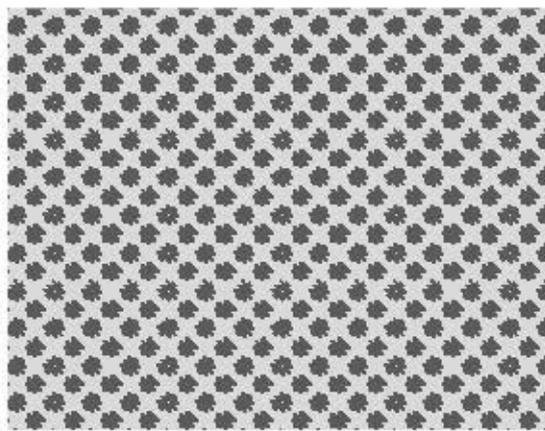
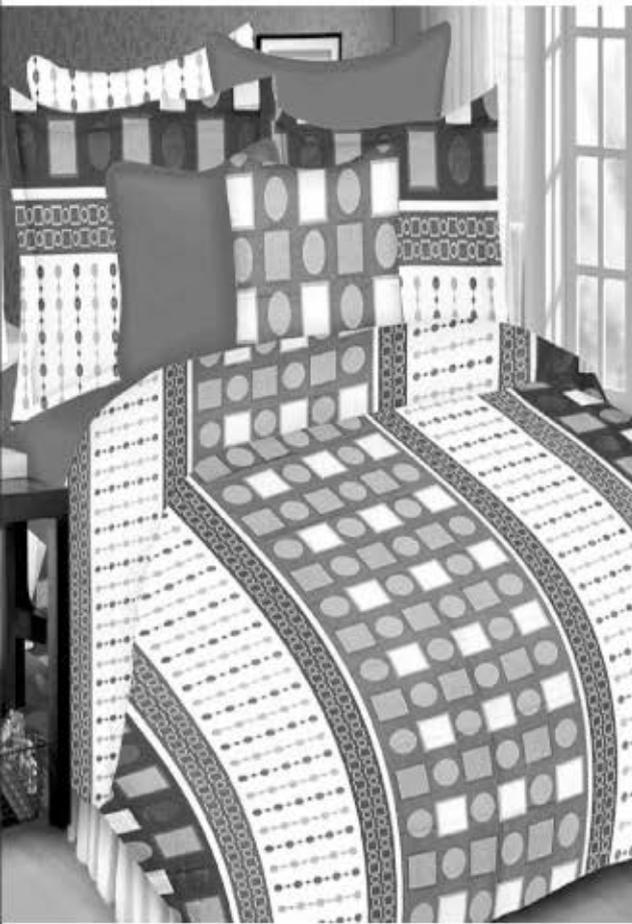
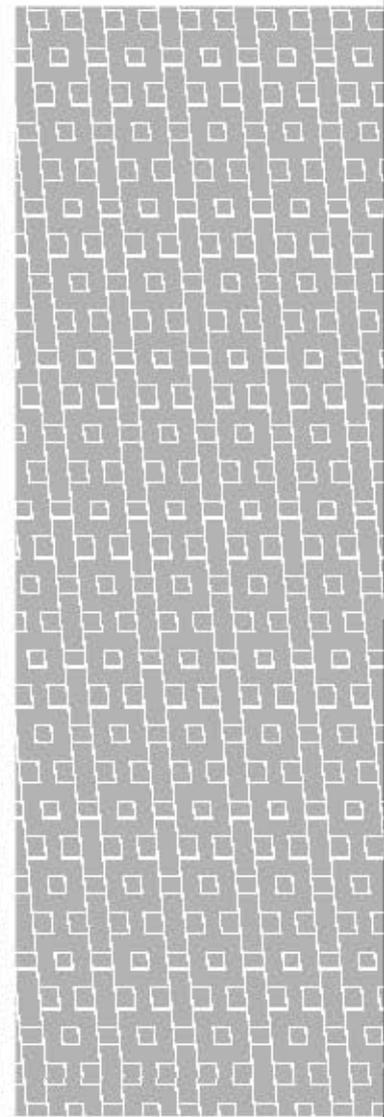


**ANNUAL REPORT
2015-16**



PRADIP OVERSEAS LTD.



BOARD OF DIRECTORS : Shri Pradipkumar J. Karia
Shri Chetan J. Karia
Shri Vishal R. Karia
Shri J.S. Negi
Shri G.R. Kamath
Ms. Parulben Thakore

REGISTERED OFFICE : Plot No. 104, 105, 106,
Village : Chancharwadi Vasna,
Opp. Zydus Cadila,
Sarkhej Bavla High Way,
Tal. Sanand Ahmedabad,
Gujarat - 382213

BANKERS/ FININACIAL INSTITUTIONS : Indian Overseas Bank
Canara Bank
Union Bank of India
Bank of India
Punjab National Bank
Standard Chartered Bank
State Bank of Patiala
INVENT

COMPANY SECRETARY : Kaushik B. Kapadia

AUDITORS : M/S Ashok Dhariwal & Co.,
Chartered Accountants,
A/602, Narnarayan Complex,
Nr. Swastik Char Rasta,
Navrangpura,
Ahmedabad - 380 009.

Plant : Plot No. 104, 105, 106,
Village : Chancharwadi Vasna,
Opp. Zydus Cadila,
Sarkhej Bavla High Way,
Tal. Sanand Ahmedabad,
Gujarat - 382213

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses and changes therein from time to time with the Depository through their concerned Depository Participants or the member can register their e-mail address with the Company on the following e-mail address : investor@pradipoverseas.com

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NOTICE

Notice is hereby given that Annual General Meeting of the Members of **PRADIP OVERSEAS LIMITED** will be held on Friday 30th September, 2016 at 12.00 noon at the Registered Office of the Company at 104, 105,106, Chancharwadi, Vasna, Opp. Zyduz Cadila, Sarkhej Bavla Highway, Changodar, Ahmedbad 382 213 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2016 and the Profit and Loss Account for the year ended on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint Mr. Pradip J. Karia (DIN:- 00123748), as a Director of the Company, who retires by rotation and being eligible, offer himself for reappointment
3. To Appoint Auditors and to fix their Remuneration.

By Order Of the Board of Directors

Sd/-

(Pradip J. Karia)

Chairman and Managing Director

DIN:00123748

Place: Ahmedabad
Date: 09th June, 2016

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND A VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. A proxy form must reach to the company at its registered office on or before 48 hours of the commencement of the meeting.**

A person can act as a 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. 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 a proxy or any other person or shareholder.

2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
3. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting, if not already voted through remote e-voting.
4. The Register of members and Share transfer Register will remain closed from 23rd September, 2016 to 30th September, 2016 (both the days inclusive).
5. Members are requested to bring their copies of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filed in for attending the meeting.
6. The Register of Directors and Key managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.

The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.

7. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400078. Those holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately. The Company or its RTA cannot act on any request directly received from any member holding shares in dematerialized form for any change in such details. Such changes are to be advised only to the DP of the members.



NOTICE (Contd...)

8. Documents referred to in the Notice are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.
9. Details as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, is furnished as annexure to the Notice. The Directors have furnished the consent/declarations for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Link Intime India Private Limited.
11. Pursuant to Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants (s) for communication purpose unless any members has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members wishing to claim dividends, which remain unclaimed are requested to correspond with Link Intime India Private Limited, Registrar & Share Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education Protection Fund, as per Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the erstwhile Companies Act, 1956).
13. A Route map showing the directions to reach the venue of the Annual General Meeting is given at the end of this Notice as per requirement of the Secretarial Standard-2 on 'General Meeting'.

2. Instructions for e-voting

I. Voting through electronic means

- i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and sub clause (1) & (2) of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
NOTE: The Facility for Voting shall be decided by the company i.e. "remote e-voting" or "Ballot Paper" or "Poling Paper"
- iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iv. The remote e-voting period commences on 27th September, 2016 (9:00 am) and ends on 29th September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

NOTE: The "remote e-voting" end time shall be 5:00 p.m. on the date preceding the date of general meeting and the cut-off date shall not be earlier than 7 days before the date of general meeting.



NOTICE (Contd...)

- v. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password - EVEN - 105271.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "PRADIP OVERSEAS LIMITED".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to ravikapoor@ravics.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) The user ID and initial password will be sent to you separately.
 - (ii) Please follow all steps from serial no. (ii) to (xi) mentioned above, in order to successfully cast your vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. 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 future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.
- NOTE: The cut-off date shall not be earlier than 7 days before the date of general meeting
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.



NOTICE (Contd...)

- IX. Mr. Ravi Kapoor, Proprietor Ravi Kapoor & Associates, Practising Company Secretary (Membership No. FCS 2587 and Certificate of Practice No. 2407) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
NOTE: The Facility for Voting shall be decided by the company i.e. "Poling Paper"
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.pradipoverseas.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be uploaded on the BSE Listing portal and on the NSE NEAPS Portal.

Contact Details

- Company : Pradip Overseas Limited
- A) Registered Office
104/ 105/ 106, Chacharwadi, Opp. Zydus Cadila,
Sarkhej-Bavla Highway, Changodar, Ahmedabad-382213.
Ph : +91 (2717) 251859/60/61 Fax - +91(2717) 251874
Email : investor@pradipoverseas.com
Web : www.pradipoverseas.com
- B) Corporate Office
A/601, Narnarayan Complex, Swastik Char Rasta,
Navrangpura, Ahmedabad-380009.
Ph : 079 2656 9243, 2656 0630. Fax – 079 2642 0408
Email : investor@pradipoverseas.com
Web : www.pradipoverseas.com
- Registrar & Share Transfer : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),
Mumbai – 400 078.
Phone: +91 22-2596 0320. Fax: +91 22-2596 0328-29
- e-Voting Agency : National Securities Depository Limited
E-Mail: evoting@nsdl.co.in.
- Scrutinizer : CS Ravi Kapoor, Practicing Company Secretary
E-mail : ravikapoor@ravics.com

By Order Of the Board of Directors

Sd/-

(Pradip J. Karia)

Chairman and Managing Director

DIN:00123748

Place : Ahmedabad
Date : 09th June, 2016

**NOTICE (Contd...)****ANNEXURE**

Details in terms of requirement of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard- 2 clause 1.2.5 in respect of appointment of directors are given hereunder :

Name	Shri Pradip J. Karia
Age	55 years
Date of Appointment	29-6-2005
Qualifications	B.Com
Nature of Expertise/ Experience	He commenced his career in textile business in 1985. He established a partnership firm M/s. Anu Impex in the year 1993. M/s. Pradip Exports Was established in the Year 1995 to carry on similar business. He started Home Linen Products by setting up of factory at Village Changodar, Ahmedabad . He has more than 31 years experience in retailing, Marketing . business promotion and manufacturing of textile Products of which 17 years is in Home Linen Products.
Terms and conditions of appointment	The Director is appointed as a Managing Director for 3 years w.e.f. 01 st September, 2014.
Remuneration paid	₹ 36,00,000 /- p.a.
Chairman/Member of Committee in other Companies	None
Relationship with other directors, Manager and other KMP of the Company	He is a brother of Mr. Chetan Karia, Whole Time Director of the Company
Name of the Companies in which he/she holds Directorship/committee Membership	a) Directors in : 1. Pradip Enterprises Ltd. 2. Pradip Energy Limited 3. Pradip Integrated Textile Park Private Limited b) Committee Membership : Nil
No. of Meetings of the Board attended during the year	5 (Five)
Names of the Committee of the Board of Company in which members ship/ Chairmanship is held	Pradip Overseas Limited 1. Audit Committee 2. Stakeholders Relationship Committee. 3. Risk Management Committee
Shareholding	9013003 Equity Shares each of ₹ 10/- in the Company

By Order Of the Board of Directors

Sd/-

(Pradip J. Karia)

Chairman and Managing Director

DIN:00123748

Place: Ahmedabad
Date: 9th June, 2016

**DIRECTORS' REPORT****To the Members of Pradip Overseas Limited**

Your Directors are pleased to submit their Annual Report and Audited Financial Statement for the financial year ended on 31st March, 2016.

1) FINANCIAL REVIEW:

[₹ in Lacs]

Sr. No.	Particulars	2015-16	2014-15
1.	Income From Operations	23768.14	23984.33
2.	Other Income	1667.86	422.65
3.	Financial Charges	1007.68	11442.89
4.	Depreciation	853.97	704.43
5.	Profit(Loss) Before Tax	(41010.01)	(41683.69)
6.	Taxation	(12912.40)	(1,603.84)
7.	Profit/(Loss) after Tax	(28097.61)	(41,350.21)

2) OPERATIONS:

The year under review was also critical year for the Company. The turnover of the Company was of ₹ 23768.14 lacs which is almost similar to the turnover of the Company for the previous year. The Loss after tax was ₹ 28097.61 lacs which is lower by 32.00 % as compared to last year. The major reasons for lower turnover was sluggish market conditions, international competition. The under utilization of the installed capacity is mainly due to non commencement of Effluent Treatment Plant (ETP) in full capacity for the full year and sluggish demand in the market. Moreover, as the Company is facing shortage of Working Capital, the Company has diverted its attention towards job work which results into lower turnover and lower profitability. The Company had installed Zero discharge Effluent Treatment Plant(ETP). The ETP had become fully operative since February, 2016. The Company is hopeful for the improvement in performance and profitability in future.

As reported last year, the Company has undertaken to implement two projects of industrial Park namely Specialty & Fine Chemicals and Auto & Auto Components at village Bhamsara, Taluka Bavla District – Ahmedabad. The Company has received letter of approval of the Government of Gujarat for both the projects. The Company is still negotiating with some of the renowned Industrial Estate Developers to join as a partner for development of the aforesaid Industrial Parks.

The Corporate Debt Restructuring package approved by CDR Cell under implementation, which could not be implemented successfully and same was failed.

As reported last year, the Company had filed reference with Board For Industrial and Financial Reconstruction (BIFR) and the reference has been registered as case no. 149/2015 with it and the same is pending before BIFR for hearing.

Out of consortium members of the Bank, State Bank of India, Allahabad Bank and The Karur Vasya Bank Limited have assigned their debts to Assets Reconstruction Company. The Lakshmi Vilas Bank Limited had also assigned its debt to Assets Reconstruction Company.

3) DIVIDEND:

Due to the Loss incurred by Company during the year under review, the directors are not able to recommend dividend for the year 2015-16.

4) TRANSFER TO RESERVE:

In view of losses, the Company has not proposed to transfer any amount to any reserves of the Company.

5) FIXED DEPOSIT:

The Company has not accepted or renewed any deposits since inception as covered under Chapter V of the Companies Act, 2013. Accordingly, no disclosure and reporting is required in respect of details relating to deposits covered under this chapter.

6) DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Mr. Pradip J. Karia, Director of the Company will retire by rotation in the ensuring Annual General Meeting and being eligible, offer himself for reappointment.

