	2018 - 2019
Net Profit / (Loss) after Current and Deferred Tax (In Rs.)	(165124562)	(14976690)
Number of Equity Shares	5808000	5808000
Basic Earning Per Share	(28.43)	(2.58)
Diluted Earnings Per Share	(28.43)	(2.58)



Notes to Financial Statements for the year ended March 31, 2020

34. Breakup of Net Deferred Tax Expenses Provided:

Part	ticular	2019 - 2020	2018 - 2019
A.	Deferred Tax Liability (DTL)		
	Due to depreciation difference	-7780460	-2374511
	Total DTL	-7780460	-2374511
В.	Deferred Tax Assets (DTA)		
	Credit under u/s 43B & 40(a)	-954386	180842
	Cerry forwarded losses	-12176889	0
_	Difference due to rate of Income Tax	-2554714	0
_	Total DTA	-15685989	180842
	Net Deferred Tax Liability	-23466449	-2193669

35. Contingent Liability/ Capital Commitments

The Bankers of the Company have given Guarantees to various Government Authorities amounting to Rs.3501000/- (P.Y. Rs.3711000/-) for which the Company has given ounter guarantee and margin money in form of fixed deposit/current account to the bankers amounting to Rs.1013500/- (P.Y. Rs. 1033500/-).

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

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

Raw Material Consumed:

Particulars	Consumption
Yarn	79557262
	(137324816)
Total	79557262
	(137324816)
Raw Material Purchased	

Particulars	Purchases
Yam	78217568 (137452026)
Total	78217568 (137452026)



Notes to Financial Statements for the year ended March 31, 2020

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

Particulars	Sales Value Closing Invento	ory Oper	ning Inventory
Manufactured Goods			
Yarn	176254221 94684 (242235495) (1297210		12972169 (12880034)
Garments	- - (115900	-00)	1159000 (1525000)
Other (Job Work)	69127430 (69803150)	-	_
Total	245381651 94684 (312038645) (1413110		14131169 (14405034)
Traded Goods			
Fabric	467657227 1284185 (444786508) (16052108		160521084 (146237039)
Total	467657227 1284182 (444786508) (16052108		160521084 (146237039)
Work In Process			
Particulars	Work in Process Work in Process 2019-2020 2018-2019	; 	
Yarn	11373365 131667	793_	
Fabric	-		
Readymade Garments	1748208 64690)85	
Total	13409914 196358	378	
8. Auditors Remuneration:			
Particular	20	19 - 2020	2018 - 2019
Audit Fees		300000	300000
Tax Audit		-	-
For Others		100000	40000
Total		400000	340000
	Company does not have any Foreign Currency Exposure. Disclosure in res or otherwise thereof is not applicable.	pect to hec	dging of Foreig
0. Non Current Assets Clasified as h	neld for sale 31st Ma	rch,2020	
Assets of sarigam unit held for sale	÷		
Lease hold Land	:	53,21,471	
Building	: 34	4,232,520	
Plant & Machinery	:	2,510,421	
Others	:	438,305	
Otricis	•		

(68)

76,713

76,713



42.

Stores & Spares

Total

Konark Synthetic Limited

Notes to Financial Statements for the year ended March 31, 2020

41. Effective 01 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01 April, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowings as on date of initial application. Comparatives as at and for the year ended 31 March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March, 2019. Ind AS 116 will result in an increase in cash inflows from operating activities and increase in cash outflows from financing activities on account of lease payments.

Amount to Increase/(Decrease) in net profit	Year Ended 31.03.2020 Comparable basis	Changes due to Ind As 116 Increase/(Decrease)	Year Ended 31.03.2020 as reported
Other Expenses	717.06	(30.93)	686.13
Finance Cost	437.95	11.75	449.70
Depreciation and Amortisation Expenses	228.35	26.26	254.61
Profit/(Loss) Before Tax	(1878.83)	7.08	(1885.91)
CIF Value of Imports:			
Particular			2019 - 2020 2018 - 2019

- 43. 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.	55332065 (49767450)	55332065 (49767450)

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.

44. 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 separate report of even date.

For and on behalf of the Board

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

Firm Reg. No. 107370W

Naresh S Dalmia (Partner) Membership No. 035036

> Mehnuddin Khan (Company Secretary & Compliance Officer)

Amitabh Kejriwal (Managing Director)

R.B. Somany (Chief Finance Officer)

Prakashchand Dalmia

(Chairman)

Place : Mumbai

Date: 05th September,2020



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, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flowsfor 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 toas"the consolidated financialstatements").

In our opinion and to the best of our information and according to the explanations given to us andbased 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 withthe 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 Consolidatedstate of affairs of the Company as at March 31, 2020, their consolidatedLossincluding othercomprehensive income, their consolidatedchanges in equity and their consolidatedcash flows for the year ended on thatdate.

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

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

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 associatesin accordance with the Ind AS 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 Groupand 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 consolidatedfinancial 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 Groupor to cease operations, or has no realistic alternative but to doso.



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 internalcontrol.
- Obtain an understanding of internal financial controls relevant to the audit inorder 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 HoldingCompany has
 adequate internal financial controls system in place and the operating effectiveness of suchcontrols.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made bymanagement.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on theaudit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on theability of the group and its associateto 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 associatesto cease to continue as a goingconcern.
- 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 fairpresentation.
- 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 theaudits 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 auditorregarding, 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, relatedsafeguards.

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

Other Matters:

We did not audit the financial statements and other financial information, in respect of a subsidiary whose Ind AS financial statements include total assets of Rs 4020.37 lacs as at 31/3/2020 and total revenues of Rs 0.53 lacs and net cash inflow of Rs0.18 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. 19.04 lacs for the year ended March,31 2020. 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 disclosuresincluded 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 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 and considering the same we report as under:



- 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
- 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. Hence, we are unable to obtain sufficient and appropriate audit evidence to provide the assurance on the balances.
- Company has reduced the value of inventory by Rs. 3,20,26,592/-. The inventories are lying since the last 5 years therefore it has been considered as scrap; hence value had been reduced to scraped value.
- Company has not paid the statutory dues payable as on 31st March, 2020, same has been disclosed in financial statements.
- e) The Company has taken secured loan from banks, but account of the company wrongly classified as NPA by all the banks which had been challenged by the company before Honorable Courts hence company has not accounted for interest on the secured loans.

