

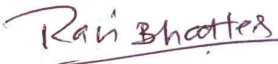
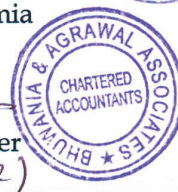
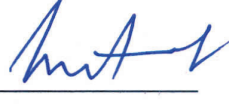



FORM B

COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

1.	Name of the Company	M/s. Konark Synthetic Limited
2.	Annual financial statement for the year ended	31 st March, 2014
3.	Type of Audit Observation	Qualified that: Non provision of gratuity as prescribed by AS-15 "Employee Benefits".
4.	Frequency of Observation	Appearing since financial year 2006
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Refer Note No. 26 of Notes to Accounts of Standalone Financials (Page No. 50 of the Annual Report. Refer the para "Auditors Remark" in the Directors Report (Page No. 12 of the Annual Report.
	Additional comments from the board/audit committee chair:	-
5.	To be Signed by - <ul style="list-style-type: none"> • CEO/Managing Director • Auditor of the Company • Audit Committee Chairman 	<p align="center">  Prakashchand Dalmia  </p> <p align="center">  Ravi Kumar Bhatte (PARTNER) For M/s. Bhuwania & Agarwal Associates  </p> <p align="center">  Mahendra Agrawal  </p>

KONARK

**30th
Annual Report
2013-14**

Konark Synthetic Ltd.

BOARD OF DIRECTORS

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

Chairman & Managing Director
Whole Time Director
Director
Director

AUDITORS

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

BANKERS

Indian Bank
Corporation Bank

REGISTERED OFFICE

Building No.7, Mittal Industrial Estate,
Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 059.
Tel. No.: 022-4089 6300
Fax No.: 022-4089 6322
Email : info@konarkgroup.co.in
Website: www.konarkgroup.co.in

REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.
9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg,
Lower Parel (East),
Mumbai- 400 011.
Tel. No.: 022-23018261/6761
Fax No.:022-23012517
Email : busicomp@vsnl.com

PLANTS LOCATION

SILVASSA UNIT

Plot No. 25,
Silvassa Industrial Co-op. Soc.,
66 KVA Sub-Station Road,
Village - Amlī,
Dist.- Silvassa - 396 230.
(UT of Dadra and 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

Plot No. 62/4,13,14,15
Begur Road,
11th Cross, Ward No. 12,
Bommanahalli,
Bengaluru – 560068

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NOTICE

Notice is hereby given that 30th Annual General Meeting of the members of **KONARK SYNTHETIC LIMITED** will be held on Tuesday, 30th day of September, 2014 at 3.30 p.m. at the Registered Office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400059 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended as on that date together with the and Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Prakashchand Dalmia, Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Bhuwania & Agrawal Associates, Chartered Accountants, Mumbai (having FRN: 101483W) as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting upto 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** pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Mahendra Agarwal (DIN: 03555499), Independent Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Mahendra Agarwal as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31st March, 2019, who shall not be liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Satish Deshmukh (DIN: 03535235), Independent Director of the Company, whose office is liable to determination to retire by rotation and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Satish Deshmukh as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31st March, 2019, who shall not be liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the “Approvals”) as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, 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

be duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed or to be borrowed (apart from temporary loans and other credit facilities obtained or to be obtained from the Company's bankers in the ordinary course of its business), whether secured or unsecured, will or may exceed the aggregate of the paid up capital and free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed and outstanding at any one time shall not exceed the sum of ₹. 500 Crores (Rupees Five Hundred Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and deeds as may be required to give effect to the above resolution from time to time.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) read with Companies (Meeting of Board and its Power) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to 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 be duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution) to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company or to create charge to secure any loan taken by other entities/bodies corporate, on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time so secured/mortgaged shall not exceed the limit as approved under Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and deeds as may be required to give effect to the above resolution from time to time.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the new set of Articles of Association be and is hereby approved and adopted as new Articles of Association of the Company in the place and in exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association of the Company and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

By Order of the Board of Directors

Place: Mumbai
Date: 14th August, 2014

Prakashchand Dalmia
Chairman & Managing Director

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
2. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto and forms part of the Notice.
3. Corporate Members are requested to send duly certified copy of the Board resolution pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote at the Annual General Meeting (including through e-voting) or any adjournment thereof.
4. Brief resume of the Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting in terms of Clause 49 of the Listing Agreement is annexed to the Notice.
5. Register of Members and Share Transfer Books of the Company will remain closed from Friday, 26th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive).
6. Members desirous of seeking any information about the accounts and operations of the Company can send their queries at the Registered Office of the Company at least ten days in advance of the meeting, so that the information required can be made readily available at the meeting.
7. Members are requested to intimate change in their address immediately to the Company's Registrar & Share Transfer Agent (RTA), viz., Purva Sharegistry (India) Pvt. Ltd., 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai - 400011.
8. The unclaimed dividend of the Company upto the financial year 2005-2006 has been transferred to the Investor Education and Protection Fund (IEPF) as required under Section 205A and 205C of the Companies Act, 1956. The shareholders whose dividend remained unclaimed for the subsequent financial years, in which dividend was declared are requested to claim it immediately from the Company.
9. Members holding shares in identical order of names in more than one folio are requested to write to the Company / RTA enclosing their Original Share Certificates to enable the Company to consolidate their holdings in one folio for better services.
10. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
11. Members are requested to always quote their Folio Number / Client / DP ID in all their correspondences with the Company.
12. Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card etc., having photo identity) while attending the meeting.
13. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating some additional details of its members in its records.

You are thus requested to submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and returning the same by post.

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

14. The Register of Directors' Share holdings maintained under Section 170 and Register of Contract or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
15. The Notice of the 30th Annual General Meeting and instructions for e-voting and Assent/Dissent Form along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company/Depository Participant(s) unless member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by courier.
16. **Voting through electronic means**

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 & Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 30th Annual General Meeting to be held on Tuesday, 30th September, 2014. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/its discretion, subject to compliance with the instructions prescribed below:

The e-voting facility is available at the link www.evotingindia.com

(A) Procedure/ Instructions for e-voting are as under:

- (a) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- (b) Now click on "Shareholders" to cast your votes.
- (c) Fill up the following details in the appropriate boxes:
 - (i) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (ii) Next enter the Image Verification as displayed and Click on Login.
 - (iii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(iv) If you are a first time user follow the steps given below:

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

(d) After entering these details appropriately, click on "SUBMIT" TAB.

Members holding shares in Physical form will then reach directly to the EVSN selection screen. Members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (e) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (f) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- (g) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- (h) Click on the EVSN for KONARK SYNTHETIC LIMITED on which you choose to vote.
- (i) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (j) Click on the Resolution File Link if you wish to view the entire AGM Notice.
- (k) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (l) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

- (m) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (n) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Tuesday, 30th September, 2014.

(B) General:

- (a) In case of any queries regarding e-voting you may refer to the ‘user manual for shareholders to cast their votes’ available at www.evotingindia.com under ‘HELP’.
- (b) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (c) The e-voting period will commence on Thursday, 18th September, 2014 (9.00 a.m.) and ends on Saturday, 20th September, 2014 (6.00 p.m.). During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Thursday, 28th August, 2014, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (d) The voting rights of the shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, 28th August, 2014.
- (e) CS Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (f) The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (g) The Results shall be declared on or after the Annual General Meeting of the Company. The result of the e-voting along with the Scrutinizer’s report shall be placed in the Company’s website www.konarkgroup.co.in and on the website of CDSL within two days of passing of the resolution at the Annual General Meeting of the Company. The results will also be communicated to the stock exchange where the shares of the company are listed.

In pursuance of Clause 49(IV) (G) of the Listing Agreement, details of directors seeking appointment/re-appointment at ensuing Annual General Meeting are as follows:

Name of Director	Mr. Prakashchand Dalmia	Mr. Mahendra Agarwal	Mr. Satish Deshmukh
Date of Birth	07/09/1954	07/04/1955	09/08/1950
Nationality	Indian	Indian	Indian
Date of appointment as director	17/07/1984	26/08/2005	30/05/2011
Designation	Chairman & Managing Director	Non-Executive / Independent Director	Non-Executive / Independent Director
Qualification	Bachelor of Commerce	Chartered Accountant	Engineering, Finance and IT Background
Experience/Expertise	He has over 32 years of experience in textile industries.	He has over 33 years of experience in field of finance and Accounts.	He has over 38 years of experience in Airline and Automobile industries.
Shareholding in the Company (Equity shares of ₹ 10/- each)	57501 Equity Shares	NIL	NIL
List of Directorship held in other companies	a) Kayo Investments and Finance Pvt Ltd. b) India Denim Limited c) Konark Infratech Private Limited	a) India Denim Limited b) Konark Infratech Private Limited	a) Konark Gujarat PV Private Limited
List of Chairmanship and Membership in Public Companies	Member: a) Audit Committee b) Nomination and Remuneration Committee c) Stakeholders Relationship Committee	Chairman: a) Audit Committee b) Nomination and Remuneration Committee c) Stakeholders Relationship Committee	Member: a) Audit Committee b) Nomination and Remuneration Committee
Relationship with other directors of the Company	Not Related	Not Related	Not Related

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item Nos. 4 & 5:

Mr. Mahendra Agarwal and Mr. Satish Deshmukh were appointed as Independent Directors of the Company on 26th August, 2005 and 30th May, 2011 respectively. Their office is liable to retire by rotation at Annual General Meeting as per terms of their appointment.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Mahendra Agarwal and Mr. Satish Deshmukh as Independent Directors of the Company to hold office as such for a period upto 31st March, 2019, who shall not be liable to retire by rotation.

Mr. Mahendra Agarwal and Mr. Satish Deshmukh have given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013 to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notices along with requisite deposit under Section 160 of the Companies Act, 2013 proposing their candidature for the office of Independent Director.

In the opinion of the Board, Mr. Mahendra Agarwal and Mr. Satish Deshmukh proposed to be appointed as Independent Directors, fulfill the conditions specified in the Act and the rules made thereunder and are independent of the management.

Brief resume of the Independent Directors proposed to be appointed as stipulated under the Clause 49 of the Listing Agreement with BSE Limited are given in the annexure to the Notice.

The Board recommends the Ordinary Resolutions as set out at item nos. 4 and 5 of the Notice for your approval.

Except Mr. Mahendra Agarwal and Mr. Satish Deshmukh, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors / Key Managerial Personnel are concerned or interested in the said resolutions.

Item Nos. 6 & 7:

In order to meet the future requirements of funds, which may arise on account of the plans / programs / business, the Company may require further loans / borrowings from time to time from financial institutions, banks and other entities. As per provisions of Section 180(1)(c) of the Companies Act, 2013, a Company cannot take loan exceeding aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, unless approved by its members by passing special resolution. Further to secure such borrowings, the Company may be required to create charge / mortgage / hypothecation on all or any of its movable and immovable assets, both present and future as and when required from time to time. As per provision of Section 180(1)(a) of Companies Act, 2013, a Company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any such undertakings, unless approved by its members by passing special resolution.

In terms of the provisions of Section 180(1)(c) & 180(1)(a) of the Companies Act, 2013, the Company needs to take approval of members of the Company for increasing the borrowing powers and authority to create charge / mortgage on the assets of the Company to secure the money(ies) borrowed from financial institutions, banks and others financial entities from time to time. Hence it is proposed to take your approval for a limit upto ₹ 500 Crores.

Earlier, the members of the Company, through postal ballot process, the results of which was declared on 6th August, 2010, passed ordinary resolutions under Section 293(1)(a) and Section 293(1)(d) of the Companies Act, 1956, in this respect, which are valid upto 11th September, 2014.

The Board recommends the Special Resolutions as set out at item nos. 6 & 7 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or relatives of Directors / Key Managerial Personnel are concerned or interested in the said resolutions.

Item no. 8:

The Articles of Association ("AoA") of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956. With enforcement of the Companies Act, 2013, various provisions of the Companies Act, 1956 have become ineffective and in view of the same, the AoA of the Company need to be re-aligned as per the provisions of the new Act.

The Board of Directors at its meeting held on 14th August, 2014 decided to incorporate / substitute / alter certain provisions as per the latest amendments of the Companies Act, 2013. As this would result in a number of changes in the existing AoA of the Company, it was decided to adopt a new set of AoA in place of and in exclusion to the existing AoA of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of AoA of the Company.

A copy of the proposed set of new AoA of the Company would be available for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and during the Annual General Meeting.

The Board recommends the Special Resolution as set out at item no. 8 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or relatives of Directors / Key Managerial Personnel are concerned or interested in the said resolution.

By Order of the Board of Directors

Place: Mumbai
Date: 14th August, 2014

Prakashchand Dalmia
Chairman & Managing Director

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

DIRECTORS' REPORT

To
The Members,
Konark Synthetic Limited

Your Directors have pleasure in presenting the 30th Annual Report together with the Audited Financial Statements of the Company for the financial year ended on 31st March 2014:

FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

Sr. No.	Particulars	For the Year ended 31 st March, 2014	For the Year ended 31 st March, 2013
1.	Total Revenue	10714.59	10506.72
2.	Less: Total Expenses	9932.05	9483.26
3.	Profit before Depreciation & Amortization expenses, Finance Cost and Tax	782.54	1023.46
4.	Less: Depreciation and Amortization Expenses	272.51	273.70
	Less: Finance Cost	366.80	614.35
5.	Profit before exceptional and extraordinary items and tax	143.23	135.41
6.	Less: Prior Period Expenses	-	0.37
	Less: Short Provision for Taxation	0.01	(1.20)
7.	Profit before Exceptional Item & Tax	143.22	136.24
8.	Less: Exceptional Item	-	-
9.	Profit before tax	143.22	136.24
10.	Less: Provision for tax	34.21	43.72
11.	Profit after tax	109.01	92.52
12.	Balance of profit as per last Balance Sheet	1028.68	936.16
13.	Balance of profit carried to Balance Sheet	1137.69	1028.68

REVIEW OF BUSINESS OPERATIONS:

During the year under review, the Company earned total revenue of ₹ 10714.59 Lacs as against ₹ 10506.72 Lacs in the previous year. The revenue out of operations earned to ₹ 10550.50 Lacs and other income earned to ₹ 164.09 Lacs. The profit before tax was ₹ 143.22 Lacs as against ₹ 136.24 Lacs in previous year. The profit after tax was ₹ 109.01 Lacs as against ₹ 92.52 Lacs in the previous year.