7) NUMBER OF MEEITNG OF BOARD OF DIRECTORS:

The Board of Directors of the Company had 5 (Five) meetings and one meeting of the independent Directors



DIRECTORS' REPORT (Contd...)

were held during the Financial Year 2015-16. The details of the Board meeting held during the year 2015-16 have been furnished in the Corporate Governance Report.

8) DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors confirm that:

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the directors had 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 the affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the directors had prepared the annual accounts on a going concern basis;
- e. that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9) DETAILS OF COMMITTEE OF DIRECTORS :

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, Stake Holders Relationship/ Grievances Committee and Risk Management Committee of Directors, number of meetings held of each Committee during the Financial year 2015-16 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report and forming part of the report.

The recommendation by the Audit Committee as and when made to the Board of Directors of the Company has been accepted by it.

10) EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the Extract of annual return is attached herewith as Annexure -1 to this report.

11) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The wholly own subsidiary namely Pradip Home Fashions, USA remain dormant since inception and therefore the Company has sold its entire holding in the beginning of the financial year and as a result it ceases to be a subsidiary of the Company. The Company has also sold its entire holding in Elegant Home Fashions, USA in the beginning of the financial year, hence it ceases to be associate company.

12) DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS:

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in the aforesaid section.

13) POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Policy on Director's Appointment including criteria for determining qualification, positive attributes, independence of a director and policy relating to remuneration for Director, Key Managerial Personnel and other employees is as mentioned in this report.

- Policy on Directors' Appointment

The Company has followed the policy regarding appointment of Director as laid down in the Companies Act, 2013 and Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and good corporate practices.

- Policy on remuneration of Directors :

Remuneration for Directors is based on the Shareholders resolution , provisions of the Companies Act, 2013 and rules framed therein, circulars and guidelines issued by the Central Government and other authorities from time to time.



DIRECTORS' REPORT (Contd...)

- Remuneration to the workers is based on the Contract with the Contractors keeping in view the Minimum Wages payable to the workmen.
 - Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Other Employees is Industry Driven.
- 14) PARTICULARS OF LOANS ,GUARANTEES AND INVESTMENT U/S 186 OF THE COMPANIES ACT, 2013 :**
The particulars of the loan given, investment made, alongwith the purpose for which the loan or guarantee or security is proposed to be utilized by the recipients are provided in the Standalone Financial statement. (Please refer to notes no. 11, 12 & 16 of the Financial Statement.) The Company has not provided any securities during the year under review.
- 15) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**
There is no transaction with related party which requires disclosures under section 134 (3) (h) of the Companies Act, 2013 and rule 8 (2) of the Companies (Accounts) rules, 2014.
- 16) CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS:**
Your Company fully complies with conditions of the Corporate Governance stipulated in Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. A separate section on compliance with the conditions of Corporate Governance and a certificate from firm of Practicing Chartered Accountants dated 9th June, 2016 in this regard is annexed hereto and forms a part of the report. Management discussion and analysis are attached, which form part of this report.
- 17) (a) PARTICULARS OF THE EMPLOYEES :**
There are no employees in the Company who are receiving remuneration in excess of the limit specified under section 197 (12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and therefore there is no information required to be given:
- (b) ANALYSIS OF REMUNERATION :**
Disclosure pertaining to remuneration and other details as required under section 197 (12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are stated in Annexure no. 2
- 18) WHISTLE BLOWER & VIGIL MECHANISM :**
The Company has established a "Whistle Blower and Vigil Mechanism Policy" for Directors and employees to report the genuine concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Policy is available on the website of the Company.
- 19) INTERNAL CONTROL SYSTEMS :**
The Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorised, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors.
- 20) AUDITORS :**
M/s. Ashok Dhariwal and Co., Chartered Accountants, Statutory Auditors of the Company will retire from the office of the auditor and being eligible, offer themselves for reappointment. They confirm their eligibility to the effect that their reappointment, if made, would be within the prescribed limit under the Act and they are not disqualified for the reappointment.
- 21) SECRETARIAL AUDIT REPORT**
The Board has appointed M/s. Ashish Shah & Associates, Practising Company Secretary to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the year ended 31st March, 2016 is annexed herewith and forming part of the report.
- 22) EXPLANATIONS /COMMENTS BY THE BOARD ON QUALIFICATIONS , RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE BY THE AUDITOR /COMPANY SECRETARY IN PRACTICE IN THEIR REPORT :**
Reply on the Qualification/Comments of Auditors made by them in Audit Report:-
- (A) Reply to the point no. 3 of Basis for qualified opinion :-**
As per the RBI Guidelines in case, if the account is NPA banks should reverse the interest already charged and not collected by debiting Profit and Loss account and stop further application of interest.



DIRECTORS' REPORT (Contd...)

However, banks may continue to record such accrued interest in a Memorandum account in their books. For the purpose of computing Gross Advances, interest recorded in the Memorandum account should not be taken into account. As the Banks are not taking in to account the interest recorded in Memorandum, the Company has not Booked expenses of interest in the Books of the Company.

(2) Reply on the Qualification/Comments of Secretarial Auditor made in their Secretarial Audit Report:-

The matter was placed before the Board at its meeting held on 28th May, 2015 which was well within the period allowed by clause 41 of the Listing Agreement. In the said meeting the Board opined to take advice/opinion of the expert and defer the agenda of consideration of Audited Results for the quarter and year ended 31st March, 2015 sine die. Thus the Company had put its all efforts to comply with the requirement of the Listing Agreement. However, as the Board was required to refer the matter to expert the same could not be approved within the time stated in clause 41 of the Listing Agreement. The Board considered the aforesaid matter on 9th June, 2015 which was delayed by 9 days from the date only.

23) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and out go, as required under Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in separate statement attached hereto as Annexure-3 and forming part of the report.

24) RISK MANAGEMENT :

During the year, the Management of the Company had evaluated the existing Risk Management Policy of the Company. The Risk Management policy has been reviewed and found adequate and sufficient to the requirement of the Company. The Management has evaluated various risk and that there is no element of risk identified that may threaten the existence of the Company.

25) ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS :

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its Committees and individuals. The result of the evaluation is satisfactory and adequate and meets the requirements.

26) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY :

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

27) SIGNIFICANT AND MATERIAL ORDERS :

There are no material orders passed by Regulators, Courts or Tribunals impacting the going concern status and company's operations in future.

28) GENERAL :

During the year under review, there were no cases filed pursuant to sexual harassment at work place (Prevention , Prohibition and Redressal) Act, 2013.

29) ACKNOWLEDGEMENT :

Your Directors acknowledge with gratitude the Co-operation and assistance received from the Banks, Government and employees and all those associated with the Company during the year under review.

For and On behalf of Board of Directors

Sd/-

(PRADIP J. KARIA)

CHAIRMAN & MANAGING DIRECTOR

DIN 00123748

Place: Ahmedabad
Date : 9th June, 2016

**DIRECTORS' REPORT (Contd...)**

Annexure-I
Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L17290GJ2005PLC046345
2	Registration Date	29/06/2005
3	Name of the Company	PRADIPOVERSEAS LIMITED
4	Category/Sub-Category of the Company	Public Company limited by shares
5	Address of the Registered office and contact details	A) Registered Office 104,105,106,Chancharwadi Vasna, Opp. Zydus Cadila Sarkhej Bavla High Way, Tal. Sanand , Ahmedabad- 382213 Ph: +91(2717)251859/60/61 Fax: +91(2717)251874 Email:investor@pradipoverseas.com Web: www.pradipoverseas.com
		B) Corporate Office A-601, Narnarayan Complex, Swastik Char Rasta, Navrangpura, Ahmedabad - 380009. Ph: 0792656 9243, 2656 0630. Fax:079 26420408 Email : investor@pradipoverseas.com Web : www.pradipoverseas.com
5	Whether listed Company (Yes/No)	Yes
6	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PRIVATE LIMITED C-13,Pannalal silk mills compound, LBS marg, Bhandup, Mumbai-400078 Phone: +91 22-2596 0320. Fax: +91 22-2596 0328-29

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Bed sheets	1714/1721	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	NIL	-	-	-	-



DIRECTORS' REPORT (Contd...)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	25792519	-	25792519	53.25	25792519	-	25792519	53.25	-
b) CentralGovt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) BodiesCorp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) AnyOther	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	25792519	-	25792519	53.25	25792519	-	25792519	53.25	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	25792519	-	25792519	53.25	25792519	-	25792519	53.25	-
B. Public Shareholding									
1. Institutions									
a) MutualFunds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) CentralGovt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.									
i) Indian	5534454	0	5534454	11.43	4426497	0	4426497	9.14	-2.29
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7300904	6	7300910	15.07	7123461	18	7123479	14.71	-0.37
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8817066	0	8817066	18.20	9565357	0	9565357	19.75	1.55
c) Hindu Undivided Family (HUF)	0	0	0	0.00	633521	0	633521	1.31	1.31
i) Clearing Member	480482	0	480482	0.99	381166	0	381166	0.79	-0.21
ii) Non Resident Indian (Repat)	498299	0	498299	1.03	500569	0	500569	1.03	+0.05
iii) Non Resident Indian (non Repat)	16339	0	16339	0.03	17075	0	17075	0.04	+0.01
v) Trusts	114	0	114	0.002	0	0	0	0.00	-0.02
Sub-total (B) (2):-	22647658	6	22647664	46.75	22647646	18	22647664	46.75	0.00
C. Shares held by Custodian for GDRs & ADR	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	48440177	6	48440183	100.00	48440165	18	48440183	100.00	-

**DIRECTORS' REPORT (Contd...)****(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	PRADIPKUMAR J. KARIA	9013003	18.61	18.61	9013003	18.61	18.61	0
2	CHETANKUMAR J. KARIA	9012976	18.61	18.61	9012976	18.61	18.61	0
3	VISHAL R. KARIA	4286340	8.85	8.85	4286340	8.85	8.85	0
4	BAKUL J. KARIA	1266200	2.61	2.61	1266200	2.61	2.61	0
5	PRITESH J. KARIA	750000	1.55	1.55	750000	1.55	1.55	0
6	AMITABEN P. KARIA	537000	1.11	1.11	537000	1.11	1.11	0
7	ROOPABEN C. KARIA	537000	1.11	1.11	537000	1.11	1.11	0
8	RAMESH J. KARIA	390000	0.81	0.81	390000	0.81	0.81	0
	Total	25792519	53.25	53.25	25792519	53.25	53.25	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)-

There is no change of shareholding pattern of promoters during the financial year.

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	25792519	53.25	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-NIL-	-NIL-	-	-
	At the End of the year	25792519	53.25	-	-



DIRECTORS' REPORT (Contd...)

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

Sl. No.	Top ten shareholders	Shareholding pattern at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year *			Shareholding pattern at the end of the year	
		No. of Shares	% of total no. of shares of the company	Date	No. of Shares	% of total shares of the Company	No. of Shares	% of total no. of shares of the company
1	PRADIP PETROFILS PRIVATE LIMITED	2573861	5.3135				2573861	5.3135
	Transfer			16 Oct 2015	29132	0.06	2602993	5.3736
	Transfer			23 Oct 2015	36480	0.08	2639473	5.4489
	Transfer			18 Dec 2015	97923	.020	2737396	5.6511
	Transfer			26 Feb 2016	(1807760)	-3.73	929636	1.9191
	Transfer			18 Mar 2016	1807760	3.73	2737396	5.6511
	Transfer			31 Mar 2016	(929636)	-1.92	1807760	3.7319
	AT THE END OF THE YEAR						2737396	5.6511
2	GAURANG KANTHADBHAI KATARIYA	817500	1.6876				817500	1.6876
	Transfer			10 Jul 2015	13182	0.03	830682	1.7149
	Transfer			17 Jul 2015	5000	0.01	835682	1.7252
	Transfer			30 Oct 2015	5790	0.01	841472	1.7371
	Transfer			06 Nov 2015	16028	0.03	857500	1.7702
	Transfer			26 Feb 2016	(261500)	-0.54	596000	1.2304
	Transfer			18 Mar 2016	261500	0.54	857500	1.7702
	Transfer			31 Mar 2016	(596000)	-1.23	261500	0.5398
	AT THE END OF THE YEAR						857500	1.7702
3	VIJAY GAJANAND SALHEKAR	545700	1.1265				545700	1.1265
	AT THE END OF THE YEAR						545700	1.1265
4	SMC GLOBAL SECURITIES LTD.	544029	1.1231				544029	1.1231
	Transfer			10 Apr 2015	(8977)	0.02	535052	1.1046
	Transfer			17 Apr 2015	(242)	0.00	534810	1.1041
	Transfer			24 Apr 2015	661	0.00	535471	1.1054
	Transfer			01 May 2015	16720	0.35	552191	1.1399
	Transfer			08 May 2015	(20)	-4.21	552171	1.1399
	Transfer			15 May 2015	1928	0.00	554099	1.1439
	Transfer			22 May 2015	320	0.00	554419	1.1445
	Transfer			29 May 2015	(18206)	0.04	536213	1.1070
	Transfer			05 Jun 2015	(114)	0.00	536099	1.1067
	Transfer			12 Jun 2015	17234	0.04	553333	1.1423
	Transfer			19 Jun 2015	269	0.00	553602	1.1429
	Transfer			26 Jun 2015	(15737)	0.03	537865	1.1104
	Transfer			30 Jun 2015	(1200)	0.00	536665	1.1079
	Transfer			17 Jul 2015	(1000)	0.00	535665	1.1058
	Transfer			24 Jul 2015	1847	0.00	537512	1.1096
	Transfer			31 Jul 2015	18620	0.03	556132	1.1481
	Transfer			07 Aug 2015	1000	0.00	557132	1.1501
	Transfer			14 Aug 2015	(19467)	0.04	537665	1.1100
	Transfer			21 Aug 2015	300	0.00	537965	1.1106
	Transfer			28 Aug 2015	16234	0.03	554199	1.1441
	Transfer			04 Sep 2015	(1114)	0.00	553085	1.1418
	Transfer			11 Sep 2015	1026	0.00	554111	1.1439
	Transfer			18 Sep 2015	(16447)	0.03	537664	1.1100
	Transfer			30 Sep 2015	(1251)	0.00	536413	1.1074
	Transfer			23 Oct 2015	1120	0.00	537533	1.1097
	Transfer			30 Oct 2015	(120)	0.00	537413	1.1094
	Transfer			06 Nov 2015	3751	0.01	541164	1.1172
	Transfer			13 Nov 2015	(600)	0.00	540564	1.1159
	Transfer			20 Nov 2015	(3000)	0.00	537564	1.1097
	Transfer			27 Nov 2015	(1500)	0.00	536064	1.1067
	Transfer			04 Dec 2015	(3903)	0.00	532161	1.0986
	Transfer			18 Dec 2015	(841)	0.00	531320	1.0969
	Transfer			25 Dec 2015	(2580)	0.00	528740	1.0915
	Transfer			31 Dec 2015	7585	0.02	536325	1.1072



DIRECTORS' REPORT (Contd...)