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 separate financial statement and other financial information of subsidiary and associate as noted in the other matter paragraph we report that:
 - We/the other auditors whose report we have relied up on 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.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements b) have been kept so far as it appears from our examination of those books and reports of the other auditors.
 - 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 Statements.
 - 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.
 - On the basis of the written representations received from the directors of holding company as on March 31, 2020 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 are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - 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 subsidiary and associate company, refer to our separate report in Annexure A to this report.
 - 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, 2020 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.
 - 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 an associate as noted in other matters 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.
 - 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.
 - No amount was 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: 05th September, 2020



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, 2020, 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 theinternal 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 Holdingcompany, its subsidiary and associates internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standard son Auditing prescribed under section143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all materialrespects.

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

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

Meaning of Internal Financial Controls 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 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 financialreporting 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 reportingwith 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 reportingwith reference to these consolidated financial statementsmay 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, 2020, 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 ofIndia.

Other Matter

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

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

(NARESH S. DALMIA)
Partner

M.No.035036

Place: Mumbai Dated: 05th September, 2020



Konark Synthetic Limited CIN:L17200MH1984PLC033451 Consolidated Balance Sheet as on 31st March, 2020

Amounts in Rs.

			Amounts in Rs.
	Note No.	As at	As at
Assets		March 31,2020	March 31,2019
Non-current Assets			
(a) Property, Plant and Equipment	5	30,35,61,895	41,27,81,202
(b) Capital work-in-progress		4,56,25,581	4,38,77,068
(c) Intangible assets		1,12,444	1,12,444
(d) Financial Assets		, ,	, ,
(i) Investments	6	3,94,98,998	3,75,94,697
(ii) Others	7	72,96,720	69,76,420
(e) Other non-current assets	8	-	97,15,273
(f) Defferred Tax assets	9	2,03,19,855	2,03,19,855
Total Non-current assets		41,64,15,493	53,13,76,959
Current Assets		11,01,10,100	,,,
(a) Inventories	10	22,08,47,554	30,10,79,075
(b) Financial Assets		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,, -, -,
(i) Trade Receivables	11	47,10,80,235	42,82,47,211
(ii) Cash and cash equivalents	12	15,34,30,315	68,70,465
(iii) Bank balances other than above	13	37,38,646	50,21,552
(iv) Loans	14	5,66,03,140	5,09,81,146
(iv) Investment		-	-
(v) Others		_	_
(c) Current Tax Assets (Net)	15	83,13,760	67,37,808
(d) Assets classified as held for sale	42	4,25,02,718	07,07,000
(e) Other Current Assets	16	2,44,56,185	13,08,91,441
Total current assets	10	98,09,72,552	92,98,28,698
Total Assets		1,39,73,88,046	1,46,12,05,657
10000	Note No.	As at	As at
Equity and Liabilities		March 31,2020	March 31,2019
Equity			
(a) Equity Share Capital	17	5,80,80,000	5,80,80,000
(b) Other Equity	18	(23,21,44,712)	90,91,500
Total Equity		(17,40,64,712)	6,71,71,500
Other Shareholders Stack			
India Denim Limited		-	-
Konark Infratech Private Limited			-
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	49,65,27,753	49,06,82,888
(b) Provisions	20	61,93,323	52,57,813
(c) Deferred tax Liabilities (Net)	21	24,76,489	2,59,42,938
Total non-current Liabilities		50,51,97,565	52,18,83,639
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	59,42,77,126	56,03,22,693
(ii) Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	23	20,57,359	9,62,403
(b) total outstanding dues of creditors other than micro enterprises and small enterprises.		16,33,70,049	16,17,76,400
(iii) Other Financial Liabilities	24	11,31,32,724	11,60,88,538
(b) Other Current Liabilities	25	19,31,70,004	3,27,61,369
(c) Current Tax Liabilities (Net)		-	-
		0 47 000	0.00.445
(d) Provisions	26	2,47,932	2,39,115
(d) Provisions Total current Liabilities	26	2,47,932 1,06,62,55,194	2,39,115 87,21,50,518
(-)	26		

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 : 05th September,2020 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)



Konark Synthetic Limited CIN:L17200MH1984PLC033451 Consolidated Statement of Profit and loss for the year ended 31st March, 2020

Amounts in Rs.

	Deuticulare	Note No	Fautharran ardad	Fan the man on the t
	Particulars	Note No.	For the year ended March 31,2020	For the year ended March 31,2019
	INCOME		Maron on,2020	maron on,2010
I.	Revenue from operations	27	71,30,38,877	77,62,52,762
	Other Income	28	66,65,672	
		20		1,16,74,764
п.	Total Income (I) EXPENSE		71,97,04,549	78,79,27,526
"-		00	7.05.57.000	40.70.04.040
	Cost of Material Consumed	29	7,95,57,262	13,73,24,816
	Purchase of Stock-in-trade	24	43,50,56,327	44,44,46,885
	Change in inventories of finished goods/stock in trade	31	7,53,06,200	71,82,057
	Employee benefits expense	31	7,82,79,456	8,23,54,142
	Finance Cost	32	4,49,69,920	4,03,98,478
	Impairment		2,41,36,775	12,24,994
	Depreciation 5		4,82,25,434	4,90,44,276
	Other Expenses	33	17,60,40,764	9,23,91,702
	Total Expenses (II)		96,15,72,138	85,43,67,351
III	Profit / (loss) before exceptional items and income tax (I-II)		(24,18,67,589)	(6,64,39,825)
IV	Share in Profit/(Loss) in Equity Accounted Investments(Net of Tax)		19,04,302	25,70,702
	Exceptional item		-	-
	- Dimunition in the value of Investments of subsidiary		-	
	- Loss on sale of Fixed Assets		(2,43,45,998)	
V	Profit / (Loss) before tax (III - IV)		(26,43,09,285)	(6,38,69,123)
VI	Tax expense			
	Current tax		-	-
	MAT Credit Entitlement		-	-
	Deferred Tax		(2,34,66,449)	(21,93,669)
	Short Provision for Taxation		-	-
VII	Profit / (Loss) after tax for the period (V - VI)		(24,08,42,836)	(6,16,75,454)
VIII	Less Minority Interest			
	i. India Denim Limited		-	-
	ii. Konark Infratech Private Limited		-	-
	Less Preacquisition Loss adjusted in Capital Reserve		-	
	Less: Profit Related to others		-	-
			(24,08,42,836)	(6,16,75,454)
IX	Other Comprehensive Income		-	-
	- Net Actuarial Loss of gratuity		(3,12,130)	(1,53,234)
х	Total Comprehensive Income for the year (VII-IX)		(24,11,54,966)	(6,18,28,688)
ΧI	Profit attributable to:			,
	Basic earnings per share		(41.47)	(10.62)
	Diluted earnings per share		(41.47)	(10.62)
			, ,	` ' '

