

**PRADIP OVERSEAS LTD.**



## 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 : Chacharwadi Vasna,  
Opp. Zydus Cadila,  
Sarkhej Bavla High Way,  
Tal. Sanand Ahmedabad,  
Gujarat - 382213

**BANKERS/  
FININACIAL  
INSTITUTIONS** : Indian Overseas Bank  
Canara Bank  
Bank of India  
Standard Chartered Bank  
State Bank of Patiala  
(Now merged with  
State Bank of India)  
INVENT

**COMPANY SECRETARY** : Kaushik B. Kapadia

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

**Plant** : Plot No. 104, 105, 106,  
Village : Chacharwadi 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](mailto: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, 29<sup>th</sup> September, 2017 at 12.00 noon at the Registered Office of the Company at 104, 105,106, Chacharwadi, Vasna, Opp. Zydus 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 31<sup>st</sup> March, 2017 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. Vishal R. Karia (DIN:- 00514884), as a Director of the Company, who retires by rotation and being eligible, offer himself for reappointment
3. To consider and if thought fit to pass the following resolution as an **Ordinary Resolution** with or without modification:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to recommendation of the Audit Committee and recommendation of the Board, M/s. Vijay Moondra & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 112308W/M. No.-119398) be and are hereby appointed as Statutory Auditors of the Company for a period of five years to hold office from the conclusion of this meeting to the conclusion of Annual General Meeting of the Company for the year 2021-22, on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

### **Special Business:-**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, and 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the terms of the reappointment of Mr. Pradipkumar Jayantilal Karia ( holding DIN 00123748 ) as Managing Director of the Company for a period of three years from 1st September, 2017 to 31st August, 2020 on the terms and conditions of appointment and remuneration as set out in the draft agreement of the reappointment submitted to the meeting and initialed by the Chairman for identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the company and as recommended by the Nomination & Remuneration Committee and as set out in the Explanatory Statement annexed hereto.”

**“RESOLVED FURTHER THAT** the Board of Directors and the Nomination & Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as to not to exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed by the Board of Directors and Mr. Pradipkumar Jayantilal Karia.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, and 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the terms of the reappointment of Mr. Chetan J. Karia (holding DIN 00191790) as Whole-time Director of the Company for a period of three years from 1st September, 2017 to 31st August, 2020 on the terms and conditions of appointment and remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the company and as recommended by the Nomination & Remuneration Committee and as set out in the Explanatory Statement annexed hereto.”

**“RESOLVED THAT** the Board of Directors and the Nomination & Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as to not to exceed the limits specified in Schedule V to the Companies Act, 2013 (as may be agreed by the Board of Directors and Mr. Chetan J. Karia.”



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

6. To consider and if thought fit to pass the following resolution as an Ordinary Resolution with or without modification:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, and 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 the consent of the Company be and is hereby accorded to the terms of the reappointment of Mr. Vishal R. Karia(holding DIN 00514884) as Whole-time Director and Chief Financial Officer of the Company for a period of three years from 01st October, 2017 to 30th September, 2020 on the terms and conditions of appointment and remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the company and as recommended by the Nomination & Remuneration Committee and as set out in the Explanatory Statement annexed hereto.”

**“RESOLVED FURTHER THAT** the Board of Directors and the Nomination & Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as to not to exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed by the Board of Directors and Mr. Vishal R. Karia.”

By Order Of the Board of Directors

Sd/-

**(Pradip J. Karia)**

Chairman and Managing Director

DIN:00123748

Place: Ahmedabad  
Date: 30<sup>th</sup> May, 2017

**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 explanatory statement pursuant to section 102(1) of the Companies Act, 2013, which set out details relating to Special Business at the meeting, is annexed hereto.
5. The Register of members and Share Transfer Register will remain closed from 22<sup>nd</sup> September, 2017 to 29<sup>th</sup> September, 2017 (both days inclusive).
6. 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.
7. 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.



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

8. 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 101, 247Park, L.B.S. Marg, Vikhroli (west), Mumbai - 400083. 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.
9. 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.
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. 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, are 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.
12. 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 2016-17 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.
13. Members wishing to claim dividends, which remain unclaimed are requested to correspond with Link Intime India Private Limited, Registrar & Share Transfer Agent or to the company at Corporate Office at A/ 601, Narnarayan Complex, Near Swastik Cross Road, Navrangpura, Ahmedabad 380009. 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. Please note that Pursuant to the provision of section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") Equity Shares of the Company in respect of which dividend amounts have remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to Investor Education and Protection Fund (IEPF) Suspense Account. Share holders who have yet to claim their dividend & Share are requested to inform the Company or the Share transfer Agent before 15th October, 2017.
14. In accordance with the aforesaid IEPF Rules, the Company has sent notice to all the shareholders whose shares are due to be transferred to the IEPF Authority and has also published advertisement in newspaper. The Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules after the due date of 15th October, 2017.
15. 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**

**Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by Companies ( Management & Administration) Amendment Rule, 2015 and sub clause (1) & (2) of Regulation 44 of SEBI (Listing Obligations And Disclosure Requirement ) Regulations, 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.



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

The facility of casting their votes by the members using an electronic voting system from a place other than venue of AGM (Remote E Voting) will be provided by National Security Depository limited ( NSDL)

- (i) The voting period begins on 26th September, 2017(9:00 a.m.) and ends on 28th September, 2017 (5:00 p.m.). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website <https://www.evoting.nsdl.com>
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to <https://www.evoting.nsdl.com> and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through NSDL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant PRADIP OVERSEAS LIMITED i.e. **107594** on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.