Sl. No.	Top ten shareholders	Shareholding pattern at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year *			Shareholding pattern at the end of the year	
		No. of Shares	% of total no. of shares of the company	Date	No. of Shares	% of total shares of the Company	No. of Shares	% of total no. of shares of the company
	Transfer			08 Jan 2016	(5970)	0.01	530355	1.0949
	Transfer			15 Jan 2016	(1200)	0.00	529155	1.0924
	Transfer			22 Jan 2016	18562	0.04	547717	1.1307
	Transfer			29 Jan 2016	(16234)	0.03	531483	1.0972
	Transfer			05 Feb 2016	301	0.00	531784	1.0978
	Transfer			12 Feb 2016	1490	0.00	533274	1.1009
	Transfer			26 Feb 2016	(95141)	-0.20	438133	0.9045
	Transfer			18 Mar 2016	91151	0.18	529284	1.0927
	Transfer			31 Mar 2016	(438133)	-0.90	91151	0.1882
	AT THE END OF THE YEAR						529284	1.0927
5	CHARLES INDIA PVT. LTD.	274199	0.5661				274199	0.5661
	AT THE END OF THE YEAR						274199	0.5661
6	ANIL CHANDRABHAN AGRAWAL	266476	0.5501				266476	0.5501
	AT THE END OF THE YEAR						266476	0.5501
7	SHIBA PRASAD DASH	236663	0.4886				236663	0.4886
	Transfer			15 Jan 2016	(1800)	-0.00	234863	0.4849
	AT THE END OF THE YEAR						234863	0.4849
8	MAHESH RAMDAS KANANI	170354	0.3517				170354	0.3517
	Transfer			15 May 2015	1774	0.00	172128	0.3553
	Transfer			29 May 2015	5000	0.01	177128	0.3657
	Transfer			30 Jun 2015	5000	0.01	182128	0.3760
	Transfer			10 Jul 2015	2500	0.01	184628	0.3811
	Transfer			07 Aug 2015	5572	0.01	190200	0.3926
	Transfer			28 Aug 2015	10000	0.02	200200	0.4133
	Transfer			25 Sep 2015	10000	0.02	210200	0.4339
	Transfer			18 Mar 2016	16628	0.03	226828	0.4683
	AT THE END OF THE YEAR						226828	0.4683
9	KARIA KAUSHIK BABULAL	223296	0.4610				223296	0.4610
	AT THE END OF THE YEAR						223296	0.4610
10	JAGRUTI SATISH THAKKAR	196947	0.4066				196947	0.4066
	AT THE END OF THE YEAR						196947	0.4066
11	ANGEL FINCAP PRIVATE LIMITED	228586	0.4719				228586	0.4719
	Transfer			03 Apr 2015	(1)	0.00	228585	0.4719
	Transfer			10 Apr 2015	(2)	0.00	228583	0.4719
	Transfer			24 Apr 2015	(11)	0.00	228572	0.4719
	Transfer			08 May 2015	(17499)	0.04	211073	0.4357
	Transfer			15 May 2015	(14875)	0.03	196198	0.4050
	Transfer			22 May 2015	(9123)	0.02	187075	0.3862
	Transfer			05 Jun 2015	2060	0.00	189135	0.3905
	Transfer			12 Jun 2015	(43752)	0.09	145383	0.3001
	Transfer			03 Jul 2015	(3)	0.00	145380	0.3001
	Transfer			10 Jul 2015	54	0.00	145434	0.3002
	Transfer			24 Jul 2015	(228)	0.00	145206	0.2998
	Transfer			14 Aug 2015	(1)	0.00	145205	0.2998
	Transfer			04 Sep 2015	(108000)	0.22	37205	0.0768
	Transfer			25 Sep 2015	(17)	-3.50	37188	0.0768
	Transfer			23 Oct 2015	(8)	0.00	37180	0.0768
	Transfer			04 Dec 2015	(7)	0.00	37173	0.0767
	Transfer			31 Dec 2015	(3)	0.00	37170	0.0767
	Transfer			01 Jan 2016	(1)	0.00	37169	0.0767
	Transfer			22 Jan 2016	(3)	0.00	37166	0.0767
	Transfer			18 Mar 2016	(11)	0.00	37155	0.0767
	Transfer			25 Mar 2016	(903)	0.00	36252	0.0748
	AT THE END OF THE YEAR						36252	0.0748

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 48440183 Shares.
 2. The details of holding has been clubbed based on PAN.
 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

**DIRECTORS' REPORT (Contd...)**

* Reason for change in the shareholding is due to transfer of share.

V) INDEBTEDNESS:**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14147185433	797460801	-	14944646234
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14147185433	797460801	-	14944646234
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	(59947630)	(462732048)	-	(522679678)
Net Change	(59947630)	(462732048)	-	(522679678)
Indebtedness at the end of the financial year				
i) Principal Amount	14087237803	334728753	-	14421966556
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14087237803	334728753	-	14421966556

(VI) Shareholding of Directors and Key Managerial Personnel:

No.	For each of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		* Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Name of the directors and Key managerial personnel				
1.	Pradip J. Karia	9013003	18.61	9013003	18.61
2.	Chetan J. Karia	9012976	18.61	9012976	18.61
3.	Vishal R. Karia	4286340	8.85	4286340	8.85
4.	J.S.Negi	68206	0.14	68206	0.14
5.	Parulben S. Thakore	54356	0.11	54356	0.11
6.	Kaushik Kapadia	114	0.00023	114	0.00023

* There is no change in the shareholding during the year under review and therefore Cumulative Shareholding details are not required to be given.

**DIRECTORS' REPORT (Contd...)****VII) Remuneration to Directors & Key Managerial personnel****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Pradip Karia (Managing Director)	Chetan Karia (Whole-time Director)	Vishal Karia (Whole-time Director And CFO)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	36,00,000	24,00,000	12,00,000	7200000
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission- as % of profit- others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	36,00,000	24,00,000	12,00,000	72,00,000
	Ceiling as per the Act	72,00,000	60,00,000	48,00,000	1,80,00,000

B. Remuneration to Independent Directors:

Sl. No.	Particulars of Remuneration	Name of Independent Director			Total Amount
		Mr. Jivansingh Negi	Mr. Gurbur R Kamath	Ms. Parulben S. Thakore	
1.	Fees for attending Board/Committee Meetings	60,000	60,000	60,000	1,80,000
2.	Commission	Nil	Nil	Nil	Nil
3.	Others	Nil	Nil	Nil	Nil
	Total	60,000	60,000	60,000	1,80,000

**DIRECTORS' REPORT (Contd...)****C. Remuneration to Key Managerial Personnel other than MD /WTD / Manager:-**

Sl. No.	Particulars of Remuneration	Kaushik Kapadia (Company Secretary)	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	3,60,000 NIL NIL	3,60,000 NIL NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission- as % of profit- others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	3,60,000	3,60,000
	Ceiling as per the Act	N.A.	N.A.

(VIII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Sl. No.	Particulars of Remuneration	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal Made. If any (give details)
A.	COMPANY Penalty Punishment Compounding			NIL		
B.	DIRECTORS Penalty Punishment Compounding			NIL		
C.	OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NIL		

**DIRECTORS' REPORT (Contd...)****Annexure-2**

1. Ratio of remuneration of each Director to median remuneration of the employees of the Company for the financial year 2015-16

Sr. No.	Name of each Director	Ratio of remuneration of Director to median remuneration of employees	
		2015-16	2014-15
1.	Mr. Pradipkumar J. Karia	15.34 :1	15.34 :1
2.	Mr. Chetan J. Karia	10.23 :1	10.23 :1
3.	Mr. Vishal R. Karia	5.11:1	5.11 :1

2. Percentage increase in remuneration of each Director, President, Chief Financial Officer and Company Secretary:

There is no increase in remuneration of each Director, President, Chief Financial Officer and Company Secretary during 2015-16 and therefore there is nothing to disclose.

3. There is no increase in median remuneration of employees in the financial year.
 4. Number of permanent employees on the rolls of the Company as on 31st March, 2016 were 99.
 5. The Company has not increased remuneration of the Employees during the year under review as the Company's performance was deteriorated.
 6. The Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

Company has not increased remuneration of the Key Managerial Personnel during the year under review as the Company's performance was deteriorated.

7. Variation in the market capitalization of the Company ,Price earnings ratio as at the closing date of the Current Financial year and Previous Financial year and Percentage increase over decrease in the market quotations of the Shares of the Company in comparison to the rate at which the Company came out with last Public Offer.

- i) Variation in the market capitalization during the financial year 2015-16 of the Company.

Decrease (₹ in lacs)	Percentage of Decrease (%)
363.30	37.50

- ii) Price earning ratio :

Description	As on 31-3-2016	As on 31-3-2015
Price earning ratio	-0.02	- 0.02

- iii) Percentage increase over decrease in the market quotations of the Shares of the Company in comparison to the rate at which the Company came out with last Public Offer : (98.90%)

- 8) Average percentile increase already made in Salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile in the increase in the Managerial Remuneration and justification thereof and point out , if there are any exceptional circumstance for increase in the Managerial Remuneration.

The Company has not increased salary of the Employees of the Company other than Key Managerial Personnel of the Company during the year under review.

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.

The Company has also not increased the remuneration of the Key Managerial Personnel during the year under review.

10. The key parameters for any variable component of remuneration availed by the Directors :

No Directors has received any variable component of remuneration.

**DIRECTORS' REPORT (Contd...)**

11. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year :
- There are no employees in the Company who are not Directors but receives remuneration in excess of the highest paid Directors during the year 2015-16.
12. Affirmation that the remuneration is as per the Remuneration Policy of the Company.
- The Company affirms that the remuneration payable to Directors and Employees of the Company are as per the Remuneration policy of the Company.

ANNEXURE 3 TO DIRECTORS' REPORT**Particulars of Energy Conservation, Technology absorption and foreign exchange earnings and out go required under Companies (Accounts) Rules , 2014.****I CONSERVATION OF ENERGY :**

(A) Energy conservation measure taken:

All possible measures are being taken on regular basis for conservation of energy.

(B) Additional Investment and proposal being implemented:

At present no additional investment has been made and there is no proposal on hand in this respect.

(C) Impact of measure taken in (A) and (B) above.

No investment has been made and therefore there is nothing to comment.

II RESEARCH & DEVELOPMENT :

The company has its own laboratory where the product design development work is being carried out.

III TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

The Company has adopted the best technology available in the world for manufacturing the products.

IV POWER AND FUEL CONSUMPTION :

Sr. No.	Particular	2015-2016	2014-2015
(A)	Electricity		
	(1) Purchase		
	Unit Nos.	10013560	9508952
	Total Amt. (₹ in Lacs)	774.90	632.37
	Rate Per Unit (₹)	7.74	6.65
	(2) Own Generation		
	Through Diesel Generation Set - Unit	64133	131797
	Total Amount (₹ in Lacs)	8.61	22.06
	Unit Per Liter of Diesel Oil	3.77	3.74
	Cost Per Unit (₹)	13.42	16.74
(B)	Consumption of Electricity in unit for Per Unit of Production	0.17	0.16

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Details of Foreign Exchange Earnings and out-go are as under.

(₹ in lacs)

	2015-16
a) Earnings	2472.68
b) Outgo	69.30



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The report covers the operations and financial performance of the Company and forms part of the Directors' Report:

1. OVERVIEW:

During the year under review the Sales was under pressure and incurred loss for the reason stated in the Directors Report.

2. INDUSTRY STRUCTURE AND DEVELOPMENT:

Indian Economy is facing inflation and the prices in all the sectors is roaring. Industrial Sector is also affected badly and the growth of the Industry is deteriorated. Textile is not out of it and it has also been affected badly.

3. OPPORTUNITIES AND THREATS:

The growing economy of the Country and slow improvement in the economy of the rest of the countries of the world has created an opportunity for the growth of the Company. However, the competition from the neighbouring countries may create threats to the Indian Textile Industry of the country in general and Company in particular.

4. SEGMENT REVIEW AND ANALYSIS:

The Company has only one segment and that is Textile. The Company is mainly engaged in the bed linen products. The product of the Company has been well accepted in the market. The Company is manufacturing wide range of the bed linen with attractive design & finishing.

5. RISKS AND CONCERNS:

The increase in the grey cloth prices and other inputs has made it difficult for the products to compete in the International market.

6. OUTLOOK:

The Company has put thrust on Development of new activities and maintaining the quality of the products and cost cuttings.

7. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has proper and adequate internal control system to safeguard the assets against loss from unauthorized use or disposition. These systems also ensure that all the transactions are recorded and reported correctly. The Management continuously reviews the internal control system and procedure to ensure efficient conduct of the business.

8. HEALTH AND SAFETY AND THEIR ADEQUACY:

The due care is being taken to ensure the good health of the employees in and around the areas of the factory of the Company. All due care is being taken to keep the clean environment in the factory of the Company.

9. HUMAN RESOURCES:

The relations with the employees of the Company during the year under review were cordial.

**CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's policy on Corporate Governance is to attain high degree of transparency in disclosures across all levels of stakeholder engagement, which are periodically comply with the regulatory requirements with the Stock Exchanges. It also aims to create long term value for all the shareholders in the Company.

2. BOARD OF DIRECTORS:

The Board of Directors has an ideal combination of executive and non executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than fifty percent of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

A. Composition of the Board as on 31st March, 2016.

Category	No. of Directors
Executive Directors	3
Non Executive Independent Directors (including Woman Director)	3
Total	6

B. Number of Board Meetings:

The Board of Directors met five times during the financial year 2015-16. The meetings were held on 28th May, 2015, 9th June, 2015, 13th August, 2015, 5th November, 2015 and 10th February, 2016. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

C. Directors' attendance record and details of Directorships/Committee Positions held:

As mandated by Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 none of the Directors are members of more than ten Board and Committees or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee Memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on 31st March, 2016 are given below:

Sr. No.	Name of Directors	Category	Number of Board Meetings held during Financial Year 2015-16	Number of Board Meetings attended during Financial Year 2015-16	Whether attended last AGM	Number Directorship in Listed entities including this listed entity	Committee Positions		Whether having any pecuniary or business relation with the Company.
							Chairman	Member	
1.	Mr. Pradip J. Karia	Promoter, Chairman and Managing Director	5	5	No	1	-	3	Yes
2.	Mr. Chetan J. Karia	Promoter, Whole Time Director	5	5	Yes	1	-	-	Yes
3.	Mr. Vishal R. Karia	Promoter, Whole Time Director	5	5	Yes	1	-	-	Yes
4.	Mr. Jivansingh Negi	Non Executive Director and Independent Director	5	5	Yes	1	1	4	None
5.	Mr. Gurpur Ramdas Kamath	Non Executive Director and Independent Director	5	4	No	2	1	4	None
6.	Ms. Parulben S. Thakore	Non Executive Director and Independent Director	5	5	Yes	1	-	4	None

D. Directors with pecuniary relationship or business transaction with the Company:

The Chairman & Managing Director and the Whole time Directors receive Salary, while all the Non-Executive Directors receive Sitting Fees.