TEXTILE DIVISION:

The Primary segment of the Company is Textile and there is no geographic segment as such. During the year under review, the textile division has achieved a consolidated turnover of ₹ 15,625.81 Lacs as compared to ₹ 15,968.28 Lacs in the previous year. The financial performance of Textile Division was satisfactory as 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 extreme difficulty in the business environment, the Company has managed to survive and earned revenue from the operations. Your Directors are optimistic about the future growth of the Company and are putting their best efforts to accelerate the growth speed.

POWER DIVISION:

The Company has one other segment i.e. Power Generation (Energy) which had started in last quarter of the Financial Year 2011-12 operating through its step down subsidiary company 'Konark Gujarat PV Private Limited'. During the

financial year 2013-14, the revenue earned from power generation activity was ₹ 1450.24 Lacs as compared to ₹1404.15 Lacs in the previous year. The Company continues to focus on cost reduction measures and improve efficiency to pathway 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 provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Prakashchand Dalmia, Managing Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

Further, in terms of the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation. To comply with these provisions, it is proposed to appoint Mr. Mahendra Agrwal and Mr. Satish Deshmukh as Independent Directors of the Company to hold office as such upto 31st March, 2019, subject to the approval of members. Your Board recommends their appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered with the Stock Exchange. Your Board recommends for their appointment as aforesaid.

Brief resume of the Directors proposed to be appointed / re-appointed as stipulated under Clause 49 of the Listing Agreement entered with the Stock Exchange are given in the Notice convening 30th Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217 (2AA) of the Companies Act 1956, the Board of Directors of your Company hereby confirm that:

- i) In the preparation of the Annual Accounts for the year ended 31st March, 2014, the applicable Accounting Standards (except AS-15) have been followed and proper explanation relating to material departures have been given wherever necessary;
- 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 31st March, 2014 and of the profits 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; and
- iv) The Directors have prepared the Annual Accounts for the financial year ended 31st March, 2014 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 8th February, 2011 read with General Circular No.3/2011 No. 5/12/2007-CL-III dated 21st 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

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is publishing Consolidated Financial Statements in its Annual Report and accordingly, the Company is not attaching the Balance Sheets of the subsidiary companies.

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 and Konark Natural Foods Private Limited (formally known as Konark Solartech Private Limited) (subsidiary companies of Konark Greentech Private Limited) is given in Annexure attached to this Report.

The Annual Accounts of the above referred subsidiary and step down subsidiary companies are available on the Company's website i.e. www.konarkgroup.co.in and 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 and during the Annual General Meeting.

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 31st March 2014.

AUDITORS:

M/s. Bhuwania & Agrawal Associates, Chartered Accountants, Mumbai (FRN:101483W) the Statutory Auditors of your Company hold office upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them regarding their willingness to act as Statutory Auditors of the Company. The Company has also received a certificate from them to the effect that their re-appointment, if made, would be in compliance with the conditions prescribed under Section 139 of the Companies Act, 2013 and they satisfy the criteria as provided under Section 141 of the Act.

Your Directors recommend the re-appointment of M/s. Bhuwania & Agrawal Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting upto the conclusion of next Annual General Meeting of the Company and to audit the financial statements for the financial year 2014-2015.

AUDITORS' REMARKS:

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 Circular No. F. No. 52/26/CAB-2010 dated 30th June, 2011 and 52/26/CAB-2010 dated 24th January, 2012 issued by Ministry of Corporate Affairs, Cost Audit Branch, the Company with the prior approval of the Central Government has appointed Mr. Sandeep Kumar Poddar, Practising Cost Accountant, Mumbai as the Cost Auditors of the Company for Audit of the cost accounting records for the financial year 2013-14.

LISTING OF SECURITIES:

The Equity Shares of the Company are listed at BSE Limited. The Company has paid the Annual listing fees to the BSE Limited and custodian fees to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2014-2015.

CORPORATE GOVERNANCE REPORT:

Pursuant to Clause 49 of the Listing Agreement entered into with the BSE Limited, the following have been made a part of the Annual Report and are attached to this report:

- Management Discussion and Analysis Report
- Corporate Governance Report
- Certificate regarding compliance of conditions of Corporate Governance

PARTICULARS OF EMPLOYEES:

During the year under review, no employee was in receipt of remuneration exceeding the limits as prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, hence no such particulars are furnished.

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

The Company has constituted an Internal Compliant Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was filed before the said Committee.

PARTICULARS OF 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)	
Particulars	2013-14	2012-13
Foreign Exchange Earning	16.99	-
Foreign Exchange Outgo	9.24	7.12

ACKNOWLEDGMENTS:

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

Your Directors also wish to place on record their deep appreciation for the committed services of the employees of the Company.

For and on Behalf of the Board of Directors

Place: Mumbai
Date: 14th August, 2014

**Prakashchand Dalmia
Chairman & Managing Director**

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 31st March 2014.

CONSERVATION OF ENERGY:

A) Energy Conservation measures taken:

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

B) Impact of the above measures:

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

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 st March, 2014	31 st March, 2013
A. POWER AND FUEL CONSUMPTION		
Electricity		
a. (i) Purchase (KWH) (Specialty Yarn)	5721916	5707578
Total Amount (₹)	24925169	23205457
Rate / Unit (₹)	4.36	4.07
(ii) Purchase (KWH) (Fabric)	561106	568666
Total Amount (₹)	3749893	3914911
Rate / Unit (₹)	6.68	6.88
(iii) Purchase (KWH) - Garments	254702	236452
Total Amount (₹)	1679134	1503100
Rate / Unit (₹)	6.59	6.36
b. Own Generation (Through Diesel) - Garments		
Generation (KWH) (Generator)	130181	106939
Total Amount (₹)	1287493	881986
Rate / Unit (₹)	9.89	8.25
c. Furnance Oil	Nil	Nil
d. Other / Internal Generation	Nil	Nil
B. FABRIC		
Coal (used in Boiler)		
Qty. (In Metric Tons)	421.110	556.940
Total Cost (In ₹)	2132084	2591930
Average Rate (In ₹ Per Ton)	5063.00	4653.88
Diesel (Used In Boiler)	4032	10902
Total Cost of the Diesel	239605	576762
Average Cost (In ₹ Per Liter)	59.42	52.90
Gas (Used In Boiler)	0.00	0.00
Total Cost of the Gas	0.00	0.00
Average Cost (In ₹ Per Kgs.)	0.00	0.00
C. CONSUMPTION PER UNIT OF PRODUCTION (KWH)		
Yarn (Per Kg.)	3.10	3.37
Fabric (Per Mtr.)	0.43	0.39
Garments (Per Pc)	0.98	0.97

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Information as required under General Circular No.2/2011 No. 51/12/2007-CL-III dated 8th February 2011 issued by the Ministry of Corporate Affairs (MCA) relating to Subsidiary Companies for the year ended 31st March, 2014:

(Amount in ₹)

Particulars	India Denim Ltd.	Konark Infratech Pvt. Ltd.	Konark Greentech Pvt. Ltd.	*Konark Gujarat PV Pvt. Ltd.	**Konark Wind Projects Pvt. Ltd.	**Konark Natural Foods Pvt. Ltd. (Formally known as Konark Solartech Pvt. Ltd.)
Share Capital	114,459,000	520,000	100,000	20,100,000	100,000	100,000
Reserves	23,914,581	2461609	(81,347)	109,468,997	6960	(85,731)
Total Assets	720,935,052	228,651,544	4,620,075	588,549,545	4,697,144	213,189
Total Liabilities	720,935,052	228,651,544	4,620,075	588,549,545	4,697,144	213,189
Investments (except in subsidiary companies)	-	-	-	-	-	-
Turnover & Other Receipts	508,861,627	13,385,976	-	145,024,050	-	154999
Profit/(Loss) before Taxation	(24,677,099)	3,742,762	(17,740)	18,290,459	(23,370)	(35,773)
Provision for Taxation	(7,720,018)	1,350,000	-	4,000,000	-	-
Profit/(Loss) after Taxation	(16,957,081)	2,392,762	(17,740)	14,290,459	(23,370)	(35,773)
Proposed Dividend	-	-	-	-	-	-

* Wholly owned Subsidiary of Konark Infratech Pvt. Ltd.

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

For and on Behalf of the Board of Directors

Place: Mumbai
Date : 14th August, 2014

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

POWER SECTOR BUSINESS:

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

2. Opportunities and Threats:

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 2012-13. It has allowed upto 100 per cent Foreign Direct Investment in power sector & 100 per cent for textile sector under the automatic route. The Government have taken a number of steps for expansion of Textile & Clothing (T&C) sector including technology 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 5th largest electricity generation capacity and it is the 6th largest energy consumer accounting for 3.4% of global energy consumption. Due to the fast-paced growth of the Indian economy, the country's energy demand has grown at an average of 3.6% p.a. over the past 30 years. The power sector provides one of the most important inputs for the development of a country and availability of reliable and inexpensive power is critical for its sustainable economic development.

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

3. Performance :

Overall performance:

The overall performance during the year 2013-14 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 finance 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 approximately 3% in this year. This reflects increase in consumer confidence and growing market consumption along with other cost cutting major including better finance control, working capital management, etc. The Company is looking forward for growth, there has been continuous increase in sales volume due to which there has been increase in consumption of materials for productions.

The company has entered in Power Generation (Energy) sector in last quarter of the Financial Year 2011-12 operating through its step down subsidiary company Konark Gujarat PV Private Limited., revenue of this segment increase positively. The revenue earned from power generation activity was ₹ 1450.24 Lac as compared to ₹ 1404.15 Lac in the previous year.

4. Segment –Wise performance:

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

5. Outlook:

TEXTILE DIVISION:

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

POWER DIVISION:

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

6. Risk and Concerns:

The exercise for evaluating the potential risks for the organization is closely monitored by the management. All identified risks have been classified with respect to their seriousness and probabilities of such risks getting

materialized have also been ascertained. In formulating corporate strategies, these risks are duly considered and counter measures are adopted.

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

7. Internal Control System & Adequacy:

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

8. Human Resource Development:

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

a) Composition:

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. As on 31st March, 2014, the Board of Directors comprised of total four Directors out of which two were Independent Directors and two were Executive Directors. The Company complies with the norms prescribed under Clause 49 of the Listing Agreement for constitution of Board of Directors.

None of the Independent Directors has any material pecuniary relationship or transaction with the Company, its Promoters, its Directors, its Senior Management, which would affect their independence.

Further, 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 directors.

b) Board Procedure:

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairman of the other Committees. 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, business operations, quarterly / half yearly / annual results of the Company, review of reports, Audit Committee and compliance with their recommendation, suggestion, non compliance of any regulatory, statutory or listing requirements, etc.

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

During the year under review, the Board of Directors met 5 (five) times viz., 30th May, 2013, 14th August, 2013, 14th November, 2013, 7th January, 2014 and 14th February, 2014. As stipulated, the gap between two Board meetings did not exceed four months.

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2013-14 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 AGM held on 30 th September, 2013
	Held	Attended		Chairman	Member	
Category			Director			
1. Executive Director/ Promoters						
Mr. Prakashchand Dalmia (Chairman & Managing Director)	5	5	1	-	-	Yes
Mr. Amitabh Kejriwal (Whole Time Director)	5	5	1	-	-	Yes
2. Non- Executive / Independent Directors						
Mr. Mahendra Agarwal	5	4	1	-	-	Yes
Mr. Satish Deshmukh	5	5	-	-	-	Yes

Notes: The directorship held by directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies, Section 25 Companies and Private Companies.

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. 30th May, 2013, 14th August, 2013, 14th November, 2013 and 14th February, 2014 during the year under review. The composition and attendance of the members at the Audit Committee Meetings held during the financial year 2013-2014 are as follows:

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

The gap between two Audit Committee Meetings was not more than four months, in compliance with Listing Agreement.

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

The scope of the activities and the terms of reference of the Audit Committee are wide 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 / re-appointment and removal of the Statutory Auditors and fixing of their fees.
5. Approval of payment to Statutory Auditors.
6. Reviewing the adequacy of internal audit function / systems.
7. Reviewing the related party transactions
8. Reviewing periodically financial performance of Subsidiary Companies.
9. Reviewing the compliance disclosure requirement under Listing Agreement with Stock Exchange.
10. Recommending appointment / re-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 (Now known as Nomination and Remuneration Committee):

The Board of Directors of the Company at its Meeting held on 30th May, 2014, had re-christened the Remuneration Committee as the Nomination and Remuneration Committee to comply with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (the Rules).

The Nomination and Remuneration Committee has been constituted to recommend and review compensation plans of Executive Directors, based on their performance, defined assessment criteria and job responsibilities.