As per our report of even date attached

For and on behalf of the Board

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

Naresh S Dalmia (Partner) Membership No. 035036

Place : Mumbai

wellibership No. 033030

Date: 05th September,2020

Amitabh Kejriwal (Managing Director) Prakashchand Dalmia (Chairman)

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



Konark Synthetic Limited CIN:L17200MH1984PLC033451 Consolidated Cash Flow Statement For The Year Ended 31st March,2020

(Amount in Rs)

Particulars	31st Ma	arch, 2020	31st Marc	h, 2019
Cash flow from operating activity		,		,
Net Profit before tax & Extra Ordinary Items		(23,99,63,287)		(6,40,22,357)
Adjustment for : Depreciation	4,82,25,434		4,90,44,276	
Interest paid	4,49,69,920		4,03,98,478	
Provision for Impairment	2,41,36,775		12,24,994	
(Profit)Loss on Sale of Fixed Assets	-	(35,83,856)		
Interest Income (considered Seperately)	(64,65,420)	11,08,66,708	(58,65,020)	8,12,18,872
Operating Profit before working capital changes		(12,90,96,579)		1,71,96,515
Working Capital Changes				
(Increase)Decrease in Sundry debtors & Other receivables	(4,28,33,024)	1,75,03,223		
(Increase)Decrease in Loans & Advances	(2,97,58,769)	10,19,81,377		
(Increase)Decrease in Inventories	8,02,31,521	49,79,855		
Increase(Decrease) in Trade Payable(Incl.Work'g Cap.Fin) & other payable	s 11,59,88,460	12,36,28,189	20,26,368	12,64,90,823
Cash Generated From operations		(54,68,390)		14,36,87,338
Income Tax Paid		(15,75,952)		(53,48,055)
Cash Flow Before Prior Period & Extra Ordinary Items		(70,44,342)		13,83,39,283
Prior Period & Extra Ordinary Items		(81,246)		(9,94,630)
Net Cash Flow From Operating Activities (I)		(71,25,588)		13,73,44,653
Cash Flow From Investing Activities				
Purchase of Fixed Assets	(1,46,10,604)		(38,57,074)	
Interest Income	64,65,420		58,65,020	
Diffreance Due to consolidation of Associate Concern (KIPL)	-		32,23,00,102	
Advance Received against Sale of Land and Building	15,86,23,589		-	
Sale of Fixed Assets	70,94,748		37,14,201	
Net Cash Outflow for investing Activities (II)		15,75,73,153		32,80,22,249
Cash flow after investing activities (III) = (I-II)		15,04,47,565		46,53,66,902
Cash Flow From Financing Activities				
Proceeds from long term borrowing (Net of Repayments)	58,44,865		(39,93,46,821)	
Proceeds from short term borrowing (Net of Repayments)	3,39,54,433		(2,40,45,505)	
Interest paid	(4,49,69,920)		(4,03,98,479)	
Net Cash Flow from Financing Activity (IV)		(51,70,621)		(46,37,90,804)
Cash flow after Financing Activity (V)=(III-IV)		14,52,76,944		15,76,098
Opening Balance Cash &Cash Equivalent		1,18,92,017	-	1,03,15,919
Closing Balance Cash & Cash Equivalent		15,71,68,961		1,18,92,017
Increase in cash & cash equivalent (VI)		14,52,76,944	-	15,76,098

As per our Report of even date.

For and on behalf of the Board

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

Naresh S Dalmia (Partner)

Membership No. 035036

•

Place : Mumbai Date : 05th September,2020 Mehnuddin Khan Company Secretary &

Amitabh Kejriwal

(Managing Director)

R.B. Somany (Chief Finance Officer)

Prakashchand Dalmia

(Chairman)

(Company Secretary & Compliance Officer)



Consolidated Statement Of Changes In Equity For The Year Ended 31st March, 2020

A. Equity Share Capital

	Pa	articulars			(Amount in Rs.)
As at 31st March, 2019						5,80,80,000
Changes during 2019-20						
As at 31st March, 2020						5,80,80,000
B. Other Equity						
Particulars	Capital Redemption Reserve	Securities Premium account	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total
Balance as at 31st March, 2019	40,00,000	6,88,07,066	25,00,000	5,97,51,143	(12,59,66,709)	90,91,500
Add : Profit & Loss for the year 2019-20	-	-	-	-	(24,08,42,836)	(24,08,42,836)
Add : Other Comprehensive Income for the year 2019-20					(3,12,130)	(3,12,130)
Add : Prior Period Adjustments					(81,246)	(81,246)
Less : Deduction During the year	-	-	-	-	-	
Balance as at 31st March, 2020	40,00,000	6,88,07,066	25,00,000	5,97,51,143	(36,72,02,921)	(23,21,44,712)

As per our separate report of even date.

For and on behalf of the Board

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

Firm Reg. No. 107370

Naresh S Dalmia (Partner)

Membership No. 035036

Place : Mumbai

Date: 05th September,2020

Amitabh Kejriwal (Managing Director)

Prakashchand Dalmia (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, 2020

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,2020 . 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, 2020 were approved and adopted by board of directors in their meeting held on 5th September, 2020.

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

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



assets are consumed.

4.4 Inventories:

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

The rights to receive cash flows from the asset have expired, or



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:

- 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.

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.



All amounts are in Rs.