**CORPORATE GOVERNANCE REPORT (Contd...)****E. Details of Equity Shares held by the Non-Executive Directors:**

Details of Equity Shares held by Non-Executive Directors as on March 31, 2016

Name of Directors	Number of Equity Shares
Mr. Jivansingh Negi	68206
Mr. Gurpur Ramdas Kamath	NONE
Ms. Parulben S. Thakore	54356

F. Familiarisation Programmes for Board Members:

The Familiarisation program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

In the Business Strategy Meeting held by the Company during February, 2016 which lasted for duration of 2 hours, the Independent Directors were familiarized with the strategy, operations, performance of the Company for the financial year 2015-16.

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. At the quarterly Board meetings of the Company held during the financial year 2015-16, the Independent Directors have been updated on the developments in the Company and the Company's performance.

The details of the familiarisation program for Independent Directors are available on the Company's website at www.pradipoverseas.com

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 10th February, 2016 without the attendance of non-independent directors and members of management.

The independent Directors had reviewed on the following matters:

- i. Review the performance of Non-independent Directors (including the Chairman) and the Board as whole.
- ii. Reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.
- iii. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Attendance Record of Meetings of Independent Directors:

Name of the Directors	Number of Meeting Held	Number of Meeting attended
Mr. Ramdas Gurpur Kamath	1	1
Mr. Jivansingh Negi	1	1
Ms. Parulben S. Thakore	1	1

CODE OF CONDUCT:

The Company has implemented code of conduct for best ethical business practice for the members of the Board and Senior Management Personnel of the Company. The Company has framed a comprehensive code of conduct applicable to all employees of the Company and Non- Executive Directors including Independent Directors.

A Code of Conduct has been put on the Company's website (www.pradipoverseas.com). The code of conduct has been affirmed by all the members of Board and Management Personnel of the Company on annual basis.

A declaration signed by the Company's Managing Director is published in this Report.

3. AUDIT COMMITTEE:

As on 31st March, 2016, the Audit Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations.

**CORPORATE GOVERNANCE REPORT (Contd...)**

During the Financial Year 2015-16, the Audit Committee met five times on 28.05.2015, 09.06.2015, 13.08.2015, 05.11.2015, and 10.02.2016. The time gap between any two meetings was less than 120 days.

Name of Members	Designation	Nature of Directorship
Mr. Gurpur Ramdas Kamath	Chairman	Independent & Non Executive Director
Mr. Jivansingh Negi	Member	Independent & Non Executive Director
Mr. Pradip J. Karia	Member	Executive Director
Ms. Parulben S. Thakore	Member	Independent & Non Executive Director

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI Listing Regulations and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI Listing Regulations. The terms of reference of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

**CORPORATE GOVERNANCE REPORT (Contd...)**

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Meetings and Attendances:

During the year, 5 Audit Committee Meetings were held on 28-05-2015, 09-06-2015, 13-08-2015, 05-11-2015 and 10-02-2016.

The attendance of members at meetings were as follows:

Sr. No.	Name of Members	Designation	No. of meetings held during the year	No. of meetings attended
1	Mr. Gurpur Ramdas Kamath	Chairman	5	4
2	Mr. Jivansingh Negi	Member	5	5
3	Mr. Pradip J. Karia	Member	5	5
4	Ms. Parulben S. Thakore	Member	5	5

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee comprises of the members as stated below and the committee meets for 1 time in the year i.e. on 05-11-2015 and attendance of the members in the said meeting is stated in the below table:

Name of Members	Designation	Nature of Directorship	No. of Meeting held	No. of Meeting Attended
Mr. Jivansingh Negi	Chairman	Independent & Non Executive Director	Yes	Yes
Mr. Gurpur Ramdas Kamath	Member	Independent & Non Executive Director	Yes	Yes
Ms. Parulben S. Thakore	Member	Independent & Non Executive Director	Yes	Yes

Date:

In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the role of the Nomination and Remuneration Committee of the Company is as under:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To Devise a policy on Board diversity.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To recommend /review remuneration of the Managing Director and Whole Time Director(s) based on their performance and defined assessment criteria.
- To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent director.

**CORPORATE GOVERNANCE REPORT (Contd...)****5. Remuneration of Directors: (₹ in lacs)**

Sr. No.	Name	Salary	Perquisites Allowances	Sitting fees	Commission/ Bonus	Total
1	Mr. Pradip J. Karia	36.00	0.00	0.00	0.00	36.00
2	Mr. Chetan J. Karia	24.00	0.00	0.00	0.00	24.00
3	Mr. Vishal R. Karia	12.00	0.00	0.00	0.00	12.00
	Total	72.00	0.00	0.00	0.00	72.00

Remuneration paid to Non-Executive Directors for the financial year 2015-16: (₹ in lacs)

Sr. No.	Name	Sitting Fees	Commission	Total
1.	Mr. Gurple Ramdas Kamath	0.60	0.00	0.60
2.	Mr. Jivansingh Negi	0.60	0.00	0.60
3.	Ms. Parulben S. Thakore	0.60	0.00	0.60

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

As on 31st March, 2016 the Stakeholders Relationship Committee consists of Members as stated below.

During the Financial Year 2015-16 the Committee met five times on 09-06-2015, 13.08.2015, 28-10-2015, 05.11.2015 and 10.02.2016.

Name	Designation	Nature of Directorship	No. of Committee meetings held during the relevant year	No. of meetings attended
Mr. Jivansingh Negi	Chairman	Independent & Non Executive Director	5	5
Mr. Ramdas Gurple Kamath	Member	Executive Director	5	4
Ms. Parulben S. Thakore	Member	Independent & Non Executive Director	5	5
Mr. Pradip J. Karia	Member	Executive Director	5	5

The Committee performs the following functions:

- transfer/ transmission of shares.
- split up/ sub-division and consolidation of shares.
- dematerialization/ rematerialization of shares.
- issue of new and duplicate share certificates.
- registration of Power of Attorneys, probate, letters of transmission or similar other documents.
- to open/ close bank account(s) of the Company for depositing share/ debenture applications money, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.
- to look into redressal of shareholders' and investors' complaints like transfer of shares, non- receipt of annual report, non- receipt of declared dividends, etc.
- any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.

Compliance Officer

Shri. Kaushik B. Kapadia (Company Secretary) act as the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

Status of Shareholders'/ Investors' Complaints for the period from 01st April, 2015 to 31st March, 2016.

Nature of Complaints	No. of Complaint Received	No. of Complaint resolved	No. of pending Complaints
Copy of Annual Report	13	13	-

7. RISK MANAGEMENT COMMITTEE:

As on 31st March, 2016 the Risk Management Committee consists of Members as stated below:

**CORPORATE GOVERNANCE REPORT (Contd...)**

Name	Designation	Nature of Directorship	No. of Committee meetings held during the relevant year	No. of meetings attended
Mr. Jivan Singh Negi	Chairman	Independent & Non Executive Director	1	1
Mr. Pradip J.Karia	Member	Executive Director	1	1
Mr. Ramdas Gurpur Kamath	Member	Independent & Non Executive Director	1	0
Ms. Parulben S. Thakore	Member	Independent & Non Executive Director	1	1

Role and Responsibilities of the Committee includes the following.

- Framing of Risk Management Plan and policy.
- Overseeing implementation of Risk Management Plant and Policy.
- Monitoring of Risk Management Plan and Policy.
- Validating the process of risk management.
- Validating the procedure for Risk Minimisation.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to Risk assessment and risk management process.

8. WHISTLE - BLOWER POLICY / VIGIL MECHANISM

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company promotes the culture where employees can freely work and reporting for any unethical behaviour or unacceptable practice and any event of misconduct. Section 177 of the Companies, Act, 2013 read with Rule 7 of The Companies (Meetings of Board and its Powers), 2014, provides, a mandatory requirement, for all listed companies to establish a mechanism called "Vigil Mechanism (Whistle Blower Policy)" for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

The policy provides adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and have direct access to the Chairman of the Audit Committee in exceptional cases. The policy is also available on the website of the Company. It is being affirmed that no personnel has been denied access to the Audit Committee

GENERAL BODY MEETING:

(i) Location and time where the last three AGM were held:

The Last 3 Annual General Meetings of the Company were held as under:

Date	Time	Venue
30th September, 2013	11:00 a.m.	104,105,106, chancharwadi, Vasna, Opp. Zydus Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad- 382 213.
30th September, 2014	12:30 a.m.	104,105,106, chancharwadi, Vasna, Opp. Zydus Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad- 382 213.
30th September, 2015	12:00 noon	104,105,106, chancharwadi, Vasna, Opp. Zydus Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad- 382 213.

(ii) Information about Special Resolutions passed in previous three Annual General Meetings:

- No special resolution was passed in the Annual General Meeting for the financial year 2012-13.
- Annual General Meeting held on 30th September, 2014, following six special resolutions were passed:
 - Reappointment of Mr. Pradip J. Karia, Mr. Chetan J. Karia, Mr. Vishal R. Karia & fixation of their remuneration.



CORPORATE GOVERNANCE REPORT (Contd...)

- Consent of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to Board of Directors to borrow amount not exceeding at any time ₹ 1750 Crores over and above the paid up capital and free reserves of the Company.
- Consent of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or charge by the Board of Directors any immovable and movable properties/assets of the Company including undertaking(s) to secure the borrowings.
- Consent of the Company pursuant to Section 92 of the Companies Act, 2013 to keep the register and index of members and copies of all annual returns, certificates and documents at office of Registrar and Share Transfer Agent of the Company or any other its office or place within Ahmedabad city instead of the Registered office of the Company.

(c) No special resolution was passed in the Annual General Meeting for the financial year 2014-15.

9. DISCLOSURES:

I. Related Party Transactions: There is no transaction of materially significant in nature with related party that may have potential conflict with the interest of the company at large.

II. Management's Discussion and Analysis Report forms a part of the Annual Report.

III. Disclosures by Board Members & Senior Management:

The Board Members and Senior Management personnel make disclosures to the Board periodically regarding;

- their dealings in the Company's shares; and
- all material financial and commercial and other transaction with the Company;

where they have personal interest, stating that the said dealings and transactions, if any, had no potential conflict with the interests of the Company at large.

IV. Disclosure of accounting treatment in preparation of financial statements:

The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

V. Details of non-compliance by the Company:

The Company has complied with all the requirements of regulatory authorities except for Non Compliance of clause 33 of the LODR in respect of disclosure of Audited Financial Results of the Company for quarter ended 31st March, 2015 and the penalty of ₹ 45600 & ₹ 40,000 were imposed by BSE & NSE respectively.

VI. Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations:

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

VII. Code for Prevention of Insider-Trading Practices:

The Company has in place a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

VIII. Disclosure on Commodity price risks or foreign exchange risk and hedging activities : None

10. MEANS OF COMMUNICATION:

Quarterly Results:

The Company's quarterly results were sent to the Stock Exchanges from time to time after approval by the Board of Directors of the Company.

Newspapers Release:

The Company's quarterly results are published in the Business Standard & Jai Hind.

Website:

The quarterly results are published on the website of the Company at www.pradipoverseas.com

**CORPORATE GOVERNANCE REPORT (Contd...)****11. GENERAL SHAREHOLDERS INFORMATION:****1) Annual General Meeting:**

Date : 30th September, 2016

Time : 12.00 noon

Venue : 104,105,106, Chancharwadi, Vasna, Opp. Zydus Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382213.

2) Financial Calendar:

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

3) Book Closure:The Register of Members and Share Transfer Register will remain closed from 23rd September, 2016 to 30th September, 2016 for the purpose of deciding name of the Shareholders of the Company..**4) Dividend Payment Date: Nil****5) Listing on stock exchanges:**

Sr. No.	Name of the Exchanges	Code	Address
1	Bombay Stock Exchange Limited	533178	Dalal Street, Fort, Mumbai-40001
2	National Stock Exchange Limited	PRADIP	Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051

6) Stock code: BSE – 533178**NSE : PRADIP****7) STOCK MARKET DATA**

The Month wise Highest and lowest stock prices at Bombay Stock Exchange And National Stock Exchange are as under:

Financial Year – 2015-16	Bombay Stock Exchange		National Stock Exchange	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
April-15	2.25	1.70	2.10	1.70
May-15	1.95	1.50	1.90	1.50
June-15	1.85	1.25	1.95	1.25
July- 15	1.85	1.23	1.90	1.30
August-15	2.05	1.25	2.00	1.40
September-15	1.58	1.15	1.65	1.15
October-15	1.87	1.21	1.70	1.25
November-15	1.78	1.31	1.65	1.25
December-15	1.90	1.35	1.95	1.35
January-16	2.89	1.70	2.75	1.90
February-16	1.99	1.43	1.95	1.35
March-16	1.67	1.22	1.55	1.25

8) Registrars and Transfer Agents:

M/s. Link Intime Pvt. Ltd. is the Share Transfer Agent for entire function of share registry both for physical transfers as well as dematerialization/ re-materialization of shares., issue of duplicate/ split / consolidation of shares etc.

Shareholders are requested to send their share transfer related requests at the following address:

Link Intime Pvt. Ltd.

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078.

9) SHARE TRANSFER SYSTEMS:

Since the Company's shares are compulsorily traded in the demat segment on Stock Exchanges, bulk of the transfers take place in the electronic form.

**CORPORATE GOVERNANCE REPORT (Contd...)****10) Distribution of shareholding as at 31st March, 2016.**

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of Shares held	% Share holding
1-500	11736	78.69	1512354	3.12
501-1000	1177	7.89	933040	1.93
1001-2000	787	5.28	1196286	2.47
2001-3000	331	2.21	847324	1.75
3001-4000	150	1.01	538268	1.11
4001-5000	165	1.11	784245	1.62
5001-10000	265	1.78	1994437	4.12
10001 and above	303	2.03	40634229	83.89
Total	14914	100.00	48440183	100.00

11) Dematerialization of shares and liquidity:

The Company's shares are available on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

12) The Company has not issued GDRs/ ADRs/ warrants or any convertible instruments.**13) Address for correspondence:****i) Registered Office:****PRADIP OVERSEAS LIMITED**

104,105,106, Chancharwadi, Vasna, Opp. Zydus Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382213.

ii) Corporate Office :**PRADIP OVERSEAS LIMITED:**

A/601, Narayan Complex, Near Swastik Char Rasta, Navrangpura, Ahmedabad-380 009.

iii) Registrar and Share Transfer Agent :**Link Intime Private Limited**

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078.