During the financial year 2013-14, no Nomination and Remuneration Committee Meeting was held. The composition of the Committee is as follows:

Name of the Member	Designation
Mr. Mahendra Agarwal	Chairman
Mr. Satish Deshmukh	Member
Mr. Prakashchand Dalmia	Member

The Compliance Officer of the Company acts as the 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 and No. of Equity shares held by the Executive Directors during the year ended 31st March, 2014 are 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	313538	Nil	Nil	1213538	57501
Mr.Amitabh Kejriwal	660000	104223	Nil	Nil	764223	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 (Now known as Stakeholder's Relationship Committee):

The Board of Directors of the Company at its Meeting held on 30th May, 2014, had re-christened the Investor' Grievance Committee as the Stakeholder's Relationship Committee to comply with the provisions of Section 178 of Companies Act, 2013 (the Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (the Rules).

During the financial year 2013-14, the Stakeholder's Relationship Committee met 4 (four) times viz. 30th May, 2013, 14th August, 2013, 14th November, 2013 and 14th February, 2014. The composition and attendance of the members at the Stakeholder's Relationship Committee Meetings held during the financial year 2013-2014 are as follows:

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

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

Status of Investors' Complaint:

Opening	Received during the year	Resolved during the year	Pending
0	0	0	0

Name of Compliance Officer

Mr. A. K. Singhal.

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

6. SUBSIDIARY COMPANIES

As on 31st March, 2014, the Company has three subsidiary and three steps 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 (subsidiary Company of Konark Greentech Private Limited)
3. Konark Natural Foods Private Limited (Formerly known as Konark Solartech Private Limited) (subsidiary Company of Konark Greentech Private Limited)

Except India Denim Limited and Konark Gujarat PV Private limited, no other subsidiary Company falls 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	Venue	Special Resolutions
2010 - 11	26 th September, 2011	3.30 p.m.	Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 059.	<ol style="list-style-type: none"> To alter the Articles of Association of the Company. To authorise Board of Directors of the Company u/s 81(1A) of the Companies Act, 1956 to create, 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.
2011 - 12	25 th September, 2012	3.30 p.m.	Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 059.	<ol style="list-style-type: none"> To approve the re-appointment of Mr. Prakashchand Dalmia as Managing Director of the Company. To authorise Board of Directors of the Company u/s 81(1A) of the Companies Act, 1956 to create, 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.
2012-13	30 th September, 2013	3.30 p.m.	Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 059.	NIL

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 Note No.28 B of Note on Accounts of the Financial Statements in the Annual Report. However, these transactions are not likely to have any conflicts with the Company's interest.

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 and Auditors' Certificate on compliance of Corporate Governance:

The Board of Directors has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. All the Board members have affirmed their compliance with the Code of Conduct. A declaration by the Managing Director of the Company affirming the compliance of the same during the financial

year ended on 31st March, 2014 by the members of the Board and the Senior Management Personnel as applicable to them, forms part of this Annual Report, which along with the Auditors' Certificate on compliance of Clause 49 of the Listing Agreement by the Company are annexed to this Annual Report.

f. Review of Directors' Responsibility Statement:

The Board has reviewed and approved the Directors' Responsibility Statement.

g. CEO Certification:

In terms of the requirements of Clause 49(V) of the Listing Agreement, Mr. Prakashchand Dalmia, Managing Director of the Company has submitted necessary certificate to the Board at its meeting held on 30th May, 2014 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 its Directors, Senior Management, Officers & other employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company.

i. 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. We affirm that, during the financial year 2013-14, no employee was denied access to the Audit Committee.

9. MEANS OF COMMUNICATIONS

- a) The Quarterly / Half-yearly and Annual Financial Results of the Company are duly published in "Financial Express", "Business Standard" and "Mumbai Lakshadeep" in compliance with the Listing Agreement. All material information about the Company is promptly sent to the Stock Exchange and the Company regularly updates about its financial as well as other organizational development.
- b) The Management Discussion and Analysis Report is a part of the Annual Report and annexed separately.
- c) The Company has not made any presentations to institutional investors or to the analysts and has not given any press release during the year under review.

10. GENERAL SHAREHOLDERS' INFORMATION

a. Annual General Meeting

Date : Tuesday, 30th September, 2014
 Time : 3.30 p.m.
 Venue : Building No. 7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 059

b. Financial Year : 1st April, 2013 to 31st March, 2014

c. Dividend Payment : N.A.

d. Financial Calendar 2014-15 :

Subject Matter	Tentative Dates of the Board Meeting
Financial Results for the quarter ended 30 th June, 2014	On 14 th August, 2014
Financial Results for the quarter ending 30 th September, 2014	By 14 th November, 2014
Financial Results for the quarter ending 31 st December, 2014	By 14 th February, 2015
Audited Financial Results for the quarter and year ending 31 st March, 2015	By 30 th May, 2015 (Audited).

- e. **Date of Book Closure** : Friday, the 26th day of September, 2014 to Tuesday, the 30th day of September, 2014 (both days inclusive).
- f. **Listing on Stock Exchange** : BSE Limited (BSE)
- g. **Listing Fees** : The Company has paid the necessary listing fees to BSE Limited for the year 2014-15.
- h. **Custodial Fees** : The Company has paid custodial fees for the year 2014-15 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them as on 31st March, 2014.
- i. **Stock Code** : 514128
- j. **Scrip Id** : KONARKSY
- k. **ISIN** : INE517D01019
- l. **Market Price Data** : High and low quotations of shares traded on the BSE Limited during each month for the year 2013-14 as compared to BSE Sensex are as follows:

Month	Volume (No. of Shares)	Share Price of shares of the Company at BSE* (₹)		BSE Sensex* (Points)	
		High	Low	High	Low
April 2013	549	8.18	7.70	19622.68	18144.22
May 2013	1098	7.40	6.14	20443.62	19451.26
June 2013	1263	6.44	6.00	19860.19	18467.16
July 2013	658	5.80	4.89	20351.06	19126.82
August 2013	1013	5.41	5.16	19569.20	17448.71
September 2013	6192	5.96	5.14	20739.69	18166.17
October 2013	1059	6.34	5.30	21205.44	19264.72
November 2013	717	6.42	5.83	21321.53	20137.67
December 2013	992	7.08	6.08	21483.74	20568.70
January 2014	12627	12.36	6.99	21409.66	20343.78
February 2014	1983	11.70	9.77	21140.51	19963.12
March 2014	17551	11.50	7.99	22467.21	20920.98

* Source: www.bseindia.com

m. Registrar & Share Transfer Agent:

Purva Shareregistry (India) Private Limited

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

n. Share Transfer System:

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agents (RTA) within 15 days of the lodgment, if documents are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

o. Shareholding Pattern as on 31st March, 2014:

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	124,268	2.14
7.	Individuals	12,40,351	21.36
8.	Clearing Member	450	0.01
9.	NRI / OCBs	14,154	0.24
10.	Trust	-	-
11.	Hindu Undivided Family	73,360	1.26
	TOTAL	5,808,000	100.00

p. Distribution of Shareholding as on 31st March 2014:

Shares having nominal value of (in ₹)		No. of Share Holders	Percentage to the total no. of share holder	Amount (in ₹)	Percentage to the total amount
From	To				
1	5000	2114	91.20	2908160	5.01
5001	10000	95	4.10	768900	1.32
10001	20000	39	1.68	593090	1.02
20001	30000	19	0.82	491430	0.85
30001	40000	10	0.43	358150	0.62
40001	50000	2	0.09	89000	0.15
50001	100000	13	0.56	761910	1.31
100001 and above		26	1.12	52109360	89.72
TOTAL		2318	100.00	58080000	100.00

q. Dematerialization of Equity Shares and Liquidity:

As on 31st March, 2014 about 96.69% of the Company equity shares have been dematerialized.

r. Outstanding ADR(s), GDR(s), Warrant(s) or any convertible instruments, conversion date and impact on Equity:

Your company has not issued any ADR(s), GDR(s), Warrant(s) or any convertible instruments.

s. Plant locations:

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

t. Address for investor correspondence:

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

Mr. A. K. Singhal, Compliance Officer
Konark Synthetic Ltd.
Building No.7, Mittal Industrial Estate,
Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 059.
Tel. No.: (022) 40896300
Fax No.: (022) 40896322
Email : info@konarkgroup.co.in

Purva Sharegistry (India) Pvt. Ltd.
Unit : Konark Synthetic Limited,
9, Shiv Shakti Industrial Estate,
J R Boricha Marg, Lower Parel (East),
Mumbai - 400 011
Tel. No.: 022 - 2301 6761/8261
Fax No.: 022 - 2301 2517
Email : busicomp@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 financial year 2013-14.

For Konark Synthetic Limited

Place: Mumbai
Date : 14th August, 2014

Prakashchand Dalmia
Chairman & Managing Director

AUDITORS' 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 31st March, 2014 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 : 14th August, 2014

Abhishek Jain
Partner
M. No. 509839

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KONARK SYNTHETIC LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Konark Synthetic Limited, which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; except as dealt under Emphasis of Matter below:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter :

We would like to draw the attention on the Company's policy of providing for gratuity as and when paid and not on the basis of actuarial valuation as per AS 15. The same has been stated in Note 26 of Notes to Accounts.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, except as stated under Emphasis of Matter;
 - (e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

ABHISHEK JAIN
Partner
Membership No. 509839

Place: Mumbai
Date : 30th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Konark Synthetic Limited, we report that:

i. In respect of the Fixed Assets:

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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.
- (c) No substantial part of fixed asset has been disposed off during the year.

ii. In respect of its Inventories:

- (a) 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.
- (b) 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.
- (c) The Company is maintaining 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. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, we report

- a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted unsecured loans to its subsidiaries / step down subsidiaries, with or without interest, during the year of which details are as follows.

(₹ in Lac)			
No. of Parties	Loan Given*	Maximum Balance	Closing Balance
5	515.23	2016.18	1312.98

* includes interest amount.

- b) In our opinion, interest, whenever charged and other terms and conditions of loans given by the company are not prima facie prejudicial to the interest of the company.
- c) The Principal amounts are repayable on demand, while the interest is payable annually or stipulated if any at the discretion of Company.
- d) In respect of said loan and interest thereon, there are no overdue amounts of more than ₹ One Lakh as informed to us as by the Management;
- e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken interest free unsecured loans from one of such companies listed in the register maintained under Section 301 of the Companies Act, 1956.

(₹ in Lac)			
No. of Parties	Loan Taken	Maximum Balance	Closing Balance
1	1.35	3960.31	2991.89

- f) In our opinion and according to the information and explanations given to us other terms and conditions of above loan taken are not prima facie 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 generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, we have not observed any continuing failure to correct any weaknesses in the internal controls system.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section;
 - b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceed five lacs rupees in a financial year and therefore requirement of reasonableness of transactions as to be reported under this clause does not arise;
- 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 Section 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. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rule, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix. In respect of statutory dues:**
 - (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- x. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- 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 Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
- xv. According to the information and explanations given to us, the Company has given Corporate Guarantee to the banks towards the loans taken by one of its subsidiary, amounting to ₹ 3190 Lac. In our opinion and as per the information and explanation given, terms and conditions of those corporate guarantees are not prejudicial to the interest of the company.
- xvi. Based on our audit procedures and on the information given by the management, we report that the company has not raised any new term loans during the year. The term loan outstanding at the beginning of the year, have been applied for the purposes for which they were raised.
- xvii. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we are of the opinion that there are no funds raised on short-term basis have been used for long-term investment by the Company.
- xviii. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year to 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 issue 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

ABHISHEK JAIN
Partner
Membership No. 509839

Place: Mumbai
Date : 30th May, 2014

KONARK

BALANCE SHEET AS AT 31ST MARCH, 2014

Sr. No	PARTICULARS	NOTE NO.	AS AT 31.03.2014 Amount (₹)	AS AT 31.03.2013 Amount (₹)
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
a.	Share capital	2	58,080,000	58,080,000
b.	Reserves and surplus	3	248,377,217	237,476,208
c.	Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
a.	Long-term borrowings	4	296,603,616	400,282,097
b.	Deferred tax liabilities (Net)	5	40,377,555	40,056,448
c.	Other Long term liabilities		-	-
d.	Long-term provisions		-	-
4	Current liabilities			
a.	Short-term borrowings	6	318,753,533	235,545,935
b.	Trade payables	7	272,501,529	166,784,263
c.	Other current liabilities	8	50,332,566	57,453,806
d.	Short-term provisions	9	8,194,038	7,815,209
	TOTAL		1,293,220,053	1,203,493,965
II.	ASSETS			
1	Non-current assets			
a.	Fixed assets			
	(i) Tangible assets	10	342,929,092	369,126,540
	(ii) Intangible assets		474,732	453,385
	(iii) Capital work-in-progress		31,919,760	32,650,716
	(iv) Intangible assets under development		-	-
b.	Non-current investments	11	85,271,100	85,271,100
c.	Long-term loans and advances	12	42,818,956	86,753,748
d.	Other non-current assets	13	8,375,123	8,227,747
2	Current assets			
a.	Current investments		-	-
b.	Inventories	14	142,618,017	178,401,911
c.	Trade receivables	15	476,361,643	297,617,967
d.	Cash and cash equivalents	16	16,531,118	13,359,752
e.	Short-term loans and advances	17	144,673,135	129,574,501
f.	Other current assets	18	1,247,378	2,056,597
	TOTAL		1,293,220,053	1,203,493,965

Significant Accounting Policies 1
Notes on Accounts including Significant Accounting Policies 1 to 41