Konark Synthetic Limited

Notes to Financial Statements for the year ended March 31, 2020

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

					<u>a</u>	Property, Plant and Equipment	d Equipment						Intangible Assets	e Assets	Work in
Description	Leasehold Land	Freehold Land	Office Building	Factory Buildings	ROU Building	Plant & Machineries	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total	Software*	Internet	Total	Progress
As at 31st March 2019	61,80,340	61,80,340 1,04,51,132	4,85,35,549	18,56,17,413		80,64,68,122	79,19,372	32,13,168	2,27,55,620	37,25,479	1,09,48,66,194	24,03,698		24,03,698	4,38,77,068
Additions/Adjustments		,	•		1,24,72,091	3,90,000		•	•		1,28,62,091		•		17,48,513
Deductions/Impairments			•			12,08,77,890			•		12,08,77,890				
Reversal of Assets classified as Held for sale*	61,80,340	,		5,56,31,901	,	2,01,51,220	•	,	,		8,19,63,461		,	,	•
As at 31st March 2020		1,04,51,132	4,85,35,549	12,99,85,511	1,24,72,091	66,58,29,012	79,19,372	32,13,168	2,27,55,620	37,25,479	90,48,86,934	24,03,698		24,03,698	4,56,25,581
Depreciation															
As at 31st March 2019	8,04,293	,	24,96,926	6,97,13,075		66,85,99,75	73,21,201	27,24,141	1,88,23,463	35,43,194	68,20,84,992	22,91,254	•	22,91,254	
Depreciation for the year	54,576		7,70,550	54,81,904	26,25,704	3,85,86,818	27,201	1,28,865	5,19,909	29,907	4,82,25,434				
Deductions/Impairments	,	,	•			8,95,24,644	,	•	•		8,95,24,644	,	•	•	
Reversal of Assets classified as Held for sale*	8,58,869	,	•	2,13,99,381	,	1,72,02,493	•				3,94,60,743	,	,	•	•
As at 31st March 2020			32,67,476	5,37,95,598	26,25,704	50,85,18,380	73,48,402	28,53,006	1,93,43,372	35,73,101	60,13,25,039	22,91,254	•	22,91,254	•
Net Book Value															
As at 31st March 2019	53,76,047	53,76,047 1,04,51,132	4,60,38,623	11,59,04,338		22,98,09,423	5,98,171	4,89,027	39,32,156	1,82,285	41,27,81,202	1,12,444	•	1,12,444	4,38,77,068
As at 31st March 2020	•	1,04,51,132	4,52,68,073	7,61,89,913	98,46,387	15,73,10,632	5,70,970	3,60,162	34,12,247	1,52,378	30,35,61,895	1,12,444	•	1,12,444	4,56,25,581

*Konark Synthetic Limited - The company had initiated the process for transfer of certain assets related to its sarigam unit and thus are classified as "Held for Sale" as they meet the criteria laid out under Ind AS 105. Other intangiable assets represents Computer software other than self generated Freehold land are not depreciated



Notes to Consolidated Financial Statements for the year ended March 31, 2020

Note 6 - Non - Current Investments

Particulars		As at 31 M	arch ,2020			As at 31 N	March , 2019	
	Extent of Holding (%)	No. of Shares/	Face Value (Rs.) Unless otherwise stated	Rs.	Extent of Holding (%)	No. of Shares/ Units	Face Value (Rs.) Unless otherwise stated	Rs.
In Equity Instruments:								
A. In Equity Instruments:								
Unquoted Fully Paid -up								
Carried at Cost								
Associates								
Konark Infrtech Private Limited	26.92	28,000.00	10.00	2,80,000	26.92	28000	10	2,80,000
Retained Earning upto 31.03.2020 on KIPL Investment				3,92,15,898				3,73,11,597
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		6800	10	2,04,000		6800	10	2,04,000
Total Equity Instruments				3,97,02,998				3,77,98,697
B. In Other Instruments								
L & T Short Term Opportunities Fund		0		-		0		
National Saving Certificate*				-				
Total Other Instruments				-				-
Total Investment (A+B)				3,97,02,998				3,77,98,697
Less: Provision for dimunition in the value of				2.04.000				2,04,000
Investments				2,04,000				
Total				3,94,98,998				3,75,94,697



Notes to Consolidated Financial Statements for the year ended March 31, 2020

Amounts in Rs.

7 Non-Cui	rrent Financial	Assets - Others
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	Particulars	As at March 31,2020	As at March 31,2019
	Bank deposits with more than 12 months maturity	1,000	1,000
_	Security Deposits Govts & Other	72,95,720	69,75,420
	Total	72,96,720	69,76,420
8	Non-Current Assets -Other Assets		
	Particulars	As at March 31,2020	As at March 31,2019
	Capital Advances		
	(a) Advance for Property	-	
	(b) Others	-	97,15,273
	Total	-	97,15,273
9	Deferred Tax Assets (Net)		
	Particulars	As at March 31,2020	As at March 31,2019
	Deferred tax assets		
	a) In respect of MAT Credit	5,13,18,970	5,13,18,970
	Less:		
	Deferred Tax Liabilities		
	b) In respect of Depreciation	3,09,99,115	3,09,99,115
		2,03,19,855	2,03,19,855
10	Inventories		
	Particulars	As at March 31,2020	As at March 31,2019
	Inventories		
	Raw Materials	9,91,450	23,31,144
	Process Stock	1,31,21,573	2,48,83,878
	Finished Goods	19,28,86,950	25,81,80,845
	Stores, Spares	1,38,47,580	1,56,83,208
	Total	22,08,47,554	30,10,79,075



Notes to Consolidated Financial Statements for the year ended March 31, 2020

Amounts in Rs.