14) Plant Location :**PRADIP OVERSEAS LIMITED**

104,105,106, Chancharwadi, Vasna, Opp. Zydus Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382213.

The Above report was placed before Board of Directors of the Company at its meeting held on 09th June, 2016.

CEO/CFO CERTIFICATION:

As required under Regulation 17 (8) of the SEBI Listing Regulations, the Chief Financial Officer of the Company have submitted a Compliance Certificate for the financial year ended March 31, 2016, which is annexed to this Report.

Legal Compliance Reporting:

The Board of Directors reviews in detail, on a quarterly basis, the report of compliance with respect to all applicable laws and regulations. The Company has developed a very comprehensive Legal Compliance System, which drills down from the CEO to the Executive-level person (who is primarily responsible for compliance) within the Company. The process of compliance reporting is fully automated, using the enforce compliance tool. System-based alerts are generated until the user submits the monthly compliance report, with provision for escalation to the higher-ups in the hierarchy. Any noncompliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.



CORPORATE GOVERNANCE REPORT (Contd...)

CERTIFICATION BY CEO/CFO UNDER REGULATION 17(8) OF SEBILISTING REGULATIONS

To,
**The Board of Directors,
Pradip Overseas Limited**

1. We have reviewed financial statements and the cash flow statement of Pradip Overseas Limited for the year ended 31st March, 2016 and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectifying these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
 - (i) there is no significant changes in internal control over financial reporting during the year;
 - (ii) there is no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

For, Pradip Overseas Ltd.

Sd/-

Vishal R. Karia
(Chief Financial Officer)
(DIN: 00514884)

Place: Ahmedabad
Date: 9th June, 2016

**DECLARATION BY THE MANAGING DIRECTOR OF REGULATION 34(3) PART D
OF THE SEBILISTING REGULATIONS:**

To,
**The Members
PRADIP OVERSEAS LIMITED**

I hereby declare that all the Directors and the designated employees in the Senior management of the Company have affirmed compliance with their respective codes for the financial year ended March 31, 2016.

For Pradip Overseas Limited

Sd/-
Pradip J. Karia
(Chairman & Managing Director)
(DIN: 00123748)

Place: Ahmedabad
Date: 9th June, 2016



CORPORATE GOVERNANCE REPORT (Contd...)

AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
PRADIP OVERSEAS LIMITED

We have examined the compliance of conditions of Corporate Governance by Pradip Overseas Limited (the Company), as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges (for the eight months period ended 30 November 2015) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations') (for the four months period ended 31 March 2016).

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to review procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of 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 complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and the SEBI Regulations.

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, Ashok Dhariwal & Co.,
Chartered Accountants,
(Reg. No. 100648W)

Sd/-
(CA Ashok Dhariwal)
Partner
Membership No. 38452

Place: Ahmedabad
Date: 9th June, 2016



SECRETARIAL AUDIT REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Pradip Overseas Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pradip Overseas Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Pradip Overseas Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Pradip Overseas Limited ("the Company") for the financial year ended on 31st March, 2016 verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations. 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) There are no laws which are specifically applicable to the Company.

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. The listing agreement/provisions SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. *Company has not adopted its financial statement within 2 months from the financial year and therefore, to that extent provisions of clause 41 of the listing agreement are not complied.*

We further report that

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



SECRETARIAL AUDIT REPORT (Contd...)

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per records available in the said minutes there were no dissenting views expressed by any directors during the meetings.

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

We further report that during the audit period the company there are no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For, Ashish Shah & Associates

Ashish Shah
Company Secretary in Practice
FCS No. 5974
C P No.: 4178

Place: Ahmedabad
Date: 9th June, 2016

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

ANNEXURE-A

To,
The Members,
Pradip Overseas Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Ashish Shah & Associates

Ashish Shah
Company Secretary in Practice
FCS No. 5974
C P No.: 4178

Place: Ahmedabad
Date: 9th June, 2016



INDEPENDENT AUDITORS' REPORT

To the Members of Pradip Overseas Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Pradip Overseas Limited ("the company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

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

Basis for Qualified Opinion

Due to defaults in payment of bank loans, the Company's accounts have been classified as Non Performing Assets (NPA) by the banks. Most of the banks have not charged interest on the Company's borrowings / loans. During the period under review, no provision has been made for such interest in the books of accounts of the company and to that extent bank's loan liability and total loss is understated by ₹ 142.93 Cr.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Note no. 3.1.1 & 3.1.2 to the financial statements in respect of failure of approved CDR package and assignment of debts of some of the banks to Invent Assets Securitisation & Reconstruction Pvt. Ltd.
- b) Note no. 3.1.3 to the financial statements in respect of preparation of financial statements on going concern.



INDEPENDENT AUDITORS' REPORT (Contd...)

- c) Note no. 27 to the financial statements in respect of the following :
- Filing of reference to BIFR on account of erosion of the net worth of the company;
 - Making a provision for doubtful debts which, in the opinion of the management, are not recoverable;
 - Selling of slow moving / obsolete stock at below cost.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - On the basis of written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 17 to the Financial Statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Ashok Dhariwal & Co.
Chartered Accountants
(Registration No. 100648W)

Sd/-
(CA Ashok Dhariwal)
Partner
Membership No. 36452

Place : Ahmedabad
Date : 09/06/2016



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

(i) In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immoveable properties are held in the name of the Company.

(ii) In respect of its inventories:

As explained to us, the inventories have been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material. The discrepancies have been properly dealt with in the books of accounts.

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to any Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause (iii) (a), (iii) (b) & (iii) (c) of paragraph 3 of the Order are not applicable to the Company.

(iv) The company has not given any loans, investments, guarantees or securities covered under section 185 and section 186 of the Act. Hence, the provisions of Clause (iv) of paragraph 3 of the Order are not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company. We are informed that no order relating to the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no undisputed statutory dues in arrears as on 31st March, 2016 for a period of more than six months from the date they became payable.
- b) There are no amounts payable in respect of income tax, service tax, sales tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of disputes.

(viii) Based on our audit procedure and as per the information and explanation given by the management, the Company has defaulted in meeting its scheduled debt service obligations as per the approved Corporate Debt Restructuring proposal. The details of such default are as under:

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (Contd...)**

(₹ in Cr.)

Bank Name	Period of delays	
	Upto 360 days	361 days and above
State Bank of India	2.19	0.10
Canara Bank	2.68	0.12
Indian Overseas Bank	1.11	0.05
Allahabad Bank	1.65	0.08
Union Bank of India	0.31	0.01
Punjab National Bank	0.42	0.02
State Bank of Patiala	0.43	0.02
Karur Vyasa Bank	0.29	0.01
Bank of India	0.87	0.04
Laxmi Vilas Bank	0.38	0.02
Total	10.33	0.47

The above defaults are the primary amounts as on the date of the defaults and do not consider any levies of interest and penal interest charged by the banks / provided by the company after the date of the defaults. The Company does not have any outstanding dues from financial institutions, government and has not issued any debentures.

- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans. In our opinion, the term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid / provided for Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company hence the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable Accounting Standards (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Ashok Dhariwal & Co.
Chartered Accountants
(Registration No. 100648W)

Sd/-
(CA Ashok Dhariwal)
Partner
Membership No. 36452

Place: Ahmedabad

Date: 09/06/2016



ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of Pradip Overseas Limited (“the Company”) as of 31st March, 2016, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial



ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT (Contd...)

reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ashok Dhariwal & Co.
Chartered Accountants
(Registration No. 100648W)

Sd/-
(CA Ashok Dhariwal)
Partner
Membership No. 36452

Place: Ahmedabad
Date: 09/06/2016

**PRADIP OVERSEAS LTD.****BALANCE SHEET AS AT 31ST MARCH, 2016**

₹ in Lacs.

PARTICULARS	NOTES	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	8,742.02	8,742.02
Reserves and surplus	2	(71,541.13)	(43,443.52)
Non-current liabilities			
Long-term borrowings	3	108,497.07	106,245.78
Long-term provisions	5	47.06	58.07
Current liabilities			
Short-term borrowings	6	25,531.63	42,158.77
Trade payables	7	3,222.36	10,825.58
Other current liabilities	8	11,064.16	2,360.38
Short-term provisions	9	37.23	41.81
TOTAL		85,600.40	126,988.89
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	12,454.56	8,233.25
Intangible assets	10	12.85	10.99
Capital Work-in-Progress	10	761.80	5,321.19
Non-current investments	11	-	45.67
Deferred tax assets (net)	4	18,977.43	6,222.40
Long-term loans and advances	12	1,687.54	2,252.66
Current assets			
Inventories	13	11,771.49	37,583.25
Trade receivables	14	39,359.51	66,775.94
Cash and bank balances	15	125.74	123.40
Short-term loans and advances	16	449.48	420.14
Total		85,600.40	126,988.89

Significant Accounting Policies
Notes on Financial Statements

1 to 34

As per our Report of even date

For Ashok Dhariwal & Co.
Chartered Accountants
(Registration No. 100648W)
Sd/-
(CA Ashok Dhariwal)
Partner
Membership No. 36452

Place : Ahmedabad
Date : June 9, 2016

For and on behalf of the Board
Sd/-
(Pradip Karia)
Chairman & MD
(DIN: 00123748)

Sd/-
(Vishal Karia)
WTD & CFO
(DIN: 00514884)

Sd/-
(Kaushik Kapadia)
Company Secretary
FCS 4834

**PRADIP OVERSEAS LTD.****STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016**

₹ in Lacs.

PARTICULARS	NOTES	2015-16	2014-15
I. INCOME			
Revenue from operations (gross)	18	23,770.84	23,984.33
Less : Excise duty		(2.70)	-
Revenue from operations (net)		23,768.14	23,984.33
Other income	19	1,667.86	422.65
Total (I)		25,436.00	24,406.98
II. EXPENDITURE			
Cost of materials consumed / sold	20	24,917.20	18,565.67
Purchase / Conversion of land into stock in trade		-	805.27
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	5,050.68	(591.09)
Employee benefit expenses	22	432.78	450.97
Finance costs	23	1,007.68	11,442.89
Depreciation and amortization expense	24	853.97	704.43
Other expenses	25	34,183.69	34,712.54
Total (II)		66,446.01	66,090.67
III. Profit / (Loss) before exceptional items, prior period items and Tax (I-II)		(41,010.01)	(41,683.69)
IV. Add / (Less) : Exceptional items		-	-
V. Profit / (Loss) before prior period items and Tax		(41,010.01)	(41,683.69)
VI. Add / (Less) : Prior period items	26	-	(1,270.35)
VII. Profit for the year before taxation		(41,010.01)	(42,954.05)
VIII. Tax Expense:			
Current tax		-	0.22
Deferred tax		(12,755.02)	(1,604.06)
Short/(Excess) Provision for taxation for earlier years		(157.38)	
Total Tax Expenses		(12,912.40)	(1,603.84)
Profit/ (Loss) for the year		(28,097.61)	(41,350.21)
Earnings Per Equity Share			
Basic and Diluted	30	(58.00)	(85.36)
Significant Accounting Policies			
Notes on Financial Statements	1 to 34		

As per our Report of even date

For Ashok Dhariwal & Co.

Chartered Accountants

(Registration No. 100648W)

Sd/-

(CA Ashok Dhariwal)**Partner**

Membership No. 36452

Place : Ahmedabad

Date : June 9, 2016

For and on behalf of the Board

Sd/-

**(Pradip Karia)
Chairman & MD**

(DIN: 00123748)

Sd/-

**(Vishal Karia)
WTD & CFO**

(DIN: 00514884)

Sd/-

**(Kaushik Kapadia)
Company Secretary****FCS 4834**



PRADIP OVERSEAS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST, MARCH 2016

₹ in Lacs.

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		(41,010.01)		(42,954.05)
<u>Non-cash adjustment to reconcile profit before tax to net cash flows</u>				
Depreciation/amortisation on continuing operation	853.97		704.43	
Interest income	(13.43)		(27.20)	
Finance charges	1,007.68		11,442.89	
Profit on sale of fixed assets	(1,306.74)		-	
Provision for doubtful debts	25,237.81		26,256.15	
Fees for increase in authorised share capital	-		33.77	
Net prior year adjustments	-		80.55	
		25,779.29		38,490.60
Operating profit/(loss) before working capital changes		(15,230.72)		(4,463.45)
Movements in working capital:				
Decrease/(increase) in Trade and other receivables	2,178.62		(4,630.44)	
Decrease/(increase) in Inventories	25,811.75		392.69	
Increase/(decrease) in Trade and other payables	(7,603.22)		4,746.93	
Increase/(decrease) in Other current liabilities	8,703.78		(2,600.40)	
Increase/(decrease) in Long-term provisions	(11.02)		14.41	
Increase/(decrease) in Short-term provisions	(4.57)	29,075.34	6.23	(2,070.58)
Cash generated from/(used in) operations	-	13,844.62	-	(6,534.03)
Direct taxes paid (net of refunds)	-	157.38	-	(0.22)
Net cash flow from/(used in) operating activities (A)	-	14,002.00	-	(6,534.25)
B. Cash flow from investing activities				
Interest received	13.43		27.20	
Movement in Short term loans & advances	(29.34)		3,327.66	
Movement in Long term loans & advances	565.13		(157.29)	
Purchase of fixed assets & capital work-in-progress	(762.02)		(2,624.45)	
Sale of Capital Work In progress	-		-	
Sale of fixed assets	1,551.00		-	
Sale of Trade Investments	45.67		-	
Movement in bank deposits not considered as cash and cash equivalents	10.32		2.37	
Net cash flow from / (used in) investing activities (B)	-	1,394.19	-	575.49
C. Cash flow from financing activities				
Proceeds from issue of non - convertible preference shares	-		3,898.00	
Fees for increase in authorised share capital	-		(33.77)	
Unclaimed dividend accounts	-		-	
Finance charges	(1,007.68)		(11,442.89)	
Proceeds/(Repayment) of Long term borrowings	2,251.29		37,288.18	
Proceeds/(Repayment) of Short term borrowings	(16,627.14)		(24,075.59)	
Margin money deposits	15.00		(15.00)	
Net cash flow from / (used in) financing activities (C)		(15,368.53)		5,618.92
D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)		27.66		(339.84)
E. Cash and cash equivalents at the beginning of the year (refer note 15)		76.22		416.06
Cash and cash equivalents at the end of the year (D+E)		103.88		76.22
Add : Bank balances not considered as Cash & cash equivalents		21.86		47.18
Closing Cash & bank balances as per note 15		125.74		123.40

As per our Report of even date

For Ashok Dhariwal & Co.
Chartered Accountants
(Registration No. 100648W)
Sd/-
(CA Ashok Dhariwal)
Partner
Membership No. 36452

For and on behalf of the Board
Sd/-
(Pradip Karia)
Chairman & MD
(DIN: 00123748)

Sd/-
(Vishal Karia)
WTD & CFO
(DIN: 00514884)

Sd/-
(Kaushik Kapadia)
Company Secretary
FCS 4834

Place : Ahmedabad
Date : June 9, 2016



SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the Act”), as applicable. The financial statements have been prepared on accrual basis under historical cost convention and going concern basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported accounts of assets and liabilities (including contingent liabilities) on the date of the financial statements and reported income and expenses during the year. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. INVENTORIES

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Raw Material, Packing Material, Chemicals, Lignite, Stores and Consumables, Work-in-Progress and Finished Goods are valued at lower of cost and net realizable value. Cost is ascertained on FIFO basis and includes appropriate production overheads in case of Work-in-Progress and Finished Goods. The closing stock-in-trade consisting of land has been valued at fair market value on the date of conversion from capital asset to stock-in-trade, i.e. 31.03.2014 or current market value whichever is lower.