As per our reports of even date attached

For and on behalf of the Board of Directors

For BHUWANIA & AGRAWAL ASSOCIATES

PRAKASHCHAND DALMIA
Chairman & Managing Director

AMITABH KEJRIWAL
Whole Time Director

Chartered Accountants
Firm Registration No.101483W

ABHISHEK JAIN

Partner
Membership No. 509839

Place : Mumbai.
Date : 30th May, 2014

MAHENDRA AGARWAL

Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

Sr. No	PARTICULARS	NOTE NO.	FOR THE YEAR 2013-14 Amount (₹)	FOR THE YEAR 2012-13 Amount (₹)
I.	Revenue from operations	19	1,055,050,201	1,026,587,345
II.	Other income	20	16,408,900	24,084,334
III.	Total Revenue (I + II)		1,071,459,101	1,050,671,679
IV.	Expenses:			
	Cost of materials consumed	21	781,979,218	844,174,425
	Purchases of Stock-in-Trade		-	-
	Change in inventories of finished goods/stock in trade	22	56,434,636	(40,488,878)
	Employee benefits expense	23	56,218,155	51,893,359
	Finance costs	24	36,679,989	61,435,129
	Depreciation and amortization expense	10	27,251,012	27,369,964
	Other expenses	25	98,573,180	92,746,960
	Total expenses		1,057,136,189	1,037,130,960
V.	Profit before exceptional and extraordinary items and tax (III-IV)		14,322,912	13,540,719
VI.	Exceptional items			
	Prior Period Expenses		-	36,841
	Short Provision for Taxation		797	(120,272)
VII.	Profit before extraordinary items and tax (V - VI)		14,322,115	13,624,150
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		14,322,115	13,624,150
X	Tax expense:			
	(1) Current tax		3,100,000	2,750,000
	(2) Deferred tax		321,107	1,621,790
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		10,901,008	9,252,360
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		10,901,008	9,252,360
XV	Profit (Loss) for the period (XI + XIV)		10,901,008	9,252,360
XVI	Earnings per equity share:			
	(1) Basic		1.88	1.59
	(2) Diluted		1.88	1.59

Significant Accounting Policies 1
Notes on Accounts including Significant Accounting Policies 1 to 41

As per our reports of even date attached

For and on behalf of the Board of Directors

For BHUWANIA & AGRAWAL ASSOCIATES

PRAKASHCHAND DALMIA
Chairman & Managing Director

AMITABH KEJRIWAL
Whole Time Director

Chartered Accountants
Firm Registration No.101483W

ABHISHEK JAIN

Partner

Membership No. 509839

Place : Mumbai.

Date : 30th May, 2014

MAHENDRA AGARWAL

Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lac)

PARTICULARS	31 ST MARCH, 2014	31 ST MARCH, 2013
CASH FLOW FROM OPERATING ACTIVITY		
Net Profit before tax & Extra Ordinary Items	143.23	135.41
Adjustment for : Depreciation	272.51	273.70
Interest paid	366.80	614.35
Provision for Bad Debts	0.00	4.89
(Profit)Loss on Sale of Fixed Assets	0.00	0.91
Interest Income (considered Separately)	<u>(153.92)</u>	<u>(237.52)</u>
Operating Profit before working capital changes	628.62	791.74
WORKING CAPITAL CHANGES		
(Increase)Decrease in Sundry debtors	(1,787.44)	(179.03)
(Increase)Decrease in Loans & Advances	294.25	(663.75)
(Increase)Decrease in Inventories	357.84	(321.95)
Increase(Decrease) in Trade Payable(Incl.Work'g Cap.Fin)	<u>956.02</u>	<u>(622.36)</u>
	(179.33)	(1,787.09)
Cash Generated From operations	449.29	(995.35)
Interest paid	<u>(366.80)</u>	<u>(614.35)</u>
Cash Flow Before Prior Period & Extra Ordinary Items	82.49	(1,609.70)
Prior Period & Extra Ordinary Items	0.01	0.37
Net Cash Flow From Operating Activities	82.48	(1,610.07)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3.44)	(324.57)
Interest Income	153.92	237.52
Sale of fixed assets	0.00	2.34
Net Cash Outflow for Investing Activities	150.48	(84.71)
Cash flow after investing activities	232.96	(1,694.78)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowing (Net of Repayments)	(154.78)	3,489.79
Proceeds from Short term borrowing (Net of Repayments)		
Unsecured Loan	(18.72)	(1,742.63)
Investment	0.00	0.00
Dividend paid	(0.98)	(1.57)
Direct Tax Paid	(26.77)	(61.53)
Net Cash Flow from financing activity	(201.25)	1,684.06
Cash flow after financing activity	31.71	(10.72)
Opening Balance:		
Cash &Cash Equivalent (Opening Balance)	133.60	144.32
Cash & Cash Equivalent (Closing Balance)	<u>165.31</u>	<u>133.60</u>
Increase in Cash & Cash Equivalent	31.71	(10.72)

As per our reports of even date attached

For and on behalf of the Board of Directors

For BHUWANIA & AGRAWAL ASSOCIATES

PRAKASHCHAND DALMIA
Chairman & Managing Director

AMITABH KEJRIWAL
Whole Time Director

Chartered Accountants
Firm Registration No.101483W

ABHISHEK JAIN

MAHENDRA AGARWAL
Director

Partner
Membership No. 509839

Place : Mumbai.
Date : 30th May, 2014

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH, 2014

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 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.

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 31.03.2014	As At 31.03.2013
2	SHARE CAPITAL		
	Authorised Capital 15000000 Equity Shares of ₹ 10/- each (Previous Year 15000000 Equity Shares of ₹ 10 /- each)	150,000,000	150,000,000
	TOTAL	150,000,000	150,000,000
	Issued, Subscribed and Paid Up 5808000 Equity Shares of ₹ 10/- each (Previous Year 5808000 Equity Shares of ₹ 10 /- each)	58,080,000	58,080,000
	TOTAL	58,080,000	58,080,000

Reconciliation of Outstanding Shares as on 31.03.2014

Sr. No.	Particulars	Equity Shares		Preference Shares	
		Number	₹	Number	₹
1	Shares outstanding at the beginning of the year	5,808,000	58,080,000	-	-
2	Shares Issued during the year	-	-	-	-
3	Shares bought back during the year	-	-	-	-
4	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 is subject to the approval of shareholders in the ensuing General Meeting. Dividend is paid to the equity Shareholders, whose name appears in the register of members as on record date.				
	In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after the distribution of all preferential amounts. Distribution will be in the proportion to the number of equity shares held by the shareholders."				

Details of Shareholders holding more than 5% of Equity Share Capital as on 31.03.2014

Sr. No.	Name of the Shareholder	As At 31.03.2014		As At 31.03.2013	
		No. of Shares Held	% of Shareholding	No. of Shares Held	% of Shareholding
1	Rakadevi Dalmia	2,108,091	36.30%	2,108,091	36.30%
2	Kayo Investment And Finance Pvt. Ltd	856,850	14.75%	856,850	14.75%
3	Fillmore Trading & Investments Pvt. Ltd.	840,000	14.46%	840,000	14.46%
4	Prakashchand Dalmia (HUF)	336,600	5.80%	336,600	5.80%
	TOTAL	4,141,541	71.31%	4,141,541	71.31%

NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2013	Additions during the year	Deductions during the year	As At 31.03.2014
3	RESERVES AND SURPLUS				
	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 *	102,867,900	10,901,008	-	113,768,909
	TOTAL	237,476,208	10,901,008	-	248,377,217

		2013-2014		2012-2013	
	* Profit for the period	-	10,901,008	-	9,252,360
	Less: Dividend on Equity Shares	-	-	-	-
	Less: Dividend Distribution Tax	-	-	-	-
	Less: Transfer to General Reserve	-	-	-	-
	TOTAL		10,901,008		9,252,360

Note No.	Particulars	As At 31.03.2014	As At 31.03.2013
4	NON-CURRENT LIABILITIES		
	LONG TERM BORROWINGS		
	Secured		
A.	Term Loans		
	-From Banks		
	Indian Bank	2,421,196	16,357,098
	-Loan against Flat	16,934,827	16,934,827
	- Vehicle Loans (Against Motor Cars)	2,247,593	3,790,172
	TOTAL - I	21,603,616	37,082,097
	Unsecured		
B.	Loans & Advances from Related Parties		
	Inter Corporate Loans	275,000,000	363,200,000
	TOTAL - II	275,000,000	363,200,000
	TOTAL I + II	296,603,616	400,282,097
	Secured Loans:		
	Term Loans:		
	a) Term Loans from INDIAN BANK is 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) Loan against Flat is Secured against the same Flat i.e. Flat No. 2101, situated at Orchid Crown, Tower B, Gokhale Road South, Dadar (W), Mumbai, which is payable in 120 EMIs after getting the possession from the Developer.		

NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2014	As At 31.03.2013
	<p>c) All loans are personally guaranteed by the Managing Director and two other Directors.</p> <p>d) The Term Loan is payable in quarterly instalments and the same should be paid in total five years.</p> <p>Vehicle Loans: The Loans against the cars are hypothecation of the specific car against which it was sanctioned and is payable in 3 to 5 Years.</p> <p>Unsecured Loans: Above loan is not guaranteed by any director of the company and is payable after 31.03.2015</p>		
5	DEFERRED TAX LIABILITY		
	Deferred Tax Liabilities	51,557,713	51,236,606
	Deferred Tax Assets	11,180,158	11,180,158
	Deferred Tax Liabilities (NET)	40,377,555	40,056,448
6	CURRENT LIABILITIES		
	SHORT TERM BORROWINGS		
	A. Secured		
	Loans repayable on demand		
	-From Bank		
	Indian Bank	92,197,623	93,723,253
	Corporation Bank	71,322,228	72,917,267
	-From Others	-	-
	B. Unsecured		
	-From Bank	2,714,875	-
	C. Loans & Advances from Related Parties	24,189,191	32,831,415
	Others	128,329,616	36,074,000
	Of the above ₹ Nil is guaranteed by Directors and/or others		
	TOTAL	318,753,533	235,545,935
7	<p>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.</p> <p>b) All loans are personally guaranteed by the Directors.</p>		
	TRADE PAYABLES		
	i) Acceptance	79,965,325	75,965,118
	ii) Trade Payables (In ordinary course of Business)		
	For Trade Goods & Expenses	187,085,914	86,212,268
	For Others	5,450,290	4,606,877
	TOTAL	272,501,529	166,784,263

NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2014	As At 31.03.2013
8	OTHER CURRENT LIABILITIES		
	Current Maturities of Long-term debts	28,682,600	36,796,086
	Interest Accrued and due	-	654,126
	Unpaid/Unclaimed dividends	185,248	283,317
	Advance Received against Sale of Land	9,500,000	9,300,000
	Loan From Fillmore Trading & Investment Pvt. Ltd & Others	-	-
	Other Payables		
	a) Taxes & duty	336,539	2,132,797
	b) Payable-ESIC, PF & Prof. Tax etc.	929,665	661,472
	c) Payable-Employee	10,698,514	7,626,008
	TOTAL	50,332,566	57,453,806
9	SHORT TERM PROVISIONS		
	Others (Expenses Payable)	5,094,038	5,065,209
	Income Tax / Wealth Tax	3,100,000	2,750,000
	TOTAL	8,194,038	7,815,209

NOTES ON ACCOUNTS

NOTE NO. 10 FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	As at 01.04.2013 (₹)	Additions/ Adjustments (₹)	Deductions/ Adjustments (₹)	As at 31.03.2014 (₹)	For the year (₹)	Up to 31.03.2014 (₹)	As at 31.03.2013 (₹)	As at 31.03.2014 (₹)
Tangible :								
LAND								
Leasehold Land	6,180,340	-	-	6,180,340	62,421	492,016	5,750,746	5,750,746
Freehold Land	1,069,088	-	-	1,069,088	-	-	1,069,088	1,069,088
BUILDING								
Factory Buildings	75,556,575	-	-	75,556,575	2,523,589	22,127,595	55,952,569	55,952,569
Plant & Machineries	484,642,034	553,329	-	485,195,363	22,231,541	213,100,698	293,772,877	272,094,665
Furniture & Fixtures	6,322,113	2,300	-	6,324,413	279,596	4,413,802	2,187,907	1,910,611
Office Equipments	2,110,045	107,205	-	2,217,250	102,213	1,440,660	771,598	776,590
Vehicles	19,302,991	-	-	19,302,991	1,725,391	11,584,774	9,443,608	7,718,217
Computers	2,660,205	175,001	-	2,835,206	110,527	2,592,589	178,143	242,617
Intangible:								
Software*	2,158,326	237,080	-	2,395,406	215,734	1,920,674	453,385	474,732
Total	600,001,717	1,074,915	-	601,076,632	27,251,012	257,672,809	369,579,922	343,403,823
Previous Year	599,882,874	502,576	383,733	600,001,717	27,369,964	230,421,795	396,772,266	369,579,922
Capital Work in progress	31,919,760	31,919,760	-	31,919,760	-	-	31,919,760	31,919,760

*other than internally generate

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

Particulars	As At 31 March, 2014	As At 31 March, 2013
A Trade Investments (Refer A below)	85,268,000	85,268,000
(a) Investment in Equity instruments	-	-
(b) Other non-current investments (specify nature)	85,268,000	85,268,000
Total (A)	85,268,000	85,268,000
B Other Investments (Refer B below)	207,100	207,100
(a) Investment in equity instruments	-	-
(b) Other non-current investments (specify nature)	207,100	207,100
Total (B)	207,100	207,100
Grand Total (A + B)	85,475,100	85,475,100
Less : Provision for diminution in the value of Investments	204,000	204,000
Total	85,271,100	85,271,100
Particulars	2014 Amount (₹)	2013 Amount (₹)
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	85,271,100

