

KONARK

**28<sup>th</sup>  
Annual Report  
2011-12**

Konark Synthetic Ltd.

# KONARK

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## BOARD OF DIRECTORS

Mr. Prakashchand Dalmia  
Mr. Amitabh Kejriwal  
Mr. Mahendra Agarwal  
Mr. Satish Deshmukh

Chairman & Managing Director  
Whole Time Director  
Director  
Director

## BANKERS

Indian Bank  
Corporation Bank

## AUDITORS

Bhuwania & Agrawal Associates  
Chartered Accountants,  
Mumbai

## REGISTRAR & SHARE TRANSFER AGENTS

Purva Sharegistry (India) Pvt. Ltd.  
9, Shiv Shakti Industrial Estate,  
J.R. Boricha Marg,  
Lower Parel (East),  
Mumbai - 400 011.

## REGISTERED OFFICE

Building No.7, Mittal Industrial Estate,  
Andheri Kurla Road, Sakinaka,  
Andheri (East),  
Mumbai - 400 059.

## PLANTS LOCATION

### **SILVASSA UNIT**

Plot No. 25,  
Silvassa Industrial Co-op. Soc.,  
66 KVA Sub-Station Road,  
Village - Amla,  
Dist. - Silvassa - 396 230.  
(UT of Dadra & Nagar Haveli)

### **SARIGAM UNIT**

Plot No. 13 to 20,  
Opp. JBF Industries Limited,  
G.I.D.C. Industrial Area, Village - Sarigam  
Taluka - Umargam, Dist. - Valsad,  
Gujarat - 396 155.

### **BENGALURU UNIT**

No. 62/4, 13, 14, 15 Begur Road,  
11<sup>th</sup> Cross, Ward No. 12,  
Bommanahalli, Bengaluru - 560 068.

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## NOTICE

**Notice** is hereby given that the Twenty Eighth Annual General Meeting of the members of **KONARK SYNTHETIC LIMITED** will be held on Tuesday, the 25<sup>th</sup> day of September, 2012 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-400 059 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Statement of Profit & Loss for the year ended as on that date and Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Amitabh Kejriwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Bhuwania & Agrawal Associates, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** in accordance with the provisions of Section,198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of Articles of Association of the Company and such other approvals as may be necessary, the re-appointment of Mr. Prakashchand Dalmia as Managing Director of the Company for a further period of 5 (Five years) w.e.f. 1<sup>st</sup> July, 2012 be and is hereby approved on the terms and conditions as set out in the explanatory statement, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment.

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

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all necessary act, deeds and things as may be necessary to carry on the purpose of this resolution.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any modification or re - enactment thereof, for the time being in force), subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and subject to the provisions of listing agreements entered into by the Company with the Stock Exchange(s) where the Company's shares are listed and subject to any other necessary approval, consent, permission and/or sanction of the Central Government, Reserve Bank of India, Ministry of Finance, and/or any other appropriate authorities, including banks, financial institutions or other creditors; subject to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 as amended and all applicable regulations framed and notifications issued there under; Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, including the guidelines for Qualified Institutional Placement prescribed in Chapter VIII thereof; subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission or sanction and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) constituted /to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or by duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution, consent and approval of the members of the Company be and is hereby accorded to create, issue, offer and allot, in the course of one or more public / private offerings in domestic

and /or in the course of an international offering with or without green shoe options, equity shares ( including Qualified Institutions Placement (QIP's) under ICDR Regulations ) and/ or equity shares through Depository Receipts and / or convertible bonds and/or other securities convertible into equity shares at the option of the Company and / or holder (s) of such securities , and/or securities linked to equity shares and /or securities including non convertible debentures with warrants or other securities with or without warrant, which may be either detachable or linked and which warrant has a right exercisable by the warrant holder to subscribe for equity shares and/ or any instruments or securities representing either equity shares and/ or convertible securities linked to equity shares ( including the issue & allotment of equity shares pursuant to a green shoe option , if any) , (all of which are hereinafter collectively referred as "securities" ) to eligible investors under applicable laws , regulations & guidelines whether residents or non residents and / or institutions/ banks and / or incorporated bodies, mutual funds, venture capital funds, and /or multi lateral financial institutions and / or individuals and/ or trustees and/ or stabilizing agents or otherwise , and whether or not such investors are members of the Company , through Prospectus and / or Letter of Offer or Circular and/or on public and/or private/preferential basis, such issue and allotment to be made at such times/ intervals in one or more tranches, for cash, at such price or prices, in such manner and where necessary , in consultation with the Book Running Lead Managers and/or other Advisors or otherwise , on such terms & conditions as the Board, may, in its absolute discretion , decide at the time of issue of securities provided that the total amount raised through the issuance of such securities shall not exceed ₹ 500 Crores (Five Hundred Crores) or its equivalent in one or more currencies, including premium if any, as may be decided by the Board, to investors mentioned above.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid securities may have all or any terms & conditions or combination of terms in accordance with applicable Regulations, prevalent market practices etc.

**RESOLVED FURTHER THAT** the Company and/or any agency or body or person authorized by the board, may issue Depository Receipts representing the underlying equity shares in the Capital of the Company or such other securities in negotiable , registered or bearer form ( as may be permissible) with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per the market practices and regulations (including listing on one or more stock exchange(s) in or outside India)

**RESOLVED FURTHER THAT** the relevant date for the determination of applicable price for the issue of the Depository Receipts and/or securities issued pursuant to QIP shall be the date on which the Board of the Company decides to open the proposed issue, or the date on which the holder of securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said equity shares, as the case may be ("Relevant Date").

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offering, all such equity shares shall rank *pari passu* with the then existing equity shares of the Company in all respects.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any issue or allotment of securities or securities representing the same or equity shares, as described herein above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at their discretion deem necessary or desirable for such purpose, including without limitation the utilization of issue proceeds, entering into of underwriting and marketing arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit."

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

**Place: Mumbai**  
**Date : 30<sup>th</sup> June, 2012**

**Prakashchand Dalmia**  
**Chairman & Managing Director**

**Registered Office:**  
Building No.7, Mittal Industrial Estate,  
Andheri Kurla Road, Sakinaka,  
Andheri (East),  
Mumbai - 400 059.

## NOTES

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself on poll only. A proxy need not be a member of the company. Proxy form is enclosed. Proxy to be effective should be deposited at the registered office of the company not less than 48 hours before the meeting.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed herewith and forming part of this notice.
3. Corporate Members are requested to send a duly certified copy of the Board resolution pursuant to Section 187 of the Companies Act, 1956 authorising their representative to attend and vote at the Annual General Meeting.
4. Members desirous of getting any information about the accounts of the Company can send their queries so as to reach at-least ten days before the meeting at the Company's Registered Office, so that the information required can be made readily available at the meeting.
5. Members are requested to intimate change in their address immediately to the Company's Registrar and Share Transfer Agents, viz. Purva Sharegistry (India) Pvt. Ltd., 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai - 400011.
6. The unclaimed dividend of the Company upto the financial year ended 31<sup>st</sup> March, 2002 has transferred to the Investor Education and Protection Fund of the Central Government as required under Section 205C of the Companies Act, 1956.
7. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company is required to be transferred to the Investors Protection Fund established by the Central Government and no claims lie against the said fund or the Company for the amount of dividend so transferred to the fund. Shareholders who have not yet encashed their dividend warrant(s) for the financial year ended 31<sup>st</sup> March, 2005 or for any subsequent financial years are requested to make their claims to the Company.
8. The Register of Members and Share Transfer Register will remain closed from Monday, the 24<sup>th</sup> day of September, 2012 to Tuesday, 25<sup>th</sup> day of September, 2012 (both days inclusive).
9. Members holding shares in the same sequence of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to the Company's Registrar and Share Transfer Agents, viz. Purva Sharegistry (India) Pvt. Ltd., 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai - 400 011 for better investor service.
10. Members are requested to bring copies of Annual Report to the Annual General Meeting.
11. The Members / Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
12. Members are requested to quote Ledger Folio Number / Client/DP ID in their correspondence.
13. In pursuance of the Clause 49(IV)(G) of the Listing Agreement. Details of Directors seeking re-appointment at the ensuing Annual General Meeting to be held on Tuesday, 25<sup>th</sup> day of September, 2012 are given as follows:

Name of Director	Mr. Amitabh Kejriwal	Mr. Prakashchand Dalmia
Date of Birth	20/11/1965	07/09/1954
Nationality	Indian	Indian
Date of appointment as Director	28/02/1995	17/07/1984
Designation	Whole Time Director	Chairman & Managing Director
Qualification	B.Com	B.Com
Experience/Expertise	He has over 20 years of experience in textile industries	He has over 30 years of experience in textile industries
Shareholding in the Company Equity shares of ₹ 10/- each	68,200 (1.17%)	57,501 (0.99%)
Other Directorships	1. India Denim Limited 2. Konark Realtech Private Limited	1. Goan Real Estate And Construction Private Limited 2. Aniline Construction Company Private Limited 3. Khairun Developers Private Limited 4. India Denim Limited (Managing Director)



## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,1956

### ITEM NO. 4

The tenure of Mr. Prakashchand Dalmia as Managing Director of the Company expired on 30<sup>th</sup> June, 2012. The Board of Directors of the Company at their meeting held on 30<sup>th</sup> June, 2012 re-appointed Mr. Prakashchand Dalmia, as Managing Director of the Company for a further period of Five years with effect from 1<sup>st</sup> July, 2012 on the following terms and conditions, which are also approved by the Remuneration Committee in its meeting held on 30<sup>th</sup> June, 2012:

#### Terms and conditions:

**Tenure:** 5 (Five) years w.e.f. 1<sup>st</sup> July, 2012 to 30<sup>th</sup> June, 2017

- a) **Salary:** ₹ 75,000/- (Rupees Seventy Five Thousand only) per month
- b) **Perquisites:** Perquisites will be allowed in addition to salary and shall restrict to an amount equal to the annual salary. The perquisites are classified into three categories A, B and C :

#### Category A:

##### 1. Housing

- 1.1 The expenditure incurred by the Company on hiring furnished accommodation for the Managing Director, subject to a ceiling of sixty percent of the salary.
- 1.2 The expenditure incurred by the Company on hiring furnished accommodation for the Managing Director will be subject to a ceiling of Sixty Percent of the salary, over and above ten percent of salary payable to the Managing Director.
- 1.3 In case, the Company does not provide any accommodation, the Managing Director shall be entitled to House Rent allowance of ₹ 25,000/- per month.

##### 2. Other perquisites

- 2.1 The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued and reimburse as per the Income Tax Rules, 1962.
- 2.2 Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of five years.
- 2.3 Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.
- 2.4 Club Fees: Fees of club subject to a maximum of two clubs will be allowed. This will not include admission and life Membership fees.
- 2.5 Personal Accident Insurance: Insurance for self and family of an amount not exceeding the annual premium of ₹ 15,000/- . For this purpose family means the spouse, the dependent children and dependent parents of the Managing Director.

#### Category B:

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

**Category C:**

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

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Prakashchand Dalmia as Managing Director of the Company, the payment of salary, perquisites and other allowances as above shall be payable as minimum remuneration.

None of the Directors, except Mr. Prakashchand Dalmia, Chairman & Managing Director, and Mr. Amitabh Kejriwal, Whole Time Director are concerned and interested in the resolution.

Your Directors recommend the Ordinary Resolution as set out at Item No. 4 of the notice for your approval.

**ITEM NO. 5**

Presently, the Company is engaged in the business of manufacturing and dealing in textile products and is endeavoring in the field of Real Estate and Property Development Business, Power Industry and in the business of Power Generation and distribution and other related activities through its subsidiary/step down subsidiary companies. In order to meet the capital expenditure, long term working capital requirements, other requirements arising out of expansion of business activities, and for general corporate purposes including but not limited to repayment or prepayment of loans taken, the Company proposes to mobilize the funds by way of offer / issue and allot in the course of international/ domestic offering (s) in one or more tranches to foreign investors/ domestic financial institution/ mutual funds/ other eligible entities, equity shares of nominal value of ₹ 10/- each or equity shares underlying securities in the form of QIPs / GDRs / ADRs / FCCBs and/ or any other permitted instruments/ securities convertible into equity shares (at a later date as may be determined by the Board of Directors) for an aggregate value not exceeding ₹ 500 Crores (₹ Five Hundred Crores) or its equivalent in one or more currencies, including premium.

The detailed terms and conditions of the offer will be determined in consultation with Advisors, Lead Managers and Underwriters and such other authority or authorities as may be required to be consulted by the company considering the prevailing market conditions and other relevant factors.

The proposed resolution is an enabling resolution conferring authority on the board of directors to cover all the present and future contingencies and corporate requirements in terms of Section 81(1A) of the Companies Act, 1956 and the listing agreement entered into with stock exchange, which requires that new shares are first to be offered on pro-rata basis to the existing shareholders of the Company, unless the shareholders at a general meeting decides otherwise by passing a special resolution. Accordingly, consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the listing agreement executed by the company with the stock exchange where its shares are listed.

Your Directors recommend to pass the Special Resolution as set out in Item No. 5 of the Notice.

None of the directors of the Company are concerned or interested in the above said resolution.

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

**Place: Mumbai**  
**Date: 30<sup>th</sup> June, 2012**

**Prakashchand Dalmia**  
**Chairman & Managing Director**

**Registered Office:**  
Building No.7, Mittal Industrial Estate,  
Andheri Kurla Road, Sakinaka,  
Andheri (East),  
Mumbai - 400 059.



## DIRECTORS' REPORT

To  
The Members,

Your Directors are pleased to present the 28<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March, 2012:

### FINANCIAL RESULTS:

(₹ in Lacs)

Sr. No.	Particulars	For the Year ended 31 <sup>st</sup> March, 2012	For the Year ended 31 <sup>st</sup> March, 2011
1.	Total revenue	9638.09	8765.88
2.	Less: Total Expenses	8713.89	7778.35
3.	Profit before Depreciation & Amortization expenses, Finance Cost and tax	924.20	987.53
4.	Less : Depreciation and Amortization expenses	275.89	278.38
	Less: Finance Cost	463.67	469.69
5.	Profit before exceptional and extraordinary items and tax	184.64	239.46
6.	Less: Prior Period Expenses	4.45	0.10
	Less: Short Provision for Taxation	2.20	12.82
7.	Profit before Exceptional Item & Tax	177.99	226.54
8.	Less: Exceptional Item	-	-
9.	Profit before tax	177.99	226.54
10.	Less: Provision for tax	59.67	55.98
11.	Profit after tax	118.32	170.56
12.	Balance of profit as per last Balance Sheet	817.84	748.07
13.	Balance available for appropriation	936.16	918.63
14.	Proposed Rate of Dividend	-	7.50%
15.	Proposed Dividend	-	43.56
16.	Tax on Dividend	-	7.24
17.	Transfer to General Reserve	-	50.00
18.	Balance of profit carried to Balance Sheet	936.16	817.84

### REVIEW OF BUSINESS OPERATIONS:

During the year under review, the Company earned total revenue of ₹ 9638.09 Lacs as against ₹ 8765.88 Lacs in the previous year. The revenue out of operations earned to ₹ 9615.23 Lacs and other income earned to ₹ 22.86 Lacs. The profit before tax was ₹ 177.99 Lacs as against ₹ 226.54 Lacs in previous year. The profit after tax was ₹ 118.32 Lacs as against ₹ 170.56 Lacs in the previous year.

### TEXTILE DIVISION:

Textile has been identified as Primary Segment (Products) and there is no geographic segment as such during the year under review. The textile division achieved a turnover of ₹ 15021.69 Lacs as compared to ₹ 14109.76 Lacs in the previous year. The financial performance of Textile Division has improved compared to the previous year.

The year under review was one of the most challenging years for the textile sector across the world. Despite the extremely difficult business environment, the Company could manage to show better results in domestic market. Your Directors are optimistic about the future growth of the Company and are putting their best efforts to accelerate the growth speed.

**POWER DIVISION:**

The Company has identified the other segment as Power Generation (Energy) which has been started from the last quarter of Financial Year 2011-12 operating through its step down subsidiary company Konark Gujarat PV Private Limited. The revenue earned from power generation activity was ₹ 350.10 Lacs. The Company continues to focus on cost reduction measures and improve efficiency to orbit the business in this division.

**DIVIDEND:**

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

**DIRECTORS:**

In accordance with the provision of section 256 of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Amitabh Kejriwal retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends for his re-appointment.

Further, Mr. Prakashchand Dalmia was re-appointed as Managing Director of the Company for a further period of 5 (Five) years w.e.f. 1<sup>st</sup> July, 2012 subject to the approval of shareholders. Your Board recommends for your approval.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act 1956, your Directors hereby state and confirm that:

- i) In the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2012, the applicable accounting standards (except AS 15) have been followed and no material departures have been made from the same;
- ii) 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 as at 31<sup>st</sup> March, 2012 and Profit of the Company for the year ended on that date;
- iii) 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 for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2012 on a "going concern" basis.

**SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENT:**

The Ministry of Corporate Affairs (MCA) vide General Circular No.2/2011 No. 51/12/2007-CL-III dated 8<sup>th</sup> February, 2011 read with General Circular No.3/2011 No. 5/12/2007-CL-III dated 21<sup>st</sup> February, 2011 has granted a general exemption from attaching the Balance Sheet of subsidiary companies with holding company's Balance Sheet, if the holding company presents in its Annual Report the Consolidated Financial Statements duly audited by its statutory auditors. The Company is publishing consolidated financial statements in the Annual Report and accordingly, the Company is not attaching the Balance Sheets of the subsidiary companies to its Balance Sheet.

Further, as required under the said circular, a statement of financial information of the subsidiary companies viz. India Denim Limited, Konark Infratech Private Limited and Konark Greentech Private Limited and step down subsidiary Companies viz. Konark Gujarat PV Private Limited (subsidiary company of Konark Infratech Private Limited), Konark Wind Projects Private Limited (Formerly known as Konark Rajasthan PV Private Limited) and Konark Solartech Private Limited (subsidiary Companies of Konark Greentech Private Limited) is also attached.

The Company has acquired 10,000 Equity Shares of ₹ 10/- each of Konark Greentech Private Limited from Konark Infratech Private Limited on 9<sup>th</sup> August, 2011 and accordingly it has become the wholly owned subsidiary of the Company from that date.

The Annual Accounts of the above referred subsidiary and step down subsidiary companies shall be made available to the shareholders of the Company and of the subsidiary companies on request and will also be kept open for inspection at the Registered Office of the Company and of the subsidiary companies during the office hours on all working days, during the Annual General Meeting and also on the Company's website i.e. [www.konarkgroup.co.in](http://www.konarkgroup.co.in).

#### **PUBLIC DEPOSITS:**

Your Company has neither accepted nor renewed any deposit within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules made thereunder during the year ended 31<sup>st</sup> March, 2012.

#### **AUDITORS:**

M/s. Bhuwania & Agrawal Associates, Chartered Accountants, Mumbai the Statutory Auditors of the Company holds the office upto the conclusion of the ensuing Annual General Meeting and being eligible, have offered for re-appointment.

The Company has received a letter from them to the effect that their re-appointment, if made would be in conformity with the limits prescribed under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of section 226 of the said Act. The Board recommends for their re-appointment.

#### **AUDITORS' REPORT:**

In respect to the remarks made by the Auditors in their report relating to non-provision of Gratuity, your Directors would like to state that as a policy, the Company recognizes expenditure towards Gratuity only as and when liability for payment arises.

#### **COST AUDITORS:**

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and in terms of the Companies (Cost Accounting Records) Rules, 2011 dated 3<sup>rd</sup> June, 2011 issued by Central Government and subject to the approval of the Central Government and the Company has appointed Mr. Sandeep Kumar Poddar, Practising Cost Accountant as the Cost Auditors of the Company for Audit of the cost accounting records for the financial year 2012-13.

#### **LISTING OF SECURITIES:**

The Equity Shares of the Company are listed at BSE Limited. The Company has paid the Annual listing fees for the year 2012 - 2013 to the BSE Limited and custodian fees to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

#### **CORPORATE GOVERNANCE:**

The Company has complied with the provisions of the Clause 49 of the Listing Agreement during the year under review. A detailed report on compliance of the Corporate Governance along with certificate from Auditors and Management Discussion & Analysis Report are attached to this report.

#### **PARTICULARS OF EMPLOYEES:**

As required under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975, as amended, no employees were in receipt of remuneration exceeding the limits as prescribed under that section and rules made thereunder, hence no such particulars are furnished.

## **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:**

The disclosure of particulars with respect to conservation of energy, research and development and technology absorption, adoption and innovation pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is annexed hereto and forms part of this report.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(₹ in Lacs)

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
Foreign Exchange Earning	-	6.16
Foreign Exchange Outgo	6.52	16.92

## **ACKNOWLEDGEMENTS:**

Your Directors would 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 looks 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 & on Behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 30<sup>th</sup> June, 2012**

**Prakashchand Dalmia**  
**Chairman & Managing Director**

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## ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2012.

### CONSERVATION OF ENERGY:

#### A) Energy Conservation measures taken:

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

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

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

**Total Energy consumption and Energy consumption per unit of production in Prescribed Form A is attached.**

### PARTICULARS AS PER FORM B

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

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

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

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

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

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

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

#### Expenditure on research and development:

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

#### Technology Absorption, Adoption & Innovation:

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

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

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

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

**FORM A**  
**FORM FOR DISCLOSURE OF PARTICULARS TO CONSERVATION OF ENERGY**

Particulars	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>Electricity</b>		
a. (i) Purchase (KWH) ( <b>Specialty Yarn</b> )	5242792	8213940
Total Amount ( ₹ )	21487109	25851738
Rate / Unit ( ₹ )	<b>4.10</b>	<b>3.15</b>
(ii) Purchase (KWH) ( <b>Fabric</b> )	843400	1182308
Total Amount ( ₹ )	5355815	6489234
Rate / Unit ( ₹ )	<b>6.35</b>	<b>5.49</b>
(iii) Purchase (KWH) - <b>Garments</b>	247334	225786
Total Amount ( ₹ )	1468515	1279047
Rate / Unit ( ₹ )	<b>5.94</b>	<b>5.66</b>
b. Own Generation (Through Diesel) - <b>Garments</b>		
Generation (KWH) (Generator)	111518	122052
Total Amount ( ₹ )	824120	959332
Rate / Unit ( ₹ )	<b>7.39</b>	<b>7.86</b>
c. Furnance Oil	Nil	Nil
d. Other / Internal Generation	Nil	Nil
<b>B. Fabric</b>		
Coal (used in Boiler)		
Qty. (In Metric Tons)	542.11	840.66
Total Cost (In ₹)	2634287	3669045
Average Rate (₹ Per Ton)	4859.32	4364.48
Diesel (Used In Boiler)	7602.25	Nil
Total Cost of the Diesel	381634	Nil
Average Cost (₹ Per Liter)	50.20	Nil
Gas (Used In Boiler)	1660	Nil
Total Cost of the Gas	75263	Nil
Average Cost (₹ Per Kgs.)	45.34	Nil
<b>C. CONSUMPTION PER UNIT OF PRODUCTION ( KWH )</b>		
<b>Yarn (Per Kg.)</b>	<b>3.31</b>	<b>4.52</b>
<b>Fabric (Per Mtr.)</b>	<b>0.31</b>	<b>0.38</b>
<b>Garments (Per Pcs)</b>	<b>1.02</b>	<b>1.12</b>



Information has required under General Circular No.2/2011 No. 51/12/2007-CL-III dated 8<sup>th</sup> February, 2011 issued by the Minister of Corporate Affairs (MCA) relating to Subsidiary Companies for the year ended 31<sup>st</sup> March, 2012.

(Amount in ₹)

Particulars	India Denim Ltd.	Konark Infratech Pvt. Ltd.	*Konark Greentech Pvt. Ltd.	*Konark Gujarat PV Pvt. Ltd.	**Konark Wind Projects Pvt. Ltd. (Formerly Known as Konark Rajasthan Pvt. Ltd.)	**Konark Solartech Pvt. Ltd.
Share Capital	104059000	520000	100000	20100000	100000	100000
Reserves	8748299	108040	(39340)	83663260	(37116)	(32869)
Total Assets	730737304	233176305	9701082	749398646	10093563	74919
Total Liabilities	730737304	233176305	9701082	749398646	10093563	74919
Investments (except in subsidiary companies)	-	-	-	-	-	-
Turnover & Other Receipts	541813089	10838227	-	36236971	-	-
Profit/(Loss) before Taxation	926208	(36380)	(15764)	4318392	(13540)	(9293)
Provision for Taxation	176489	-	-	765000	-	-
Profit /(Loss) after Taxation	749719	(36380)	(15764)	3553392	(13540)	(9293)
Proposed Dividend	-	-	-	-	-	-

\* Wholly owned Subsidiary of Konark Infratech Pvt. Ltd.

\*\* Wholly owned Subsidiary of Konark Greentech Pvt. Ltd.

For & on Behalf of the Board of Directors

Place: Mumbai  
Date : 30<sup>th</sup> June, 2012

Prakashchand Dalmia  
Chairman & Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Industry structure and developments:

#### TEXTILE BUSINESS:

The Indian Textile Industry is one of the leading textile industries in the world. The textiles and apparels sector is a major contributor to the Indian economy in terms of Gross Domestic Product (GDP) which has grown at 4 per cent in real terms, 14 per cent to industrial production and 17 per cent to the country's total export earnings. This sector provides employment to over 35 million people and it is expected that the textile industry will generate new jobs during the ensuing years and is second largest provider of Employment after the agriculture sector. The industry went through a challenging FY 2012, with the global meltdown ravaging economies. The collapse in consumer sentiments, weak exports, noteworthy drop in discretionary spending in textiles/apparels and down trading by the consumers put immense pressure on both the top-line and the bottom-line of textile companies. However, the Government is making continuous efforts in boosting the textile industry through various initiatives and investments are increasing steadily.

#### POWER SECTOR BUSINESS:

The power sector ranked sixth among the leading sectors of the Indian economy, attracted US\$ 4.6 billion in Foreign Direct Investment (FDI) since 2000, according to the Ministry of Commerce and Industry's Department of Industrial Policy & Promotion (DIPP). FDI in petroleum and natural gas totaled US\$ 2.7 billion for the period, ranking the sector ninth in foreign investment. The Government has initiated several policies to promote and garner investments in the power sector. To accelerate capacity addition, several policy initiatives have been undertaken by the Ministry of Power. The National Electricity Policy (NEP) in fact, stipulates power for all and annual per capita consumption of electricity to rise to 1,000 units by 2012.

### 2. Opportunities and Threats :

The textile industry & power sector in India is today one of the fastest growing business segments in the country. The Government of India has promoted a number of export promotion policies for the Textile & Power Sector in the year 2011-12. 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 upgradation 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 upgradation of textiles workers and other capacity building programmes for the industry like Knitwear Technology Mission. The Government has also initiated a number of steps for weaving and processing sector which include interest reimbursement, margin money subsidy and capital subsidy.

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

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

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

### 3. Performance:

#### Overall performance:

The overall performance during the year 2011-12 has been reasonably satisfactory. This has been possible due to:

- a) Better asset utilization.
- b) Cost reduction measures involving focus on operational efficiencies, energy savings and control over administrative costs.
- c) Better working capital management.

#### Business Review:

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

#### Financial Review:

During the year under review, Company has managed better production activity by utilizing its capacities at optimum levels. The revenue from operations has been increased by 10% in this year. This reflects increase in consumer confidence and growing market consumption along with other cost cutting major including better finance control, working capital management, etc. The Company is looking forward for growth, there has been continuous increase in sales volume due to which there has been increase in consumption of materials for productions.

The segment revenue of the company has also shown positive results in the current financial year. During the last quarter company has entered in Power Generation (Energy) sector. Despite at the nascent stage of this sector, company has shown positive results. It has received revenue of ₹ 350 Lacs approximately from power Generation sector, whereas it has incurred expenses amounting to ₹ 270 Lacs. With the current scenario, company is expecting to generate more revenue in the coming years.

### 4. Segment Wise performance:

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

### 5. Outlook:

#### TEXTILE DIVISION:

Demand (both domestic as well as international) for textiles remains healthy. The Company has started showing better profitability on that basis, we are optimistic and confident about the prospects for the coming year. The Company has a clear objective to enhance the sales volumes in the domestic and international markets.

#### POWER DIVISION:

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

## **6. Risk and Concerns:**

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

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

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

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

## **8. Human Resource Development:**

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

## **9. Cautionary Statement :**

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

## REPORT ON CORPORATE GOVERNANCE

In accordance with the Clause 49 of the Listing Agreement with the BSE Limited in India and some of the best practices followed on Corporate Governance, the report containing the details of governance system and processes at Konark Synthetic Limited is as under:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance emphasizes on maintaining the highest level of accountability and transparency in all its dealings, timely disclosures and dissemination of price sensitive information and matters of interests to its stakeholders, ensuring absolute compliance with all applicable laws and regulations and conducting business ethically. Corporate Governance is a voluntary code of self-discipline developed to ensure that the company abides by the ethical standards. The Company believes in maintaining highest standard of quality and ethical conduct.

### 2. BOARD OF DIRECTORS

#### a. Composition

The Board of Directors of the Company provides deliberate direction and driving force to the operations of the Company. The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956 except Mr. Prakashchand Dalmia and Mr. Amitabh Kejriwal, who are relatives of each other. The Company complies with the norms prescribed under Clause 49 of the Listing Agreement for constitution of Board of Directors.

#### b. Board Procedure

The agenda is prepared in consultation with the Chairman of the Board and the Chairman of the other committees. The agenda for the meetings of the board and its committees, together with the appropriate supporting documents are circulated well in advance of the meeting.

Matter discussed at Board meeting generally relate to Company's performance, operations, periodic results, Audit Committee and compliance with their recommendation, suggestion, non compliance of any regulatory, statutory or listing requirements etc.

#### c. Attendance at Board meetings and the last AGM

During the year under review, the Board of Directors met 7 (seven) times viz., 30<sup>th</sup> May, 2011, 21<sup>st</sup> June, 2011, 28<sup>th</sup> June, 2011, 8<sup>th</sup> August, 2011, 10<sup>th</sup> November, 2011, 29<sup>th</sup> December, 2011 and 13<sup>th</sup> February, 2012. As stipulated, the gap between two board meetings did not exceed 4 months.

Details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2011-12 and at the last Annual General Meeting, their directorships in other companies and membership / chairmanship in committees are as follows:

Name	Attendance at Board Meetings		Directorship in other Public Limited Companies	Membership / Chairmanship of Committees (excluding this Company)		Attendance at A.G.M. held on 26 <sup>th</sup> September 2011
	Held	Attended		Chairman	Member	
<b>Category</b>			<b>Director</b>			
<b>1. Executive Director/ Promoters</b>						
Mr. Prakashchand Dalmia (Chairman and Managing Director)	7	7	1	-	-	Yes
Mr. Amitabh Kejriwal (Whole Time Director)	7	7	1	-	-	Yes
<b>2. Non- Executive/ Independent Directors</b>						
Mr. Punit Desai (upto 21 <sup>st</sup> June, 2011)	1	1	1	-	-	-
Mr. Mahendra Bagaria (upto 27 <sup>th</sup> May, 2011)	-	-	-	-	-	-
Mr. Mahendra Agarwal	7	6	1	-	-	Yes
Mr. Satish Deshmukh (w.e.f. 30 <sup>th</sup> May, 2011)	6	6	-	-	-	Yes

None of the Directors on the Board is a member of more than 10 Committees and Chairman in more than 5 Committees, across all Companies in which they are Director.

### 3. AUDIT COMMITTEE

The Audit Committee comprises of Independent/ Non Executive Directors and Executive Director of the Company having financial background and knowledge in the business of the Company.

The Audit Committee met 4 (Four) times viz. 30<sup>th</sup> May, 2011, 8<sup>th</sup> August, 2011, 10<sup>th</sup> November, 2011 and 13<sup>th</sup> February, 2012 during the year under review. The details of meetings attended by each member during the year ended 31<sup>st</sup> March, 2012 is as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. Punit Desai (Up to 21.06.2011)	Chairman	1
Mr. Mahendra Agarwal (w.e.f. 21.06.2011)	Chairman	4
Mr. Mahendra Bagaria (Up to 27.05.2011)	Member	-
Mr. Satish Deshmukh (w.e.f. 30.05.2011)	Member	3
Mr. Prakashchand Dalmia (w.e.f. 21.06.2011)	Member	3

The gap between two audit committee meetings was not more than four months, in compliance with Listing Agreement.

Mr. A. K. Singhal, Compliance Officer of the Company acts as secretary to the Committee.

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

1. Oversight of the company's financial reporting process.
2. Reviewing, with the management, the annual and quarterly financial statements.
3. Reviewing performance of statutory and of the internal audit systems.
4. Recommending appointment and removal of the statutory auditors and fixing of their fees.
5. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
6. Reviewing the adequacy of internal audit function/systems.
7. Reviewing the related party transactions
8. Reviewing periodically financial performance of subsidiary company.
9. Reviewing the compliance disclosure requirement under listing agreement with stock exchanges.
10. Recommending appointment of the cost auditors and fixing of their fees and such other functions as required from time to time.

For Audit Committee meetings, the Statutory Auditors are invited and are generally attended by the Senior Management Executives of the Company.

### 4. REMUNERATION COMMITTEE

The Remuneration Committee recommends the remuneration payable to executive directors of the Company. The constitution of Remuneration Committee is as follows:

Name of the Member	Designation
Mr. Punit Desai (Up to 21.06.2011)	Chairman
Mr. Mahendra Agarwal (w.e.f. 21.06.2011)	Chairman
Mr. Mahendra Bagaria (Up to 27.05.2011)	Member
Mr. Satish Deshmukh (w.e.f. 30.05.2011)	Member
Mr. Prakashchand Dalmia (w.e.f. 21.06.2011)	Member

No meeting of the Remuneration Committee was held during the year under review.