4. CASH FLOW STATEMENT

(a) Cash & Cash Equivalents (for the purpose of cash flow statement)

Cash Comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(b) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

5. PRIOR PERIOD AND EXCEPTIONAL ITEMS

All identifiable items of Income and Expenditure pertaining to prior period are accounted through “Prior Period items”. Exceptional items are general non-recurring items of income and expense within profit or loss from ordinary activities, which are of such size, nature or incidence that their disclosure is relevant to explain the performance of the company for the year.

6. FIXED ASSETS/INTANGIBLE ASSETS & DEPRECIATION

- a. Fixed assets are stated at their original cost of acquisition including respective taxes duties freight and other incidental expenses related to acquisition and installation of the respective assets.
- b. Intangible Assets are recognized as per the principle laid down in Accounting Standard 26 – Intangible Assets, as specified in the Companies (Accounting Standard) Rules, 2006 (as amended).
- c. Depreciation on tangible fixed assets has been provided on Straight Line Method as per the useful life prescribed in the Schedule II to the Companies Act, 2013. However the depreciation on addition made during the year have been provided on pro-rata basis from the date of their purchase/use. Intangible assets are amortized over its expected useful life on straight line method. The estimated useful life of the intangible assets and amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed patten, if any.



SIGNIFICANT ACCOUNTING POLICIES (Contd...)

7. REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

- a. Sale of products/job work is recognized when they are invoiced to customers.
- b. Amount collected from customers prior to the performance to the services are recorded as deferred revenue. These advances are amortised to revenues in accordance with the companies' policies on revenue reorganization.
- c. Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.
- d. Dividend on Investments is recognized when the right to receive is to be established.
- e. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- f. Revenue in respect of other Income is recognized when no significant uncertainty as to its determination or realization exists.

8. FOREIGN CURRENCY TRANSACTIONS

Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Conversion

Monetary items denominated in foreign currencies at the year-end are restated at the year -end rates. Non monetary foreign currency items are stated at cost.

Exchange Differences

Any income or expense arising on account of exchange difference either on settlement or on translation is recognized in the Profit & Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

Forward Exchange Contracts

In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of contract is recognised as income or expense over the life of the contract.

Derivative Instruments

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of such foreign currency forward contracts is governed by the Company's policies approved by the management, which provide principles on use of such financial derivatives consistent with the Company's risk management strategy. The company does not use derivative financial instrument for speculative purposes.

9. INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. Current investments are carried at the lower of cost and quoted / fair value, computed category wise.

10. RETIREMENT BENEFITS

- a. Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- b. Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial

**SIGNIFICANT ACCOUNTING POLICIES (Contd...)**

gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss account.

Gratuity

Gratuity with respect to defined benefit schemes is accrued based on actuarial valuations, carried out by an independent actuary as at the balance sheet date. The contributions made are charged against revenue.

Provident Fund

Company's contribution to Provident Fund and Pension Fund are determined under the relevant schemes and/or statute and are charged to the statement of Profit & Loss when incurred.

Leave Encashment

The Leave encashment payable to the Employees are accounted for on accrual basis.

11. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

12. RELATED PARTY TRANSACTIONS :

Disclosure of transactions with related parties, as required by Accounting Standard 18 - "Related Party Disclosure" as specified in Companies (Accounting Standards) Rules, 2006 (as amended), have been set out in a separate note forming part of the financial statements. Related party as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of representation made by key managerial personnel and information available with the company.

13. LEASES

Lease arrangements where risk and rewards incidental to ownership of an asset substantially vests with the Lessor are recognized as Operating Leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease period.

14. EARNING PER SHARE

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with the Accounting Standard 20 as specified in the Companies (Accounting Standard) Rules, 2006 (as amended). The basic EPS has been computed by dividing the income available to Equity Shareholders by the weighted average number of Equity Shares outstanding during the accounting year. The diluted E.P.S. has been computed using the weight average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

15. PROVISION FOR BAD AND DOUBTFUL DEBTS

Provision is made in accounts for Bad and Doubtful Debts/Advances which in the opinion of the Management are considered irrecoverable.

16. EXPORT INCENTIVES

Export benefits under various schemes announced by the Central Government under Exim Policy are accounted for on accrual basis to the extent considered receivable, depending on the certainty of receipt.

17. TAXES ON INCOME:**Deferred Taxation**

In accordance with the Accounting Standard 22 – Accounting for Taxes on Income, as specified in the Companies (Accounting Standard) Rules, 2006 (as amended), the deferred tax for timing difference between the book and the income tax profit for the year is accounted for by using the tax rate and laws that has been enacted and substantively enacted as of the balance sheet date.

Deferred tax assets arising from timing difference are recognized to the extent there is a virtual certainty that the assets can be realized in future.



SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Net outstanding balance in deferred tax account is recognized as deferred tax liability/assets. The deferred tax account is used solely for reversing timing difference as and when crystallized.

Current taxation

Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment year.

18. IMPAIRMENT OF FIXED ASSETS

The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset recoverable amount is estimated.

The impairment loss is recognized whenever the carrying cost amount of an asset or its cash generation unit exceed its recoverable amount. The recoverable amount is the greater of the asset net selling price and value in the use which is determined based on the estimated future cash flow discounted to the present value all impairment losses are recognize in the profit and loss account.

An impairment loss is reversed if there has been a change in the estimates used to determined the recoverable amount and is recognized in the Statement of Profit and Loss.

19. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurements are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****1. SHARE CAPITAL****(₹ in Lacs)**

Particulars	As at March 31,2016	As at March 31,2015
Authorised Share Capital		
5,00,00,000 (5,00,00,000) Equity Shares of ₹ 10 (10) each	5,000.00	5,000.00
40,00,000 (40,00,000) Non-cumulative Non-convertible Redeemable Preference Shares of ₹ 100 (100) each	4,000.00	4,000.00
Issued, Subscribed and fully paid up		
4,84,40,183 (4,84,40,183) Equity Shares of ₹10 (10) each fully paid up	4,844.02	4,844.02
38,98,000 (38,98,000) Non-cumulative Non-convertible Redeemable Preference Shares of ₹ 100 (NIL) each fully paid up	3,898.00	3,898.00
Total	8,742.02	8,742.02

(a) (i) Reconciliation of the number of equity shares outstanding

Particulars	As at March 31,2016		As at March 31,2015	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
Equity Shares at the beginning of the year	48,440,183	4,844.02	48,440,183	4,844.02
Add : Shares issued on exercise of employee stock options	-	-	-	-
Add : Allotted as bonus shares	-	-	-	-
Add : Allotted without payment being received in cash on amalgamation	-	-	-	-
Add : Alloted to Qualified Institutional Buyers	-	-	-	-
Less : Shares cancelled on buy back of equity shares	-	-	-	-
Outstanding at the end of the year	48,440,183	4,844.02	48,440,183	4,844.02

(a) (ii) Reconciliation of the number of preference shares outstanding

Particulars	As at March 31,2016		As at March 31,2015	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
Preference Shares at the beginning of the year	3,898,000	3,898.00	-	-
Add : Shares issued during the year	-	-	3,898,000	3,898.00
Outstanding at the end of the year	3,898,000	3,898.00	3,898,000	3,898.00

(b) Rights, Preferences and Restrictions Attached to each class of shares

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share and each holder of the Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no preferential amounts exist currently. The distribution will be in proportion to the number of shares held by the shareholde.

The Company has issued 38,98,000 Non-cumulative Non-convertible Redeemable Preference Shares of ₹ 100 each fully paid -up. Each holder of Preference Shares is entitled to one vote per share only on resolutions placed before the company which directly affects the right attached to the Preference Shares. In the event of liquidation of the company, the holders of Preference Shares shall have priority over Equity Shares in the payment of dividend and repayment of capital.



PRADIP OVERSEAS LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at March 31, 2016	As at March 31, 2015
Equity Shares allotted as fully paid bonus shares by capitalization of securities premium	-	-
Equity Shares allotted as fully paid pursuant to contracts for consideration other than cash	-	-
Equity Shares bought back by the company	-	-
TOTAL	-	-

(d) (i) Details of shareholders holding more than 5% shares in the Company (Equity Shares)

Name of the shareholder	As at March 31,2016		As at March 31,2015	
	Nos.	% holding	Nos.	% holding
Mr. Pradipkumar J. Karia	9,013,003	18.61%	9,013,003	18.61%
Mr. Chetankumar J. Karia	9,012,976	18.61%	9,012,976	18.61%
Mr. Vishal R. Karia	4,286,340	8.85%	4,286,340	8.85%
Pradip Petrofils Private Limited	2,737,396	5.65%	2,573,861	5.31%

(d) (ii) Details of shareholders holding more than 5% shares in the Company (Preference Shares)

Name of the shareholder	As at March 31,2016		As at March 31,2015	
	Nos.	% holding	Nos.	% holding
Mr. Vishal R. Karia	1,050,000	26.94%	1,050,000	26.94%
Mr. Pritesh Karia	750,000	19.24%	750,000	19.24%
Mr. Ramesh Karia	650,000	16.68%	650,000	16.68%
Mr. Bakul Karia	250,000	6.41%	250,000	6.41%

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

2. RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at March 31,2016		As at March 31,2015	
SECURITY PREMIUM				
As per last Balance Sheet		8,917.39		8,917.39
CAPITAL RESERVE				
As per last Balance Sheet	150.76		150.76	
On Conversion of Capital Asset into Stock-in-trade	2,506.38	2,657.14	2,506.38	2,657.14
SURPLUS IN PROFIT & LOSS				
As per last Balance Sheet	(55,018.05)		(13,726.78)	
Add : Profit / (loss) for the year	(28,097.61)		(41,350.21)	
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on fixed assets with NIL remaining useful life	-		21.62	
Tax paid in earlier year for I. T.	-		(81.45)	
Settlement Commission Application	-			
Adjustment due to I.T. Settlement Commission Order	-	(83,115.66)	162.00	(55,018.05)
Total		(71,541.13)		(43,443.52)

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)****3. LONG TERM BORROWINGS (₹ in Lacs)**

Particulars	As at March 31,2016		As at March 31,2015	
	Non Current	Current	Non Current	Current
SECURED				
Term loans from banks (refer note 3.1)	49,901.30	9,916.00	98,217.86	1,033.00
Vehicle loan from Financial Institutions	43.41	9.97	53.31	8.91
Invent Assets Securitization & Reconstruction Pvt. Ltd. (refer note 3.1)	55,205.07	265.00	-	-
UNSECURED				
Inter- corporate loans	-	-	4,693.46	-
Loans from directors	3,347.29	-	3,281.15	-
Total	108,497.07	10,190.97	106,245.78	1,041.91

3.1 Corporate Debt Restructuring :

The Company had gone for restructuring of its debt in F.Y. 2011-12. But on account of various factors, inter-alia, unavailability of ETP facility, fluctuation in cotton prices, high receivables and high debtors level, continued global recession etc., the company's operations have been severely affected and the company was not able to meet the scheduled debt service obligations. Hence the company had decided to approach the Corporate Debt Restructuring (CDR) Cell for restructuring of the existing loans.

At the request of the company and in consideration of the company's commitment to improve its operations, the lenders had agreed to refer the company's proposal to Corporate Debt Restructuring Forum for the efficient restructuring of its corporate debt (hereinafter referred to as the "CDR"). Pursuant thereto, the CDR Empowered group at their meeting held on December 11, 2013 had approved a restructuring package in terms of which the existing loans of the lenders to the company are to be restructured on the terms and conditions set out in Letter of Approval (LOA) dated December 16, 2013, as amended / modified from time to time. The cut-off date ('COD') for the CDR proposal was January 1, 2013. The Master Restructuring Agreement ('MRA') was executed on March 22, 2014 between the borrower and the CDR lenders, by virtue of which the restructured facilities are governed by the provisions specified in the MRA having COD of January 1, 2013.

3.1.1 Failure of Approved CDR Package:

As per the MRA document, two year holiday was offered by the lenders for interest & installment. However, due to late disbursement of term loan for Effluent Treatment Plant ('ETP'), the company could not complete the ETP in time & accordingly the production could not be increased. Also the company had anticipated that the approval of proposed industrial parks would be received from Government of Gujarat, which was also delayed. Due to these reasons, the company was not in a position to service the interest & installment starting from 1st January 2015. Company had represented the reasons for the non-payment of interest & installment to all the lenders & CDR cell, however after giving an extension till September 2015, CDR cell & lenders decided to withdraw from the CDR Scheme. The CDR cell had informed company in the month of January 2016 regarding the failure of the approved CDR package.

3.1.2 Assignment of Debt & One Time Settlement (OTS):

Three lenders namely State Bank of India (SBI), Allahabad Bank & Karur Vasya Bank (KVB) opted to sell their stake to the designated "Asset Reconstruction Company" (ARC). All the three lenders have sold their stake to Invent Assets Securitization & Reconstruction Pvt. Ltd. ("Invent"). The company has approached Invent and has given them an offer letter for One Time Settlement. The company is confident of execution of the OTS with Invent by end of July, 2016.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)****Steps taken by Management:****a. Industrial Park Project at Bhamasra land:**

The company has received the approval of its land parcels for the proposed Industrial Park in October, 2015. The company is in process completing certain formalities pertaining to land like NA approval, amalgamation of all land parcels etc. from revenue department of Government of Gujarat. The company is also applying for Environmental Clearance (EC) for the entire land of Industrial Park. Once these basic formalities are completed, the company will take up the developmental activity of the said Park.

b. Zero discharge Effluent treatment Plant:

The company has commissioned Zero discharge ETP in September 2015. Due to this the plant capacity is improving. This year company achieved 60% plant capacity as against 40-45% last year. We expect that this year company will be able to achieve more than 75% production capacity.

3.1.3 Going Concern:

After completion of ETP, the production capacity of the plant has been improving. The company has also taken various steps to reduce cost & improve efficiencies to make its operations profitable. The company has also received the approval of its land parcels for the proposed Industrial Park at Bhamasara & is making effort to tie-up with reputed developer to take up the development work at the proposed park. The company is hopeful for OTS of 40% of its debt by July, 2016. The company is concentrating on job work which is less capital intensive and has higher margins. The company has prepared the financial statements on going concern basis and therefore no adjustments have been made to the carrying values or classification of assets and liabilities.