## PRADIP OVERSEAS LTD.

### NOTICE (Contd....)

- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - "m - Voting" for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evoting.nsdl.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://www.evoting.nsdl.com>, under help section or write an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### 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](mailto:investor@pradipoverseas.com)  
Web : [www.pradipoverseas.com](http://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](mailto:investor@pradipoverseas.com)  
Web : [www.pradipoverseas.com](http://www.pradipoverseas.com)
- Registrar & Share Transfer: Link Intime India Private Limited  
C 101, 247Park, L.B.S. Marg, Vikhroli (west), Mumbai - 400083  
Phone: +91 22-4918 6000. Fax: +91 22-4918 6060  
e-Voting Agency : National Securities Depository Limited  
E-Mail: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- Scrutinizer : CS Ravi Kapoor, Practicing Company Secretary  
E-mail : [ravikapoor@ravics.com](mailto:ravikapoor@ravics.com)

By Order Of the Board of Directors

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

Place: Ahmedabad  
Date: 30<sup>th</sup> May, 2017

**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 :

<b>Name</b>	<b>Shri Pradip J. Karia</b>	<b>Shri Chetan J. Karia</b>	<b>Shri Vishal R. Karia</b>
Age	56 years	54 years	36 years
Date of Appointment	01-09-2011	29-6-2005	01-10-2011
Qualifications	B.Com	B.Com	B.B.A., PGDBA
Nature of Expertise/ Experience	He commenced his career in textile business in 1985. He established a partnership firm M/s. Anulpex in the year 1993. M/s. Pradip Export 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 29 years experience in retailing, marketing, business promotion and manufacturing of textile products, of which 15 years is in the Home Linen Products.	He was partner in M/s Vishal Textile which had subsequently got converted into Chetan Textile in the year 2005 which is now known as Pradip Overseas Limited which manufactures narrow & wider width Home Linen Products. He has more than 24 years of experience. He was appointed as a Whole Time Director of Pradip Overseas Limited on 19 <sup>th</sup> September, 2007.	He started his career in 2003 by joining as partner in M/s Vishal Textile, which has subsequently got converted into Chetan Textiles Private Limited in the year 2005 which is now known as Pradip Overseas Limited. He has 11 years of experience in Home Linene Products manufacturing business, purchases and logistics. He plays a major role in production, purchase, logistics and other technical segments in the Company.
Terms and conditions of appointment	The Director is appointed as a Whole Time Director for 3 years w.e.f. 01 <sup>st</sup> September, 2014.	The Director is appointed as a Whole Time Director for 3 years w.e.f. 01 <sup>st</sup> September, 2014.	The Director is appointed as a Whole Time Director & Chief Financial Officer for 3 years w.e.f. 01 <sup>st</sup> October, 2014.
Remuneration to be paid	Last drawn of Rs. 24,00,000/-p.a.	Last drawn of Rs. 16,50,000 /- p.a.	Last drawn of Rs. 9,00,000/-
Chairman/ Member of Committee in other Companies	None	None	None
Relationship with other directors, Manager and other KMP of the Company	He is a brother of Mr. ChetanKaria, Whole Time Director of the Company	He is a brother of Mr. PradipKaria, Managing Director of the Company	He is a nephew of Mr. PradipKaria, Managing director of the Company.
Name of the Companies in which he/she holds Directorship	a) Directors in : 1. Pradip Enterprises Ltd.	a) Directors in : 1. Pradip Enterprises Ltd.	a) Directors in : 1. Pradip Enterprises Ltd
No. of Meetings of the Board attended during the year	5 (Five)	5(Five)	5 (Five)
Names of the Committee of the Board of Company in which membership/Chairmanship is held	As a member of Committee of Pradip Overseas Ltd. 1. Audit Committee 2. Stakeholders Relationship Committee 3. Risk Management Committee	None	None
Shareholding	9013003 Equity Shares each of Rs. 10/- in the Company	9012976 Equity Shares each of Rs. 10/- in the Company	4286340 Equity Shares each of Rs. 10/- in the Company

By Order Of the Board of Directors

Sd/-

**(Pradip J. Karia)**

Chairman and Managing Director

DIN:00123748

Place: Ahmedabad  
Date: 30<sup>th</sup> May, 2017



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

**ANNEXURE TO THE NOTICE**

Explanatory statement under section 102(1) of the Companies act, 2013.

**Item No 4:**

Resolution under item No. 4 of the Notice relates to the reappointment of Mr. Pradipkumar J. Karia as Managing Director of the Company for a further period of three years from 01st September, 2017 to 31st August, 2020 and approval of his remuneration and terms of reappointment.

The Nomination and Remuneration Committee, at its meeting held on 30th May, 2017 had recommended the reappointment of Mr. Pradipkumar J. Karia as Managing Director of the Company and terms of remuneration payable to him for a period of three years from 01st September, 2017 to 31st August, 2020. The Board of Directors, as its meeting held on the 30th May, 2017, had approved the same. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

The material terms of remuneration of Mr. Pradipkumar J. Karia effective from 01st September, 2017 to 31st August, 2020 as approved by both Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 30th May, 2017 are as under:

**Remuneration:**

**(a) Basic Salary:**

₹ 4,00,000/- per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, subject to maximum salary, per month as laid down under the Section 197 read with Schedule V of the Companies Act, 2013.

**(b) Perquisites and Allowances:**

In addition to salary, the following perquisites/allowances shall be allowed to the Managing Director.