Sr. No.	A. Details of Trade Investments	Name of the Body Corporate	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' - Basis of valuation
					2014	2013			2014	2013	2014	2013		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
(a)	Investment in Equity Instruments													
	India Denim Limited	Subsidiary	7001000	10	unquoted	Fully	61.17	61.17	84,888,000	84,888,000	Yes	-		
	Konark Infratech Private Limited	Subsidiary	28000	10	unquoted	Fully	53.85	53.85	280,000	280,000	Yes	-		
	Konark Greentech Private Limited	Subsidiary	10000	10	unquoted	Fully	100	100	100,000	100,000	Yes	-		
	Total								85,268,000	85,268,000				
B.	Details of Other Investments													
(a)	Investment in Equity													
	Sivassa Co-op. Society Limited	Others	10	100	unquoted	Fully	N.A	N.A	1,100	1,100	Yes	-		
	The City Co-op. Bank Ltd.	Others	40	25	unquoted	Fully	N.A	N.A	2,000	2,000	Yes	-		
	Sun Earth Ceramics limited	Others	6800	10	Quoted	Fully	N.A	N.A	204,000	204,000	Yes	-		
	Total								207,100	207,100				

NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2014	As At 31.03.2013		
12	NON-CURRENT ASSETS				
	LONG TERM LOAN AND ADVANCES				
	Loans to Subsidiaries	-	77,775,000		
	Advance Against Premises	33,840,206	-		
	Employee Loans & Advances	-	-		
	Others	8,978,750	8,978,750		
	TOTAL	42,818,956	86,753,750		
13	OTHER NON-CURRENT ASSETS				
	Security Deposits	8,265,386	8,015,886		
	Prepaid Expenses	109,737	211,861		
	TOTAL	8,375,123	8,227,747		
14	CURRENT ASSETS				
	INVENTORIES				
	-Raw Materials	25,982,976	5,160,550		
	-Stores, Spares	8,431,972	8,846,860		
	-Process Stock	76,610,558	121,600,984		
	-Finished Goods	31,349,307	42,793,515		
	-Fuel	139,725	-		
	-Dyes & Chemical	103,479	-		
	-Goods in Transit	-	-		
	TOTAL	142,618,017	178,401,909		
15		As At 31.03.2014		As At 31.03.2013	
	TRADE RECEIVABLE				
	Unsecured				
	-Over 6 months - Good	39,176,628		9,918,945	
	-Doubtful	-		489,270	
	-Other Debts - Good	437,141,305		287,699,022	
	-Other Debts - Related Party	43,710		-	
		476,361,643		298,107,237	
	Less: Provision for Doubtful debts	-		489,270	
			476,361,643		297,617,967
	TOTAL	476,361,643		297,617,967	
16			As At 31.03.2014	As At 31.03.2013	
	CASH & CASH EQUIVALENTS				
	-Cash in Hand (incl'd Imprest)		919,948	375,401	
	-On Current Accounts		2,229,677	155,011	
	-On Dividend Accounts		185,248	283,317	
	-On Deposit Accounts (More than 12 Months)		7,000	7,000	
	-On Margin Money		13,189,244	12,539,023	
	TOTAL		16,531,118	13,359,752	

NOTES TO ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2014	As At 31.03.2013
17	SHORT TERM LOANS AND ADVANCES		
	-To Related Parties / Subsidiaries	131,298,641	108,053,356
	-Interest Receivable	280,887	7,506,919
	-To Employees	825,173	430,087
	-Advance Payment of Income Tax/Wealth Tax (incl TDS)	4,241,300	4,314,051
	-Receivable from Government Authorities	5,968,330	7,935,517
	-Interest Subsidy Receivable	844,595	892,607
	-Advances to Suppliers	442,199	441,964
	-Others	772,010	-
	TOTAL	144,673,135	129,574,501
18	OTHER CURRENT ASSETS		
	-Others		
	Doubtful	-	1,084,180
	Other Considered Good	1,247,378	2,056,597
		1,247,378	3,140,777
	Less Provision for Doubtful Advances	-	1,084,180
	TOTAL	1,247,378	2,056,597

Note No.	Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
19	REVENUE FROM OPERATIONS		
	Sales		
	Domestic Sales(Incl. Operational Income)	994,909,069	986,723,434
	Export Sales	1,699,023	-
	Job Work Charges	51,417,491	38,913,432
	Weaving & Processing Charges	7,024,618	950,479
	TOTAL	1,055,050,201	1,026,587,345
20	OTHER INCOME		
	Interest Income on FDR	1,024,751	1,000,513
	Interest Income (T.D.S. ₹ 16,04,203/- P.Y. ₹ 23,66,883/-)	14,367,135	22,751,035
	Late Payment charges	87,907	18,865
	Insurance Claim Received	-	-
	DEPB Incentive / Drawback Incentive	117,030	-
	Foreign Exchange Fluctuation	32,179	7,278
	Dividend Income	200	-
	Rent Received	605,000	-
	Miscellaneous Income & Others	174,698	306,643
	TOTAL	16,408,900	24,084,334

NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
21	COST OF MATERIALS CONSUMED		
	Raw Material Consumed		
	Opening Stock	5,160,549	13,729,924
	Add : Purchases		
	Yarns	201,291,879	183,832,748
	Grey Fabric	601,509,766	651,772,304
		807,962,194	849,334,976
	Less: Closing Stock	25,982,976	5,160,551
	TOTAL	781,979,218	844,174,425
22	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
	Closing Stock - Process	121,600,986	85,588,759
	Closing Stock - Finished	42,793,515	38,316,863
	TOTAL - A	164,394,501	123,905,622
	Opening Stock - Process	76,610,558	121,600,985
	Opening Stock - Finished	31,349,307	42,793,515
	TOTAL - B	107,959,865	164,394,500
	(Increase) / Decrease in Stocks		
	TOTAL - (B - A)	56,434,636	(40,488,878)
23	EMPLOYEE BENEFITS EXPENSES		
	Salaries, Wages, Bonus & Other Allowances	52,567,844	47,874,137
	Gratuity	349,083	636,585
	Contribution to Funds	2,665,674	2,660,889
	Staff Welfare Expenses	635,554	721,748
	TOTAL	56,218,155	51,893,359
24	FINANCE COST		
	Interest on Term Loan	5,036,606	11,209,227
	Interest on Working Capital	23,168,356	23,837,095
	Interest to Other	1,590,366	19,323,823
	Bank Charges	5,064,068	5,304,429
	Car Finance Charges	1,820,592	1,760,555
	TOTAL	36,679,989	61,435,129

NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	For the year ended 31.03.2014		For the year ended 31.03.2013	
25	OTHER EXPENSES				
	A. Manufacturing Expenses				
	Power & Fuel		33,873,653		32,517,106
	Stores, Spares & Packing Material Consumed		18,211,180		15,690,159
	Colour, Chemical, Oil & Lubricant Consumed		2,111,661		2,713,485
	Repairs to Building		-		-
	Repairs to Plant & Machinery		2,870,407		1,769,050
	Repair & Maintenance - Other (At Plants)		212,060		122,259
	Security Charges		1,449,404		1,059,419
	Labour Charges		6,580,028		10,035,002
	Job work Charges		9,562,313		5,342,208
	Freight, Octroi & Cartage		1,400,412		1,609,164
	Other Manufacturing Expenses		905,024		809,859
	TOTAL - A		77,176,142		71,667,711
	B. Administrative & General Expenses				
	Conveyance Expenses		816,498		607,251
	Director's Remuneration & Perquisites		1,842,761		1,828,838
	Donation		5,700		17,402
	Electricity		534,841		397,511
	Filing Fees		4,000		6,211
	Insurance		468,053		421,014
	Sundry Advances Written Off	1084180	-		-
	Less Provision for Doubtful Advances	1084180	-		-
	Loss on Sale of Fixed Assets		-		91,281
	Membership & Subscription		115,236		85,292
	Miscellaneous Expenses/General Expenses		524,387		740,688
	Penalty & Interest		206,178		1,900
	Professional Fees/ Legal Expenses		1,658,774		1,835,460
	Provision for Bad Debts.		-		489,270
	Printing & Stationary		862,987		646,830
	Rent, Rates, Fees & Taxes		4,197,288		4,640,719
	Repairs & Maintenance (Others)		321,674		185,935
	Postage & Telegram		295,282		372,200
	Stamp & Hundi Papers		52,910		-
	Telephone		905,184		911,331
	Travelling		2,119,811		950,098
	Vehicle Expenses		713,326		501,181
	Cost Audit Fees		224,720		224,720

NOTES ON ACCOUNTS

(Amount in ₹)

Note No.	Particulars	For the year ended 31.03.2014		For the year ended 31.03.2013	
	Auditors Remuneration:				
	- For Statutory Audit	252,810		252,810	
	- For Tax Audit	56,180		56,180	
	- For Certification	33,708		33,708	
	- Others (Cost Audit)	-	342,698	-	342,698
	TOTAL - B		16,212,308		15,297,830
	C. Selling & Distribution Expenses				
	Marketing Expenses & Brokerage		2,673,291		2,955,246
	Outward Freight & Octroi				
	Export Freight	17,332		-	
	Other Freight	478,397	495,729	789,476	789,476
	Sales Promotion Expenses		621,736		694,157
	Sample & Development Expenses		1,393,975		1,342,541
	TOTAL - C		5,184,731		5,781,420
	TOTAL (A+B+C)		98,573,180		92,746,960

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

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 – Share Holder

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
 M/s Trade Bazaar Homotech Ventures LLP.

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	-	-	19.78	-	19.78
Salary	-	-	4.08	-	4.08
Rent Expenses	-	1.80	-	1.08	2.88
Rent Received	-	-	-	6.05	6.05
Loan Taken	-	-	-	1.35	1.35
Loan Given	515.23	-	-	-	515.23

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

(₹ In Lac)

	2013-14	2012-13
Managerial Remuneration & Perquisites		
Prakashchand Dalmia	12.14	12.22
Amitabh Kejriwal	7.64	7.42
Salary Paid		
Sikha Dalmia	2.16	2.16
Smita Kejriwal	1.92	1.92
Rent Paid		
Konark Silk Mills	1.08	1.08
Raka Devi Dalmia	1.80	1.80
Rent Received		
Trade Bazaar Hometech Ventures LLP.	6.05	1.80
Loans Taken		
Konark Realtech Pvt. Ltd.	1.35	4295.90
Loans Given		
India Denim Limited	141.60	195.50
Konark Infratech Pvt. Ltd	371.68	2971.27
Konark Greentech Pvt. Ltd.	0.15	19.76
Konark Natural Foods Pvt. Ltd.	1.80	-
Konark Wind Projects Pvt Ltd.	-	2.37

D. Balances with the Related Parties as at 31st March, 2014:

(₹ 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	-	-	1.48	-	1.48
Salary	-	-	0.34	-	0.34
Rent Income	-	-	-	0.44	0.44
Rent Expenses	-	1.80	-	1.08	2.88
Loan Taken	-	-	-	2991.89	2991.89
Loan Given	1312.98	-	-	-	1312.98

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

Particulars	2013-14	2012-13
Net Profit / (Loss) after Current and Deferred Tax (In ₹ Lac)	1.09	0.92
Number of Equity Shares	5808000	5808000
Basic Earning Per Share (₹)	1.88	1.59
Diluted Earnings Per Share (₹)	1.88	1.59

30. Breakup of Net Deferred Tax Expenses provided:

(₹ in Lac)

Particulars	2013-14	2012-13
A. Deferred Tax Liability (DTL)		
Due to depreciation difference	4.31	18.78
Total DTL	4.31	18.78
B. Deferred Tax Assets (DTA)		
Credit under u/s 43B & 40(a)	1.10	0.70
MAT credit available for the year	-	1.86
Difference due to rate of Income Tax	-	-
Total DTA	1.10	2.56
Net Deferred Tax Liability	3.21	16.22

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. ₹ 13.66 Lac).

The Company has given a Counter Guarantee of ₹ 3190.00 Lac (P.Y. ₹ 2706.00) 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. Income Tax Assessment of the company has been completed up to the Financial Year ended on 31st March, 2011.