4. DEFERRED TAX LIABILITIES / ASSETS**(₹ in Lacs)**

Particulars	Balance as on 01.04.2015	Arising during the year	Balance as on 31.03.2016
A. Deferred Tax Liabilities			
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	899.41	174.72	1,074.13
Others	-	-	-
Gross Deferred Tax Liabilities	899.41	174.72	1,074.13
B. Deferred Tax Assets			
Disallowances u/s. 43B of the Income Tax (IT) Act	20.26	(2.92)	17.34
Unabsorbed depreciation	1,243.58	435.61	1,679.19
Unabsorbed business loss	5,853.37	12,501.65	18,355.02
Long term capital loss	4.60	(4.60)	-
Gross Deferred Tax Assets	7,121.81	12,929.74	20,051.55
NET DEFERRED TAX LIABILITIES / (ASSETS)	(6,222.40)	(12,755.02)	(18,977.42)

5. LONG TERM PROVISIONS**(₹ in Lacs)**

Particulars	As at March 31,2016	As at March 31,2015
Provision for employee benefits :		
Provision for gratuity (refer note 22.1)	47.06	58.07
Total	47.06	58.07

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)****6. SHORT-TERM BORROWINGS (₹ in Lacs)**

Particulars	As at March 31,2016	As at March 31,2015
Secured Borrowings		
Working capital loans from banks (refer note 3.1)	25,531.63	42,158.77
Total	25,531.63	42,158.77

7. TRADE PAYABLES (₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Micro, Small and Medium Enterprises	28.10	44.82
Others	3,194.26	10,780.76
Total	3,222.36	10,825.58

7.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under :

Particulars	31.03.2016	31.03.2015
Principal amount due and remaining unpaid	2,810,482	4,482,192
Interest due on the above and the unpaid interest	-	-
Amount of Interest paid along with the amounts of payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid at the end of the accounting year	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the management. This has been relied upon by the auditors.

8. OTHER CURRENT LIABILITIES (₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Current maturities of long-term debt (refer note 3.1)	10,190.97	1,041.91
Unclaimed dividends	1.12	1.12
Creditors for capital expenditure	762.82	1,164.57
Other payables (refer note 8.1)	109.25	152.78
Total	11,064.16	2,360.38

8.1 Other Payables include the statutory dues and advance from customers.

9. SHORT TERM PROVISIONS (₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Provisions for Employee Benefits		
Provision for salary & reimbursements	22.29	26.00
Provision for gratuity (refer note 22.1)	9.06	7.49
Provision for leave encashment	1.61	2.25
Provision for bonus	3.70	5.63
Others		
Provision for wealth tax	-	0.22
Other expenses	0.57	0.22
Total	37.23	41.81



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)

10. FIXED ASSETS (₹ in Lacs)

Sr. No.	Particulars	Gross Block				Depreciation & Amortisation				Net Block	
		As at 01-04-15	Additions during the Year	Deductions/ Adjustments during the Year	As at 31-03-2016	As at 01-04-15	For the year	Adjustments during the Year	As at 31-03-2016	As at 31-03-2015	As at 31-03-2015
A	Tangible Assets										
1	Land - Freehold	912.39	-	244.26	668.13	-	-	-	-	668.13	912.39
2	Land - Leasehold	-	-	-	-	-	-	-	-	-	-
3	Factory Building	2,501.69	21.20	-	2,522.89	708.14	76.00	-	784.14	1,738.75	1,793.55
4	Office Building	42.13	-	-	42.13	10.52	1.57	-	12.09	30.04	31.61
5	Plant & Machinery	10,076.53	5,290.98	-	15,367.51	4,875.84	663.74	-	5,539.58	9,827.93	5,200.69
6	Computer System	52.98	0.98	-	53.96	51.43	0.83	-	52.26	1.70	1.55
7	Office Equipments	110.75	1.71	-	112.46	77.88	16.28	-	94.16	18.30	32.87
8	Electrical Installation	224.96	1.38	-	226.34	162.90	40.82	-	203.72	22.62	62.06
9	Furniture & Fittings	185.02	1.12	-	186.14	102.20	28.52	-	130.72	55.42	82.82
10	Vehicles	237.05	-	-	237.05	126.38	20.91	-	147.29	89.76	110.67
11	Laboratory Equipment	13.86	0.61	-	14.47	8.81	3.75	-	12.56	1.91	5.04
12	Shop	-	-	-	-	-	-	-	-	-	-
	Total (A)	14,357.36	5,317.98	244.26	19,431.08	6,124.10	852.42	-	6,976.52	12,454.56	8,233.25
B	Intangible Assets										
1	Computer Software	24.44	3.41	-	27.85	13.73	1.49	-	15.21	12.64	10.71
2	Trade Mark	3.32	-	-	3.32	3.05	0.06	-	3.11	0.21	0.27
	Total (B)	27.76	3.41	-	31.17	16.78	1.54	-	18.32	12.85	10.99
	Grand Total (A + B)	14,385.12	5,321.39	244.26	19,462.25	6,140.88	853.97	-	6,994.84	12,467.41	8,244.24
	Previous Year	13957.76	427.37	-	14,385.13	5,405.18	704.43	31.29	6,140.89	8,244.24	8,552.58
C	Capital Work-in-Progress									761.79	5,321.19

11. NON-CURRENT INVESTMENTS (₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
TRADE INVESTMENTS		
In Equity Shares of Subsidiary Companies - Unquoted, fully paid up		
NIL (100) Equity Shares of Pradip Home Fashion INC at USA of \$0.01 each	-	0.00
In Equity Shares of Associate Companies - Unquoted, fully paid up		
NIL (523) Equity Shares of Elegant Home Fashion INC of \$200 each	-	45.62
In Equity Shares of Other Companies - Unquoted, fully paid up		
NIL (500) Equity Shares of Pradip Integrated Textile Park Pvt. Ltd. of ₹ 10 each	-	0.05
Total	-	45.67



PRADIP OVERSEAS LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)

12. LONG TERM LOANS AND ADVANCES (₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
(Unsecured, considered good)		
Capital advances	879.81	968.82
Deposits with others	139.47	104.63
Balance with Income Tax authorities	611.96	802.30
Other loans and advances	56.30	376.91
Total	1,687.54	2,252.66

13. INVENTORIES (₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Raw materials	4,716.73	25,543.34
Work-in-progress	612.77	3,385.95
Finished goods	1,098.53	3,376.04
Stores, chemicals and packing materials	377.94	312.40
Stock-in-trade : Land	4,965.52	4,965.52
Total	11,771.49	37,583.25

14. TRADE RECEIVABLES (₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	57,490.87	84,182.58
Less : Provision for doubtful debts	25,237.81	26,256.15
	32,253.06	57,926.43
Receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	7,106.45	8,849.51
Total	39,359.51	66,775.94

15. CASH AND BANK BALANCES (₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Cash and cash equivalents		
Balances with banks :		
- in current accounts	99.08	71.21
- in deposits with original maturity less than three months	-	-
Cash on hand	4.80	5.01
Total (A)	103.88	76.22
Other bank balances		
- Deposits with original maturity of more than twelve months (including deposits of ₹ 17 Lakhs held as lien)	20.74	31.06
- Margin money deposits	-	15.00
- In unclaimed dividends accounts	1.12	1.12
Total (B)	21.86	47.18
Total (A + B)	125.74	123.40

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)****16. SHORT-TERM LOANS AND ADVANCES (₹ in Lacs)**

Particulars	As at March 31,2016	As at March 31,2015
(Unsecured, considered good)		
Staff advance	31.76	25.83
Prepaid expenses	4.34	6.61
Trade advances	100.00	100.00
Advances recoverable in cash or in kind	194.34	69.78
Balance with Customs, Central Excise authorities	119.04	217.92
Total	449.48	420.14

17. CONTINGENT LIABILITIES AND COMMITMENTS (₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Bank guarantee	15.00	15.00
Export obligation pending against advance license	42.62	37.98
Compensation payable in lieu of bank sacrifice as per first restructuring & CDR	-	23,103.00
Total	57.62	23,155.98

17.1 Details of pending litigations against the company:**A. Appeal filed by Laxmi Vilas Bank Limited in Debts Recovery Appellate Tribunal (DRAT) Mumbai against the Company:**

Laxmi Vilas Bank Limited (LVB) had instituted original application (O.A.) no. 84 of 2013 in Debts Recovery Tribunal (DRT) Ahmedabad against the company and others for recovery of its dues of ₹ 20.83 Cr. During the pendency of aforesaid O.A., the Debt and Securities were assigned by LVB to Phoneix ARC Private limited (Phoneix) on June 10, 2013 and LVB had filed an application for substituting phoenix as an original applicant in the aforesaid O.A. On May 31, 2013 a reference was made by the company to Corporate Debt Restructure cell to restructure its debt.

The DRT Ahmedabad had passed an order of rejecting aforesaid O.A on the ground that Restructuring package approved by CDR Cell is legally binding on all the banks including LVB and LVB has not given prior notice to CDR Cell of the assignment. Against the aforesaid order in O.A 84 /2013, LVB has filed an appeal in DRAT Mumbai wide appeal No. 106 of 2014. The said appeal is pending for hearing.

B. Cases filed by Laxmi Vilas Bank Limited u/s 138 of Neogiabe Instrument Act, 1881

(i) The Laxmi Vilas Bank Limited, Ahmedabad (LVB) has filed criminal complaint no. 1059 of 2013 against the company in Criminal Court of Ahmedabad for the dishonour of two cheques aggregating to ₹ 6 Cr. The case is pending before the Court for hearing.

(ii) The Laxmi Vilas Bank Limited, Ahmedabad (LBV) has filed criminal complaint no. 675 of 2013 in Criminal Court of Ahmedabad for the dishonour of four cheques aggregating to ₹ 10 Cr. The case is pending before the Court for hearing.

Future cash outflows in respect of the claims against the company are determinable only on receipt of judgements or decisions pending at the respective forums.



PRADIP OVERSEAS LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)

18. REVENUE FROM OPERATIONS (₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of fabrics	14,143.64	15,787.86
Job work	9,627.20	8,196.47
Less: Excise duty	(2.70)	-
Total	23,768.14	23,984.33

18.1 PARTICULARS OF SALE OF PRODUCTS (₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Grey fabrics	14,140.94	15,787.86
Others	9,627.20	8,196.47
Total	23,768.14	23,984.33

19. OTHER INCOME (₹ in Lacs)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Interest Income				
- On bank fixed deposits	2.14		13.29	
- On deposits	10.68		11.09	
- Others	0.61		2.82	
		13.43		27.20
Duty drawback and other export incentives		259.92		395.45
Rental Income		1.50		-
Profit on sale of fixed assets		1,306.74		-
Reduction in Gratuity obligation		9.45		-
Excise Refund		2.75		-
Interest on IT Refund		74.07		-
Total		1,667.86		422.65

20. COST OF MATERIALS CONSUMED / SOLD (₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Inventory at the beginning of the year	25,543.34	26,525.44
Add: Purchases during the year	4,090.59	17,583.56
	29,633.93	44,109.00
Less: Inventory at the end of the year	(4,716.73)	(25,543.34)
Total	24,917.20	18,565.67



PRADIP OVERSEAS LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)

20.1 PARTICULARS OF MATERIALS CONSUMED (₹ in Lacs)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
Grey Fabrics				
- Imported	-	-	-	-
- Indigenous	24,917.20	100%	18,565.67	100%
Others	-	-	-	-
Total	24,917.20	100%	18,565.67	100%

21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
Inventories (at close)				
Finished goods / stock-in-trade	1,098.53		3,376.04	
Land	4,965.52		4,965.52	
Work-in-progress	612.77	6,676.82	3,385.94	11,727.51
Inventories (at commencement)				
Finished goods / stock-in-trade	3,376.04		2,722.36	
Land	4,965.52		4,160.25	
Work-in-progress	3,385.94	11,727.50	4,253.80	11,136.41
Total		5,050.68		(591.09)

22. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	404.73	410.86
Contribution to provident and other funds	15.95	15.62
Gratuity	-	15.78
Staff welfare expenses	12.10	8.71
Total	432.78	450.97



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)

22.1 The company has made provision in the accounts for gratuity based on actuarial valuation. The particulars under the AS 15 (Revised) furnished below are those which are relevant and available to the company for this year.

A. Defined Contribution Plans

Contributions to defined contribution plans, recognised as expense for the year is as under :

Particulars	2015-16	2014-15
Employer's contribution to provident fund and pension fund	15.95	15.62

B. Defined Benefit Plans

Contributions to defined benefit plan is as under :

Change in defined benefit obligation

Opening defined benefit obligation	65.56	49.78
Service cost	11.69	7.10
Interest cost	5.24	4.64
Actuarial losses (gains)	(26.38)	4.04
Benefits paid	-	-

Closing defined benefit obligation **56.11** **65.56**

Change in plan assets

Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Actuarial losses / (gains)	-	-
Benefits paid	-	-

Closing fair value of plan assets **-** **-**

Reconciliation of fair value of assets and obligations

Fair value of plan assets	-	-
Present value of obligation	56.11	65.56

Amount recognised in Balance Sheet **56.11** **65.56**

The net amount recognised in the statement of Profit & Loss for the year ended 31st March, 2016

Current service cost	11.69	7.10
Interest on obligation	5.24	4.64
Expected return on plan assets	-	-
Net actuarial losses (gains) recognised in the period	(26.38)	4.04

Total included in ('net actuarial gains') / 'employee benefit expense' **(9.45)** **15.78**

Disclosures as required under Para 120(n) of the Accounting Standard -15

Gratuity	2015-16	2014-15	2013-14	2012-13	2011-12
(a) Present value of the defined benefit obligation	56.11	65.56	49.78	48.81	39.15
Fair value of the plan assets	-	-	-	-	-
(Surplus) / Deficit in the plan	56.11	65.56	49.78	48.81	39.15
(b) Experience adjustments					
On plan liabilities	(26.55)	(4.35)	(7.22)	(6.12)	(7.84)
On plan assets	-	-	-	-	-



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

Particulars	2015-16	2014-15
Discount rate	7.96%	7.99%
Expected rate of return on plan assets	-	-
Annual increase in salary costs	6.50%	6.50%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is actuarially determined upon which reliance is placed by the auditors.

Current and non current classification is done based on actuarial valuation certificate.