**CATEGORY - A**

- (i) Company shall contribute toward provident fund/ Superannuation fund/ Annuity fund provided that such contribution either singly or put together shall not exceed tax free limit prescribed under the Income Tax Act.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (iii) Leave on full pay and allowances, as per the rules of the Company, but not more than one months leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Rule of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

**CATEGORY – B**

- (i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.
- (ii) The Company shall provide telephone and other communication facilities at the residence of the Managing Director at the entire cost of the Company.

**Overall and Minimum Remuneration Limit:**

The Overall limit of remuneration payable to Directors including Managing Directors, Whole time Directors and Managers in a financial year is 11% of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013. The aforesaid remuneration is subject to the limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Whole time Director & Chief Financial Officer, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding three years by way of salary, commission and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013.

The abovementioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company or the Nomination and Remuneration Committee as it may, in its discretion,



## **NOTICE (Contd....)**

deem fit, within the maximum amount payable to Managing and Whole time Directors in accordance with the provisions of the Companies Act, 2013, including those of Schedule V or any amendments thereto made hereafter in this regard within the overall limits approved by the Company in General Meeting.

The Resolution at Item No. 4 is put before the members as an Ordinary Resolution.

Except Mr. Pradipkumar J. Karia, being an appointee, and Mr. Chetankumar J. Karia and Mr. Vishal R. Karia, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item NO.4. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of Listing Obligations and Disclosure Requirement and clause no. 1.2.5 of the Secretarial Standard no.2.

### **Item No 5:**

Resolution under item No. 5 of the Notice relates to the reappointment of Mr. Chetankumar J. Karia as Whole Time Director of the Company for a further period of three years from 01st September, 2017 to 31st August, 2020 and approval of his remuneration and terms of reappointment.

The Nomination and Remuneration Committee, at its meeting held on 30th May, 2017 had recommended the reappointment of Mr. Chetankumar J. Karia as Whole Time Director of the Company and terms of remuneration payable to him for a period of Three years from 01st September, 2017 to 31st August, 2020. The Board of Directors, as its meeting held on 30th May, 2017, had approved the same. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

The material terms of remuneration of Mr. Chetankumar J. Karia effective from 01st September, 2017 to 31st August, 2020 as approved by both Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 30th May, 2017 are as under:

### **Remuneration:**

#### **(a) Basic Salary:**

₹ 4,00,000/- per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, subject to maximum salary per month as laid down under the Section 197 read with Schedule V of the Companies Act, 2013.

#### **(b) Perquisites and Allowances:**

In addition to salary, the following perquisites/allowances shall be allowed to the Whole Time Director.

### **CATEGORY - A**

- (i) Company shall contribute toward provident fund/ Superannuation fund/ Annuity fund provided that such contribution either singly or put together shall not exceed tax free limit prescribed under the Income Tax Act.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (iii) Leave on full pay and allowances, as per the rules of the Company, but not more than one months leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Rule of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

### **CATEGORY – B**

- (i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.
- (ii) The Company shall provide telephone and other communication facilities at the residence of the Whole time Directors & Chief Financial Officer at the entire cost of the Company.

### **Overall and Minimum Remuneration Limit:**

The Overall limit of remuneration payable to Directors including Managing Directors, Whole time Directors and Managers in a financial year is 11% of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013. The aforesaid remuneration is subject to the limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013.



## **NOTICE (Contd....)**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Whole time Director & Chief Financial Officer, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding three years by way of salary, commission and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013.

The abovementioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company or the Nomination and Remuneration Committee as it may, in its discretion, deem fit, within the maximum amount payable to Managing and Whole time Directors in accordance with the provisions of the Companies Act, 2013, including those of Schedule V or any amendments thereto made hereafter in this regard within the overall limits approved by the Company in General Meeting.

The Resolution at Item No. 5 is put before the members as an Ordinary Resolution.

Except Mr. Chetankumar J. Karia, being an appointee, and Mr. Pradipkumar J. Karia and Mr. Vishal R. Karia, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item NO.5. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of Listing Obligations and Disclosure Requirement and clause no. 1.2.5 of the Secretarial Standard no.2.

### **Item No. 6:**

Resolution under item No. 6 of the Notice relates to the reappointment of Mr. Vishal R. Karia as WholeTime Director and Chief Financial Officer of the Company for a further period of three years from 01st October, 2017 to 30th September, 2020 and approval of his remuneration and terms of reappointment.

The Nomination and Remuneration Committee, at its meeting held on 30th May, 2017 had recommended the reappointment of Mr. Vishal R. Karia as Whole-time Director and Chief Financial Officer of the Company and terms of remuneration payable to him for a period of three years from 01st October, 2017 to 30th September, 2020. The Board of Directors, as its meeting held on 30th May, 2017, had approved the same. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

The material terms of remuneration of Mr. Vishal R. Karia effective from 01st October, 2017 to 30th September, 2020 as approved by both Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 30th May, 2017 are as under:

### **Remuneration:**

#### **(a) Basic Salary:**

₹ 3,00,000 per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, subject to maximum salary per month as laid down under the Section 197 read with Schedule V of the Companies Act, 2013.

#### **(b) Perquisites and Allowances:**

In addition to salary, the following perquisites/allowances shall be allowed to the Whole Time Director.

### **CATEGORY - A**

- (i) Company shall contribute toward provident fund/ Superannuation fund/ Annuity fund provided that such contribution either singly or put together shall not exceed tax free limit prescribed under the Income Tax Act.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (iii) Leave on full pay and allowances, as per the rules of the Company, but not more than one months leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Rule of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

### **CATEGORY – B**

- (i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.
- (ii) The Company shall provide telephone and other communication facilities at the residence of the Whole-time Directors & Chief Financial Officer at the entire cost of the Company.