11 Current Financial Assets - Trade Receivables

Particulars	As at March 31,2020	As at March 31,2019
(a) Unsecured, considered good;	20,83,41,143	18,45,56,372
(b) Having significant increase in Credit Risk	26,27,39,092	24,36,90,839
(c) Credit Impaired	1,77,61,769	1,24,994
	48,88,42,004	42,83,72,205
Less: Provision for Credit Impaired	1,77,61,769	1,24,994
Total	47,10,80,235	42,82,47,211
12 Current Financial Assets - Cash & cash equivalents		
Particulars	As at	As at
	March 31,2020	March 31,2019
Cash & Cash Equivalents	March 31,2020	March 31,2019
Cash & Cash Equivalents Balance with banks;	March 31,2020	March 31,2019
	15,29,59,865	March 31,2019
Balance with banks;		·
Balance with banks; (i) Current Accounts*		·

^{*} Cash and cash equivalents includes Rs.14.52 cr. (P.Y. Nil) Held in escrow account as per conditions laid dowm in Tri Partite agreement entered with bankers and the buyers of Land and Building of sarigam unit. Equivalent amount is included in 'Advance against sale of Land and Building" in Note No.25 "Other Current Liabilities"

13 Current Financial Assets - Bank balances other than above

Particulars Particulars Particulars Particulars	As at March 31,2020	As at March 31,2019
Fixed Deposits with maturity more than 3 mths	37,38,646	50,21,552
Total	37,38,646	50,21,552
14 Current Financial Assets - Loans		
Particulars	As at March 31,2020	As at March 31,2019
Unsecured, considered good;		
- To Subsidaries	-	-
- To Associate concern	5,53,32,065	4,97,67,450
- Loans to employees	12,71,075	12,13,696
Total	5,66,03,140	5,09,81,146



Notes to Consolidated Financial Statements for the year ended March 31, 2020

Amounts in Rs.

15	Current Ta	x Assets	(Net)
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	Particulars	As at March 31,2020	As at March 31,2019
	Advance Tax/TDS & Income Tax (Net)	83,13,760	67,37,808
	Total	83,13,760	67,37,808
16	Other Current Assets		
	Particulars	As at March 31,2020	As at March 31,2019
	Unsecured, Considered Good, unless otherwise stated:		
	Receivable from Government Authorities & Others	1,09,06,870	1,69,32,881
	Prepaid Expenses	6,29,023	7,03,724
	Advances to creditors	1,01,23,510	10,60,93,997
	Others*	1,03,96,781	82,60,838
		3,20,56,185	13,19,91,441
	Less: Provision for Assets Impaired	76,00,000	11,00,000
	Total	2,44,56,185	13,08,91,441
	*Others include mainly TDS on Interest Recoverable		
17	Equity Share Capital		
			(In Rupees)
	Authorized	No of Shares	Amount
	As at March 31, 2019 (of Rs.10/- each)	1,50,00,000	15,00,00,000
	Increase during the year		
	As at March 31, 2020 (of Rs.10/- each)	1,50,00,000	15,00,00,000
	Issued , subscribed and paid up share		
	Movement in Equity Share Capital		
		No of shares	Equity Share Capital par value
	A) Equity Share Capital		
	As at March 31, 2019 (of Rs.10/- each)	58,08,000	5,80,80,000
	Add: Shares issued during the year	-	-
	Add: Bonus shares issued during the year	-	-
	Less: Calls unpaid (Other than directors)	-	-
	As at March 31, 2020 (of Rs.10/- each)	58,08,000	5,80,80,000



Notes to Consolidated Financial Statements for the year ended March 31, 2020

Amounts in Rs.

18 Other Equi	ty
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Particulars	Capital Redemption Reserve	Securities Premium account	Capital Incentive Subsidy	General Reserve	Retained Earnings	Total
Balance as at 31st March, 2019	40,00,000	6,88,07,066	25,00,000	5,97,51,143	(12,59,66,709)	90,91,500
Add : Profit / (Loss) for the year 2019-20	-	-	-	-	(24,08,42,836)	(24,08,42,836)
Add: Other Comprehensive Income					(3,12,130)	(3,12,130)
Less : Prior Period Adjustment					(81,246)	(81,246)
Less : Deduction during the year	-	-	-	-	-	-
Balance as at 31st March, 2020	40,00,000	6,88,07,066	25,00,000	5,97,51,143	(36,72,02,921)	(23,21,44,712)
19 Non-Current Financial Liabilities - Borrowings						
	Particulars				As at	As at

			March 31,2020	March 31,2019
Borrow	ings			
a)	Sec	cured Loan - Term Loan		
	(i)	From Banks		
		Loan against Flat	1,70,75,833	1,70,75,833
		Loan Against Property	5,38,88,586	5,68,88,983
		Vehicle Loans (Against Motor Cars)	97,480	2,79,119
		Term Loan	-	-
	(ii)	From Other	-	
		Loan Against Property	2,93,64,307	3,05,41,692
		Vehicle Loans (Against Motor Cars)	7,78,888	11,29,156
			-	-
b)	Un	secured Loan	-	
	Loa	an From Related Parties	-	
	Inte	er Corporate Loans	37,55,24,267	37,55,24,267
	Oth	ner	1,97,98,393	92,43,838
	Tot	al	49,65,27,753	49,06,82,888



Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

Secured Loans-Term Loans of Konark Synthetic Limited

- (a) Loan of 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. 57445205/- (P.Y. 60045302/-) including Current Maturities of Long Term Borrowings under note no. 24 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. 8998667/-(P.Y. 9330894/-) including Current Maturities of Long Term Borrowings under Note No. 24 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. 21760738/-(P.Y. 22458199/-) including Current Maturities of Long Term Borrowings under Note No. 24 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 coapplicants 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. 2,79,119 is repayable in 18 remaining EMI of Rs. 16700 upto Sep. 05, 2021 -Rs. 11,59,439 is repayable in 33 remaining EMI of Rs. 38488 upto Dec. 05, 2022

20 Provisions

Particulars	As at March 31,2020	As at March 31,2019
Provisions		
Provisions for Employee Benefits		
- Provision For Gratuity	61,93,323	52,57,813
Total	61.93.323	52.57.813



Notes to Consolidated Financial Statements for the year ended March 31, 2020

Amounts in Rs.