34. Additional information as per Revised Schedule VI:

Raw Material Consumed:

(₹ in Lac)

Particulars	Consumption
Yarn	2034.64 (1924.02)
Fabric	5785.15 (6517.72)
Total	7819.79 (8441.74)

Raw Material Purchased

(₹ in Lac)

Particulars	Purchases
Yarn	2012.92 (1838.33)
Fabric	6015.10 (6517.72)
Total	8028.02 (8356.05)

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

(₹ in Lac)

Particulars	Sales Value	Closing Inventory	Opening Inventory
Manufactured Goods			
Yarn	3386.59 (2986.20)	142.51 (216.90)	216.90 (169.30)
Fabric	6562.50 (6881.04)	155.73 (195.78)	195.78 (195.55)
Garments	16.99 (NIL)	15.25 (15.25)	15.25 (18.32)
Others	584.42 (398.64)	NIL (NIL)	NIL (NIL)
Total	10550.50 (10265.88)	313.49 (427.93)	427.93 (383.17)
Traded Goods			
Fabric	NIL (NIL)	NIL (NIL)	NIL (NIL)
Total	NIL (NIL)	NIL (NIL)	NIL (NIL)

Work in Process

(₹ in Lac)

Particulars	2013-14	2012-13
Work in Process		
Yarn	445.09	563.30
Fabric	217.84	559.43
Readymade Garments	103.18	93.28
Total	766.11	1216.01

35. Auditors Remuneration

(₹ in Lac)

Particulars	2013-14	2012-13
Audit Fees	2.53	2.53
Tax Audit	0.56	0.56
For Others	0.34	0.34
Total	3.43	3.43

36. Earnings In Foreign Exchange

(₹ in Lac)

Particulars	2013-14	2012-13
FOB Value of Exports	16.99	-

37. CIF Value of Imports

(₹ in Lac)

Particulars	2013-14	2012-13
Stores & Spares	2.56	4.90

38. Expenditure in Foreign Currency (₹ in Lac)

Particulars	2013-14	2012-13
Stores & Spares	2.56	4.90
Travelling Expenses	6.68	2.22

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

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

40. 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:

Name of the Company	Amount Outstanding 31 st March, 2014	Maximum Outstanding during the Year
India Denim Limited	157.37 (777.75)	860.57 (782.75)
Konark Infratech Pvt. Ltd.	1105.51 (1024.62)	1105.51 (2283.50)
Konark Greentech Pvt. Ltd.	45.93 (44.96)	45.93 (97.04)

41. 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 of Directors
PRAKASHCHAND DALMIA **AMITABH KEJRIWAL**
 Chairman & Managing Director Whole Time Director

ABHISHEK JAIN
 Partner
 Membership No. 509839
 Place : Mumbai.
 Date : 30th May, 2014

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 accompanying consolidated financial statements of KONARK SYNTHETIC LIMITED ("the Company") and its subsidiaries (collectively referred as "the Konark Group") as at 31st March, 2014, the Consolidated Statement of Profit & Loss Account and the Consolidated Cash Flow statement for the year ended on that date, both annexed thereto and a summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. Management is responsible for the preparation of these consolidated financial statements that gives a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Konark Group in accordance with the Accounting Standards notified under the Companies Act 1956 (the Act) (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depends on the auditors' judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk management, the auditor considers internal control relevant to the Konark Group's preparation and presentation of the consolidated financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

OPINION

5. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements/consolidated financial statements of the subsidiaries has noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Konark Group as at 31st March, 2014;
 - b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Konark Group for the year ended on that date; and
 - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Konark Group for the year ended on that date.

OTHER MATTERS

6. Financial statements/ consolidated financial statements of certain subsidiaries which reflect total assets (net) of ₹ 50.36 Lac as at 31st March, 2014, total revenue (net) of ₹ 1.55 Lac and net cash outflows amounting to ₹ 0.19 Lac for the year then ended, have been audited by us in which the share of loss of the Konark Group is ₹ 0.77 Lac have been audited by one of us.

7. We did not audit the financial statements/consolidated financial statements of certain subsidiaries namely India Denim Limited and Konark Infratech Private Ltd. whose financial statements/consolidated financial statements reflect total assets (net) of ₹ 13157.81 Lac as at 31st March, 2014, total revenue (net) of ₹ 6539.56 Lac and net cash outflow amounting to ₹ 41.92 Lac for the year ended on that date in which the share of loss of the Konark group is ₹13.89 Lac. These financial Statements/consolidated financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of other auditors.

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

Place: Mumbai
Date: 18th June, 2014

ABHISHEK JAIN
Partner
Membership No. 509839



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Sr. No	PARTICULARS	NOTE NO.	AS AT 31.03.2014 Amount (₹)	AS AT 31.03.2013 Amount (₹)
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
a.	Share capital	2	58,080,000	58,080,000
b.	Reserves and surplus	3	265,200,656	255,765,228
c.	Money received against share warrants			
2	Share application money pending allotment		-	-
	Minority Interest			
	India Denim Limited		53,735,987	60,321,099
	Konark Infratech Private Limited		14,936,640	7,236,692
3	Non-current liabilities			
a.	Long-term borrowings	4	732,074,967	826,400,745
b.	Deferred tax liabilities (Net)	5	40,377,555	40,056,448
c.	Other Long term liabilities		-	-
d.	Long-term provisions		-	-
4	Current liabilities			
a.	Short-term borrowings	6	606,682,378	483,111,619
b.	Trade payables	7	295,774,480	224,699,721
c.	Other current liabilities	8	310,311,039	253,687,040
d.	Short-term provisions	9	20,249,261	19,367,971
	TOTAL		2,397,422,964	2,228,726,563
II	ASSETS			
1	Non-current assets			
a.	Fixed assets	10		
(i)	Tangible assets		1,204,199,467	1,299,058,264
(ii)	Intangible assets		474,732	453,385
(iii)	Capital work-in-progress		35,840,554	36,907,925
(iv)	Intangible assets under development		-	-
b.	Non-current investments	11	3,100	3,100
c.	Deferred tax assets (Net)	5	7,720,018	-
d.	Long-term loans and advances	12	52,898,358	27,533,469
e.	Other non-current assets	13	14,875,425	8,247,747
2	Current assets			
a.	Current investments		-	-
b.	Inventories	14	341,868,247	356,731,966
c.	Trade receivables	15	631,032,427	433,984,032
d.	Cash and cash equivalents	16	19,439,086	20,477,916
e.	Short-term loans and advances	17	87,587,661	42,580,671
f.	Other current assets	18	1,483,890	2,748,088
	TOTAL		2,397,422,964	2,228,726,563

Notes on Accounts including Significant Accounting Policies 1 to 33

As per our reports of even date attached

For and on behalf of the Board of Directors

For BHUWANIA & AGRAWAL ASSOCIATES

PRAKASHCHAND DALMIA
Chairman & Managing Director

AMITABH KEJRIWAL
Whole Time Director

Chartered Accountants
Firm Registration No.101483W

ABHISHEK JAIN

Partner

Membership No. 509839

Place : Mumbai.

Date : 18th June, 2014

MAHENDRA AGARWAL

Director

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

Sr. No	PARTICULARS	NOTE NO.	FOR THE YEAR 2013-14 Amount (₹)	FOR THE YEAR 2012-13 Amount (₹)
I.	Revenue from operations	19	1,707,605,414	1,737,243,439
II.	Other income	20	4,203,922	7,051,399
III.	Total Revenue (I + II)		1,711,809,336	1,744,294,838
IV.	Expenses:			
	Cost of materials consumed	21	1,151,356,639	1,197,049,026
	Purchases of Stock-in-Trade	22	-	39,376,607
	Change in inventories of finished goods/stock in trade	23	52,697,381	(46,757,723)
	Employee benefits expense	24	84,668,854	81,336,109
	Finance costs	26	118,811,486	158,109,132
	Depreciation and amortization expense	10	101,895,536	101,699,606
	Other expenses	25	190,776,891	183,849,393
	Total expenses		1,700,206,786	1,714,662,150
V.	Profit before exceptional and extraordinary items and tax (III-IV)		11,602,550	29,632,688
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		11,602,550	29,632,688
VI.	Prior Period Items		400	55,906
VIII.	Short Provision for Taxation		797	(120,272)
IX.	Profit Before Tax (VII- VIII)		11,601,353	29,697,054
X	Tax Expense:			
	(1) Current tax		8,450,000	6,397,366
	(2) Deferred tax Liabilities(Assets)		(7,398,911)	1,621,790
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		10,550,264	21,677,898
XII	Less Minority Interest			
	i. India Denim Limited		(6,585,112)	358,579
	ii. Konark Infratech Private Limited		7,699,948	5,296,655
	Less Preacquisition Loss adjusted in Capital Reserve		-	-
	Profit (Loss) for the period after Minority Interest		9,435,427	16,022,665
XIII	Profit/(loss) from discontinuing operations		-	-
XIV	Tax expense of discontinuing operations		-	-
XV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		9,435,427	16,022,665
XVI	Profit (Loss) for the period (XI + XIV)		9,435,427	16,022,665
XVII	Earnings per equity share:			
	(1) Basic		1.62	2.76
	(2) Diluted		1.62	2.76

Notes on Account including Significant Accounting Policies 1 to 33

As per our reports of even date attached

For and on behalf of the Board of Directors

For BHUWANIA & AGRAWAL ASSOCIATES

PRAKASHCHAND DALMIA
Chairman & Managing Director

AMITABH KEJRIWAL
Whole Time Director

Chartered Accountants
Firm Registration No.101483W

ABHISHEK JAIN

Partner

Membership No. 509839

Place : Mumbai.

Date : 18th June, 2014

MAHENDRA AGARWAL

Director

KONARK

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lac)

PARTICULARS	31 ST MARCH, 2014	31 ST MARCH, 2013
CASH FLOW FROM OPERATING ACTIVITY		
Net Profit before tax & Extra Ordinary Items	116.02	296.33
Adjustment for : Depreciation	1,019.16	1,017.00
Interest paid	830.10	1,581.09
Provision for Bad Debts	0.00	4.89
Miscellaneous Exp. Written Off.	0.00	0.20
(Profit) Loss on Sale of Fixed Assets	0.00	1.69
Interest Income (considered Separately)	(167.78)	(22.58)
Operating Profit before working capital changes	1,681.48	2,582.29
WORKING CAPITAL CHANGES		
(Increase) Decrease in Sundry debtors	(1,968.81)	351.51
(Increase) Decrease in Loans & Advances	(51.59)	135.80
(Increase) Decrease in Inventories	148.64	(386.80)
Increase (Decrease) in Trade Payable (Incl.Work'g Cap.Fin)	1,723.89	(2,042.35)
Cash Generated From operations	1649.63	936.78
Interest paid	(830.10)	(1,581.09)
Cash Flow Before Prior Period & Extra Ordinary Items	819.53	(644.31)
Prior Period & Extra Ordinary Items	0.01	0.56
Net Cash Flow From Operating Activities (I)	819.52	(644.87)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(59.91)	(456.98)
Interest Income	167.78	22.58
Sale of fixed assets		2.83
Net Cash Outflow for investing Activities (II)	107.87	(431.57)
Cash flow after investing activities (III) = (I-II)	927.39	(1,076.44)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowing (Net of Repayments)	(803.98)	(1,573.53)
Proceed from Equity shares	0.00	0.00
Process from Share Application	0.00	0.00
Share Premium	0.00	0.00
Unsecured Loan	(18.57)	1,911.53
Dividend paid	(0.98)	(1.57)
Direct Tax Paid	(110.84)	(61.91)
Net Cash Flow from financing activity (IV)	(934.37)	274.51
Cash Flow after financing activity (V)=(III-IV)	(6.98)	(801.93)
Opening Balance:		
Cash & Cash Equivalent (Opening Balance)	201.37	1,003.29
Cash & Cash Equivalent (Closing balance)	194.39	201.37
Increase in Cash & Cash Equivalent (VI)	(6.98)	(801.92)

As per our reports of even date attached

For and on behalf of the Board of Directors

For BHUWANIA & AGRAWAL ASSOCIATES

PRAKASHCHAND DALMIA
Chairman & Managing Director

AMITABH KEJRIWAL
Whole Time Director

Chartered Accountants
Firm Registration No.101483W

ABHISHEK JAIN
Partner
Membership No. 509839
Place : Mumbai.
Date : 18th June, 2014

MAHENDRA AGARWAL
Director

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

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 or loss over the minority interest in the equity is adjusted against Profit and Loss of the Parent Company.

C. The details of the Subsidiaries 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	31 st March, 2014	61.17%	India
Konark Infratech Private Limited	31 st March, 2014	53.85%	India
Konark Greentech Private Limited	31 st March, 2014	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 forwarded only to the extent that there is a reasonable certainty that the assets will be realized in future.

L. SALES & PURCHASE

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

M. EXPORT INCENTIVES

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

N. EMPLOYEES RETIREMENT BENEFIT

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.

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 31.03.2014	As At 31.03.2013
2	SHARE CAPITAL		
	Authorised Capital 15000000 Equity Shares of ₹ 10/- each (Previous Year 15000000 Equity Shares of ₹ 10 /- each)	150,000,000	150,000,000
	TOTAL	150,000,000	150,000,000
	Issued, Subscribed and Paid Up 5808000 Equity Shares of ₹ 10/- each (Previous Year 5808000 Equity Shares of ₹ 10 /- each)	58,080,000	58,080,000
	TOTAL	58,080,000	58,080,000

Reconciliation of Outstanding Shares as on 31.3.2014

Sr. No.	Particulars	Equity Shares		Preference Shares	
		Number	₹	Number	₹
1	Shares outstanding at the beginning of the year	5,808,000	58,080,000	-	-
2	Shares Issued during the year	-	-	-	-
3	Shares bought back during the year	-	-	-	-
4	Shares outstanding at the end of the year	5,808,000	58,080,000	-	-
<p>Rights, Preference and Restrictions attached to equity Shares.</p> <p>Equity Share Holder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing General Meeting. Dividend is paid to the equity Shareholders, whose name appears in the register of members as on record date.</p> <p>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.</p>					

Details of Shareholders holding more than 5% of Equity Share Capital as on 31.03.2014

Sr. No.	Name of the Shareholder	As At 31.03.2014		As At 31.03.2013	
		No. of Shares Held	% of Shareholding	No. of Shares Held	% of Shareholding
1	Rakadevi Dalmia	2,108,091	36.30%	2,108,091	36.30%
2	Kayo Investment And Finance Pvt. Ltd	856,850	14.75%	856,850	14.75%
3	Fillmore Trading & Investments Pvt. Ltd.	840,000	14.46%	840,000	14.46%
4	Prakashchand Dalmia (HUF)	336,600	5.80%	336,600	5.80%
	TOTAL	4,141,541	71.31%	4,141,541	71.31%

NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2013	Additions during the year	Deductions during the year	As At 31.03.2014
3	RESERVES AND SURPLUS				
	Capital Reserve *	-	-	-	-
	Capital Redemption Reserve	4,000,000	-	-	4,000,000
	Securities Premium Account	68,807,066	-	-	68,807,066
	Capital Incentive Subsidy	2,500,000	-	-	2,500,000
	General Reserve	59,751,143	-	-	59,751,143
	Surplus in Profit & Loss Account **	120,707,019	9,435,428	-	130,142,447
	TOTAL	255,765,228	9,435,428	-	265,200,656

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

	31.03.2014	31.03.2013
** Profit for the period	-	14,152,402
Less: Dividend on Equity Shares	-	-
Less: Dividend Distribution Tax	-	-
Less: Transfer to General Reserve	-	-
TOTAL	-	14,152,402

Note No.	Particulars	As At 31.03.2014	As At 31.03.2013
4	NON-CURRENT LIABILITIES		
	LONG TERM BORROWINGS		
	Secured		
A.	Term Loans		
	-From Banks		
	Indian Bank	12,835,229	34,412,628
	ICICI Bank Ltd.	16,934,827	16,934,827
	State Bank of India	36,313,436	56,822,945
	Bank of Baroda	8,533,592	17,174,023
	State Bank of Indore	-	3,008,000
	Punjab National Bank	-	3,021,307
	State Bank of Travancore	1,898,396	3,879,788
	Motor Cars Loans	2,247,593	3,790,172
	Others	166,031,086	231,141,947
	TOTAL - I	244,794,159	370,185,637
	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) Loan against Flat is Secured against the same Flat i.e. Flat No. 2101, situated at Orchid Crown, Tower B, Gokhale Road South, Dadar (W), Mumbai, which is payable in 120 EMIs after getting the possession from the Developer.		
	c) Subsidiary Term Loan from BOB, SBI, INDIAN BANK, SBIN, PNB and SBT are secured by First charge ranking <i>pari passu</i> 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.		

NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.		As At 31.03.2014	As At 31.03.2013
	<p>The Equipment Finance Loan is secured by hypothecation of Solar Power Plant in the Kutch District of Gujarat. Loan amounting to ₹ 250,000,000/- is repayable in 54 EMI of ₹ 6,804,500/- and last instalment is due on December 2016. Loan amounting to ₹ 100,000,000 is repayable in 45 EMI of ₹ 2,992,500/- and last Installment is due on November 2015.</p> <p>d) All loans are personally guaranteed by the Managing Director and Promoters.</p> <p>e) Finance Lease Obligations are secured against leased assets.</p> <p>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.</p>		
	Particulars		
	Unsecured		
A.	Term Loans		
	-From Banks	-	-
	-From Holding Company	-	-
	-From Others		93,015,108
	Of the above ₹ NIL is guaranteed by Directors and/or others		
B.	Loans & Advances from Related Parties		
	Inter Corporate Loans	480,416,970	363,200,000
	of the above ₹ NIL is guaranteed by Directors and/or others.		
	Terms of Repayment: Payable after 31.03.2014		
	Others	6,863,838	-
	TOTAL - II	487,280,808	456,215,108
	TOTAL I + II	732,074,967	826,400,745
5	DEFERRED TAX LIABILITY		
	Deferred Tax Liabilities	81,087,485	51,236,606
	Deferred Tax Assets	48,429,948	11,180,158
	Deferred Tax Liabilities (NET)	32,657,537	40,056,448
6	CURRENT LIABILITIES		
	SHORT TERM BORROWINGS		
	Secured		
	A. Loans repayable on demand		
	- From Bank		
	Indian Bank	135,696,924	131,220,119
	Corporation Bank	71,322,228	72,917,267
	State Bank of India	77,980,100	50,330,136
	Bank of Baroda	53,701,444	37,490,682
	- 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.		

NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2014	As At 31.03.2013
	Unsecured		
	From Bank	-	-
	B. Loans & Advances from Related Parties	24,189,191	32,831,415
	Others	243,792,491	158,322,000
	TOTAL	606,682,378	483,111,619
	The above ₹ NIL is guaranteed by Directors and/or others		
7	TRADE PAYABLES		
	i) Acceptance	97,943,187	121,539,741
	ii) Sundry Creditors		
	For Trade Goods & Expenses	191,721,877	103,159,980
	For Others	6,109,416	-
	TOTAL	295,774,480	224,699,721
8	OTHER CURRENT LIABILITIES		
	Current Maturities of Long-term debts	164,077,626	159,466,241
	Interest Accrued and due on borrowings	3,690,061	3,460,312
	Interest Accrued but not due	1,456,552	654,126
	Unpaid / Unclaimed dividends	185,248	283,317
	Advance Received against Land	9,500,000	9,300,000
	Taxes & duty	2,581,092	5,693,118
	Bank Overdraft	704,358	547,919
	For Capital Goods	69,271,853	55,971,391
	Other Payables		
	a) Payable-PF, ESIC & Professional Tax	1,950,836	2,290,808
	b) Payable - Employees	13,572,364	11,269,888
	c) Other		
	(i) Konark Synthetic Limited	-	-
	(ii) Konark Realtech Private Limited	39,812,530	-
	(ii) Others	3,508,518	4,749,920
	TOTAL	310,311,039	253,687,040
9	SHORT TERM PROVISIONS		
	Dividend on Equity Shares (incl DDT)	-	-
	Income Tax / Wealth Tax	12,615,000	10,373,558
	Others (Expenses Payable)	7,634,261	8,994,413
	TOTAL	20,249,261	19,367,971

NOTES ON CONSOLIDATED ACCOUNTS
NOTE NO. 10 CONSOLIDATED FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2013 (₹)	Additions Adjustments (₹)	Deductions/ Adjustments (₹)	As at 31.03.2014 (₹)	Up to 01.04.2013 (₹)	For the year (₹)	Deductions/ Adjustments (₹)	Up to 31.03.2014 (₹)	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Tangible :										
LAND										
Leasehold Land	6,180,340	-	-	6,180,340	429,594	62,422	-	492,016	5,688,324	5,750,746
Freehold Land	26,203,013	3,864,740	-	30,067,753	-	-	-	-	30,067,753	26,203,013
Buildings	207,305,868	-	-	207,305,868	35,461,583	6,913,797	-	42,375,380	164,930,488	171,844,285
Plant & Machineries	1,425,179,592	2,629,913	-	1,427,809,505	345,606,333	92,129,439	-	437,735,772	990,073,733	1,079,573,259
Electric Installation	-	-	-	-	-	-	-	-	-	-
Equipments	-	-	-	-	-	-	-	-	-	-
Fire Fighting Equipments	-	-	-	-	-	-	-	-	-	-
Colling Tower	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	7,770,627	44,150	-	7,814,777	4,563,715	371,644	-	4,935,359	2,879,418	3,206,912
Office Equipments	2,503,429	107,205	-	2,610,634	1,396,956	120,899	-	1,517,855	1,092,779	1,106,473
Vehicles	21,227,052	-	-	21,227,052	10,368,028	1,908,177	-	12,276,205	8,950,847	10,859,024
Computers	3,405,832	175,001	-	3,580,833	3,116,112	132,469	-	3,248,581	332,252	289,720
Software*	2,410,984	237,080	-	2,648,064	1,732,769	256,690	-	1,989,459	658,605	678,215
Total	1,702,186,737	7,058,089	-	1,709,244,826	402,675,090	101,895,537	-	504,570,627	1,204,674,199	1,299,511,647
Previous Year	1,690,526,700	12,452,317	792,280	1,702,186,737	301,315,670	101,699,606	340,184	402,675,092	1,299,511,645	1,389,211,030
Capital Work in progress		31,919,760		31,919,760					31,919,760	36,907,925

*other than internally generate

NOTES ON CONSOLIDATED ACCOUNTS

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

Particulars	As At 31.03.2014 Amount (₹)	As At 31.03.2013 Amount (₹)
A Trade Investments (Refer A below)		
(a) Investment in Equity instruments	204,000	204,000
(b) Other non-current investments (specify nature)	-	-
Total (A)	204,000	204,000
B Other Investments (Refer B below)		
(a) Investment in Equity instruments	3,100	3,100
(b) Other non-current investments (specify nature)	-	-
Total (B)	3,100	3,100
Grand Total (A + B)	207,100	207,100
Less : Provision for diminution in the value of Investments	204,000	204,000
Total	3,100	3,100

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
				2014	2013			2014	2013	2014	2013		
(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 Properties 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	- -
	Total									3,100	3,100		

NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2014	As At 31.03.2013
12	NON-CURRENT ASSETS		
	LONG TERM LOAN AND ADVANCES		
	Unsecured, Considered Good		
	Loans to Subsidiaries	-	-
	Advance against Premises	33,840,208	2,000,000
	Employee Loans & Advances	-	-
	Others	19,058,152	25,533,469
	TOTAL	52,898,360	27,533,469
13	OTHER NON-CURRENT ASSETS		
	Security Deposits	14,765,688	8,035,886
	Miscellaneous Expenditure (To the Extent not written off)	-	211,861
	Prepaid Expenses (paid for the period after 31.03.2015)	109,737	-
	Other Long Term Receivables	-	-
	TOTAL	14,875,425	8,247,747
14	CURRENT ASSETS		
	INVENTORIES		
	-Raw Materials	67,239,066	33,428,321
	-Goods in Transit (Raw Material)	-	-
	-Process Stock	136,561,678	182,774,235
	-Finished Goods	120,052,327	126,537,150
	-Stores, Spares	17,771,972	13,992,260
	-Stock of Fuel	139,725	-
-Stock of Dyes & Chemical	103,479	-	
	TOTAL	341,868,247	356,731,966
15	TRADE RECEIVABLE		
	Secured		
	-Over 6 months - Good	-	-
	-Others - Good	-	-
		-	-
	Unsecured		
	-Over 6 months -Good	40,082,553	10,557,771
	-Doubtful	-	489,270
	-Other Debts - Good	590,906,164	423,426,261
	-Other Debts Related Parties	43,710	-
		631,032,427	434,473,302
Less: Provision for Doubtful debts	-	489,270	
	631,032,427	433,984,032	
	TOTAL	631,032,427	433,984,032

NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	As At 31.03.2014	As At 31.03.2013
16	CASH & CASH EQUIVALENTS		
	-On Current Accounts	2,427,264	552,887
	-Cash in Hand (incl'd Imprest)	1,379,449	1,561,204
	-Others		
	-On Dividend Accounts	185,248	283,317
	-On Deposit Accounts (More than 12 Months)	7,000	7,000
	-On Margin Money (FD for a period less than 12 Months)	15,440,124	17,568,508
	TOTAL	19,439,085	20,477,916
17	SHORT TERM LOANS AND ADVANCES		
	Unsecured, Considered Good		
	-To Related Parties and Subsidiaries	300,525	-
	-Interest Due but not Received	280,887	-
	- Security Deposit	-	-
	-To Employees	1,015,613	680,580
	-Advance Payment of Income Tax/Wealth Tax (incl'd TDS)	11,349,651	7,814,823
	-Receivable from Government Authorities	19,420,334	29,991,256
	-Interest Subsidy Receivable	5,959,567	892,607
	-Advances to Suppliers	48,789,599	2,489,066
	-Others	471,485	712,339
	TOTAL	87,587,661	42,580,671
18	OTHER CURRENT ASSETS		
	-Others	-	2,748,088
	Doubtful	-	1,084,180
	Other Considered Good	1,483,890	-
		1,483,890	3,832,268
	Less Provision for Doubtful Advances	-	1,084,180
	TOTAL	1,483,890	2,748,088

NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
19	REVENUE FROM OPERATIONS		
	Domestic Sales (Incl. Operational Income)	1,443,776,967	1,376,999,440
	Export Sales	204,995,153	316,768,120
	Job Work Charges	51,808,676	38,913,432
	Weaving & Processing Charges	7,024,618	950,479
	Other Operative Revenues	-	3,611,968
	TOTAL	1,707,605,414	1,737,243,439
20	OTHER INCOME		
	Interest on FDR	1,864,572	1,956,978
	Interest Income (T.D.S. ₹ 228113/- P.Y. ₹ 234556/-)	1,153,030	300,700
	Late Payment charges	87,907	18,865
	Rent Received	605,000	-
	Commission Received	154,999	-
	DEPB Incentive / Drawback Incentive	117,030	-
	Foreign Exchange Fluctuation	32,179	1,305,511
	Miscellaneous Income & Others	189,205	3,469,345
	TOTAL	4,203,922	7,051,399
21	COST OF MATERIALS CONSUMED		
	Raw Material Consumed		
	Opening Stock	33,428,319	42,910,934
	Add : Purchases (Yarn)	1,185,167,386	1,187,566,413
		1,218,595,705	1,230,477,347
	Less: Closing Stock	67,239,066	33,428,321
	TOTAL	1,151,356,639	1,197,049,026
22	COST OF GOODS TRADED		
	Opening Stock	-	-
	Add : Purchases (Yarn)	-	39,376,607
		-	39,376,607
	Less: Closing Stock	-	-
		-	39,376,607
	TOTAL	1,151,356,639	1,236,425,633

NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
23	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
	Opening stock - Process	182,774,236	131,325,619
	Opening stock - Finished	126,537,150	131,228,043
	TOTAL - A	309,311,386	262,553,662
	Closing stock - Process	136,561,678	182,774,235
	Closing stock - Finished	120,052,327	126,537,150
	TOTAL - B	256,614,005	309,311,385
	Increase / (Decrease) in Stocks		
	TOTAL - B - A	52,697,381	(46,757,723)
	24	EMPLOYEE BENEFITS EXPENSES	
Salaries, Wages & Bonus		80,236,579	76,877,166
Gratuity & Other Allowances		349,083	636,585
Contribution to Funds		2,815,434	2,795,655
Staff Welfare Expenses		1,267,758	1,026,703
TOTAL		84,668,854	81,336,109
25	OTHER EXPENSES		
	A. Manufacturing Expenses		
	Power & Fuel	82,460,870	83,076,729
	Stores & Spares & Packing Material Consumed	25,947,444	25,745,176
	Colour, Chemical, Oil & Lubricant Consumed	2,111,661	2,713,485
	Repairs to Building	235,253	291,058
	Repairs to Plant & Machinery	9,303,958	8,160,680
	Repair & Maintenance - Other (At Plants)	212,060	122,259
	Security Charges	3,416,705	2,822,663
	Labour Charges	8,608,202	13,454,371
	Job work Charges	9,562,313	5,342,208
	Freight, Octroi & Cartage	1,400,412	1,609,164
	Other Direct Manufacturing Expenses	905,024	822,709
	TOTAL A	144,163,902	144,160,502