23. FINANCE COSTS (₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense	957.05	11,237.04
Other borrowing costs	50.63	205.85
Total	1,007.68	11,442.89

24. DEPRECIATION AND AMORTISATION EXPENSE (₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation on tangible assets	852.42	702.88
Amortisation of intangible assets	1.55	1.55
Total	853.97	704.43

25. OTHER EXPENSES (₹ in Lacs)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Manufacturing Expenses				
Stores, chemicals and packing materials	3,962.42		3,740.81	
Electric power, fuel and water	2,367.20		2,428.51	
Labour processing, production royalty and machinery hire charges	1,267.43		1,128.56	
Repairs to machinery	122.94	7,719.99	167.86	7,465.74
Selling and Distribution Expenses				
Clearing and forwarding	118.24		159.54	
Advertisement	2.98		4.67	
Sales commission	140.36	261.58	124.69	288.90
Others				
Professional fees	68.30		66.83	
Communication expenses	22.18		18.68	
Printing and stationery	9.64		11.95	
Freight and forwarding	168.33		244.04	

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)**

Security charges	53.26		57.58	
General expenses	102.10		97.69	
Rent	-		8.47	
Insurance	44.55		49.09	
Rates & Taxes	30.22		21.54	
Bad Debts	93.21		-	
Repairs to buildings	3.17		2.93	
Service Tax of earlier years	7.91		-	
Other repairs	10.48		13.75	
Travelling & Coveyance	22.78		27.80	
Foreign exchange fluctuation loss	314.45		20.21	
Provision for doubtful debts	25,237.81		26,256.15	
Stock Exchange penalty	0.86		-	
Interest on TDS	0.24		-	
GPCB penalty	-		14.90	
Fees for increase in authorised share capital	-		33.77	
Payment to auditors (refer note 25.1)	12.65	26,202.12	12.54	26,957.90
Total		34,183.69		34,712.54

25.1 PAYMENT TO AUDITORS

(₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
As auditors	8.63	8.55
For taxation matters	2.87	2.85
For other services	1.15	1.14
Total	12.65	12.54

26. PRIOR PERIOD ITEMS

(₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Loss on forward contract	-	1,270.35
Total	-	1,270.35

27. Additional Disclosures:i) Filing of reference to BIFR on account of erosion of the net worth of the company:

The Net worth of the Company was eroded as at the end of the financial year ending 31st March, 2015. Pursuant to section 15 (1) of Sick Industrial Companies (Special Provisions) Act, 1985, the Company had filed reference with Board for Industrial & Financial Reconstruction ('BIFR') on 5th August, 2015. The said reference was registered by BIFR vide case no. 149/2015 on 30th October, 2015. No hearing was made during the year 2015-16. The first hearing was held on 17th May, 2016 and the same was adjourned. On 30th May, 2016, Canara bank had filed objection against the reference with BIFR filed by the company.

ii) In view of the non-recovery of the amounts, the Company has created a provision for doubtful debts to the tune of Rs. 252.38 Cr. during the reporting period. The provision is based on receivables which are older than 30 months.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)**

- iii) During the year, Company has disposed off slow moving / obsolete stock at below cost.
- iv) In the opinion of the management and to the best of their knowledge and belief, the value under the head of current and non-current assets (other than fixed assets and non-current investments) are approximately of the value stated, if realised in ordinary course of business, except unless stated otherwise. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.
- v) The classification / grouping of items of the accounts are made by the management, on the basis of the available data with the Company and which has been relied upon by the auditors.

28. SEGMENT REPORTING

The company's business activity falls within a single business segment viz. 'Textile' and is managed organisationally as a single unit. However, it has customers in India as well as outside India and thus segment reporting based on the geographical location of its customers is as follows :

(₹ in Lacs)

Particulars	Within India		Outside India		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment revenue by location of customers:						
Sales/Income from operations	21,174.56	19,522.84	2,593.58	4,461.49	23,768.14	23,984.33
Segment Assets*	84,964.83	125,233.75	635.57	1,755.14	85,600.40	126,988.89
Additions to tangible and intangible assets	507.72	2,624.45	-	-	507.72	2,624.45

*Segment Assets from outside India represents receivables from export sales (net of advances in relation to exports). In view of the interwoven / intermix business operations and manufacturing facility, other information is not ascertainable.

29. RELATED PARTY DISCLOSURES

As per the Accounting Standard 18, disclosure of transactions with related parties (as identified by the management), as defined in the Accounting Standard are given below:

I. Names of Related Parties & Description of Relationship**(A) Subsidiaries of Company :** NIL**(B) Key Managerial Personnel :**

Shri Pradip J. Karia, Managing Director
 Shri Chetan Karia, Whole Time Director
 Shri Vishal R. Karia, CFO & Whole Time Director
 Shri Amit H. Thakkar, President
 Shri Anil Agarwal, Vice President (Production)
 Shri A. N. Saboo, Vice President (HRD & Admin.)
 Shri Anand Shiplkar, Vice President (Technical)
 Shri Kaushik Kapadia, Company Secretary & Compliance Officer

(C) Enterprises over which (B) above have significant influence :

M/s Pradip Exports
 Pradip Enterprises Limited
 Pradip Integrated Textile Park Pvt. Ltd.
 Pradip Energy Limited
 M/s Anu Impex

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)****II. Nature and Volume of Transactions with Related Parties : (₹ in Lacs)**

Particulars	Key Managerial Personnel (KMP)	Enterprises over which KMP have significant influence:
Remuneration to Key Managerial Personnel	106.70	-

(₹ in Lacs)		
REMUNERATION TO KEY MANAGERIAL PERSONNEL	2015-16	2014-15
Shri Pradip J. Karia	36.00	36.00
Shri Chetan Karia	24.00	24.00
Shri Vishal R. Karia	12.00	12.00
Shri Amit H. Thakkar	1.10	12.00
Shri Anil Agarwal	19.20	19.20
Shri A. N. Saboo	6.00	6.00
Shri Anand Shiplkar	4.80	4.80
Shri Kaushik Kapadia	3.60	3.60
TOTAL	106.70	117.60

No amounts in respect of the related parties have been written off / back during the year.

30. EARNINGS PER SHARE (EPS)

Particulars	2015-16	2014-15
Net Profit for the year (₹ in Lacs)	(28,097.61)	(41,350.21)
Weighted average number of shares outstanding during the year (No. In Lacs)	484.40	484.40
Earning Per Share (in ₹)	(58.00)	(85.36)
Nominal Value of Share (in ₹)	10.00	10.00

31. VALUE OF IMPORTS ON CIF BASIS (₹ in Lacs)

Particulars	2015-16	2014-15
Chemicals, packing materials and other stores	28.74	53.93

32. EXPENDITURE IN FOREIGN CURRENCY (₹ in Lacs)

Particulars	2015-16	2014-15
Travelling expenses	6.09	1.63
Import of Machinery	-	2259.40
Commission and other payments	34.47	54.51

33. EARNING IN FOREIGN CURRENCY (₹ in Lacs)

Particulars	2015-16	2014-15
F.O.B. value of exports	2472.68	4032.39

34. Previous year's figure have been regrouped / reclassified, wherever necessary to confirm to this year's classification / disclosure. Further the figures have been rounded off to the nearest rupee.

As per our Report of even date

For Ashok Dhariwal & Co.
Chartered Accountants
(Registration No. 100648W)
Sd/-
(CA Ashok Dhariwal)
Partner
Membership No. 36452

Place : Ahmedabad
Date : June 9, 2016

For and on behalf of the Board
Sd/-
(Pradip Karia)
Chairman & MD
(DIN: 00123748)
Sd/-
(Vishal Karia)
WTD & CFO
(DIN: 00514884)
Sd/-
(Kaushik Kapadia)
Company Secretary
FCS 4834



PRADIP OVERSEAS LTD.

PRADIP OVERSEAS LIMITED

CIN : L17290GJ2005PLC046345

Regd office: 104, 105, 106 CHANCHARWADI VASNA, OPP. ZYDUS CADILA,
SARKHEJ BAVLA HIGH WAY, TAL. SANAND AHMEDABAD, Gujarat - 382213
Phone No: 079-26560630 • Fax no. 079-26420408
Email : investor@pradipoverseas.com • Website : www.pradipoverseas.com

PROXY FORM

Annual General Meeting Friday, 30th September, 2016 at 12:00 Noon

I/We being the member(s), holding _____ shares of the Pradip Overseas Limited, hereby appoint:

1) Name _____ Address _____

Email ID _____ Signature _____ or failing him/her

2) Name _____ Address _____

Email ID _____ Signature _____ or failing him/her

3) Name _____ Address _____

Email ID _____ Signature _____

Tear Here

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the ANNUAL GENERAL MEETING of the company to be held on Friday, the 30th September, 2016 at 12:00 Noon at the Registered Office of the company at 104, 105, 106 CHANCHARWADI VASNA, OPP. ZYDUS CADILA, SARKHEJ BAVLA HIGH WAY, TAL. SANAND AHMEDABAD, Gujarat - 382213 and at any adjournment thereof in respect of such Resolutions as indicated hereunder:

[PTO]

Tear Here

PRADIP OVERSEAS LIMITED

CIN : L17290GJ2005PLC046345

ATTENDANCE SLIP

Folio No. _____ D.P. ID _____ Client ID _____

I/We _____

hereby record my/our presence in the ANNUAL GENERAL MEETING of the company held at the Registered Office of the company at 104, 105, 106 Chancharwadi Vasna, Opp. Zydus Cadila, Sarkhej Bavla High Way, Tal. Sanand, Ahmedabad, Gujarat - 382213 at 12:00 Noon. on Friday, 30th September, 2016.

Signature of the Member / Proxy / Representative attending the Meeting _____

Notes:

- (1) Please handover the Attendance Slip at the entrance at the place of the Meeting.
- (2) Only Members and in their absence, duly appointed Proxies will be allowed for the Meeting.

Please avoid bringing non members/ children to the Meeting.



PRADIP OVERSEAS LTD.

Sr. No.	Resolution	For	Against
	Ordinary Business		
1.	Adoption of Financial Statements for the year ended 31st March, 2016.		
2.	Re-appointment of Mr. Pradip J. Karia as a Director of the Company, who retires by rotation and being eligible offer himself for Re-appointment.		
3.	Appointment of Statutory Auditors and to fix their Remuneration.		

Signed this day of _____ 2016

Member's Folio / DP ID - Client ID No. _____

Signature of Shareholder(s)

Signature of Proxy holder(s)

Affix
₹ 1/-
Revenue
Stamp

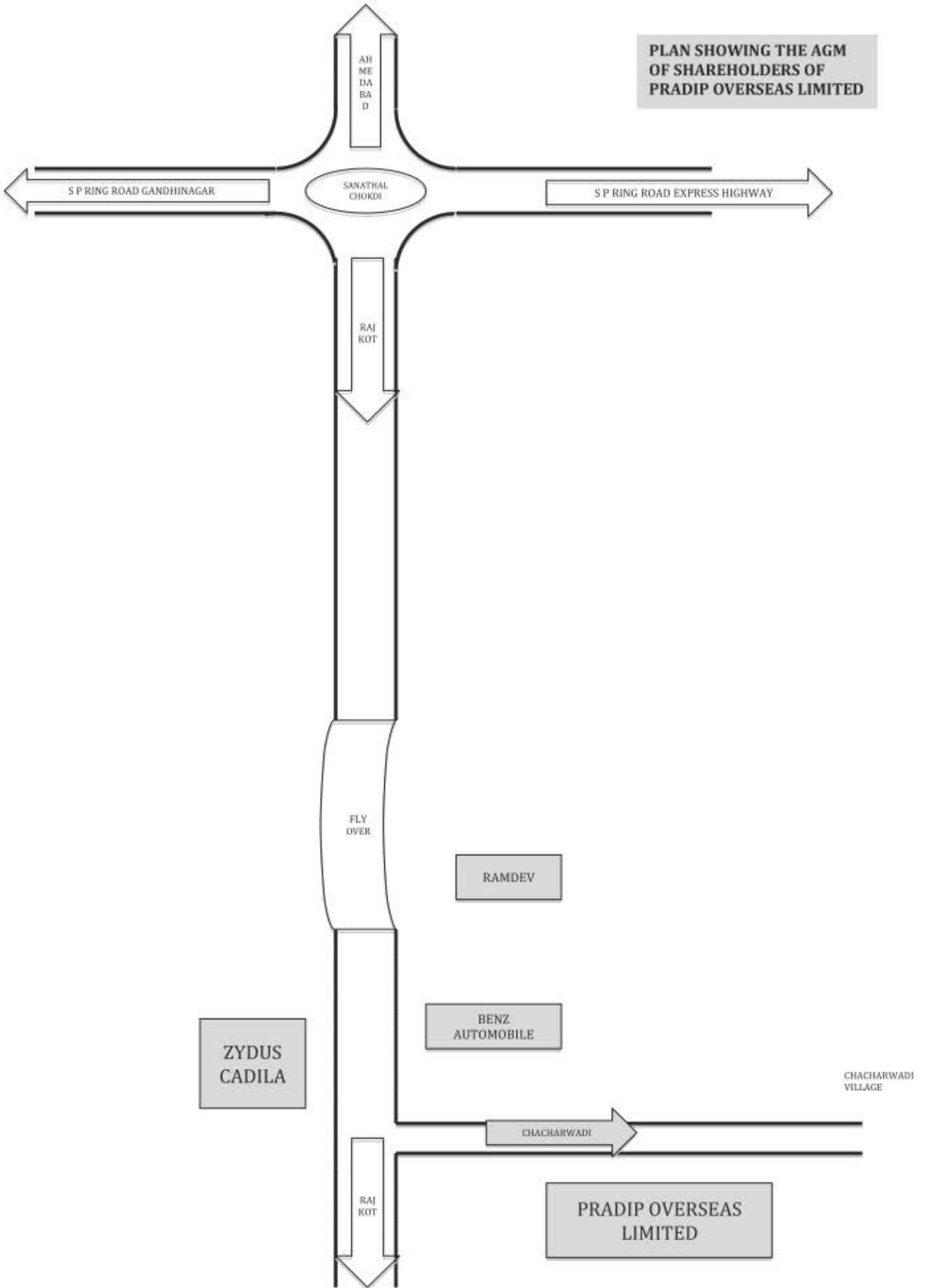
Note:

- 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. For the resolutions, Explanatory statements and Notes, please refer to the notice of the Annual General Meeting.
3. It is optional to put 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'FOR' or 'AGAINST' blank against any or all the resolutions, your proxy will be entitled to vote in the manner he/she thinks appropriate.
4. Please complete all details including details of Member(s) in the above box before submission.
5. In case of joint holder, the signature of any one holder will be sufficient, but the names of all joint holders should be stated.

Tear Here

Tear Here

**PLAN SHOWING THE AGM
OF SHAREHOLDERS OF
PRADIP OVERSEAS LIMITED**



If undelivered, please return to :



PRADIP OVERSEAS LTD.

(CIN : L17290GJ2005PLC046345)

Corporate Office :

A/601, Narnarayan Complex,
Swastik Char Rasta, Off. C. G. Road,
Navrangpura,
Ahmedabad - 380 009. (INDIA)