Mr. A. K. Singhal, Compliance Officer of the Company acts as secretary to the Committee.

No sitting fee is paid to the non-executive directors during the financial year and they do not hold any shares in the Company.



Details of remuneration paid to Executive Directors during the year ended 31<sup>st</sup> March, 2012 is as follows:

(Amount in ₹)

Name of the Directors	Salary	Perquisites or Allowances	Contribution to PF & others	Sitting fees	Total	No. of Shares Held
Mr.Prakashchand Dalmia	900000	262490	Nil	Nil	1162490	57501
Mr. Amitabh Kejriwal	660000	74545	Nil	Nil	734545	68200

Presently the Company does not have any scheme to grant stock options either to the Whole Time Directors or employees.

## 5. INVESTORS' GRIEVANCE COMMITTEE

The Company's securities are traded in the dematerialized form on the BSE Limited. The Investors' Grievance cum Share Transfer Committee met 4 (four) times viz. 30<sup>th</sup> May, 2011, 8<sup>th</sup> August, 2011, 10<sup>th</sup> November, 2011 and 13<sup>th</sup> February, 2012 during the year under review. The composition of the Investors' Grievance Committee as on 31<sup>st</sup> March, 2012 and the number of meetings attended by each member during the year ended on that date is as follows:

Name of the member	Designation	No. of Meetings attended
Mr. Punit Desai (Up to 21.06.2011)	Chairman	1
Mr. Mahendra Agarwal (w.e.f. 21.06.2011)	Chairman	3
Mr. Prakashchand Dalmia	Member	4
Mr. Amitabh Kejriwal	Member	4

Mr. A. K. Singhal, Compliance Officer of the Company acts as secretary to the Committee.

Mr. A. K. Singhal is Compliance Officer of the Company.

### Status of Investors' Complaints

Opening	Received during the year	Resolved during the year	Pending at the end of the year
Nil	7	5	2

## 6. SUBSIDIARY COMPANIES

The Company has acquired 10,000 Equity Shares of ₹ 10/- each of Konark Greentech Private Limited from Konark Infratech Private Limited and accordingly it has become the wholly owned subsidiary Company w.e.f. 9<sup>th</sup> August, 2011.

As on 31<sup>st</sup> March, 2012, the Company had three subsidiary and three step down subsidiary companies:

a. Subsidiary companies:

1. India Denim Limited
2. Konark Infratech Private Limited
3. Konark Greentech Private Limited

b. Step down subsidiary companies:

1. Konark Gujarat PV Private Limited (subsidiary company of Konark Infratech Private Limited)
2. Konark Wind Projects Private Limited (Formerly known as Konark Rajasthan PV Private Limited) (subsidiary Companies of Konark Greentech Private Limited)
3. Konark Solartech Private Limited (subsidiary Companies of Konark Greentech Private Limited)

Except India Denim Limited, no other subsidiary Company fall under the norms prescribed in Clause 49 of the Listing Agreement for "Material non-listed Indian Subsidiaries".

## 7. GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Time	Location of the meeting
2008 - 09	30 <sup>th</sup> September, 2009	3.30 p.m.	Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400059.
2009 - 10	24 <sup>th</sup> September, 2010	3.30 p.m.	-Do-
2011 - 12	26 <sup>th</sup> September, 2011	3.30 p.m.	-Do-

### Special Resolutions

AGM held on 30<sup>th</sup> September, 2009: No special resolution was passed.

AGM held on 24<sup>th</sup> September, 2010: The following special resolutions were passed:

1. To approve the remuneration payable to Mr. Shonit Dalmia, Whole Time Director of the Company.
2. To approve the re-appointment of Mr. Amitabh Kejriwal, Whole Time Director of the Company.
3. To approve the remuneration payable to Mr. Prakashchand Dalmia, Managing Director of the Company.
4. To approve the re-appointment of Ms. Smita Kejriwal to hold place of profit as an Executive of the Company.
5. To approve the re-appointment of Ms. Shikha Dalmia to hold place of profit as an Executive of the Company.

AGM held on 26<sup>th</sup> September, 2011: The following special resolutions were passed.

1. To alters the Articles of Association of the Company.
2. To authorise Board of Directors of the Company u/s 81(1A) of the Companies Act, 1956 to crease, issue, offer and allot securities of the Company as QIPs/FCCBs/GDRs/ADRs or other permissible securities/instruments, for a value not exceeding ₹ 500 Crores.

During the year under review, no resolution was passed by means of Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

## 8. DISCLOSURES

### a. Related Party Transactions

Transactions with related parties are disclosed in the Note No. 28 B of Note on Accounts of the Financial Statements in the Annual Report (AS 18).

### b. Disclosure of Accounting treatment

In the preparation of the financial statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable, except non provision of gratuity (AS 15).

### c. Disclosure of Risk Management

The Company has initiated the risk assessment and minimization procedure.

### d. Compliance by the Company

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other Statutory Authorities.

### e. Code of Conduct

The Company has laid down code of conduct for the Directors, Senior Management and Employees of the Company. A declaration to the effect that the Directors and Senior Managerial personnel have adhered to the same, signed by the Chairman and Managing Director of the Company, forms part of this report, which along with the Auditors' Certificate on compliance of clause 49 of the Listing Agreement by the Company.

**f. Review of Directors' Responsibility Statement**

The Board in its report has confirmed that the annual accounts for the year ended 31<sup>st</sup> March, 2012 have been prepared as per applicable accounting standards (except AS 15) and policies and that sufficient care has been taken for maintaining adequate accounting records.

**g. CEO / CFO Certification**

In terms of the requirements of Clause 49(V) of the Listing Agreement, the CEO has submitted necessary certificate to the Board at its meeting held on 30<sup>th</sup> May, 2012 stating the particulars specified under the said clause.

**h. Code for Prevention of Insider Trading Practices**

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1992, the Company has laid down a comprehensive Code of Conduct for prevention of Insider Trading for the Directors, Senior Management, Officers & Other Employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company.

**i. Whistle Blower policy**

The Company has no formal Whistle Blower policy, however it takes cognizance of complaint made and suggestions given by the employees and whenever necessary, suitable corrective steps are taken for it. No employee was denied to access the audit committee for the same purpose.

**9. MEANS OF COMMUNICATIONS**

- a. The quarterly, half-yearly and annual results of the Company are forwarded to the BSE Limited, where the Company's shares are listed and published in Financial Express/Business Standard and Mumbai Lakshadeep.
- b. The audited financial results and the shareholding pattern are displayed on the Company's website at [www.konarkgroup.co.in](http://www.konarkgroup.co.in) The Company also regularly provides information to the Stock Exchange as per the requirement of Listing Agreement and updates the same on the Company's website periodically.
- c. The Management Discussion and Analysis is a part of the Annual Report and annexed separately.
- d. The Company has not made any presentations to institutional investors or to the analysts during the year under review.

**SHAREHOLDERS' INFORMATION**

**a. Next Annual General Meeting**

28<sup>th</sup> Annual General Meeting

Date : Tuesday, 25<sup>th</sup> September, 2012

Time : 3.30 p.m.

Venue : Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East),  
Mumbai - 400 059.

**b. Financial Year: 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013**

**c. Financial Calendar:**

Subject Matter	Tentative Dates of the Board Meeting
Financial results for the quarter ending 30 <sup>th</sup> June, 2012	By 14 <sup>th</sup> August, 2012
Financial results for quarter ending 30 <sup>th</sup> September, 2012	By 14 <sup>th</sup> November, 2012
Financial Reporting of quarter ending 31 <sup>st</sup> December, 2012	By 14 <sup>th</sup> February, 2013
Financial Reporting of quarter / year ending 31 <sup>st</sup> March, 2013	By 15 <sup>th</sup> May, 2013 (Un-audited Results) or By 30 <sup>th</sup> May 2013 (Audited Results).

- d. **Date of Book Closure:** Monday, the 24<sup>th</sup> day of September, 2012 to Tuesday, 25<sup>th</sup> day of September, 2012 (both days inclusive).
- e. **Listing on Stock Exchange :** BSE Limited (BSE)
- f. **Listing Fees:** The Company has paid the necessary listing fees to BSE Limited for the year 2012-13.
- g. **Custodial Fees:** The Company has paid custodial fees for the year 2012-13 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them as on 31<sup>st</sup> March, 2012.
- h. **Stock Code :** 514128  
**Scrip Id:** KONARKSY  
**ISIN:** INE517D01019
- i. **Market Price Data:** High & Low at BSE of the Equity Shares of the Company during each month for the year 2011-12 as compared to BSE SENSEX.

Month	Volume (No. of Shares)	Price of shares of the Company at BSE (₹ )		BSE Sensex (Points)	
		High	Low	High	Low
April 2011	49505	26.55	21.90	19811.14	18976.19
May 2011	108668	26.40	17.10	19253.87	17786.13
June 2011	26955	21.05	18.00	18873.39	17314.38
July 2011	80558	19.40	16.80	19131.70	18131.86
August 2011	8678	18.50	16.70	18440.07	15765.53
September 2011	11299	19.70	16.85	17211.80	15801.01
October 2011	13767	19.80	19.50	17908.13	15745.43
November 2011	16577	19.75	16.20	17702.26	15478.69
December 2011	36363	19.95	17.85	17003.71	15135.86
January 2012	4689	20.25	16.20	17258.97	15358.02
February 2012	27378	22.05	19.25	18523.78	17061.55
March 2012	12751	23.15	20.00	18040.69	16920.61

Source: www.bseindia.com

**j. Registrar and Share Transfer Agents**

Purva Sharegistry (India) Pvt. Ltd.  
 9, Shiv Shakti Industrial Estate,  
 J R Boricha Marg,  
 Lower Parel (East),  
 Mumbai 400 011  
 Tel No.: 2301 6761 and 2301 8261,  
 Fax No.: 2301 2517  
 E-Mail: busicomp@vsnl.com

**k. Share Transfer System**

The share transfer is processed by the Registrar and Share Transfer Agents, Purva Sharegistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 15 days.

The Company obtains half yearly Transfer Audit and Quarterly Secretarial Audit certificates from an independent practicing Company Secretary as required under clause 47(c) of the Listing Agreement and files the copy of the certificate with the Stock Exchange.

**I. Shareholding Pattern as on 31<sup>st</sup> March, 2012**

Sr.No	Category of Holders	No. of Shares held	% of Shares held
1.	Promoter and Promoter group	4,355,417	74.99
2.	Mutual Funds/UTI	-	-
3.	Banks / Financial Institutions / Insurance Companies (Central / State Govt. Institutions / Non Govt. Institutions)	-	-
4.	Venture Capital Funds	-	-
5.	FII's	-	-
6.	Bodies Corporate	1,15,941	2.00
7.	Individuals	12,49,236	21.51
8.	Clearing Member	-	-
9.	NRI / OCBs	8,021	0.14
10.	Trust	-	-
11.	Hindu Undivided Family	79,385	1.37
	<b>TOTAL</b>	<b>5,808,000</b>	<b>100.00</b>

**m. The distribution of Share holding as on 31<sup>st</sup> March, 2012**

Distribution of Share holding as on 31 <sup>st</sup> March, 2012					
Slab of Shares Holding		Share Holders	Percentage %	Amount in ₹	Percentage %
From	To				
1	5000	2183	90.84	3,022,660	5.20
5001	10000	114	4.74	917,290	1.58
10001	20000	39	1.62	583,180	1.00
20001	30000	23	0.96	584,430	1.01
30001	40000	6	0.25	211,720	0.36
40001	50000	3	0.12	138,850	0.24
50001	100000	11	0.46	618,430	1.06
100001 and above		24	1.00	52,003,400	89.54
<b>TOTAL</b>		<b>2403</b>	<b>100.00</b>	<b>58,080,000</b>	<b>100.00</b>

**n. Dematerialization of Equity Shares and Liquidity**

As on 31<sup>st</sup> March, 2012, 96.63% of the equity shares of the Company are held in dematerialized form.

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

Your company has not issued any ADRs, GDRs, warrants or any convertible instruments.

**p. Plant location:**

Silvassa Unit	Sarigam Unit	Bengaluru Unit
Plot No.25, Silvassa Industrial Co-op. Soc., 66 KVA Sub - Station Road, Village - Amlī, Dist. Silvassa - 396 230. (UT of Dadra & Nagar Haveli)	Plot No. 13 to 20, Opp. JBF Industries Ltd, G.I.D.C. Industrial Area, Village - Sarigam, Taluka – Umargam, Dist. - Valsad, Gujarat – 396 155.	No. 62/4,13,14,15, Begur Road, 11 <sup>th</sup> Cross, Ward No. 12, Bommanahalli, Bengaluru - 560 068.

**q. 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. Anand Singhal, Compliance Officer  
Konark Synthetic Ltd.  
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.  
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: busicompany@vsnl.com



## DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To  
The Members of  
**Konark Synthetic Limited**

I, Prakashchand Dalmia, Chairman & Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March, 2012.

**For Konark Synthetic Limited**

**Place: Mumbai**  
**Date : 30<sup>th</sup> June, 2012**

**Prakashchand Dalmia**  
**Chairman & Managing Director**

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## AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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

We have examined the records concerning Compliance of the conditions of Corporate Governance by **Konark Synthetic Limited** for the year ended 31<sup>st</sup> March, 2012 as stipulated in clause 49 of the Listing Agreement of the said company with BSE Limited.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respect, complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor Grievances received, generally no investor grievances are pending for a period exceeding one month against the company as per records maintained by the Investors Grievance Committee.

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

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

**Place: Mumbai**  
**Date : 30<sup>th</sup> June, 2012**

**(Abhishek Jain)**  
Partner  
M. NO. 509839

## AUDITORS' REPORT

### TO THE MEMBERS OF KONARK SYNTHETIC LIMITED

1. We have audited the attached Balance Sheet of **Konark Synthetic Limited** ("the Company") as at 31<sup>st</sup> March, 2012, and the related Statement Profit and Loss and Cash Flow Statement of the Company for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (CARO), and as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the attached Balance Sheet, Statement of Profit and Loss dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable except for the non provision of Gratuity as referred in note no. 26 of notes on account.
  - e) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2012 and taken on record by Board of Directors, none of the Directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as Directors in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principle generally accepted in India:
    - i. In the case of Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
    - ii. In the case of the Statement of Profit and Loss of the Profits for the year ended on that date and
    - iii. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Place: Mumbai  
Date : 30<sup>th</sup> May, 2012

**Abhishek Jain**  
Partner  
Membership No. 509839

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date to the members of **Konark Synthetic Limited** on the accounts for the year ended 31<sup>st</sup> March, 2012)

- i. In respect of the Fixed Assets,
- The company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
  - As per the information and explanations given to us, physical verification of fixed assets has been carried out by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
  - No substantial part of fixed assets has been disposed off during the year under review, which could affect the going concern status of the company.

- ii. In respect of the inventories :
- As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
  - In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - The company has maintained proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

- iii. a) In respect of loans granted, secured or unsecured, to the companies, firms or other parties, which are its subsidiaries, covered in the Register maintained under section 301 of the Companies Act, 1956, we report as per the information and explanations provided to us, that, there are three parties to whom interest free unsecured loans have been given and total amount of such loan given was ₹ 1389.81 Lacs during the year. Details of the same are provided as under:

(₹ in Lac)			
No. of Parties	Relationship with Company	Loan Given	Closing Balance
3	Subsidiaries	1389.80	1172.69

- In our opinion, other terms and conditions of loans given by the companies are prima facie not prejudicial to the interest of the company.
- In the absence of any stipulated term for repayment of principal amount we are unable to comment on whether the payment of the principal amount is regular.
- As stated above in the absence of any stipulated term for repayment of principal amount, we are unable to comment on whether there has been any overdue amount of ₹ One Lac for more than one year.
- In respect of loans taken, secured or unsecured, from the companies, firms or other parties covered in Register maintained under Section 301 of Companies Act, 1956, we report as per the information and explanations provided to us, that, there is one party from whom interest free unsecured loans has been taken, details of the which has been given below:

(₹ in Lac)			
No. of Parties	Relationship with Company	Loan Given	Closing Balance
1	Associate Concern	1068.37	2108.71

- In our opinion and according to the information and explanations given to us other terms and conditions of above loan taken is prima facie not prejudicial to the interest of the company.