**NOTICE (Contd....)****Overall and Minimum Remuneration Limit:**

The Overall limit of remuneration payable to Directors including Managing Directors, Whole time Directors and Managers in a financial year is 11% of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013. The aforesaid remuneration is subject to the limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Whole-time Director & Chief Financial Officer, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding three years by way of salary, commission and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013.

The abovementioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company or the Nomination and Remuneration Committee as it may, in its discretion, deem fit, within the maximum amount payable to Managing and Whole time Directors in accordance with the provisions of the Companies Act, 2013, including those of Schedule V or any amendments thereto made hereafter in this regard within the overall limits approved by the Company in General Meeting.

The Resolution at Item No. 6 is put before the members as an Ordinary Resolution.

Except Mr. Vishal R. Karia, being an appointee and Mr. Pradipkumar J. Karia and Mr. Chetankumar J Karia, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item NO.6. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of Listing Obligations and Disclosure Requirement and clause no. 1.2.5 of the Secretarial Standard no.2.

**STATEMENT AS REQUIRED UNDER CLAUSE (B) OF SECTION II OF SCHEDULE V TO THE COMPANIES ACT, 2013:****I GENERAL INFORMATION**

1. Nature of Industry : Textile Industries
2. Date or Expected Date of Commencement of Commercial Production :
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.
4. Financial Performance Based On Given Indicators (As on 31.03.2017)

<b>Particulars</b>	<b>₹ in Lacs</b>
Turnover including other income	16351.41
Total Expenses	43976.54
Profit/Loss Before Tax	(27896.40)
Profit/Loss After Tax	(19793.29)
Earnings Per Share	(40.86)
Dividend Rate	0.00

Note :- The details mentioned above are similar for all the three directors. (i.e. Mr. Pradip J. Karia, Mr. Chetan J. Kaira, Mr. Vishal R. Karia)

5. Foreign Investments or Collaboration if Any : Nil

**NOTICE (Contd....)****II INFORMATION ABOUT THE APPOINTEES**

Sr. No.	Particulars	Mr. Pradip J. Karia	Mr. Chetan J. Karia	Mr. Vishal R. Karia
1	Back Ground Details	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 Export 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 29 years experience in retailing, marketing, business promotion and manufacturing of textile products, of which 15 years is in the Home Linen Products.	He was partner in M/s Vishal Textile which had subsequently got converted in to Chetan Textile in the year 2005 which is now known as Pradip Overseas Limited which manufactures narrow & wider width Home Linen Products. He has more than 24 years of experience. He was appointed as a Whole Time Director of Pradip Overseas Limited on 19 <sup>th</sup> September, 2007.	He started his career in 2003 by joining as partner in M/s Vishal Textile, which has subsequently got converted into Chetan Textiles Private Limited in the year 2005 which is now known as Pradip Overseas Limited. He has 11 years of experience in Home Linen Products manufacturing business, purchases and logistics. He plays a major role in production, purchase, logistics and other technical segments in the Company.
2	Past Remuneration	₹ 24,00,000/-	₹18,50,000/-	₹ 9,00,000/-
3	Recognition or Awards	Indira Gandhi Sadhbhavna Award	None	None
4	Job Profile	Working as Managing Director of the Company	Working as Whole time Director of the Company	Working as Wholetime Director and Chief Financial Officer of the Company

**PRADIP OVERSEAS LTD.****NOTICE (Contd....)**

5	Remuneration Proposed	₹ 4,00,000/-per month	₹ 4,00,000/-per month	₹ 3,00,000/- per month
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):	Data not available	Data not available	Data not available
7	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:	He is a brother of Mr. Chetan Karia, Whole time Director of the Company	He is a brother of Mr. Pradip Karia, Managing Director of the Company	He is a nephew of Mr. Pradip Karia, Managing Director of the Company

**III OTHER INFORMATION**

1. Reason for Inadequate Profit :-  
As stated in Directors' Report
2. Steps taken or proposed to be taken for Improvement :-  
The Company has undertaken development of two Industrial parks at Village Bhamsara, Tal. Bavla, Dist. Ahmedabad and on successful implementation of the same the Company will be able to turn around.
3. Expected increase in productivity and profits in measurable terms. : none

By Order Of the Board of Directors

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

Place: Ahmedabad  
Date: 30<sup>th</sup> May,2017

**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, 2017.

**1) FINANCIAL REVIEW: [₹ in Lacs]**

Sr. No.	Particulars	2016-17	2015-16
1.	Income From Operations	15983.91	23768.14
2.	Other Income	367.51	1667.86
3.	Financial Charges	841.23	1000.99
4.	Depreciation	970.46	853.97
5.	Profit(Loss) Before Tax	(27625.13)	(41010.01)
6.	Short provision of Taxation for earlier years	(8103.11)	(12912.40)
7.	Profit/(Loss) after Tax	(19793.29)	(28097.61)

**2) OPERATIONS:**

The year under review was also critical year for the Company. The turnover of the Company was of ₹ 15983.91lacs which was lower by 32.75 % compared to the turnover of the Company for the previous year. The Loss after tax was ₹19793.29 lacs which is lower by 29.56 % as compared to last year. The major reasons for lower turnover was sluggish market conditions, international competition, shortage of working capital. Effluent Treatment Plant (ETP) is operative in full capacity and the performance is satisfactory.

Moreover, as the Company is facing shortage of Working Capital, the Company has put thrust on the job work which results into lower turnover and lower profitability.