21 Deferred Tax Liabilities (Net)

Particulars	As at March 31,2020	As at March 31,2019
Deferred tax liabilities		
a) Related to Fixed Assets	1,84,20,513	2,90,62,925
Less:	-	
Deferred tax assets	-	
b) Disallowance u/s 43B of I.T.Tax, 1961 and MAT Credit	1,59,44,024	31,19,987
	24,76,489	2,59,42,938
22 Current Financial Liabilities - Borrowings		
Particulars	As at March 31,2020	As at March 31,2019
a) Loans repayable on demands		
(i) Secured -		
From Banks		
- Loan	3,37,14,122	
- Cash credit	31,71,06,511	31,72,45,263
ADHOC Cash Credit facility from Banks	-	90,20,367
(ii) Unsecured -		
Loans from Related Parties	24,34,56,493	23,40,57,063
Total	59,42,77,126	56,03,22,693

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 + 3.20%. 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%

Term Loan from Indian Bank of Rs. 3.30 cr as confirmed by the branch by restructuring the account as per existing terms and conditions applicable to cash credit faclity sanctioned by bank

Cash Credit Of India Denim LimitedLoans 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

23 Current Financial Liabilities - Trade Payables

		Particulars	As at March 31,2020	As at March 31,2019
(i)	Bills	s Payable Under Letter of Credit From Banks	3,51,14,327	7,24,73,405
(ii)	(ii) Trade Payables			
	a)	Total outstanding dues of Micro and small enterprises	20,57,359	9,62,403
	b)	Total outstanding dues of trade payable other than Micro and small enterprises	12,79,66,722	8,90,13,995
	c)	Other	2,89,000	2,89,000
		Total	16,54,27,408	16,27,38,802



Notes to Consolidated Financial Statements for the year ended March 31, 2020

Amounts in Rs.

24 Current Financial Liabilities - Other Liabilities

		Particulars	As at March 31,2020	As at March 31,2019
Otl	her Fii	nancial Liabilities		
	a)	Current maturities of long-term debts;		
		Term Loans	-	-
		Secured Loans	10,53,66,057	10,48,18,060
		Unscured Loans	-	13,07,857
		Vehicle Loans	5,62,190	6,18,542
	b)	Interest accrued but not due on borrowings	17,80,116	6,49,978
	c)	Interest accrued and due on borrowings	5,82,361	-
	d)	Liability for expenses	37,51,888	80,02,581
	e)	Unpaid/Unclaimed dividends	-	-
	f)	Advance from Customer	10,71,799	6,83,125
	g)	Other	18,313	8,395
		Total	11,31,32,724	11,60,88,538
25 Ot	her C	urrent Liabilities		
		Particulars	As at March 31,2020	As at March 31,2019
a)	Adv	vance Received against Sale of Land and Building	16,54,73,589	68,50,000
b)	Oth	ners	-	
b)	Oth i)	ners Taxes & duty	12,72,706	61,41,305
b)			- 12,72,706 64,40,003	61,41,305 53,85,277
b)	i)	Taxes & duty		
b)	i) ii)	Taxes & duty Payable-ESIC, PF & Prof. Tax etc.	64,40,003	53,85,277
b)	i) ii) iii)	Taxes & duty Payable-ESIC, PF & Prof. Tax etc. Payable-Employee	64,40,003 1,82,05,962	53,85,277
b)	i) ii) iii) iv)	Taxes & duty Payable-ESIC, PF & Prof. Tax etc. Payable-Employee Bank Overdraft	64,40,003 1,82,05,962	53,85,277 1,43,84,787 - -
b)	i) ii) iii) iv) v)	Taxes & duty Payable-ESIC, PF & Prof. Tax etc. Payable-Employee Bank Overdraft Other Total	64,40,003 1,82,05,962 17,77,744	53,85,277 1,43,84,787 - -
	i) ii) iii) iv) v)	Taxes & duty Payable-ESIC, PF & Prof. Tax etc. Payable-Employee Bank Overdraft Other Total	64,40,003 1,82,05,962 17,77,744	53,85,277 1,43,84,787 3,27,61,369 As at
26 Pro	i) ii) iii) iv) v)	Taxes & duty Payable-ESIC, PF & Prof. Tax etc. Payable-Employee Bank Overdraft Other Total ons Particulars	64,40,003 1,82,05,962 17,77,744 - 19,31,70,004 As at	53,85,277 1,43,84,787 3,27,61,369 As at
26 Pro	i) ii) iii) iv) v) ovisio	Taxes & duty Payable-ESIC, PF & Prof. Tax etc. Payable-Employee Bank Overdraft Other Total ons Particulars	64,40,003 1,82,05,962 17,77,744 - 19,31,70,004 As at	53,85,277 1,43,84,787 3,27,61,369 As at March 31,2019
26 Pro	i) ii) iii) iv) v) ovisio	Taxes & duty Payable-ESIC, PF & Prof. Tax etc. Payable-Employee Bank Overdraft Other Total ons Particulars	64,40,003 1,82,05,962 17,77,744 - 19,31,70,004 As at March 31,2020	53,85,277 1,43,84,787 - - - - - - - - - - - - - - - - - -
26 Pro	i) ii) iii) iv) v) ovisio	Taxes & duty Payable-ESIC, PF & Prof. Tax etc. Payable-Employee Bank Overdraft Other Total ons Particulars ons stuity	64,40,003 1,82,05,962 17,77,744 - 19,31,70,004 As at March 31,2020	53,85,277 1,43,84,787 3,27,61,369 As at March 31,2019



Notes to Consolidated Financial Statements for the year ended March 31, 2020

		-			Amounts in Rs.
Sr. No.	Particulars	Amount (Rs.)	For the Period ended 31.03.2020	Amount (Rs.)	For the year ended 31.03.2019
27	Revenue From Operations		Amount (Rs.)		Amount (Rs.)
21	Sales				
	Sale of Products		64,39,11,447		70,64,49,612
	Other Operating Revenue		6,91,27,430		6,98,03,150
	Total		71,30,38,877		77,62,52,762
28	Other Income		71,30,36,677		11,02,32,102
20	Interest Income		64.65.420		E9 6E 020
			64,65,420		58,65,020
	Others*		2,00,251		58,09,744
	Total		66,65,672		1,16,74,764
00	*Others includes balances W/back				
29	Cost Of Material Consumed				
	Raw Material Consumed				
	Opening Stock		23,31,144		22,03,934
	Add : Purchases		7,82,17,568		13,74,52,026
			8,05,48,712		13,96,55,960
			8,05,48,712		13,96,55,960
	Less: Closing Stock		9,91,450		23,31,144
	Total		7,95,57,262		13,73,24,816
30	Changes In Inventories Of Finished Goods, Work In Progress And Stock In Trade				
	Opening Stock - Process		2,48,83,878		2,73,97,902
	Opening Stock - Finished		25,81,80,845		26,28,48,878
	Total - A	а	28,30,64,723		29,02,46,781
	Closing Stock - Process		1,48,71,573		2,48,83,878
	Closing Stock - Finished		19,28,86,950		25,81,80,845
	Total - B	b	20,77,58,523		28,30,64,723
	(Increase) / Decrease in Stocks Total - A-B	a-b	7,53,06,200		71,82,057
31	Employee Benefits Expenses				
	Salaries, Wages & Bonus		7,37,29,143		7,65,32,610
	Gratuity & other Allowances		8,86,417		8,52,338
	Contribution to Funds		30,47,476		44,39,711
	Staff Welfare Expenses		6,16,420		5,29,484
	Total		7,82,79,456		8,23,54,142