- g) In absence of any stipulated term for repayment of principal amount we are unable to comment on whether the principal amount is due for repayment.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. The Company has not started its operations and therefore internal control in respect of purchase of inventory and sale of goods and services does not arise. During the course of our audit, we have not come across any continuing failure to correct major weaknesses in internal control system.
- v. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we report that the transactions that need to be entered into a register in pursuance of section 301 of the Act, have been so entered.  
b) In our opinion and according to the information and explanations give to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 and exceeding the value of five lacs rupees in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public, within the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956 and rules made there under. Therefore, the provisions of clause (vi) of paragraph 4 of the said Order are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- viii. The Central Government has prescribed maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956 in respect of textile manufacturing activity of the company. We have broadly reviewed the books of accounts and records maintained by the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. a) According to the information and explanations given to us and the records examined by us, the company has been regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Provident Fund, Sales Tax and any other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.  
b) According to the records of the Company, and information and explanations given to us there are no dues of Income tax / Sales Tax/ Wealth Tax/ Service Tax/ Custom Duty/ Excise Duty/ Cess which has not been deposited on account of disputes.
- x. There are no accumulated losses of the Company as on 31<sup>st</sup> March, 2012. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. As per the information and explanations given to us and based on our audit, the Company has not defaulted in repayment of dues to financial institution or bank.
- xii. Based on our examination of the records and the information given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause (xii) of paragraph 4 of the said Order are not applicable to the Company.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the said Order are not applicable to the Company.

- xiv. Based on our examination of the records and the information given to us, the Company has not dealt or traded in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the said Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has given corporate guarantees to the banks for loans taken by one of its subsidiary, amounting to ₹ 2706.00 Lac. In our opinion and as per the information and explanations given, terms and conditions of these corporate guarantees are not prejudicial to the interest of the Company.
- xvi. The company has not taken any term loans during the year. Therefore, the provisions of clause (xvi) of paragraph 4 of the said Order are not applicable to the Company.
- xvii. In our opinion and according to information and explanations made available to us, no short term funds have been utilized for long term purposes during the year.
- xviii. During the year, the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures. Therefore, the provisions of clause (xix) of paragraph 4 of the said Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year covered by our report. Therefore, the provisions of clause (xx) of paragraph 4 of the said Order are not applicable to the Company.
- xxi. Based on our audit procedures performed for the purpose of reporting the true and fair view of financial statements and as per the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place: Mumbai  
Date : 30<sup>th</sup> May 2012

**Abhishek Jain**  
Partner  
Membership No. 509839

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

Sr. No	PARTICULARS	NOTE NO.	AS AT 31.03.2012 Amount ( ₹ )	AS AT 31.03.2011 Amount ( ₹ )
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
a.	Share capital	2	58,080,000	58,080,000
b.	Reserves and surplus	3	228,223,847	216,391,880
c.	Money received against share warrants		-	-
2	<b>Share application money pending allotment</b>		-	-
3	<b>Non-current liabilities</b>			
a.	Long-term borrowings	4	299,452,041	285,356,757
b.	Deferred tax liabilities (Net)	5	38,434,658	35,810,092
c.	Other Long term liabilities		-	-
d.	Long-term provisions		-	-
4	<b>Current liabilities</b>			
a.	Short-term borrowings	6	166,295,985	160,801,968
b.	Trade payables	7	203,155,699	123,684,571
c.	Other current liabilities	8	77,886,288	48,906,906
d.	Short-term provisions	9	9,361,493	15,534,550
	<b>TOTAL</b>		<b>1,080,890,011</b>	<b>944,566,724</b>
II.	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
a.	<b>Fixed assets</b>			
	(i)Tangible assets	10	396,066,944	422,631,857
	(ii)Intangible assets		705,322	1,095,212
	(iii)Capital work-in-progress		696,000	1,101,138
	(iv)Intangible assets under development		-	-
b.	Non-current investments	11	85,271,100	85,151,100
c.	Deferred tax assets (Net)	5	-	-
d.	Long-term loans and advances	12	74,251,260	36,345,455
e.	Other non-current assets	13	17,966,058	19,502,811
2	<b>Current assets</b>			
a.	Current investments		-	-
b.	Inventories	14	146,207,352	153,473,146
c.	Trade receivables	15	280,204,605	196,113,247
d.	Cash and cash equivalents	16	14,431,661	14,868,161
e.	Short-term loans and advances	17	63,144,957	14,245,209
f.	Other current assets	18	1,944,751	39,388
	<b>TOTAL</b>		<b>1,080,890,011</b>	<b>944,566,724</b>

### Notes On Accounts Including Significant Accounting Policies 1-42

As per our reports of even date attached

For and on behalf of the Board

**For BHUWANIA & AGRAWAL ASSOCIATES**

Chartered Accountants  
(Firm Registration No.101483W)

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

**AMITABH KEJRIWAL**  
Whole Time Director

**ABHISHEK JAIN**

Partner  
Membership No. 509839

Place : Mumbai.

Date : 30<sup>th</sup> May, 2012

**MAHENDRA AGARWAL**

Director

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2012

Sr. No	PARTICULARS	NOTE NO.	FOR THE YEAR 2011-12 Amount ( ₹ )	FOR THE YEAR 2010-11 Amount ( ₹ )
I.	Revenue from operations	19	961,522,500	874,914,227
II.	Other income	20	2,286,221	1,673,742
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>963,808,721</b>	<b>876,587,969</b>
<b>IV.</b>	<b>Expenses:</b>			
	Cost of materials consumed	21	731,237,167	651,596,754
	Purchases of Stock-in-Trade		-	195,933
	Change in inventories of finished goods/stock in trade	22	(2,848,287)	(22,775,081)
	Employee benefits expense	23	53,338,620	49,754,507
	Finance costs	25	46,366,873	46,968,696
	Depreciation and amortization expense	10	27,588,150	27,837,876
	Other expenses	24	89,661,876	99,063,131
	<b>Total expenses</b>		<b>945,344,399</b>	<b>852,641,817</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>18,464,322</b>	<b>23,946,153</b>
<b>VI.</b>	<b>Exceptional items</b>			
	Prior Period Expenses		445,360	10,285
	Short Provision for Taxation		220,267	1,281,971
<b>VII.</b>	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>17,798,695</b>	<b>22,653,897</b>
<b>VIII.</b>	<b>Extraordinary Items</b>		-	-
<b>IX.</b>	<b>Profit before tax (VII- VIII)</b>		<b>17,798,695</b>	<b>22,653,897</b>
<b>X.</b>	<b>Tax Expenses:</b>			
	(1) Current Tax		3,342,162	4,830,733
	(2) Deferred Tax		2,624,566	766,861
<b>XI.</b>	<b>Profit / (Loss) for the period from continuing operations (IX-X)</b>		<b>11,831,967</b>	<b>17,056,303</b>
<b>XII.</b>	<b>Profit / (Loss) from discontinuing operations</b>		-	-
<b>XIII.</b>	<b>Tax Expense of discontinuing operations</b>		-	-
<b>XIV.</b>	<b>Profit / (Loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-
<b>XV.</b>	<b>Profit / (Loss) for the period (XI + XIV)</b>		<b>11,831,967</b>	<b>17,056,303</b>
<b>XVI.</b>	<b>Earnings per equity share:</b>			
	(1) Basic		2.04	2.94
	(2) Diluted		2.04	2.94
	<b>Notes On Accounts Including Significant Accounting Policies</b>	1-42		

As per our reports of even date attached

For and on behalf of the Board

**For BHUWANIA & AGRAWAL ASSOCIATES**  
Chartered Accountants  
(Firm Registration No.101483W)

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

**AMITABH KEJRIWAL**  
Whole Time Director

**ABHISHEK JAIN**  
Partner  
Membership No. 509839

**MAHENDRA AGARWAL**  
Director

Place : Mumbai.  
Date : 30<sup>th</sup> May, 2012

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

(₹ in Lac)

PARTICULARS	31 <sup>ST</sup> MARCH, 2012	31 <sup>ST</sup> MARCH, 2011
<b>Cash flow from operating activity</b>		
Net Profit before tax & Extra Ordinary Items	184.64	239.46
Adjustment for : Depreciation	275.88	278.38
Interest paid	463.67	469.69
(Profit) Loss on Sale of Fixed Assets	0.87	2.79
Interest Income (considered seperately)	(22.31)	(6.61)
<b>Operating Profit before working capital changes</b>	<b>902.75</b>	<b>983.71</b>
<b>WORKING CAPITAL CHANGES</b>		
(Increase) Decrease in Sundry Debtors	(840.91)	6.78
(Increase) Decrease in Loans & Advances	(887.74)	(305.12)
(Increase) Decrease in Inventories	72.66	(211.04)
Increase (Decrease) in Trade Payable (Incl.Work'g Cap.Fin)	1,142.18	(352.14)
<b>Cash Generated From operations</b>	<b>388.94</b>	<b>122.19</b>
Interest paid	(463.67)	(469.69)
<b>Cash Flow Before Prior Period &amp; Extra Ordinary Items</b>	<b>(74.73)</b>	<b>(347.50)</b>
Prior Period & Extra Ordinary Items	4.45	0.10
<b>Net Cash Flow From Operating Activities (I)</b>	<b>(79.18)</b>	<b>(347.60)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(7.79)	(59.33)
Interest Income	22.31	6.61
Sale of fixed assets	4.63	7.98
<b>Net Cash Outflow for Investing Activities (II)</b>	<b>19.15</b>	<b>(44.74)</b>
<b>Cash Flow After Investing Activities (III) = (I-II)</b>	<b>(60.03)</b>	<b>(392.34)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowing (Net of Repayments)	(642.50)	(465.03)
Proceed from Equity shares	0.00	0.00
Share Premium	0.00	0.00
Unsecured Loan	783.45	969.63
Investment	(1.20)	(6.48)
Dividend paid	(42.35)	(27.81)
Direct Tax Paid	(41.73)	(40.28)
<b>Net Cash Flow from financing activity (IV)</b>	<b>55.67</b>	<b>430.03</b>
<b>Cash flow after financing activity (V)=(III-IV)</b>	<b>(4.36)</b>	<b>37.69</b>
Opening Balance:		
Cash & Cash Equivalent (Opening Balance)	148.68	110.99
Cash & Cash Equivalent (Closing balance)	144.32	148.68
<b>Increase in Cash &amp; Cash Equivalent (VI)</b>	<b>(4.36)</b>	<b>37.69</b>

As per our reports of even date attached

For and on behalf of the Board

**For BHUWANIA & AGRAWAL ASSOCIATES**

Chartered Accountants  
(Firm Registration No.101483W)

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

**AMITABH KEJRIWAL**  
Whole Time Director

**ABHISHEK JAIN**

Partner  
Membership No. 509839  
Place : Mumbai.  
Date : 30<sup>th</sup> May, 2012

**MAHENDRA AGARWAL**  
Director



## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2012

### 1. SIGNIFICANT ACCOUNTING POLICIES:

#### A. GENERAL

Financial statements have been prepared under historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company.

#### B. USE OF ESTIMATE

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

#### C. FIXED ASSETS

(a) Fixed Assets are stated at cost net of recoverable taxes and includes amounts added revaluation, less accumulated depreciation and impairment loss, if any. All costs, including trial run production and financing cost till commencement of commercial production are capitalized net of cenvat.

(b) Capital Work in Progress:

Capital work in progress includes cost of assets at sites, Construction expenditure, advances made for acquisition of capital assets and interest on the funds deployed.

#### D. DEPRECIATION

i) Depreciation on the fixed assets at Mumbai Office has been provided on written down value method, Depreciation on fixed assets located at Silvassa, Sarigam and Bangalore Units has been provided on straight line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

ii) Depreciation on fixed assets addition/deletion during the year has been provided on pro-rata basis with reference to the day of addition/deletion.

#### E. IMPAIRMENT OF ASSETS

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

#### F. INVESTMENT

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

#### G. INVENTORIES

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

basis. Waste and by product are valued at net realizable value. Inventory of finished goods and waste include excise duty, wherever applicable.

## **H. TRANSACTIONS IN FOREIGN EXCHANGE**

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

Monetary Items denominated in foreign currencies at the year end are restated at year end rates.

Revenue from sale of goods is recognized when significant risk and rewards of ownership of goods have passed to the buyer.

## **I. SALES & PURCHASE**

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

## **J. BORROWING COST**

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

## **K. EXPORT INCENTIVES**

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

## **L. EMPLOYEES RETIREMENT BENEFIT**

Contribution to Provident fund and leave encashment benefits are charged to profit and loss account on actual basis. Gratuity and other retirement benefits have been recorded on cash basis.

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

Provision for Taxation has been made in the accounts under Minimum Alternate Tax (MAT) as per provision of Section 115JB of the Income Tax Act, 1961.

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

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

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

## NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)
2	<b>SHARE CAPITAL</b>		
	<b>Authorised Capital</b> 15000000 Equity Shares of ₹ 10/- each (Previous Year 15000000 Equity Shares of ₹ 10 /- each)	150,000,000	150,000,000
	<b>TOTAL</b>	150,000,000	150,000,000
	<b>Issued, Subscribed and Paid Up</b> 5808000 Equity Shares of ₹ 10/- each (Previous Year 5808000 Equity Shares of ₹ 10 /- each)	58,080,000	58,080,000
	<b>TOTAL</b>	<b>58,080,000</b>	<b>58,080,000</b>

Reconciliation of Outstanding Shares as on 31.03.2012

Particulars	Equity Shares		Preference Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	5,808,000	58,080,000	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,808,000	58,080,000	-	-
Rights, Preference and Restrictions attached to Equity Shares.				
"Equity Shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of shareholders in the General Meeting. Dividend is paid to the Equity Shareholders, whose name appears in the register of members as on AGM date.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after the distribution of all preferential amounts. Distribution will be in the proportion to the number of equity shares held by the shareholders."				

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

Name of the Shareholder	As At 31.03.2012		As At 31.03.2011	
	No. of Shares Held	%age of Shareholding	No. of Shares Held	%age of Shareholding
Rakadevi Dalmia	2,108,091	36.30%	2,108,091	36.30%
Kayo Investment And Finance Pvt. Ltd	856,850	14.75%	856,850	14.75%
Fillmore Trading & Investments Pvt. Ltd.	840,000	14.46%	840,000	14.46%
Prakashchand Dalmia (HUF)	336,600	5.80%	336,600	5.80%
<b>TOTAL</b>	<b>4,141,541</b>	<b>71.31%</b>	<b>4,141,541</b>	<b>71.31%</b>

## NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2011 Amount (₹)	Additions during the year	Deductions during the year	As At 31.03.2012 Amount (₹)
<b>3</b>	<b>RESERVES AND SURPLUS</b>				
	Capital Reserve	-	-	-	-
	Capital Redemption Reserve	4,000,000	-	-	4,000,000
	Securities Premium Account	68,357,165	-	-	68,357,165
	Capital Incentive Subsidy	2,500,000	-	-	2,500,000
	General Reserve	59,751,143	-	-	59,751,143
	Surplus in Profit & Loss Account *	81,783,572	11,831,967	-	93,615,539
	<b>TOTAL</b>	<b>216,391,880</b>	<b>11,831,967</b>	<b>-</b>	<b>228,223,847</b>

		31.03.2012	31.03.2011
	* Profit for the period	-	17,056,303
	Less: Dividend on Equity Shares	-	-
	Less: Dividend Distribution Tax	-	723,477
	Less: Transfer to General Reserve	-	5,000,000
	<b>TOTAL</b>	<b>11,831,967</b>	<b>6,976,826</b>

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)
<b>4</b>	<b>NON-CURRENT LIABILITIES</b>		
	<b>LONG TERM BORROWINGS</b>		
	<b>Secured</b>		
A.	<b>Term Loans</b>		
	-From Banks		
	Indian Bank	51,303,590	110,564,156
	Corporation Bank	-	2,803,854
	- Vehicle Loans (Against Motor Cars)	4,979,950	7,165,037
	<b>TOTAL - I</b>	<b>56,283,541</b>	<b>120,533,047</b>
	<b>Unsecured</b>		
B.	<b>Loans &amp; Advances from Related Parties</b>		
	Inter Corporate Loans	243,168,500	164,823,710
	<b>TOTAL - II</b>	<b>243,168,500</b>	<b>164,823,710</b>
	<b>TOTAL I + II</b>	<b>299,452,041</b>	<b>285,356,757</b>
	<b>"Secured Loans:</b>		
	<b>Term Loans:</b>		
	a) Term Loans from INDIAN BANK and CORPORATION BANK are Secured against		
	i) Mortgage of entire fixed and moveable properties including land & Building of the company.		
	ii) Hypothecation of entire Plant & Machinery, Machinery spares, tools and accessories, Electrical Installation and Furniture & Fixtures of the company and		
	iii) Floating charge on all the other Assets of the company.		
	b) All loans are personally guaranteed by the Managing Director and two other Directors.		

## NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)
	<p>c) The Term Loan is payable in quarterly instalments and the same should be paid in total five years."</p> <p><b>Vehicle Loans:</b> The Loans against the cars are hypothecation of the specific car against which it was sanctioned.</p> <p><b>"Unsecured Loans:</b> Above loan is not gauranted by any director of the company and is payable after 31.03.2013"</p>		
5	<b>DEFERRED TAX LIABILITY</b>		
	Deferred Tax Liabilities	49,428,480	40,742,621
	Deferred Tax Assets	10,993,822	4,932,529
	Deferred Tax Liabilities (NET)	38,434,658	35,810,092
6	<b>CURRENT LIABILITIES</b>		
	<b>SHORT TERM BORROWINGS</b>		
	<b>A. Secured</b>		
	<b>Loans repayable on demand</b>		
	-From Bank		
	Indian Bank	93,386,174	79,021,989
	Corporation Bank	72,909,810	41,779,979
	-From Others	-	-
	<b>B. Unsecured</b>		
	-From Bank		
	IDBI Bank Limited	-	40,000,000
	<b>TOTAL</b>	<b>166,295,985</b>	<b>160,801,968</b>
7	<p>a) All working capital loans are secured by Hypothecation on Stock of Raw Materials, Semi-finished, Finished Goods, Stores &amp; Spare, Packing Materials, Consumables &amp; Book Debts and second charge on Land &amp; Building and Plant &amp; Machinery of the Company.</p> <p>b) All loans are personally guaranteed by the Managing Director and two other Director.</p>		
	<b>TRADE PAYABLES</b>		
	i) Acceptance	81,090,212	54,665,970
	ii) Sundry Creditors		
	For Trade Goods & Expenses	107,779,782	65,038,444
	For Capital Goods	-	673,840
	For Others	14,285,706	3,306,317
	<b>TOTAL</b>	<b>203,155,699</b>	<b>123,684,571</b>

## NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)
<b>8</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Current Maturities of Long-term debts	<b>61,672,876</b>	40,861,000
	Unpaid/Unclaimed dividends	<b>440,523</b>	319,349
	Advance Received against Sale of Land	<b>7,600,000</b>	-
	Other Payables		
	a) Taxes & duty	<b>316,893</b>	395,659
	b) Payable-ESIC, PF & Prof. Tax etc.	<b>182,323</b>	172,054
	c) Payable-Employee	<b>7,673,673</b>	7,158,844
	<b>TOTAL</b>	<b>77,886,288</b>	<b>48,906,906</b>
<b>9</b>	<b>SHORT TERM PROVISIONS</b>		
	Dividend on Equity Shares (incl'd DDT)	-	5,079,477
	Income Tax / Wealth Tax	<b>3,342,162</b>	4,830,733
	Others (Expenses Payable)	<b>6,019,331</b>	5,624,340
	<b>TOTAL</b>	<b>9,361,493</b>	<b>15,534,550</b>

**NOTES ON ACCOUNTS**  
**NOTE NO. 10 FIXED ASSETS**

(Amount in ₹)

DESCRIPTION	GROSS BLOCK		DEPRECIATION		NET BLOCK				
	As at 01.04.2011 ₹	Additions/ Adjustments ₹	Deductions/ Adjustments ₹	As at 31.03.2012 ₹	For the year ₹	Up to 31.03.2012 ₹	Up to 01.04.2011 ₹	As at 31.03.2012 ₹	As at 31.03.2011 ₹
<b>Tangible :</b>									
<b>LAND</b>									
Leasehold Land	6,180,340	-	-	6,180,340	62,421	367,173	304,752	5,813,167	5,875,588
Freehold Land	1,069,088	-	-	1,069,088	-	-	-	1,069,088	1,069,088
<b>BUILDING</b>									
Factory Buildings	75,232,496	324,079	-	75,556,575	2,519,645	17,080,415	14,560,770	58,476,160	60,671,726
Plant & Machineries	483,968,408	742,359	-	484,710,767	22,260,637	168,671,026	146,410,389	316,039,741	337,558,019
Furniture & Fixtures	7,559,110	8,780	1,245,777	6,322,113	287,210	3,856,147	4,577,663	2,465,966	2,981,447
Office Equipments	2,003,693	75,486	-	2,079,179	118,565	1,234,653	1,116,088	844,526	887,605
Vehicles	20,009,175	-	706,184	19,302,991	1,755,479	8,132,763	6,770,064	11,170,228	13,239,111
Computers	2,518,345	11,150	-	2,529,495	172,353	2,341,427	2,169,074	189,068	349,271
<b>Intangible:</b>									
Software*	2,110,376	21,950	-	2,132,326	411,840	1,427,004	1,015,164	705,322	1,095,212
<b>Total</b>	<b>600,651,031</b>	<b>1,183,804</b>	<b>1,951,961</b>	<b>599,882,874</b>	<b>27,588,150</b>	<b>203,110,608</b>	<b>176,923,964</b>	<b>396,772,266</b>	<b>423,727,067</b>
<b>Previous Year</b>	597,485,106	5,527,613	2,361,688	600,651,031	27,837,876	176,923,961	150,371,049	423,727,070	447,114,057
<b>Capital Work in progress</b>								<b>696,000</b>	<b>1,101,138</b>

\*other than internally generate

Particulars		(Amount in ₹)	
		As At 31 March, 2012 Amount (₹)	As At 31 March, 2011 Amount (₹)
<b>A</b>	<b>Trade Investments (Refer A below)</b>		
	(a) Investment in equity instruments	85,268,000	85,148,000
	(b) Other non-current investments (specify nature)	-	-
	<b>Total (A)</b>	<b>85,268,000</b>	<b>85,148,000</b>
<b>B</b>	<b>Other Investments (Refer B below)</b>		
	(a) Investment in equity instruments	207,100	207,100
	(b) Other non-current investments (specify nature)	-	-
	<b>Total (B)</b>	<b>207,100</b>	<b>207,100</b>
	<b>Grand Total (A + B)</b>	<b>85,475,100</b>	<b>85,355,100</b>
	Less : Provision for diminution in the value of investments	204,000	204,000
	<b>Total</b>	<b>85,271,100</b>	<b>85,151,100</b>
		<b>2012</b>	<b>2011</b>
	<b>Particulars</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>
	Aggregate amount of quoted investments (Market value of NIL (Previous Year NIL) (Company has made the Provision in the Diminution value of Such Investments)	204,000	204,000
	Aggregate amount of unquoted investments.	85,271,100	85,151,100

A. Details of Trade Investments	Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JVI / Controlled Entity / Others	Face Value ₹ unless other wise stated	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount in ₹		Whether stated at Cost Yes/No	If Answer to Column (9) is 'No' - Basis of valuation
					2012	2011			2012	2011	2012	2011		
	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	(a)	<b>Investment in Equity Instruments</b>												
		India Denim Limited	Subsidiary	10	6461000	6461000	unquoted	Fully	62.09	62.09	63,288,000	63,288,000	Yes	-
		Share Application in India Denim Limited	Subsidiary	10	2160000	2160000	-	-	-	-	21,600,000	21,600,000	Yes	-
		Konark Infotech Private Limited	Subsidiary	10	28000	26000	unquoted	Fully	53.85	52.00	280,000	260,000	Yes	-
		Konark Greentech Private Limited	Subsidiary	10	10000	0	unquoted	Fully	100	0.00	100,000	-	Yes	-
		<b>Total</b>									<b>85,268,000</b>	<b>85,148,000</b>		
<b>B. Details of Other Investments</b>														
(a)	<b>Investment in Equity</b>													
	Silvassa Co-op. Society Limited	Others	100	10	10	10	unquoted	Fully	N.A	N.A	1,100	1,100	Yes	
	The City Co-op. Bank Ltd.	Others	25	40	40	40	unquoted	Fully	N.A	N.A	2,000	2,000	Yes	
	Sun Earth Ceramics limited	Others	10	6800	6800	6800	Quoted	Fully	N.A	N.A	204,000	204,000	Yes	
	<b>Total</b>										<b>207,100</b>	<b>207,100</b>		



## NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)	
12	<b>NON-CURRENT ASSETS</b>			
	<b>LONG TERM LOAN AND ADVANCES</b>			
	Loans to Subsidiaries	65,225,000	25,252,621	
	Capital Advances	-	-	
	Employee Loans & Advances	-	-	
	Others	9,026,260	11,092,834	
	<b>TOTAL</b>	<b>74,251,260</b>	<b>36,345,455</b>	
13	<b>OTHER NON-CURRENT ASSETS</b>			
	Security Deposits	17,931,850	19,483,566	
	Prepaid Expenses	34,208	19,245	
	Other Long Term Receivables	-	-	
	<b>TOTAL</b>	<b>17,966,058</b>	<b>19,502,811</b>	
14	<b>CURRENT ASSETS</b>			
	<b>INVENTORIES</b>			
	-Raw Materials	13,729,923	21,565,621	
	-Goods in Transit	-	1,986,036	
	-Process Stock	85,588,759	82,549,214	
	-Finished Goods	38,316,863	38,508,120	
	-Stores, Spares	8,571,807	8,864,155	
	<b>TOTAL</b>	<b>146,207,352</b>	<b>153,473,146</b>	
		<b>Secured</b>		
		-Over 6 months - Good	-	-
	-Others - Good	-	-	
15	<b>TRADE RECEIVABLE</b>			
	<b>Unsecured</b>			
	-Over 6 months -Good	83,083,221	45,946,176	
	-Doubtful	-	-	
	-Other Debts - Good	197,121,384	150,167,071	
		<b>280,204,605</b>	<b>196,113,247</b>	
	Less: Provision for Doubtful debts	-	-	
	<b>TOTAL</b>	<b>280,204,605</b>	<b>196,113,247</b>	
16	<b>CASH &amp; CASH EQUIVALENTS</b>			
	-Cash in Hand (incl'd Imprest)	717,011	2,082,896	
	-On Current Accounts	866,948	3,041,906	
	-On Dividend Accounts	440,523	319,349	
	-On Deposit Accounts (More than 12 Months)	3,261,115	1,656,000	
	-On Margin Money	9,146,064	7,768,010	
	<b>TOTAL</b>	<b>14,431,661</b>	<b>14,868,161</b>	

## NOTES TO ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)
<b>17</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	-To Related Parties (Subsidiaries)	52,535,764	294,470
	-To Employees	925,241	854,086
	-Advance Payment of Income Tax/ Wealth Tax (incl. TDS)	1,383,770	2,984,297
	-Excise Refund Receivable	2,682,764	2,538,997
	-VAT Receivable	3,839,947	2,856,014
	-Interest Subsidy Receivable	1,777,471	4,717,345
	<b>TOTAL</b>	<b>63,144,957</b>	<b>14,245,209</b>
<b>18</b>	<b>OTHER CURRENT ASSETS</b>		
	-Others		
	Doubtful	1,084,180	1,084,180
	Other Considered Good	1,944,751	39,388
		3,028,931	1,123,568
	Less Provision for Doubtful Advances	1,084,180	1,084,180
	<b>TOTAL</b>	<b>1,944,751</b>	<b>39,388</b>

Note No.	Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
		Amount (₹)	Amount (₹)
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>		
	<b>Sales</b>		
	Domestic Sales(Incl. Operational Income)	921,690,887	834,773,196
	Export Sales	-	616,010
	Job Work Charges	38,816,927	38,796,037
	Weaving & Processing Charges	1,014,686	728,984
	<b>TOTAL</b>	<b>961,522,500</b>	<b>874,914,227</b>
<b>20</b>	<b>OTHER INCOME</b>		
	Interest Income on FDR	1,012,434	660,761
	Interest Income (T.D.S. ₹ 234556/- P.Y. ₹ 86275/-)	1,218,940	-
	Late Payment charges	28,169	71,953
	Insurance Claim Received	-	826,386
	DEPB Incentive / Drawback Incentive	-	34,573
	Foreign Exchange Fluctuation	9,082	21,621
	Miscellaneous Income & Others	17,596	58,448
	<b>TOTAL</b>	<b>2,286,221</b>	<b>1,673,742</b>
<b>21</b>	<b>COST OF MATERIALS CONSUMED</b>		
	Raw Material Consumed		
	Opening Stock	21,565,621	23,337,046
	Add : Purchases	723,401,469	649,825,329
		744,967,090	673,162,375
	Less: Closing Stock	13,729,923	21,565,621
	<b>TOTAL</b>	<b>731,237,167</b>	<b>651,596,754</b>

## NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
		Amount (₹)	Amount (₹)
<b>22</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
	Closing Stock - Process	85,588,759	82,549,214
	Closing Stock - Finished	38,316,863	38,508,120
	<b>TOTAL - A</b>	<b>123,905,622</b>	<b>121,057,335</b>
	Opening Stock - Process	82,549,214	65,460,717
	Opening Stock - Finished	38,508,121	32,821,537
	<b>TOTAL - B</b>	<b>121,057,335</b>	<b>98,282,254</b>
	(Increase) / Decrease in Stocks		
	<b>TOTAL - (B - A)</b>	<b>(2,848,287)</b>	<b>(22,775,081)</b>
<b>23</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries, Wages & Bonus	49,515,844	44,242,358
	Gratuity & Other Allowances	389,201	2,168,618
	Contribution to Funds	2,718,610	2,653,090
	Staff Welfare Expenses	714,965	690,441
	<b>TOTAL</b>	<b>53,338,620</b>	<b>49,754,507</b>
<b>24</b>	<b>OTHER EXPENSES</b>		
	<b>A. Manufacturing Expenses</b>		
	Power & Fuel	32,226,743	38,513,239
	Stores, Spares & Packing Material Consumed	16,500,169	19,812,187
	Colour, Chemical, Oil & Lubricant Consumed	3,147,260	4,599,106
	Repairs to Building	34,305	226,075
	Repairs to Plant & Machinery	1,972,295	2,569,033
	Repair & Maintenance - Other (At Plants)	133,157	530,057
	Security Charges	1,123,768	1,026,058
	Labour Charges	8,530,934	10,406,668
	Job work Charges	2,571,855	2,495,492
	Freight, Octroi & Cartage	1,887,685	1,039,425
	Other Manufacturing Expenses	885,522	1,050,278
	<b>TOTAL - A</b>	<b>69,013,693</b>	<b>82,267,618</b>

## NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	For the year ended 31.03.2012		For the year ended 31.03.2011	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
	<b>B. Administrative &amp; General Expenses</b>				
	Conveyance Expenses		523,079		540,488
	Director's Remuneration & Perquisites		1,762,035		2,442,047
	Donation		8,200		130,501
	Electricity		350,882		377,611
	Filing Fees		5,750		7,650
	Insurance		663,181		614,118
	Loss on Sale of Fixed Assets		87,342		278,647
	Miscellaneous Expenses/General Expenses		4,912,845		4,659,735
	Professional Fees/ Legal Expenses		1,790,927		644,829
	Rent,Rates,Fees & Taxes		4,051,987		3,024,704
	Repairs & Maintenance (Others)		163,133		343,487
	Auditors Remuneration:				
	- For Statutory Audit	224,720		187,510	
	- For Tax Audit	56,180		55,150	
	- For Certification	49,635		49,635	
	- Others	-		-	
	<b>TOTAL - B</b>		<b>14,649,896</b>		<b>13,356,112</b>
	<b>C. Selling &amp; Distribution Expenses</b>				
	Marketing Expenses & Brokerage		3,447,978		1,877,604
	<b>Outward Freight &amp; Octroi</b>				
	Export Freight	-	-	44,870	
	Other Freight	832716	832,716	591,192	636,062
	Sales Promotion Expenses		549,213		478,251
	Sample & Development Expenses		1,168,380		447,484
	<b>TOTAL - C</b>		<b>5,998,287</b>		<b>3,439,401</b>
	<b>TOTAL (A+B+C)</b>		<b>89,661,876</b>		<b>99,063,131</b>
25	<b>FINANCE COST</b>				
	Interest on Term Loan		17,967,916		19,488,563
	Interest on Working Capital(Net)		22,234,170		22,275,735
	Interest to Other		518,892		762,545
	Bank Charges		5,079,525		3,763,172
	Car Finance Charges		566,370		678,681
	<b>TOTAL</b>		<b>46,366,873</b>		<b>46,968,696</b>

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2012

26. No provision for gratuity has been made during the year as the Company has not gone for actuarial valuation as prescribed by AS 15 "Employee Benefits". It is accounted on as and when it is paid. Since the amount is unascertainable, the impact of the same on Profit and Loss statement cannot be stated.
27. The Company is operating in single segment i.e. Textiles and thus there is no reportable segments as per Accounting Standard 17 "Segment Reporting". There is no reportable geographical segment either.
28. As per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the disclosure of Related Parties and transactions with them thereof are given below:

### A. Related Parties

#### i) Subsidiaries and Fellow Subsidiaries:

India Denim Limited - Subsidiary  
 Konark Greentech Private Limited - Subsidiary  
 Konark Solartech Private Limited - Fellow Subsidiary  
 Konark Wind Projects Private Limited - Fellow Subsidiary  
 Konark Infratech Private Limited - Subsidiary  
 Konark Gujarat PV Private Limited - Fellow Subsidiary

#### ii) Individual having significant influence:

Smt. Raka Devi Dalmia - Shareholder

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

Mr. Prakashchand Dalmia - Chairman & Managing Director  
 Mr. Amitabh Kejriwal - Whole Time Director  
 Ms. Shikha Dalmia - Relative of Director  
 Ms. Smita Kejriwal - Relative of Director

#### 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:

(₹ In Lac)

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	-	18.97	-	18.97
Salary	-	-	4.08	-	4.08
Rent Expenses	-	1.80	-	1.08	2.88
Loan Taken	-	-	-	1068.37	1068.37
Loan Given	1389.81	-	-	-	1389.81