The Company had undertaken to implement two projects of industrial Park namely Specialty & Fine Chemicals & Auto and Auto Components at village Bhamsara, Taluka Bavla District –Ahmedabad. Due to sluggish Industrial development, developers are reluctant to come forward to join hands for development of the aforesaid land and therefore the Company could not finalise terms for development of the said land. However the Company is putting all its efforts to develop the aforesaid land.

The Company had to file reference with Board For Industrial and Financial Reconstruction (BIFR) as Net worth of the Company was negative. The Government has repealed Sick Industries Companies (Special Provisions) Act, 1985 vide notification no. S.o.3568 & S.O. 3569 with effect from 1<sup>st</sup> December, 2016. As result BIFR stand dissolved with effect from that date and a reference filed therewith stand dissolved with effect from 1<sup>st</sup> December, 2016. As a result reference filed by the Company stand dissolved.

During the year under review Punjab National Bank and Union Bank of India have assigned their debts to Assets Reconstruction Company. Thus, out of consortium members of the Bank, State Bank of India, Allahabad Bank, The Karur Vasya Bank Limited, Punjab National Bank & Union Bank of India have assigned their debts to Assets Reconstruction Company.

The Lakshmi Vilas Bank Limited had also assigned its debts to Assets Reconstruction Company.

During the year under review, Canara Bank and Indian Overseas Bank had filed Original application for Recovery with DRT, Ahmedabad for their dues, and the matters are pending before DRT, Ahmedabad.

**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 2016-17.

**4) TRANSFER TO RESERVE:**

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

**5) CHANGE IN NATURE OF BUSINESS:**

There is no change in the nature of business

**6) 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.



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

### **7) DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND CHANGES AMONGST THEM :**

Mr. Vishal R. Karia, Director of the Company will retire by rotation in the ensuing Annual General Meeting and being eligible offer himself for reappointment.

During the year there was no changes took place in Directors and Key Managerial Personnel of the Company.

### **8) 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 was held during the Financial Year 2016-17. The details of the Board meetings held during the year 2016-17 have been furnished in the Corporate Governance Report.

### **9) 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.

### **10) DETAILS OF COMMITTEE OF DIRECTORS :**

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, Stake Holders Relationship Committee and Risk Management Committee of Directors, number of meetings held of each Committee during the Financial year 2016-17 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.

### **11) 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.

### **12) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any subsidiary or Joint Venture or Associate Company.

### **13) 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.

### **14) 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.



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

**- Policy on Directors' Appointment**

The Company has followed the policy regarding appointment of Director as laid down in the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and good corporate practices.

**- Policy on remuneration of Directors :**

Remuneration for Directors are 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.

- Remuneration to the workers is based on the Contract with the Contractors keeping in view Minimum Wages payable to the workmen.

- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Other Employees is Industry Driven.

**15) 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 note no. 11 of the Financial Statement.) The Company has not provided any securities or guarantees during the year under review.

**16) 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.

**17) 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) Regulations, 2015. A separate section on compliance with the conditions of Corporate Governance and a certificate from firm of Practicing Chartered Accountants dated 9<sup>th</sup> June, 2016 in this regard is annexed hereto and forms a part of the report. A Certificate of the CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed. Management discussion and analysis are attached, which form part of this report.

**18) (a) PARTICULARS OF THE EMPLOYEES :**

There are no employees in the Company who are receiving remuneration in excess of the limit specified in under section 197 (12) of the Companies Act, 2013 read with rule 5(1), (2) 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

**19) WHISTLE BLOWER & VIGILMECHANISM**

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) Regulations, 2015. Policy is available on the website of the Company.

**20) 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.



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

### **21) AUDITORS :**

The term of M/s. Ashok Dhariwal and Co., Chartered Accountants, Statutory Auditors of the Company will expire with conclusion of ensuing Annual General Meeting. As per Section 139 (2) of the Companies Act, 2013 read with rule 6 of the Companies ( Audit & Auditors ) Rules, 2014, the present Auditor is holding office since inception and as per the aforesaid provisions, they are not eligible to hold the office as Auditors of the Company for five years on completion of their term.

M/s. Ashok Dhariwal & Co. Chartered Accountants have successfully met the challenges that the size and scale of operations pose for auditors and have maintained the highest level of governance, rigour and quality in their audit. The Board place on record its appreciation for their services rendered by M/s. Ashok Dhariwal & Co., Chartered accountants, as Statutory Auditors of the Company.

The Audit Committee of the Company has proposed, and on 30th May, 2017 &, the Board of Directors of the Company has recommended the appointment of M/s. Vijay Moondra & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 112308W/M. No.-119398) as the statutory auditors of the Company. M/s. Vijay Moondra & Co., will hold office for a period of five consecutive years from the conclusion of the Annual General Meeting of the Company scheduled to be held on 29th September, 2017, till the conclusion of the Annual General Meeting of the Company to be held in the year 2022, subject to approval of the Shareholders of the Company.

### **22) SECRETARIAL AUDIT REPORT**

The Board had appointed M/s. Ashish Shah & Associates, Practising Company Secretary to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2017 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 :**

#### **(1) Reply on the Qualification/Comments of Auditors made by them in Audit Report:-**

##### **Reply to the 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. 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 the Secretarial Auditor in their Report:-**

The matter was placed before the Board at its meeting held on 30<sup>th</sup> May, 2016 which was well within the period allowed by Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations). 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 31<sup>st</sup> March, 2016 sine die. Thus the Company had put its all efforts to comply with the requirement of the Listing. However, as the Board was required to refer the matter to expert the same could not be approved within the time stated in Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations). The Board considered the aforesaid matter on 9<sup>th</sup> June, 2016 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.