Notes to Consolidated Financial Statements for the year ended March 31, 2020

			•			Amounts in Rs.
Sr. No.		Particulars	Amount (Rs.)	For the Period ended 31.03.2020 Amount (Rs.)	Amount (Rs.)	For the year ended 31.03.2019 Amount (Rs.)
32	Fina	nce Cost		Amount (NS.)		Amount (NS.)
	Inter	est Expenses		4,06,73,010		3,74,51,959
	Othe	r Borrowing Cost		42,96,910		29,46,519
	Tota	ı		4,49,69,920		4,03,98,478
33	Othe	er Expenses				
	A.	Manufacturing Expenses				
		Power & Fuel		1,87,43,295		2,44,06,144
		Stores & Spares & Packing Material Consumed		1,17,01,913		1,62,88,984
		Repairs to Building		28,000		-
		Repairs to Plant & Machinery		8,50,418		17,03,209
	Repair & Maintainance - Other (At Plants)		3,69,511		4,15,42	
	Security Charges		30,26,744			31,50,945
	Labour Charges			25,42,857		28,96,404
	Job work Charges		1,65,11,458			2,20,79,142
		Freight, Octroi & Cartage		94,127		2,25,344
		Other Direct Manufacturing Expenses		2,50,637		2,99,271
	Tota	I-A		5,41,18,960		7,14,64,863
	В.	Administrative & general Expenses				
		Advertisement Expenses		98,160		1,97,647
		Bank Charges		2,13,091		2,41,425
		Conveyance Expenses		5,69,773		6,20,073
		Donation		-		26,500
		Electricity		4,65,664		5,43,798
		Filing Fees		7,200		12,000
		Foreign Exchange Fluctuation		-		1,121
		Insurance		6,86,997		8,01,834
		Loss on Sale of Fixed Assets		-		-
		Interest/Penalty		9,92,757		8,52,824
		Marketing Expenses & Brokerage		11,38,264		15,15,401
		Membership & Subscription		3,63,501		3,06,751
		Miscellaneous Expenses/General Expenses		6,70,361		5,03,750



Notes to Consolidated Financial Statements for the year ended March 31, 2020

				Amounts in Rs.
Particulars	Amount (Rs.)	For the Period ended 31.03.2020	Amount (Rs.)	For the year ended 31.03.2019
		Amount (Rs.)		Amount (Rs.)
Outward Freight & Octroi		16,04,563		22,25,924
Postage Telegram		2,25,928		2,92,545
Printing & Stationery		4,05,650		3,65,823
Proffessional Fees/ Legal Expenses		15,60,063		15,89,288
Professional tax		-		-
Rent,Rates,Fees & Taxes		24,81,288		47,17,762
Repairs & Maintanance (Ohers)		4,52,805		2,22,925
Sales Promotion Expenses		6,67,892		6,61,655
Sample & Development Expenses		6,78,309		9,70,919
Stamp & Hundi Paper		84,650		17,200
Sundry Balances W/off		78,13,228		-
Telephone Expenses		3,07,911		3,71,486
Travelling Expenses;		7,67,653		15,76,692
Vehicle Expenses		9,55,369		9,50,237
Vat Receivable Written off		-		9,76,258
Bad Debts		9,82,60,726		
Auditors Remuneration:		-		-
- For Statutory Audit		3,50,000		3,25,000
- For Tax Audit		-		-
- For Certification		-		-
- For Other		1,00,000		40,000
Total B		12,19,21,804		2,09,26,839
Total (A+B)		17,60,40,764		9,23,91,702

34. 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:

35. 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 Step-down Subsidiary,



Notes to Consolidated Financial Statements for the year ended March 31, 2020

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	-	1085712 (1110007)	_	1085712 (1110007)
Salary	-	2787200 (2768000)	-	2787200 (2768000)
Rent Expenses	_	_	108000 (108000)	108000 (108000)
Loan Taken		_	28677431 (19837212)	28677431 (19837212)
Loan Repaid			19278000 (41835536)	19278000 (41835536)



Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

	2019 - 2020	2018 - 2019
Managerial Remuneration		
Amitabh Kejriwal	1085712	1110007
Salary Paid		
R.B. Somany	1200000	1200000
Mehnuddin Khan	410000	410000
SikhaDalmia	600000	600000
SmitaKejriwal	258000	258000
Namarta Dalmia	319200	300000
Rent Paid		
Konark Silk Mills	108000	108000
Loans Taken		
Konark Realtech Pvt. Ltd.	28677431	19837212
Loans Repaid		
Konark Realtech Pvt. Ltd.	19278000	41835536

D. Balances with the Related Parties as at 31st March, 2020

Particulars	Subsidiaries and Fellow Subsidiaries/ Associates	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	-	398120 (154284)		398120 (154284)
Salary	-	-	927790 (219900)		927790 (219900)
Rent Expenses	-	-	-	189000 (189000)	189000 (189000)
Loan Taken	-	-	-	243456493 (234057063)	234057063 (261751937)

36. Earnings 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.

Particular	31.03.2020	31.03.2019
Profit/(Loss) after Tax and Adjustment of the minority Interest Before Prior Period Items	Rs.(240,842,836)	Rs.(6,16,75,454)
Less: Prior period expenses / Exceptional items	Rs. Nil	Rs Nil
Net Profit / (Loss) after tax	Rs. (240,842,836)	Rs.(6,16,75,454)
Basic Earnings per share (5808000 Equity Shares)	Rs.(41.47)	Rs.(10.62)