NOTES ON CONSOLIDATED ACCOUNTS

(Amount in ₹)

Note No.	Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
25	B. Administrative & General Expenses		
	Advertisement Expenses	304,082	-
	Conveyance Expenses	1,254,400	622,408
	Claim & Discount	931,127	1,980,630
	CDM Fees	-	1,535,680
	Director's Remuneration & Perquisites	1,842,761	1,828,838
	Donation	5,700	-
	Electricity	534,841	394,511
	Export Freight	-	-
	Filing Fees	6,913	-
	Foreign Exchange Fluctuation	12,939,994	-
	Guest House Expenses	-	-
	Insurance	1,771,310	1,423,473
	Loss on Sale of Fixed Assets	-	168,921
	Marketing Expenses & Brokerage	2,801,238	5,735,605
	Membership & Subscription	115,236	-
	Miscellaneous Expenses / General Expenses	3,235,370	5,373,070
	Outward Freight & Octroi	3,224,472	4,274,562
	Postage Telegram	295,282	-
	Provision for Bad Debts	-	489,270
	Printing & Stationery	835,583	-
	Professional Fees / Legal Expenses	2,861,731	3,720,972
	Rent, Rates, Fees & Taxes	4,487,188	4,995,864
	Repairs & Maintenance (Others)	514,903	251,543
	Sales Promotion Expenses	621,736	694,157
	Sample & Development Expenses	1,393,975	1,342,541
	Stamp & Hundi Paper	52,910	-
	Sundry Balance W/Off	-	-
	Telephone Expenses	1,365,745	1,358,643
	Travelling Expenses;	2,916,622	2,763,819
	Vehicle Expenses	1,518,631	-
	Preliminary Expenses Written off	-	-
	Pre-Operative Expenses Written off	-	-
	Cost Audit Fees	-	224,720
	Auditors Remuneration:		
	- For Statutory Audit	384,776	365,731
	- For Tax Audit	98,034	90,225
	- For Certification	73,708	53,708
	- Others	-	-
	TOTAL B	46,388,268	39,688,891
	TOTAL (A+B)	190,552,170	183,849,393
26	FINANCE COST		
	Interest on Term Loan	81,744,354	108,112,399
	Interest on Working Capital (Net)	23,168,356	23,837,095
	Interest to Other	3,074,661	12,774,183
	Bank Charges	9,003,522	11,624,900
	Car Finance Charges	1,820,592	1,760,555
	TOTAL	118,811,486	158,109,132

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 2012-13. Details as per Accounting Standard (AS - 17) "Segment Reporting" is as follows:

(₹ in Lac)

Particulars	Accounting Year Ended 31 st March, 2014	Previous Year ended 31 st March, 2013
1. Segment Revenue		
a) Textiles	15625.81	15968.28
b) Energy	1450.24	1404.15
Total	17076.05	17372.43
Less: Inter Segment Revenue	-	-
2. Segment Results*		
a) Textiles	546.86	1034.57
b) Energy	715.24	772.33
Total	1262.10	1806.90
Less: Finance Costs	1188.11	1581.09
Profit Before Tax	73.98	225.81
3. Capital Employed**		
(Segment Assets- Segment Liabilities)		
a) Textiles	2847.50	3050.45
b) Energy	1524.76	1189.69
Total	4372.26	4240.14

29. As per Accounting Standard (AS-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 Disclosures:

I. Fellow Subsidiaries:

Konark Natural Foods Pvt. Ltd. (Formally known as 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
M/s Trade Bazaar Homotech Ventures LLP.

B. Transactions:

(₹ In Lac)

Particulars	Individual having significant influence	KMP and Relatives of KMPs	Enterprise over which KMP have significant influence	Total
Remuneration & Perquisites	-	19.78	-	19.78
Salary	-	4.08	-	4.08
Rent Expenses	1.80	-	1.08	2.88
Rent Received	-	-	6.05	6.05
Loan Taken	-	-	1618.03	1618.03

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

(₹ In Lac)

Particulars	2013-14	2012-13
Managerial Remuneration		
Prakashchand Dalmia	12.14	12.22
Amitabh Kejriwal	7.64	7.42
Salary Paid		
Sikha Dalmia	2.16	2.16
Smita Kejriwal	1.92	1.92
Rent Paid		
Konark Silk Mills	1.08	1.08
Raka Devi Dalmia	1.80	1.80
Rent Received		
Trade Bazaar Homotech Ventures LLP	6.05	1.80
Loans Taken		
Konark Realtech Pvt. Ltd.	1618.03	4295.90

D. Balances with the Related Parties as at 31st March, 2014

(₹ 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	-	-	1.48	-	1.48
Salary	-	-	0.34	-	0.34
Rent Received	-	-	-	0.44	0.44
Rent Expenses	-	1.80	-	1.08	2.88
Loan Taken	-	-	-	5444.19	5444.19

30. Earning Per Share (EPS)

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		31.03.2014	31.03.2013
Profit after Tax and Adjustment of the minority Interest	(₹)	9,435,427/-	16,022,665/-
Add: Prior period expenses / Excess Provision of Tax	(₹)	1,197/-	64,366/-
Net Profit after tax	(₹)	9,436,624/-	16,087,031/-
Basic Earning per share (5808000 Equity Shares)	(₹)	1.62	2.76

31. The components of deferred tax assets / liability as at 31st March, 2014 in accordance with the Accounting Standard (AS-22) "Accounting for Taxes on Income" are as under:

	As At 31 st March, 2014 (₹ in Lac)	As At 31 st March, 2013 (₹ in Lac)
A. Deferred Tax Liability		
Due to Depreciation Difference	299.61	18.78
B. Deferred Tax Assets		
Credit under u/s 43B & 40(a)	1.10	0.70
MAT Credit available for the year	42.45	1.86
Due to Carry Forward Losses	330.05	0.00
Total	<u>373.60</u>	<u>2.56</u>
Net Deferred Tax Liability	(-) 73.99	16.22

32. Contingent Liability / Capital Commitments:

- The Banker of the Company has given Guarantee to various Government Authorities amounting to ₹ 58.49 Lac (P.Y. ₹142.99 Lac) for which the Company has given counter guarantee. Company has also given margin money to banker amounting to ₹ 13.66 Lac (P.Y. ₹ 24.24 Lac).
- The Company has given a Corporate Guarantee of ₹ 3190.00 Lac (P.Y. ₹ 2706.00) to the Bankers of 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.

KONARK

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.

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 : 18th June, 2014

For and on behalf of the Board of Directors

PRAKASHCHAND DALMIA
Chairman & Managing Director

AMITABH KEJRIWAL
Whole Time Director

MAHENDRA AGARWAL
Director



KONARK SYNTHETIC LIMITED

CIN: L17200MH1984PLC033451

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

FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholders,

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

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

Folio No.	
Name of the Shareholder	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail ID	
PAN or CIN	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

Date: _____

Place: _____

Signature of Shareholder

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

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

Thanking you,

For **Konark Synthetic Limited**

Prakashchand Dalmia
Chairman & Managing Director

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ASSENT/DISSENT FORM FOR VOTING ON AGM RESOLUTIONS 30TH ANNUAL GENERAL MEETING ON 30TH SEPTEMBER, 2014

1.	Name & Registered Address of Shareholder (IN BLOCK LETTER)			
2.	Name(s) of Joint holders, if any			
3.	Registered folio No./ DP ID No./Client ID No.* (*Applicable to investors holding shares in dematerialized form)			
4.	Number of share(s) held			
5.	I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated 14 th August, 2014 by conveying my/our assent or dissent to the Resolutions by placing a tick (√) mark at the appropriate box below.			
Item No.	Description of the Resolution	No. of share(s)	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1.	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 st March, 2014 and the Reports of the Directors' and the Auditors.			
2.	Ordinary Resolution for appointment of a director in place of Mr. Prakashchand Dalmia, Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Ordinary Resolution for re-appointment of M/s. Bhuwania & Agrawal Associates, Chartered Accountants (having FRN 101483W), Mumbai as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.			
4.	Ordinary Resolution for appointment of Mr. Mahendra Agarwal as an Independent Director of the Company to hold office as such upto 31 st March, 2019.			
5.	Ordinary Resolution for appointment Mr. Satish Deshmukh as an Independent Director of the Company to hold office as such upto 31 st March, 2019.			
6.	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for increase in borrowing powers of the Company upto ₹ 500 Crores.			



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Item No.	Description of the Resolution	No. of share(s)	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
7	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 to authorize Board of Directors of the Company to create mortgages / charges / hypothecation on all or any of the immovable and movable assets of the Company, both present and future upto an amount as approved by the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013.			
8.	Special Resolution for adoption of new set of Articles of Association of the Company.			

Date: _____

Place: _____

(Signature of the shareholder)

Notes:

- (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
- (ii) Last date for receipt of Assent/Dissent Form: 20th September, 2014 (upto 6.00 p.m.).
- (iii) Please read the instructions carefully before exercising your vote.



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PROXY FORM

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

30th Annual General Meeting – 30th September, 2014

Name of the Member (s) /
Joint Holder (s) : _____
Registered address : _____
Email Id : _____
Folio No/Client Id : _____
DP ID : _____

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

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

as my/our proxy to attend and vote (on poll) for me/us on my /our behalf at the 30th Annual General Meeting of the Company to be held on Tuesday, 30th day of September, 2014 at 3.30 p.m. at the Registered office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Number	Resolutions	Vote (Optional see note 2) Please mention no. of Share		
		For	Against	Abstain
	Ordinary Business:			
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 st March, 2014 and the Reports of the Directors' and the Auditors thereon.			
2	Ordinary Resolution for appointment of a director in place of Mr. Prakashchand Dalmia, Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3	Ordinary Resolution for re-appointment of M/s. Bhuwania & Agrawal Associates, Chartered Accountants (having FRN 101483W), Mumbai as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.			
	Special Business:			
4	Ordinary Resolution for appointment of Mr. Mahendra Agarwal as an Independent Director of the Company to hold office as such upto 31 st March, 2019.			
5	Ordinary Resolution for appointment Mr. Satish Deshmukh as an Independent Director of the Company to hold office as such upto 31 st March, 2019.			
6	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for increase in borrowing powers of the Company upto ₹ 500 Crores.			
7	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 to authorize Board of Directors of the Company to create mortgages / charges / hypothecation on all or any of the immovable and movable assets of the Company, both present and future upto an amount as approved by the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013.			
8	Special Resolution for adoption of new set of Articles of Association of the Company.			

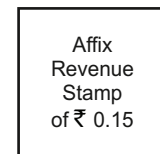
Signed this _____ day of _____ 2014

Signature of Member: _____

Signature of Proxy holder: _____

Note:

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



INSTRUCTIONS**General Instructions**

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent / dissent in physical form. If a shareholder has opted for Physical Assent / Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical assent / dissent form and e-voting, then vote casted through physical assent / dissent form shall be considered, subject to the assent / dissent from being found to be valid and vote cast through e-voting shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on 28th August, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent / dissent form cannot be exercised by a proxy.

Instructions for voting physically in Assent / Dissent Form

1. A Member desiring to exercise vote by Assent / Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, CS Manish L. Ghia, Partner, M/s Manish Ghia and Associates, Company Secretaries, Mumbai and send it to the Scrutinizer in the attached self – addressed Postage prepaid envelope at the registered office of the Company on or before the close of working hours i.e. 20th September, 2014 (6.00 p.m.). Any Forms received after this date will be strictly treated as if the reply from such Member has not been received. However, envelope containing Assent / Dissent Form, if sent by courier or hand delivered at the expense of the Member, will also be accepted.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company / Depository participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Assent / Dissent Form should be accompanied by a certified copy of the relevant Board Resolution / appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A Member may request for a duplicate Assent / Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No. 1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent / Dissent form except giving their assent or dissent and putting their signature. If any other paper is sent along with the form the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected

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(To be completed and presented at the entrance)

ATTENDANCE SLIP

30th Annual General Meeting – 30th September, 2014

Registered Folio/DP ID & Client ID	
Name and Address of the Shareholder(s)	
Joint Holder 1	
Joint Holder 2	
No. of Shares held	

I/We hereby record my/our presence at the **30th ANNUAL GENERAL MEETING** of the Company, to be held on Tuesday, 30th day of September, 2014 at 3.30 p.m. at the Registered office of the Company at Building No.7, Mittal Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400059

Member's / Proxy's Name
(in Block Letters)

Member's / Proxy's Signature

Note:

1. Please fill in the Folio/DP ID-Client ID No., name and sign the Attendance Slip and hand it over at the Attendance Verification Counter at the **ENTRANCE OF THE MEETING HALL.**
2. Please read the instructions for e-voting given along with the Annual Report. The Voting period starts from Thursday, 18th September, 2014 (9.00 a.m.) and ends on Saturday, 20th September, 2014 (6.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

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If undelivered please return to:

KONARK SYNTHETIC LIMITED

Registered Office : Building. No.7, Mittal Industrial Estate,
Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 059.
CIN: L17200MH1984PLC033451