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

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

As per Section 134 (3) (p) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, 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) DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013: :**

The Board has developed the Sexual Harassment Policy of the Company for safety of the women employees employed in the Company. 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 : 30<sup>th</sup> May, 2017

**DIRECTORS' REPORT (Contd....)****Annexure - 1  
Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended 31st March, 2017**

[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	PRADIP OVERSEAS LIMITED
4	Category/Sub-Category of the Company	Public Company limited by shares Non-Govt. Company
5	Address of the Registered office and contact details	<p>A) Registered Office 104/ 105/ 106, Chacharwadi, Vasna, Opp. Zydus Cadila, Sarkhej-Bavla Highway, Tal. Sanand, Ahmedabad - 382213. Ph : +91 (2717) 251859/60/61 Fax - +91(2717) 251874 Email : investor@pradipoverseas.com Web : www.pradipoverseas.com</p> <p>B) Corporate Office A/601, Namarayan 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</p>
6	Whether listed Company (Yes/No)	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	<p>LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083. Tel: +91 22 4918 6270 Email : rnt.helpdesk@linkintime.co.in Web : www.linkintime.co.in</p>

**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	1392	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 Share	Demat	Physical	Total	% of Total Share	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF*	2,57,92,519	-	2,57,92,519	53.25	2,57,92,519	-	2,57,92,519	53.25	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-*</b>	<b>2,57,92,519</b>	<b>-</b>	<b>2,57,92,519</b>	<b>53.25</b>	<b>2,57,92,519</b>	<b>-</b>	<b>2,57,92,519</b>	<b>53.25</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2,57,92,519</b>	<b>-</b>	<b>2,57,92,519</b>	<b>53.25</b>	<b>2,57,92,519</b>	<b>-</b>	<b>2,57,92,519</b>	<b>53.25</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. NonInstitutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	44,26,497	-	44,26,497	9.14	48,07,917	-	48,07,917	9.93	0.79
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	71,23,461	18	71,23,479	14.71	70,35,262	18	70,35,280	14.52	-0.19
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	95,65,357	-	95,65,357	19.75	93,61,939	-	93,61,939	19.33	-0.42
<b>c) Others (specify)</b>									
i) Clearing Member	3,81,166	-	3,81,166	0.79	3,33,748	-	3,33,748	0.69	0.10
ii) Non Resident Indian (Repat)	5,00,569	-	5,00,569	1.03	4,38,911	-	4,38,911	0.91	-0.12
iii) Non Resident Indian (Non Repat)	17,075	-	17,075	0.03	28,477	-	28,477	0.06	0.03
iv) Hindu Undivided Family	6,33,521	-	6,33,521	1.31	6,41,392	-	6,41,392	1.32	0.01
v) Trusts	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>2,26,47,646</b>	<b>18</b>	<b>2,26,47,664</b>	<b>46.76</b>	<b>2,26,47,646</b>	<b>18</b>	<b>2,26,47,664</b>	<b>46.75</b>	<b>0.00</b>
<b>Total of Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>2,26,47,646</b>	<b>18</b>	<b>2,26,47,664</b>	<b>46.76</b>	<b>2,26,47,646</b>	<b>18</b>	<b>2,26,47,664</b>	<b>46.75</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp;</b>									
Grand Total (A+B+C)	4,84,40,165	18	4,84,40,183	100.00	4,84,40,165	18	4,84,40,183	100.00	-

\* Includes Promoter's Group



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

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	90,13,003	18.61	18.61	90,13,003	18.61	18.61	0
2	CHETANKUMAR J. KARIA	90,12,976	18.61	18.61	90,12,976	18.61	18.61	0
3	VISHAL R. KARIA	42,86,340	8.85	8.85	42,86,340	8.85	8.85	0
4	BAKUL J. KARIA*	12,66,200	2.61	2.35	12,66,200	2.61	2.35	0
5	PRITESH J. KARIA*	7,50,000	1.55	1.55	7,50,000	1.55	1.55	0
6	AMITABEN P. KARIA*	5,37,000	1.11	1.11	5,37,000	1.11	1.11	0
7	ROOPABEN C. KARIA*	5,37,000	1.11	1.11	5,37,000	1.11	1.11	0
8	RAMESH J. KARIA*	3,90,000	0.81	0.81	3,90,000	0.81	0.81	0
	<b>Total</b>	<b>2,57,92,519</b>	<b>53.25</b>	<b>52.99</b>	<b>2,57,92,519</b>	<b>53.25</b>	<b>52.99</b>	<b>0</b>

\* Promoter's Group

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

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

Sl. No.		Shareholding at the beginning of the year			Cumulative Shareholding during 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							
	At the beginning of the year	9013003	18.61	18.61	9013003	18.61	18.61	0
	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	NIL	NIL	NIL	NIL	0
	At the End of the year	9013003	18.61	18.61	9013003	18.61	18.61	0
2	CHETANKUMAR J. KARIA							
	At the beginning of the year	9012976	18.61	18.61	9012976	18.61	18.61	0
	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	NIL	NIL	NIL	NIL	0
	At the End of the year	9012976	18.61	18.61	9012976	18.61	18.61	0
3	VISHAL R. KARIA							
	At the beginning of the year	4286340	8.85	8.85	4286340	8.85	8.85	0
	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	NIL	NIL	NIL	NIL	0
	At the End of the year	4286340	8.85	8.85	4286340	8.85	8.85	0