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

(₹ In Lac)

	2011-12	2010-11
<b>Managerial Remuneration</b>		
Prakashchand Dalmia	11.62	13.37
Amitabh Kejriwal	7.35	7.65
Shonit Dalmia	0.00	6.00
<b>Salary Paid</b>		
Sikha Dalmia	2.16	2.16
Smita Kejriwal	1.92	1.92
<b>Rent Paid</b>		
Konark Silk Mills	1.08	1.08
Raka Devi Dalmia	1.80	1.80
<b>Loans Taken</b>		
Konark Realtech Pvt. Ltd.	1068.37	3702.16
Shonit Dalmia	0.00	1.30
<b>Loans Given</b>		
India Denim Limited	572.75	252.00
Konark Infratech Pvt. Ltd	721.62	702.37
Konark Greentech Pvt. Ltd.	95.44	0.00

**D. Balances with the Related Parties as at 31<sup>st</sup> March, 2012**

(₹ in Lac)

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	-	1.05	-	1.05
Salary	-	-	0.34	-	0.34
Rent Expenses	-	1.80	-	1.08	2.88
Loan Taken	-	-	-	2108.71	2108.71
Loan Given	1172.69	-	-	-	1172.69

**29. Earning Per Share (EPS) (Basic and Diluted):**

Particulars	2011-12	2010-11
Net Profit / (Loss) after Current and Deferred Tax (In ₹ Lac)	118.32	170.56
Number of Equity Shares	5808000	5808000
Basic Earning Per Share	2.04	2.94
Diluted Earnings Per Share	2.04	2.94

### 30. Breakup of Net Deferred Tax Liability:

(₹ in Lac)

Particulars	2011-12	2010-11
<b>A. Deferred Tax Liability (DTL)</b>		
Due to depreciation difference	36.38	56.99
<b>Total DTL</b>	<b>36.38</b>	<b>56.99</b>
<b>B. Deferred Tax Assets (DTA)</b>		
Credit under u/s 43B & 40(a)	1.47	5.08
Mat credit available for the year	8.67	25.09
Difference due to rate of Income Tax	-	19.16
<b>Total DTA</b>	<b>10.13</b>	<b>49.33</b>
<b>Net Deferred Tax Liability</b>	<b>26.25</b>	<b>7.67</b>

### 31. Contingent Liability/ Capital Commitments

The Bankers of the Company have given Guarantees to various Government Authorities amounting to ₹ 58.49 Lac (P.Y. ₹ 58.49 Lac) for which the Company has given counter guarantee and margin money to the bankers amounting to ₹ 13.66 Lac (P.Y. ₹ 15.74 Lac).

The Company has given a Counter Guarantee of ₹ 2706.00 Lac (P.Y. ₹ 2506.00) to the bankers of its subsidiary; India Denim Limited against the subsidiary's sanctioned Term Loan and Working Capital Facilities. The Company does not expect any outflow of resources in respect of the above.

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

32. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the Balance Sheet realizable in the ordinary course of business. Sundry Debtors, Creditors & Advances are subject to reconciliation with parties.
33. The Company is eligible for 30% deduction under Sections 80IB of the Income Tax Act, 1961 (Tax Holidays benefit) on the profit earned by the Company from Unit No. IV.
34. Income Tax Assessment of the company has been completed up to the Financial Year ended on 31st March, 2010.
35. **Additional information as per Revised Schedule VI:**

#### Raw Material Consumed:

(₹ in Lac)

Particulars	Consumption
Yarn	1776.04 (2213.68)
Fabric	5536.33 (4302.29)
<b>Total</b>	<b>7312.37</b> <b>(6515.97)</b>

#### Raw Material Purchased

(₹ in Lac)

Particulars	Purchases
Yarn	1760.93 (2147.46)
Fabric	5473.08 (4350.79)
<b>Total</b>	<b>7234.01</b> <b>(6498.25)</b>

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

(₹ in Lac)

Particulars	Sales Value	Closing Inventory	Opening Inventory
<b>Manufactured Goods</b>			
Yarn	2657.25 (2588.25)	169.30	231.80
Fabric	6559.66 (5755.69)	195.55	134.85
Garments	NIL (7.84)	18.32	18.44
Others	398.32 (395.25)	NIL	NIL
<b>Total</b>	<b>9615.23</b> <b>(8747.03)</b>	<b>383.17</b>	<b>385.08</b>
<b>Traded Goods</b>			
Fabric	NIL (2.12)	NIL	NIL
<b>Total</b>	<b>NIL</b> <b>(2.12)</b>	<b>NIL</b>	<b>NIL</b>

## Work in Process

(₹ in Lac)

Particulars	2011-12	2010-11
<b>Work in Process</b>		
Yarn	<b>611.18</b>	680.16
Fabric	<b>162.63</b>	81.75
Readymade Garments	<b>82.08</b>	63.58
<b>Total</b>	<b>855.89</b>	<b>825.49</b>

## 36. Auditors Remuneration:

(₹ in Lac)

Particulars	2011-12	2010-11
Audit Fees	<b>2.25</b>	1.86
Tax Audit	<b>0.57</b>	0.56
For Others	<b>0.50</b>	0.50
<b>Total</b>	<b>3.31</b>	<b>2.92</b>

## 37. Earnings In Foreign Exchange

(₹ in Lac)

Particulars	2011-12	2010-11
FOB Value of Exports	-	6.16

## 38. CIF Value of Imports:

(₹ in Lac)

Particulars	2011-12	2010-11
Stores & Spares	<b>6.52</b>	15.03



**39. Expenditure in Foreign Currency:** (₹ in Lac)

Particulars	2011-12	2010-11
Travelling Expenses	-	1.88

**40. Disclosure as per Micro, Small, and Medium Enterprises Development Act, 2006**

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

**41. Disclosure as per the Clause 32 of the Listing Agreement:**

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

(₹ in Lac)

Name of the Company	Amount Outstanding 31 <sup>st</sup> March, 2012	Maximum Outstanding during the Year
India Denim Limited	652.25 (147.50)	652.25 (197.50)
Konark Infratech Pvt. Ltd.	425.00 (105.03)	425.00 (472.52)
Konark Greentech Pvt. Ltd.	95.44 (NIL)	95.44 (NIL)

**42.** The Financial Statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with those of the Current Year.

As per our reports of even date attached  
**For BHUWANIA & AGRAWAL ASSOCIATES**  
 Chartered Accountants

For and on behalf of the Board  
**PRAKASHCHAND DALMIA**      **AMITABH KEJRIWAL**  
 Chairman & Managing Director      Whole Time Director

**ABHISHEK JAIN**  
 Partner  
 Membership No. 509839  
 Place : Mumbai.  
 Date : 30<sup>th</sup> May, 2012

**MAHENDRA AGARWAL**  
 Director

## **CONSOLIDATED FINANCIAL STATEMENTS**

## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### TO THE BOARD OF DIRECTORS OF KONARK SYNTHETIC LIMITED

1. We have audited the attached Consolidated Balance Sheet of **KONARK SYNTHETIC LIMITED** (“the Company”) and its subsidiaries (collectively referred as “ the Konark Group”) as at 31<sup>st</sup> March, 2012, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries namely India Denim Limited, and Konark Infratech Private Ltd. whose financial statements reflect total assets (net) of ₹ 14812.57 Lac, total revenue of ₹ 5825.24 Lac and net cash inflow amounting to ₹ 749.89 Lac for the year ended on that date. These financial statements and the other financial information have been audited by other auditors whose audit reports have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with requirements of Accounting Standards (AS) 21 “Consolidated Financial Statements” notified by the Central Government under Sec 211(3C) vide Companies (Accounting Standard) Rules 2006 except for the non provision of Gratuity as referred to in note no. 27 of notes on account.
5. Based on our audit and on consideration of separate audit reports of other auditors on the aforesaid subsidiaries and the other financial information of the components, and to the best of our information and according to the explanation given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, except as what is referred in para above:
  - (i) in case of Consolidated Balance Sheet, of the state of affairs of the Konark Group as at 31<sup>st</sup> March, 2012;
  - (ii) in the case of Consolidated Statement of Profit & Loss, of the Profit of the Konark Group for the year ended on that date ; and
  - (iii) in the case of the Consolidated Cash Flow statement, of the cash flows of the Konark Group for the year ended on that date.

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

Place: Mumbai  
Date: 30<sup>th</sup> May, 2012

**Abhishek Jain**  
Partner  
Membership No. 509839

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

Sr. No.	PARTICULARS	NOTE NO.	AS AT 31.03.2012 Amount ( ₹ )	AS AT 31.03.2011 Amount ( ₹ )
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
a.	Share capital	2	<b>58,080,000</b>	58,080,000
b.	Reserves and surplus	3	<b>236,939,471</b>	222,763,495
c.	Money received against share warrants			
<b>2</b>	<b>Share application money pending allotment</b>		<b>20,000,000</b>	20,000,000
	<b>Minority Interest</b>			
	India Denim Limited		<b>42,765,613</b>	42,481,393
	Konark Infratech Private Limited		<b>1,940,037</b>	317,008
<b>3</b>	<b>Non-current liabilities</b>			
a.	Long-term borrowings	4	<b>983,753,443</b>	529,298,489
b.	Deferred tax liabilities (Net)	5	<b>38,434,658</b>	35,810,092
c.	Other Long term liabilities		-	-
d.	Long-term provisions		-	-
<b>4</b>	<b>Current liabilities</b>			
a.	Short-term borrowings	6	<b>318,488,027</b>	315,320,906
b.	Trade payables	7	<b>503,576,220</b>	292,112,393
c.	Other current liabilities	8	<b>149,803,860</b>	87,393,897
d.	Short-term provisions	9	<b>15,619,893</b>	13,081,613
	<b>TOTAL</b>		<b><u>2,369,401,222</u></b>	<b><u>1,616,659,286</u></b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
a.	<b>Fixed assets</b>	10		
	(i) Tangible assets		<b>1,388,505,709</b>	814,550,780
	(ii) Intangible assets		<b>705,322</b>	1,095,212
	(iii) Capital work-in-progress		<b>3,662,361</b>	5,301,049
	(iv) Intangible assets under development		-	-
b.	Non-current investments	11	<b>3,100</b>	3,100
c.	Deferred tax assets (Net)	5	-	-
d.	Long-term loans and advances	12	<b>11,713,327</b>	11,092,834
e.	Other non-current assets	13	<b>17,966,058</b>	46,206,369
<b>2</b>	<b>Current assets</b>			
a.	Current investments		-	-
b.	Inventories	14	<b>318,051,802</b>	341,203,901
c.	Trade receivables	15	<b>469,624,663</b>	327,603,315
d.	Cash and cash equivalents	16	<b>100,329,078</b>	28,234,752
e.	Short-term loans and advances	17	<b>38,172,362</b>	15,018,994
f.	Other current assets	18	<b>20,667,440</b>	26,348,980
	<b>TOTAL</b>		<b><u>2,369,401,222</u></b>	<b><u>1,616,659,286</u></b>

**Notes on accounts including Significant Accounting Policies** 1-34

As per our reports of even date attached

**For BHUWANIA & AGRAWAL ASSOCIATES**

Chartered Accountants  
(Firm Registration No.101483W)

**ABHISHEK JAIN**

Partner  
Membership No. 509839

Place : Mumbai.

Date : 30<sup>th</sup> May, 2012

For and on behalf of the Board

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

**AMITABH KEJRIWAL**  
Whole Time Director

**MAHENDRA AGARWAL**  
Director

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2012

Sr. No	PARTICULARS	NOTE NO.	FOR THE YEAR 2011-12 Amount ( ₹ )	FOR THE YEAR 2010-11 Amount ( ₹ )
I.	Revenue from operations	19	1,536,138,735	1,410,021,924
II.	Other income	20	9,177,177	4,818,136
III.	<b>Total Revenue (I + II)</b>		<b>1,545,315,912</b>	<b>1,414,840,060</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	21	1,029,429,701	1,070,113,856
	Purchases of Stock-in-Trade	22	125,671,730	195,933
	Change in inventories of finished goods/stock in trade	23	(19,833,957)	(81,397,908)
	Employee benefits expense	24	68,427,878	70,536,684
	Finance costs	26	121,233,584	89,578,389
	Depreciation and amortization expense	10	66,245,826	55,776,403
	Other expenses	25	130,507,655	170,505,381
	<b>Total expenses</b>		<b>1,521,682,417</b>	<b>1,375,308,738</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>23,633,495</b>	<b>39,531,322</b>
VI.	<b>Exceptional items</b>		-	-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>23,633,495</b>	<b>39,531,322</b>
	Prior Period Items		445,360	1,281,971
VIII.	Short Provision for Taxation		220,267	10,285
IX.	<b>Profit before tax (VII- VIII)</b>		<b>22,967,868</b>	<b>38,239,066</b>
X.	Tax expense:			
	(1) Current tax		4,283,651	8,002,136
	(2) Deferred tax Liabilities(Assets)		2,624,566	(584,105)
XI.	<b>Profit / (Loss) for the period from continuing operations (IX-X)</b>		<b>16,059,651</b>	<b>30,821,035</b>
XII.	Less Minority Interest			
	i. India Denim Limited		284,220	5,134,064
	ii. Konark Infratech Private Limited		1,623,029	77,008
	Less Preacquisition Loss adjusted in Capital Reserve		-	352,152
	Profit / (Loss) for the period after Minority Interest (XI-XII)		14,152,402	25,257,812
XIII.	Profit/(loss) from discontinuing operations		-	-
XIV.	Tax expense of discontinuing operations		-	-
XV.	<b>Profit/(loss) from Discontinuing operations (after tax) (XIII-XIV)</b>		<b>-</b>	<b>-</b>
XVI.	<b>Profit / (Loss) for the period (XII + XV)</b>		<b>14,152,402</b>	<b>25,257,812</b>
XVII.	Earnings per equity share:			
	(1) Basic		2.44	4.35
	(2) Diluted		2.44	4.35
	<b>Notes on accounts including Significant Accounting Policies</b>	1-34		

As per our reports of even date attached

For and on behalf of the Board

**For BHUWANIA & AGRAWAL ASSOCIATES**  
Chartered Accountants  
(Firm Registration No.101483W)

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

**AMITABH KEJRIWAL**  
Whole Time Director

**ABHISHEK JAIN**  
Partner  
Membership No. 509839

**MAHENDRA AGARWAL**  
Director

Place : Mumbai.  
Date : 30<sup>th</sup> May, 2012

## CONSOLIDATED CASH FLOW STATEMENT OF FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (₹ in Lac)

PARTICULARS	31 <sup>ST</sup> MARCH, 2012 Amount ( ₹ )	31 <sup>ST</sup> MARCH, 2011 Amount ( ₹ )
<b>Cash flow from operating activity</b>		
Net Profit before tax & Extra Ordinary Items	236.33	395.31
Adjustment for : Depreciation	662.46	557.76
Interest paid	1,212.34	895.78
Miscellaneous Exp. Written Off.	0.20	2.46
(Profit) Loss on Sale of Fixed Assets	1.38	2.79
Interest Income (considered seperately)	(84.86)	(15.02)
<b>Operating Profit before working capital changes</b>	<b>2,027.85</b>	<b>1,839.08</b>
<b>WORKING CAPITAL CHANGES</b>		
(Increase) Decrease in Sundry Debtors	(1,420.21)	(270.61)
(Increase) Decrease in Loans & Advances	33.75	(101.85)
(Increase) Decrease in Inventories	231.52	(1,120.84)
Increase (Decrease) in Trade Payable(Incl.Work'g Cap.Fin)	2,859.86	542.67
<b>Cash Generated From operations</b>	<b>3732.77</b>	<b>888.45</b>
Interest paid	(1,212.34)	(895.78)
<b>Cash Flow Before Prior Period &amp; Extra Ordinary Items</b>	<b>2,520.43</b>	<b>(7.33)</b>
Prior Period & Extra Ordinary Items	4.46	0.10
<b>Net Cash Flow From Operating Activities (I)</b>	<b>2,515.97</b>	<b>(7.43)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(6,413.57)	(56.06)
Interest Income	84.86	15.02
Sale of fixed assets	30.47	7.98
<b>Net Cash Outflow for investing Activities (II)</b>	<b>(6,298.24)</b>	<b>(33.06)</b>
<b>Cash flow after investing activities (III) = (I-II)</b>	<b>(3,782.27)</b>	<b>(40.49)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowing (Net of Repayments)	(1,008.08)	(752.24)
Proceed from Equity shares	0.00	1.40
Proceeds from Share Application	0.00	(20.85)
Share Premium	0.00	0.00
Unsecured Loan	5,594.57	1,071.11
Investment	0.00	0.00
Purchases of Minority Stake	0.00	(52.88)
Dividend paid	(42.35)	(27.81)
Direct Tax Paid	(41.72)	(49.67)
<b>Net Cash Flow from financing activity (IV)</b>	<b>4,502.42</b>	<b>169.05</b>
<b>Cash flow after financing activity (V)=(III-IV)</b>	<b>720.15</b>	<b>128.57</b>
Opening Balance:		
Cash & Cash Equivalent (Opening Balance)	283.14	153.78
Cash & Cash Equivalent (Closing Balance)	1,003.29	282.35
<b>Increase in Cash &amp; Cash Equivalent (VI)</b>	<b>720.15</b>	<b>128.57</b>

As per our reports of even date attached

For and on behalf of the Board

**For BHUWANIA & AGRAWAL ASSOCIATES**  
Chartered Accountants  
(Firm Registration No.101483W)

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

**AMITABH KEJRIWAL**  
Whole Time Director

**ABHISHEK JAIN**  
Partner  
Membership No. 509839

**MAHENDRA AGARWAL**  
Director

Place : Mumbai.  
Date : 30<sup>th</sup> May, 2012

## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2012

### 1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Significant accounting policies on Consolidated Accounts:

#### A. GENERAL

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

#### B. PRINCIPLES OF CONSOLIDATION

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

#### C. THE DETAILS OF THE SUBSIDIARIES IN THE CONSOLIDATED FINANCIAL STATEMENT ARE AS FOLLOWS:

Name of the Subsidiary Company	Financial Year of the Subsidiary company ended on	Extent of Holding Company's Interest	Country of Incorporation
India Denim Limited	March 31, 2012	62.09 %	India
Konark Infratech Private Limited.	March 31, 2012	53.85%	India
Konark Greentech Private Limited	March 31, 2012	100.00%	India

#### D. USE OF ESTIMATE

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

## **E. FIXED ASSETS**

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

## **F. DEPRECIATION**

Depreciation on the Fixed Assets has been provided on pro-rata basis on straight line method at the rates prescribed by Schedule XIV of the Companies Act, 1956 from the date of purchase or installation or acquisition of Assets except in case of Mumbai (Head Office) where same has been provided on written down value method.