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



Notes to Consolidated Financial Statements for the year ended March 31, 2020

A.	Deferred Tax Liability	2019-20	2018-19
	Due to Depreciation Difference	(7.80)	(23.75)
	Total	(7.80)	(23.75)
В.	Deferred Tax Assets		
	Credit U/s 43B & 40(a)	(9.54)	1.81
	Cerry Forward Losses	(121.77)	0.00
	Due To Change In Tax Rate	(25.55)	0.00
	Total DTA	(156.86)	1.81
	Net Deferred Tax Liability	(234.66)	(21.94)

38. Contingent Liability / Capital Commitments:

The Banker of the Company has given Guarantee to various Government Authorities amounting to Rs. 35.01 Lac (P.Y. Rs.37.11 Lac) for which the Company has given counter guarantee. Company has also given margin money to banker amounting to Rs. 10.13 Lac (P.Y. Rs. 10.34Lac).

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

39. 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.

40. Auditor Remuneration:

Lease hold Land

(Rs. in Lac)

Particular	2019 - 2020	2018 - 2019
Audit Fees	3.50	3.25
Tax Audit	-	-
For Others	1.00	0.40
Total	4.50	3.65

41. 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.

42. Non Current Assets Clasified as held for sale

31st March,2020

Assets of Konark Synthetic Limited(Unit- Sarigam) unit held for sale :-

53,21,471

Building : 34,232,520

Plant & Machinery : 2,510,421

Others : <u>438,305</u>

42,502,718

Note: The company is in the process of disposing the above assets



Notes to Consolidated Financial Statements for the year ended March 31, 2020

43. Effective 01 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01 April, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowings as on date of initial application. Comparatives as at and for the year ended 31 March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March, 2019. Ind AS 116 will result in an increase in cash inflows from operating activities and increase in cash outflows from financing activities on account of lease payments.:

Amount to Increase/(Decrease) in net profit	Year Ended 31.03.2020 Comparable basis	Changes due to Ind As 116 Increase/(Decrease)	Year Ended 31.03.2020 as reported
Other Expenses	1791.34	(30.93)	1760.41
Finance Cost	437.95	11.75	449.70
Depreciation and Amortisation Expenses	455.99	26.26	482.25
Profit/(Loss) Before Tax	(2636.01)	7.08	(2643.09)

44. CIF Value of Imports:

Particular	2019 - 2020	2018 - 2019
Stores & Spares	-	76713
Total	_	76713

- **45.** 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.
- 1. Please fill in the Folio / DP ID/client ID No., name and sign the Attendance slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
- 2. Please read the instructions foe e-voting given along with Annual Report. The Voting period starts from Sunday, 27th September, 2020 (10.00 a.m.) and end on Tuesday, 29th September, 2020 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

As per our separate report of even date.

For and on behalf of the Board

Amitabh Kejriwal (Managing Director)

Prakashchand Dalmia

(Chairman)

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

Naresh S Dalmia (Partner)

Membership No. 035036

Mehnuddin KhanR.B. SomanyPlace : Mumbai(Company Secretary & (Chief Finance Officer)

Date: 05th September,2020 Compliance Officer)



KONARK SYNTHETIC LIMITED

CIN: L17200MH1984PLC033451 Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400059.

Tel: 022-4089 6300; Fax: 022-4089 6322; Email: info@konarkgroup.co.in; Website: www.konarkgroup.co.in

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]

36th Annual General Meeting - 30th September, 2020

CII	N	:	L17200MH1984PLC033451
Na	me 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	nail Id	:	
Fo	lio No/Client Id	:	
DF	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 36th Annual General Meeting of the Company to be held on Wednesday, 30th day of September, 2020 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	,	optional see ention no. o	,
Ordinary Busi	ness:	For	Against	Abstain
1.	Ordinary Resolutions for adoption of:			
	a) The Standalone Audited Financial Statements for the year ended 31st March, 2020 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, 2020 together with the report of Auditors' thereon.			
2.	Ordinary Resolution for appointment of director in place of Mr. Amitabh kejriwal, Managing Director of the Company, who retires by rotation and being eligible, offers himself for reappointment.			

Signed this day of 2020	Affix
Signature of Shareholder:	Revenue
	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
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ATTENDANCE SLIP

36TH ANNUAL GENERAL MEETING - 30TH SEPTEMBER, 2020

(To be completed and presented at the Entrance)

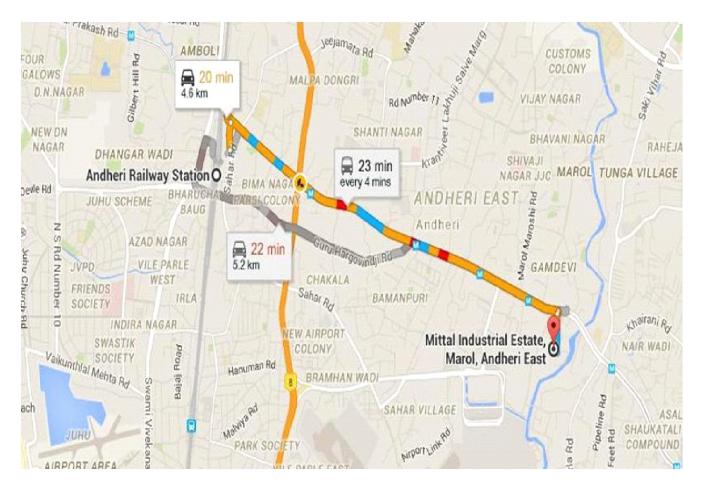
Regd. Folio No. / DP ID & Client ID	
Name and address of shareholder(s)	
Joint Holder 1	
Joint Holder 2	
No. of share(s) held	
	General Meeting of the KONARK SYNTHETIC LIMITED to be held on the Wednesday, ered office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road,
Signature of Member/Proxy/Representative	

Notes:

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ROUTE MAP OF AGM VENUE





If Not Delivered , Please return to :

KONARK SYNTHETIC LIMITED

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