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

4	<b>BAKUL J. KARIA*</b>							
	At the beginning of the year	1266200	2.61	2.35	1266200	2.61	2.35	0
	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	NIL	NIL	NIL	NIL	0
	At the End of the year	1266200	2.61	2.35	1266200	2.61	2.35	0
5	<b>PRITESH J. KARIA*</b>							
	At the beginning of the year	750000	1.55	1.55	750000	1.55	1.55	0
	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	NIL	NIL	NIL	NIL	0
	At the End of the year	750000	1.55	1.55	750000	1.55	1.55	0
6	<b>AMITABEN P. KARIA*</b>							
	At the beginning of the year	537000	1.11	1.11	537000	1.11	1.11	0
	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	NIL	NIL	NIL	NIL	0
	At the End of the year	537000	1.11	1.11	537000	1.11	1.11	0
7	<b>ROOPABEN C. KARIA*</b>							
	At the beginning of the year	537000	1.11	1.11	537000	1.11	1.11	0
	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	NIL	NIL	NIL	NIL	0
	At the End of the year	537000	1.11	1.11	537000	1.11	1.11	0
8	<b>RAMESH J. KARIA*</b>							
	At the beginning of the year	390000	0.81	0.81	390000	0.81	0.81	0
	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	NIL	NIL	NIL	NIL	0
	At the End of the year	390000	0.81	0.81	390000	0.81	0.81	0

\* Promoter's Group



**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	2737396	5.6511				2737396	5.6511
	Transfer			01 Apr 2016	(929636)	(1.9191)	1807760	3.7319
	Transfer			15 Apr 2016	929636	1.9191	2737396	5.6511
	Transfer			24 Apr 2016	(1300)	(0.0027)	2736096	5.6484
	Transfer			30 Apr 2016	196947	0.4066	2933043	6.0550
	Transfer						2933043	6.0550
	AT END OF THE YEAR						2933043	6.0550
2	GAURANG KANTHADBHAI KATARIYA	857500	1.7702				857500	1.7702
	Transfer			01 Apr 2016	(596000)	(1.2303)	261500	0.5398
	Transfer			08 Apr 2016	596000	1.2303	857500	1.7702
	Transfer			24 Jun 2016	(1000)	(0.0020)	856500	1.7682
	AT END OF THE YEAR						856500	1.7682
3	VIJAY GAJANAND SALHEKAR	545700	1.1265				545700	1.1265
	AT END OF THE YEAR						545700	1.1265
4	SMC GLOBAL SECURITIES LTD.	529284	1.0927				529284	1.0927
	Transfer			01 Apr 2016	(438133)	(0.9045)	91151	0.1882
	Transfer			08 Apr 2016	(851)	(0.0017)	90300	0.1864
	Transfer			15 Apr 2016	438133	0.9045	528433	1.0909
	Transfer			06 May 2016	72	0.0001	528505	1.0910
	Transfer			13 May 2016	(386)	(0.0008)	528119	1.0902
	Transfer			20 May 2016	(114)	(0.0002)	528005	1.0900
	Transfer			27 May 2016	2114	0.0044	530119	1.0944
	Transfer			03 Jun 2016	(114)	(0.0002)	530005	1.0941
	Transfer			10 Jun 2016	(2000)	(0.0041)	528005	1.0900
	Transfer			24 Jun 2016	(200)	(0.0004)	527805	1.0896
	Transfer			30 Jun 2016	(1500)	(0.0031)	526305	1.0865
	Transfer			15 Jul 2016	(5000)	(0.0103)	521305	1.0762
	Transfer			22 Jul 2016	1000	0.0021	522305	1.0782
	Transfer			09 Sep 2016	450	0.0009	522755	1.0792
	Transfer			23 Sep 2016	(72)	(0.0001)	522683	1.0790
	Transfer			07 Oct 2016	(520)	(0.0011)	522163	1.0780
	Transfer			14 Oct 2016	(480)	(0.0010)	521683	1.0770
	Transfer			21 Oct 2016	2000	0.0041	523683	1.0811
	Transfer			04 Nov 2016	800	0.0017	524483	1.0827
	Transfer			11 Nov 2016	950	0.0020	525433	1.0847
	Transfer			25 Nov 2016	501	0.0010	525934	1.0857
	Transfer			02 Dec 2016	(2101)	(0.0043)	523833	1.0814
	Transfer			23 Dec 2016	560	0.0012	524393	1.0826
	Transfer			13 Jan 2017	(1000)	(0.0021)	523393	1.0805
	Transfer			27 Jan 2017	75	0.0002	523468	1.0806
	Transfer			03 Feb 2017	(1000)	(0.0021)	522468	1.0786
	Transfer			17 Feb 2017	(75)	(0.0002)	522393	1.0784
	Transfer			31 Mar 2017	(950)	(0.0020)	521443	1.0765
	AT THE END OF THE YEAR						521443	1.0765
5	CHARLES INDIA PVT. LTD.	274199	0.5661				274199	0.5661
	AT THE END OF THE YEAR						274199	0.5661