## **G. IMPAIRMENT OF ASSETS**

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

## **H. INVENTORIES**

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

## **I. INVESTMENT**

Investments other than in subsidiary have been accounted as per Accounting Standard -13 (AS) on "Accounting for Investments". Long-term investments are stated at the cost of acquisition.

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

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

## **K. TAXATION**

### **Current Tax**

Provision for Taxation has been made in the accounts under Minimum Alternate Tax (MAT) as per provision of Section 115JB of the Income Tax Act, 1961.

### **Deferred Tax**

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

## **L. SALES & PURCHASE**

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



**M. EXPORT INCENTIVES**

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

**N. EMPLOYEES RETIREMENT BENEFIT**

Contribution to Provident fund and leave encashment benefits are charged to Statement of profit and loss on actual basis. Gratuity and other retirement benefits have been recorded on cash basis.

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

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

## NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)
2	<b>SHARE CAPITAL</b>		
	<b>Authorised Capital</b> 15000000 Equity Shares of ₹ 10/- each (Previous Year 15000000 Equity Shares of ₹ 10 /- each)	<b>150,000,000</b>	150,000,000
	<b>TOTAL</b>	<b>150,000,000</b>	150,000,000
	<b>Issued, Subscribed and Paid Up</b> 5808000 Equity Shares of ₹ 10/- each (Previous Year 5808000 Equity Shares of ₹ 10 /- each)	<b>58,080,000</b>	58,080,000
	<b>TOTAL</b>	<b>58,080,000</b>	58,080,000

Reconciliation of Outstanding Shares as on 31.03.2012

Particulars	Equity Shares		Preference Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	5,808,000	58,080,000	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,808,000	58,080,000	-	-
Rights, Preference and Restrictions attached to equity Shares.				
"Equity Share Holder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of shareholders in the General Meeting. Dividend is paid to the equity Shareholders, whose name appears in the register of members as on AGM date.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after the distribution of all preferential amounts. Distribution will be in the proportion to the number of equity shares held by the shareholders."				

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

Sr. No.	Name of the Shareholder	As At 31.03.2012		As At 31.03.2011	
		No. of Shares Held	%age of Shareholding	No. of Shares Held	%age of Shareholding
1.	Rakadevi Dalmia	<b>2,108,091</b>	36.30%	2,108,091	36.30%
2.	Kayo Investment And Finance Pvt. Ltd	<b>856,850</b>	14.75%	856,850	14.75%
3.	Fillmore Trading & Investments Pvt. Ltd.	<b>840,000</b>	14.46%	840,000	14.46%
4.	Prakashchand Dalmia (HUF)	<b>336,600</b>	5.80%	336,600	5.80%
	<b>TOTAL</b>	<b>4,141,541</b>	<b>71.31%</b>	<b>4,141,541</b>	<b>71.31%</b>

## NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2011 Amount (₹)	Additions during the year	Deductions during the year	As At 31.03.2012 Amount (₹)
<b>3</b>	<b>RESERVES AND SURPLUS</b>				
	Capital Reserve *	1,321,998	47,152	-	<b>1,369,150</b>
	Capital Redemption Reserve	4,000,000	-	-	<b>4,000,000</b>
	Securities Premium Account	68,357,165	-	-	<b>68,357,165</b>
	Capital Incentive Subsidy	2,500,000	-	-	<b>2,500,000</b>
	General Reserve	59,751,143	-	-	<b>59,751,143</b>
	Surplus in Profit & Loss Account **	86,833,189	14,152,402	-	<b>100,962,015</b>
	<b>TOTAL</b>	<b>222,763,495</b>	<b>14,199,554</b>	-	<b>236,939,471</b>
	* Capital Reserve additions includes Goodwill of ₹ 47152 which has been netted off from Capital Reserve				

	31.03.2012	31.03.2011
* Profit for the period	-	14,152,402
Less: Dividend on Equity Shares	-	-
Less: Dividend Distribution Tax	-	-
Less: Transfer to General Reserve	-	-
<b>TOTAL</b>	<b>14,152,402</b>	<b>10,079,477</b>
		25,257,812
		-
		-
		10,079,477
		<b>15,178,335</b>

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)
<b>4</b>	<b>NON-CURRENT LIABILITIES</b>		
<b>A.</b>	<b>LONG TERM BORROWINGS</b>		
	<b>Secured</b>		
	<b>Term Loans</b>		
	-From Banks		
	Indian Bank	<b>77,695,460</b>	144,591,921
	Corporation Bank	-	2,803,854
	State Bank of India	<b>82,686,883</b>	98,800,000
	Bank of Baroda	<b>26,380,277</b>	31,839,887
	State Bank of Indore	<b>6,268,944</b>	8,976,484
	Punjab National Bank	<b>5,232,255</b>	7,829,303
	State Bank of Travancore	<b>5,910,000</b>	7,610,007
	Motor Cars Loans	<b>5,172,827</b>	7,702,889
	<b>Total I</b>	<b>209,346,646</b>	<b>310,154,345</b>
	a) Term Loans from Indian Bank are secured by Equitable Mortgage of Factory Land & Building at Sarigam, hypothecation of entire Plant & Machinery of Silvassa and Sarigam and Land & Building at Plot No. 1 & 2 at Silvassa and is payable over a period of 5 Years		
	b) Term Loan from Corporation Bank of are secured by hypothecation of all the immovable and movable assets at Bangalore and situated at Plot No. 25 at Silvassa (Unit - Excel). The same has been taken under the Other Current Liabilities and is payable over a period of 5 years.		
	c) Subsidiary Term Loan from BOB, SBI, INDIAN BANK, SBIN, PNB and SBT are secured by first charge ranking parri passu 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.		
	d) All loans are personally guaranteed by the Managing Director and Promoters.		
	e) Finance Lease Obligations are secured against leased assets. The Loans against the cars are hypothecation of the specific car against which it was sanctioned and is payable over a period of 3 to 5 Years.		

## NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)
<b>A.</b>	<b>Unsecured Term Loans</b>		
	-From Banks	-	-
	-From Holding Company	-	-
	-From Others	531,238,297	-
	Of the above ₹ NIL is guaranteed by Directors and/or others		
<b>B.</b>	<b>Loans &amp; Advances from Related Parties</b>		
	Inter Corporate Loans	243,168,500	219,144,144
	Of the above ₹ NIL is guaranteed by Directors and/or others.		
	Terms of Repayment: Payable after 31.03.2013		
	<b>Total II</b>	<b>774,406,797</b>	<b>219,144,144</b>
	<b>TOTAL I + II</b>	<b>983,753,443</b>	<b>529,298,489</b>
<b>5</b>	<b>DEFERRED TAX LIABILITY</b>		
	Deferred Tax Liabilities	49,428,480	40,742,621
	Deferred Tax Assets	10,993,822	4,932,529
	Deferred Tax Liabilities (NET)	38,434,658	35,810,092
	<b>CURRENT LIABILITIES</b>		
<b>6</b>	<b>SHORT TERM BORROWINGS</b>		
<b>A.</b>	<b>Secured</b>		
	<b>Loans repayable on demand</b>		
	-From Bank		
	Indian Bank	130,838,641	116,626,631
	Corporation Bank	72,909,810	41,779,979
	State Bank of India	72,363,814	49,983,455
	Bank of Baroda	42,375,762	57,496,341
	-From Others	-	-
	a) All working capital loans are secured by Hypothecation on Stock of Raw Materials, Semi-Finished, Finished Goods, Stores & Spare, Packing Materials, Consumables & Book Debts and second charge on Land & Building and Plant & Machinery of the company.		
	b) All loans are personally guaranteed by the Managing Director and two other Director.		
<b>A.</b>	<b>Unsecured</b>		
	-From Bank		
	IDBI Bank Limited	-	40,000,000
<b>B.</b>	<b>Loans &amp; Advances from Related Parties</b>		
	<b>Others</b>		
		-	2,059,000
		-	7,375,500
	<b>TOTAL</b>	<b>318,488,027</b>	<b>315,320,906</b>
	Of the above ₹ NIL is guaranteed by Directors and/or others		

## NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)
<b>7</b>	<b>TRADE PAYABLES</b>		
	i) Acceptance	103,083,810	95,922,717
	ii) Sundry Creditors		
	For Trade Goods & Expenses	129,192,651	83,852,218
	For Capital Goods	148,303,171	4,574,439
	For Others	122,996,589	107,763,019
	<b>TOTAL</b>	<b>503,576,221</b>	<b>292,112,393</b>
<b>8</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Current Maturities of Long-term debts	107,886,424	87,074,548
	Interest Accrued and Due	17,730,794	-
	Unpaid/Unclaimed dividends	440,523	319,349
	Advance Received against Land	7,600,000	-
	Other Payables		
	a) Taxes & duty	6,197,353	-
	b) Payable-PF, ESIC & Professional Tax	182,323	-
	c) Payable - Employees	9,766,443	-
	<b>TOTAL</b>	<b>149,803,860</b>	<b>87,393,897</b>
<b>9</b>	<b>SHORT TERM PROVISIONS</b>		
	Dividend on Equity Shares (incl DDT)	-	5,079,477
	Income Tax / Wealth Tax	6,553,354	8,002,136
	Others	9,066,539	-
	<b>TOTAL</b>	<b>15,619,893</b>	<b>13,081,613</b>

## NOTES ON CONSOLIDATED ACCOUNTS NOTE NO. 10 CONSOLIDATED FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2011 ₹	Additions Adjustments ₹	Deductions/ Adjustments ₹	As at 31.03.2012 ₹	Up to 01.04.2011 ₹	For the year ₹	Deductions/ Adjustments ₹	Up to 31.03.2012 ₹	As at 31.03.2012 ₹	As at 31.03.2011 ₹
<b>Tangible :</b>										
<b>LAND</b>										
Leasehold Land	6,180,340	-	-	<b>6,180,340</b>	304,752	62,421	-	<b>367,173</b>	<b>5,813,167</b>	5,875,588
Freehold Land	10,546,167	15,656,846	-	<b>26,203,013</b>	-	-	-	-	<b>26,203,013</b>	10,546,167
Buildings	185,293,333	16,665,791	-	<b>201,959,124</b>	22,309,575	6,313,598	-	<b>28,623,173</b>	<b>173,335,951</b>	162,983,758
Plant & Machineries	811,820,857	607,840,648	-	<b>1,419,661,505</b>	197,048,496	56,741,320	-	<b>253,789,816</b>	<b>1,165,871,689</b>	614,772,361
Electric Installation	-	-	-	-	-	-	-	-	-	-
Equipments	-	-	-	-	-	-	-	-	-	-
Fire Fighting Equipments	-	-	-	-	-	-	-	-	-	-
Colling Tower	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	8,704,180	177,186	1,245,777	<b>7,635,589</b>	4,840,091	364,841	1,008,726	<b>4,196,206</b>	<b>3,439,383</b>	3,864,089
Office Equipments	2,215,735	109,866	-	<b>2,325,601</b>	1,151,836	129,126	-	<b>1,280,962</b>	<b>1,044,639</b>	1,063,899
Vehicles	22,367,721	47,000	1,229,891	<b>21,184,830</b>	7,436,254	1,943,585	635,797	<b>8,744,042</b>	<b>12,440,788</b>	14,931,467
Computers	3,124,102	166,270	46,000	<b>3,244,372</b>	2,610,650	279,095	2,451	<b>2,887,294</b>	<b>357,078</b>	513,452
<b>Intangible:</b>										
Software*	2,110,376	21,950	-	<b>2,132,326</b>	1,015,164	411,840	-	<b>1,427,004</b>	<b>705,322</b>	1,095,212
<b>Total</b>	<b>1,052,362,811</b>	<b>640,685,557</b>	<b>2,521,668</b>	<b>1,690,526,700</b>	<b>236,716,818</b>	<b>66,245,826</b>	<b>1,646,974</b>	<b>301,315,670</b>	<b>1,389,211,030</b>	<b>815,645,993</b>
<b>Previous Year</b>	<b>1,037,597,543</b>	<b>17,126,955</b>	<b>2,361,688</b>	<b>1,052,362,810</b>	<b>182,225,379</b>	<b>55,776,403</b>	<b>1,284,964</b>	<b>236,716,818</b>	<b>815,645,992</b>	<b>855,372,164</b>
<b>Capital Work in progress</b>									<b>3,662,361</b>	<b>5,301,049</b>

\* other than internally generated .

## NOTES ON CONSOLIDATED ACCOUNTS

### NOTE No. 11 - NON - CURRENT INVESTMENTS (Long Term Investments) (Amount in ₹)

Particulars	As At	
	31 March 2012 Amount (₹)	31 March 2011 Amount (₹)
<b>A Trade Investments (Refer A below)</b>		
(a) Investment in Equity instruments	204,000	204,000
(b) Other non-current investments (specify nature)	-	-
<b>Total (A)</b>	<b>204,000</b>	<b>204,000</b>
<b>B Other Investments (Refer B below)</b>		
(a) Investment in Equity instruments	3,100	3,100
(b) Other non-current investments (specify nature)	-	-
<b>Total (B)</b>	<b>3,100</b>	<b>3,100</b>
<b>Grand Total (A + B)</b>	<b>207,100</b>	<b>207,100</b>
Less : Provision for diminution in the value of Investments	204,000	204,000
<b>Total</b>	<b>3,100</b>	<b>3,100</b>

A. Sr. No.	Details of Trade Investments	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value ₹ unless other wise stated	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount in ₹		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basic of Valuation
				2012	2011			2012	2011	2012	2011		
(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Investment in Equity Instruments Sun Earth Ceramics limited	Others	10	6800	6800	Quoted	Fully	N.A	N.A	204000	204000	Yes	
B.	Details of Other Investments												
(a)	Investment in Equity Silvassa Co-op. Society Limited The City Co-op. Bank Ltd.	Others Others	100 25	10 40	10 40	unquoted unquoted	Fully Fully	N.A N.A	N.A N.A	1100 2000	1100 2000	Yes Yes	
	<b>Total</b>									<b>3,100</b>	<b>3,100</b>		

## NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)
<b>12</b>	<b>NON-CURRENT ASSETS</b>		
	<b>LONG TERM LOAN AND ADVANCES</b>		
	<b>Unsecured, Considered Good</b>		
	Loans to Subsidiaries	-	-
	Capital Advances	2,111,438	-
	Employee Loans & Advances	-	-
	Others	9,601,889	11,092,834
	<b>TOTAL</b>	<b>11,713,327</b>	<b>11,092,834</b>
<b>13</b>	<b>OTHER NON-CURRENT ASSETS</b>		
	Security Deposits	17,931,850	46,084,449
	Miscellaneous Expenditure (To the extent not written off)	-	121,920
	Prepaid Expenses (paid for the period after 31.03.2013)	34,208	-
	Other Long Term Receivables	-	-
	<b>TOTAL</b>	<b>17,966,058</b>	<b>46,206,369</b>
<b>14</b>	<b>CURRENT ASSETS</b>		
	<b>INVENTORIES</b>		
	-Raw Materials	42,910,933	84,768,354
	-Goods in Transit (Raw Material)	-	1,986,036
	-Process Stock	131,325,619	118,987,689
	-Finished Goods	131,228,043	123,732,015
	-Stores, Spares	12,587,207	11,729,807
	<b>TOTAL</b>	<b>318,051,802</b>	<b>341,203,901</b>
<b>15</b>	<b>TRADE RECEIVABLES</b>		
	<b>Secured</b>		
	-Over 6 months - Good	-	-
	-Others - Good	-	-
	<b>Unsecured</b>		
	-Over 6 months -Good	83,714,484	48,295,020
	-Doubtful	-	-
	-Other Debts - Good	385,910,179	279,308,295
		<b>469,624,663</b>	<b>327,603,315</b>
	Less: Provision for Doubtful debts	-	-
	<b>TOTAL</b>	<b>469,624,663</b>	<b>327,603,315</b>
<b>16</b>	<b>CASH &amp; CASH EQUIVALENTS</b>		
	-On Current Accounts	55,646,240	3,219,920
	-Cash in Hand (incl'd Imprest)	2,155,209	2,297,968
	<b>Others</b>		
	-On Dividend Accounts	440,523	319,349
	-On Deposit Accounts (More than 12 Months)	3,261,115	1,650,000
	-On Margin Money (FD for a period less than 12 Months)	38,825,991	20,747,515
	<b>TOTAL</b>	<b>100,329,078</b>	<b>28,234,752</b>



## NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2012 Amount (₹)	As At 31.03.2011 Amount (₹)
17	<b>SHORT TERM LOANS AND ADVANCES</b>		
	<b>Unsecured, Considered Good</b>		
	-To Related Parties (Subsidiaries)	-	-
	- Security Deposit	6,987,575	-
	-To Employees	1,005,317	-
	-Advance Payment of Income Tax/ Wealth Tax (incl. TDS)	2,850,656	9,623,983
	-Excise Refund Receivable	2,870,848	2,538,997
	-VAT Receivable	16,425,953	2,856,014
	-Interest Subsidy Receivable	8,032,013	-
	<b>TOTAL</b>	<b>38,172,362</b>	<b>15,018,994</b>
18	<b>OTHER CURRENT ASSETS</b>		
	-Others	-	26,348,980
	Doubtful	1,084,180	1,084,180
	Other Considered Good	20,667,440	-
		21,751,620	27,433,160
	Less Provision for Doubtful Advances	1,084,180	1,084,180
	<b>TOTAL</b>	<b>20,667,440</b>	<b>26,348,980</b>
		<b>FOR THE YEAR 31st March 2012 Amount (₹)</b>	<b>FOR THE YEAR 31st March 2011 Amount (₹)</b>
19	<b>REVENUE FROM OPERATIONS</b>		
	Domestic Sales (Incl. Operational Income)	1,491,860,675	1,369,880,893
	Export Sales	-	616,010
	Job Work Charges	38,816,927	38,796,037
	Weaving & Processing Charges	1,014,686	728,984
	Other operative Revenues	4,446,447	-
	<b>TOTAL</b>	<b>1,536,138,735</b>	<b>1,410,021,924</b>
20	<b>OTHER INCOME</b>		
	Interest on FDR	1,012,434	660,761
	Interest Income (T.D.S. ₹ 234556/- P.Y. ₹ 86275/-)	7,473,073	841,671
	Late Payment charges	28,169	71,953
	Insurance Claim Received	-	826,386
	DEPB Incentive / Drawback Incentive	-	34,573
	Foreign Exchange Fluctuation	206,275	21,621
	Miscellaneous Income & Others	457,226	2,361,171
	<b>TOTAL</b>	<b>9,177,177</b>	<b>4,818,136</b>
21	<b>COST OF MATERIALS CONSUMED</b>		
	Raw Material Consumed		
	Opening Stock	84,768,354	54,872,481
	Add : Purchases (Yarn)	987,572,280	1,100,009,729
		1,072,340,634	1,154,882,210
	Less: Closing Stock	42,910,933	84,768,354
	<b>TOTAL</b>	<b>1,029,429,701</b>	<b>1,070,113,856</b>

## NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	FOR THE YEAR 31st March 2012 Amount ( ₹ )	FOR THE YEAR 31st March 2011 Amount ( ₹ )
22	<b>COST OF GOODS TRADED</b>		
	Opening Stock	-	195,933
	Add : Purchases (Yarn)	125,671,730	-
	Less: Closing Stock	-	-
	<b>TOTAL</b>	<b>1,130,928,273</b>	<b>1,212,979,042</b>
23	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
	Closing stock - Process	178,499,939	118,987,689
	Closing stock - Finished	84,053,723	123,732,015
	<b>TOTAL - A</b>	<b>262,553,662</b>	<b>242,719,704</b>
	Opening stock - Process	167,773,109	92,294,349
	Opening stock - Finished	74,946,596	69,027,447
	<b>TOTAL - B</b>	<b>242,719,705</b>	<b>161,321,796</b>
	(Increase / Decrease) in Stocks		
	<b>TOTAL - (B - A)</b>	<b>(19,833,957)</b>	<b>(81,397,908)</b>
24	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries, Wages & Bonus	64,075,620	66,471,892
	Gratuity & other Allowances	389,201	-
	Contribution to Funds	2,851,442	2,835,708
	Staff Welfare Expenses	1,111,615	1,229,084
	<b>TOTAL</b>	<b>68,427,878</b>	<b>70,536,684</b>
25	<b>OTHER EXPENSES</b>		
	<b>A. Manufacturing Expenses</b>		
	Power & Fuel	58,791,752	85,197,422
	Stores & Spares Consumed	20,319,351	24,043,646
	Colour, Chemical, Oil & Lubricant Consumed	3,147,260	4,599,106
	Repairs to Building	136,784	226,075
	Repairs to Plant & Machinery	2,295,841	3,035,760
	Repair & Maintenance - Other (At Plants)	545,744	828,174
	Security Charges	1,748,131	1,026,058
	Labour Charges	9,168,647	10,406,668
	Job work Charges	2,571,855	2,495,492
	Freight, Octroi & Cartage	1,887,685	1,039,425
	Water Charges	784,576	906,314
	Other Direct Manufacturing Expenses	100,946	9,061,046
		<b>TOTAL A</b>	<b>101,498,572</b>

## NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	FOR THE YEAR 31st March 2012 Amount ( ₹ )	FOR THE YEAR 31st March 2011 Amount ( ₹ )
	<b>B. Administrative &amp; General Expenses</b>		
	Advertisement Expenses	52,846	49,696
	Conveyance Expenses	523,079	691,612
	Claim & Discount	-	1,704,063
	Director's Remuneration & Perquisites	1,762,035	2,442,047
	Donation	8,200	131,352
	Electricity	710,345	471,395
	Export Freight	-	44,870
	Filing Fees	10,262	38,150
	Foreign Exchange Fluctuation	-	21,213
	Guest House Expenses	7,029	85,525
	Insurance	1,117,631	1,098,705
	Loss on Sale of Fixed Assets	138,032	278,647
	Marketing Expenses & Brokerage	5,171,996	4,954,501
	Membership & Subscription	46,445	123,124
	Miscellaneous Expenses/General Expenses	3,221,118	926,761
	Outward Freight & Octroi	2,832,842	3,000,185
	Postage Telegram	309,553	395,168
	Printing & Stationery	726,358	876,661
	Professionals Fees/ Legal Expenses	4,118,032	850,061
	Rent, Rates, Fees & Taxes	4,431,506	3,293,065
	Repairs & Maintenance (Others)	214,613	343,487
	Sales Promotion Expenses	549,213	478,251
	Sample & Development Expenses	1,168,380	502,531
	Stamp & Hundi Paper	210,580	61,020
	Sundry Balance W/Off	-	(1,901)
	Telephone Expenses	1,160,101	1,167,709
	Travelling Expenses;		
	- Directors	805,194	515,992
	- Others	1,800,489	471,366
	- Foreign Travelling	164,702	414,200
	Vehicle Expenses	1,769,397	1,519,698
	Preliminary Expenses Written off	-	124,720
	Pre-Operative Expenses Written off	(4,503,396)	225,792
	Auditors Remuneration:		
	- For Statutory Audit	337,641	205,000
	- For Tax Audit	85,225	50,000
	- For Certification	49,635	13,234
	- Others	10,000	72,295
	<b>TOTAL B</b>	<b>29,009,083</b>	<b>27,640,195</b>
	<b>TOTAL (A+B)</b>	<b>130,507,655</b>	<b>170,505,381</b>
26	<b>FINANCE COST</b>		
	Interest on Term Loan	75,756,741	39,142,434
	Interest on Working Capital(Net)	22,234,170	38,988,247
	Interest to Other	12,542,948	1,186,607
	Bank Charges	10,133,356	9,582,420
	Car Finance Charges	566,370	678,681
	<b>TOTAL</b>	<b>121,233,585</b>	<b>89,578,389</b>

27. No provision for gratuity has been made during the year as the Company has not gone for actuarial valuation as prescribed by AS 15 "Employee Benefit". It is accounted as and when it is paid. Amounts of same are as unascertained, in respect of the Profit & Loss Statement could not be stated.

## 28. Segment Reporting:

For the Group as a whole, Textile and Energy have been identified as the Primary Segment (Products) and there is no geographic segment as such. Segment Reporting has become applicable to the Group as a whole only from this year as revenue of Power Generation (Energy) has started only from last quarter of Financial Year 2011-12. Details as per Accounting Standard (AS) 17 "Segment Reporting" is as follows:

(₹ in Lac)

Particulars	Accounting Year Ended 31 <sup>st</sup> March, 2012	Previous Year ended 31 <sup>st</sup> March, 2011
<b>1. Segment Revenue</b>		
a) Textiles	15021.69	14109.76
b) Energy	350.10	-
Total	15371.79	14109.76
Less: Inter Segment Revenue	-	-
<b>2. Segment Results*</b>		
a) Textiles	1177.88	1291.09
b) Energy	270.79	-
Total	1448.67	1291.09
Less: Finance Costs	1212.34	895.78
Profit Before Tax	236.34	395.31
<b>3. Capital Employed**</b> (Segment Assets- Segment Liabilities)		
a) Textiles	3334.94	3236.41
b) Energy	62.31	-
<b>Total</b>	<b>3397.25</b>	<b>3236.41</b>

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

### Related Party Disclosures

=====

#### A. Related Parties Discloser:

##### I. Fellow Subsidiaries:

Konark Solartech Private Limited,  
Konark Wind Projects Private Limited and  
Konark Gujarat PV Private Limited.

##### II. Individual having significant influence:

Smt. Raka Devi Dalmia - Share Holder

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

Mr. Prakashchand Dalmia - Chairman & Managing Director  
Mr. Amitabh Kejriwal - Whole Time Director  
Mr. Shonit Dalmia - Director  
Mr. Punit Desai - Director  
Mr. R. B. Somany - Director  
Ms. Shikha Dalmia - Relative of Director  
Ms. Smita Kejriwal - Relative of Director

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

M/s Konark Silk Mills  
M/s Konark Realtech Private Limited

#### B. Transactions:

(₹ In Lac)

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	-	18.97	-	18.97
Salary	-	-	4.08	-	4.08
Rent Expenses	-	1.80	-	1.08	2.88
Loan Taken	-	-	-	1068.37	1068.37
Loan Given	1389.81	-	-	-	1389.81

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

(₹ In Lac)

	2011-12	2010-11
<b>Managerial Remuneration</b>		
Prakashchand Dalmia	11.62	13.37
Amitabh Kejriwal	7.35	7.65
Shonit Dalmia	0.00	6.00
<b>Salary Paid</b>		
Sikha Dalmia	2.16	2.16
Smita Kejriwal	1.92	1.92
<b>Rent Paid</b>		
Konark Silk Mills	1.08	1.08
Raka Devi Dalmia	1.80	1.80
Mr. Sajjan Kejriwal	0.00	0.78
Mr. Sushil Kejriwal	0.00	0.78
<b>Sales Commission</b>		
Ambica Taptex Pvt. Ltd.	0.00	3.91
<b>Loans Taken</b>		
Konark Realtech Pvt. Ltd.	1068.37	3702.16
Shonit Dalmia	0.00	1.30
<b>Loans Given</b>		
India Denim Limited	572.75	252.00
Konark Infratech Pvt. Ltd	721.62	702.37
Konark Greentech Pvt. Ltd.	95.44	0.00

## D. Balances with the Related Parties as at 31<sup>st</sup> March, 2012

(₹ In Lac)

Particulars	Subsidiaries and Fellow Subsidiaries	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	-	1.05	-	1.05
Salary	-	-	0.34	-	0.34
Rent Expenses	-	1.80	-	1.08	2.88
Loan Taken	-	-	-	2108.71	2108.71
Loan Given	1172.69	-	-	-	1172.69

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

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

Particulars	31.03.2012	31.03.2011
Profit after Tax and Adjustment of the minority Interest	₹ 14,818,029/-	₹ 26,550,068/-
Less: Prior period expenses	₹ 665,627/-	₹ 1,292,256/-
Net Profit after tax	₹ 14,152,402/-	₹ 25,257,812/-
Basic Earning per share (5808000 Equity Shares)	₹ 2.44	₹ 4.35

## 31. The components of deferred tax assets / liability as at 31<sup>st</sup> March, 2012 in accordance with the Accounting Standard 22 "Accounting for Taxes on Income" are as under:

	As At 31 <sup>st</sup> March, 2012 (₹ in Lac)	As At 31 <sup>st</sup> March, 2011 (₹ in Lac)
<b>A. Deferred Tax Liability</b>		
Due to Depreciation Difference	36.38	56.99
<b>B. Deferred Tax Assets</b>		
Credit under u/s 43B & 40(a)	1.46	5.08
MAT Credit available for the year	8.67	25.09
Difference due to Rate of Income Tax	NIL	19.16
<b>Total</b>	<b>10.13</b>	<b>49.33</b>
Net Deferred Tax Liability.	26.25	7.66

## 32. Contingent Liability / Capital Commitments:

- The Banker of the Company has given Guarantee to various Government Authorities amounting to ₹ 142.99 Lac (P.Y. ₹ 142.99 Lac) for which the Company has given counter guarantee. Company has also given margin money to banker amounting to ₹ 22.16 Lac (P.Y. ₹ 24.24 Lac).
- The Company has given a Counter Guarantee of ₹ 2706.00 Lac (P.Y. ₹ 2506.00) to the Bankers of the India Denim Limited against the sanctioned of Term Loan and Working Capital Facilities. The company does not expect any out flow of resource in respect of the above.
- Estimated amount of Contracts remaining to be executed on capital accounts - ₹ 921.08 Lacs (Previous year ₹ 921.08 Lacs), Advance given ₹ 95.24 (Previous years ₹ 95.24 Lacs).

33. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the Balance Sheet realizable in the ordinary course of business. Sundry Debtors, Creditors & Advances are subject to reconciliation with parties.
34. The Financial Statements have been prepared in the format prescribed by the Revised Schedule VI of the Companies Act, 1956. Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with those of the Current year.
- 

As per our reports of even date attached

For and on behalf of the Board

**For BHUWANIA & AGRAWAL ASSOCIATES**  
Chartered Accountants

**PRAKASHCHAND DALMIA**  
Chairman & Managing Director

**AMITABH KEJRIWAL**  
Whole Time Director

**ABHISHEK JAIN**  
Partner  
Membership No. 509839

Place : Mumbai.

Date : 30<sup>th</sup> May, 2012

**MAHENDRA AGARWAL**  
Director





# KONARK SYNTHETIC LIMITED

Regd. Office : Building No.-7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 059.

## PROXY FORM

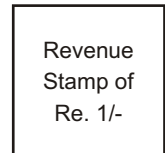
Regd. Folio No.....

No. of Shares held .....

Client DP ID No. ....

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member / Members of **KONARK SYNTHETIC LIMITED** hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us on my /our behalf of at the **28<sup>th</sup> Annual General Meeting** of the Company to be held on **Tuesday, the 25<sup>th</sup> day of September, 2012 at 3.30 P.M.** at Registered Office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 059 or any adjournment thereof.

Signed: \_\_\_\_\_ day of \_\_\_\_\_ 2012



\_\_\_\_\_  
Signed by the member

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# KONARK SYNTHETIC LIMITED

Regd. Office : Building No.-7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 059.

## ATTENDANCE SLIP

Regd. Folio No.....

No. of Shares held .....

Client DP ID No. ....

I, \_\_\_\_\_ (Name of the attending member / proxy), hereby record my presence at the **28<sup>th</sup> Annual General Meeting** of the Company to be held on **Tuesday, the 25<sup>th</sup> day of September, 2012 at 3.30 P.M.** at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 059.

\_\_\_\_\_  
**Member's / Proxy's Signature**

### Notes:

1. Interested Joint Members may obtain Attendance Slips from the Registered Office of the Company.
2. Members' / Joint Members' Proxies are requested to bring the Attendance Slips with them. Duplicate slips will not be issued at the venue.

## BOOK-POST

*If undelivered please return to:*

### **KONARK SYNTHETIC LIMITED**

**Registered Office** : Bldg. No.7, Mittal Industrial Estate,  
Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai - 400 059.