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

6	ANIL CHANDRABHAN AGRAWAL	266476	0.5501				266476	0.5501
	AT THE END OF THE YEAR						266476	0.5501
7	SHAREKHAN LIMITED	55094	0.1137				55094	0.1137
	Transfer			15 Apr 2016	16792	0.0374	71886	0.1484
	Transfer			22 Apr 2016	5000	0.0103	76886	0.1587
	Transfer			29 Apr 2016	(4999)	(0.103)	71887	0.1484
	Transfer			06 May 2016	1	0.0000	71888	0.1484
	Transfer			13 May 2016	20540	0.0424	92428	0.1908
	Transfer			20 May 2016	600	0.0012	93028	0.1920
	Transfer			27 May 2016	12800	0.0264	105828	0.2185
	Transfer			10 Jun 2016	3434	0.0071	109262	0.2256
	Transfer			17 Jun 2016	(3434)	(0.0071)	105828	0.2185
	Transfer			30 Jun 2016	10067	0.0208	115895	0.2393
	Transfer			01 Jul 2016	(10066)	(0.0208)	105829	0.2185
	Transfer			08 Jul 2016	1020	0.0021	106849	0.2206
	Transfer			15 Jul 2016	(1021)	(0.0021)	105828	0.2185
	Transfer			29 Jul 2016	(7899)	(0.0163)	97929	0.2022
	Transfer			26 Aug 2016	3799	0.0078	101728	0.2100
	Transfer			02 Sep 2016	(3799)	(0.0078)	97929	0.2022
	Transfer			09 Sep 2016	1	0.0000	97930	0.2022
	Transfer			16 Sep 2016	25	0.0001	97955	0.2022
	Transfer			30 Sep 2016	24142	0.0498	122097	0.2521
	Transfer			07 Oct 2016	(23304)	(0.0481)	98793	0.2039
	Transfer			14 Oct 2016	(1179)	(0.0024)	97614	0.2015
	Transfer			21 Oct 2016	390	0.0008	98004	0.2023
	Transfer			28 Oct 2016	(429)	(0.0009)	97575	0.2014
	Transfer			04 Nov 2016	5997	0.0124	103572	0.2138
	Transfer			11 Nov 2016	21500	0.0444	125072	0.2582
	Transfer			09 Dec 2016	(1940)	(0.0040)	123132	0.2542
	Transfer			16 Dec 2016	2140	0.0044	125272	0.2586
	Transfer			23 Dec 2016	9687	0.0200	134959	0.2786
	Transfer			06 Jan 2017	17019	0.0351	151978	0.3137
	Transfer			13 Jan 2017	(15909)	(0.0328)	136069	0.2809
	Transfer			20 Jan 2017	1240	0.0026	137309	0.2835
	Transfer			27 Jan 2017	5071	0.0105	142380	0.2939
	Transfer			10 Feb 2017	359	0.0007	142739	0.2947
	Transfer			17 Feb 2017	3812	0.0079	146551	0.3025
	Transfer			24 Feb 2017	(1052)	(0.0022)	145499	0.3044
	Transfer			03 Mar 2017	(2196)	(0.0045)	143303	0.2958
	Transfer			10 Mar 2017	26483	0.0547	169786	0.3505
	Transfer			17 Mar 2017	40000	0.0826	209786	0.4331
	Transfer			24 Mar 2017	5004	0.0103	214790	0.4434
	Transfer			31 Mar 2017	48796	0.1007	263586	0.5441
	AT THE END OF THE YEAR						263586	0.5441
8	MAHESH RAMDAS KANANI	226828	0.4683				226828	0.4683
	Transfer			10 Jun 2016	2	0.0000	226830	0.4683
	Transfer			30 Jun 2016	5000	0.0103	231830	0.4786
	Transfer			08 Jul 2016	1845	0.0038	233675	0.4824
	Transfer			29 Jul 2016	635	0.0013	234310	0.4837
	Transfer			02 Sep 2016	5000	0.0103	239310	0.4940
	Transfer			13 Jan 2017	(1000)	(0.0021)	238310	0.4920
	AT THE END OF THE YEAR						238310	0.4920



## PRADIP OVERSEAS LTD.

### DIRECTORS' REPORT (Contd....)

9	KARIA KAUSHIK BABULAL	223296	0.4610				223296	0.4610
	AT THE END OF THE YEAR						223296	0.4610
10	SHIBA PRASAD DASH	234863	0.4849				234863	0.4849
	Transfer			21 Oct 2016	(5000)	(0.0103)	229863	0.4745
	Transfer			17 Feb 2017	(5000)	(0.0103)	224863	0.4642
	Transfer			24 Feb 2017	(4000)	(0.0083)	220863	0.4559
	Transfer			03 Mar 2017	(5000)	(0.0103)	215863	0.4456
	AT THE END OF THE YEAR						215863	0.4456
11	JAGRUTI SATISH THAKKAR	196947	0.4066				196947	0.4066
	Transfer			01 Jul 2016	(196947)	(0.4066)	0	0.0000
	AT THE END OF THE YEAR						0	0.0000

- Note:
1. Paid up Share Capital of the Company (Face Value ₹ 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 Equity Capital of the Company at the end of the Year.

\* Reason for change in the Shareholding is due to transfer of Shares.

#### (v) Shareholding of Directors and Key Managerial Personnel:

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>A</b>	<b>DIRECTORS</b>				
1.	<b>Pradipkumar J. Karia</b>				
	At the beginning of the year	9013003	18.61	9013003	18.61
	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	NIL	NIL
	At the end of the year	9013003	18.61	9013003	18.61
2.	<b>Chetan J. Karia</b>				
	At the beginning of the year	9012976	18.61	9012976	18.61
	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	NIL	NIL
	At the end of the year	9012976	18.61	9012976	18.61
3	<b>Vishal R. Karia</b>				
	At the beginning of the year	4286340	8.85	4286340	8.85
	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	NIL	NIL
	At the end of the year	4286340	8.85	4286340	8.85
4	<b>Jivansingh Negi</b>				
	At the beginning of the year	68206	0.14	68206	0.14
	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	NIL	NIL
	At the end of the year	68206	0.14	68206	0.14
5	<b>Parulben S. Thakore</b>				
	At the beginning of the year	54356	0.11	54356	0.11
	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	NIL	NIL
	At the end of the year	54356	0.11	54356	0.11
<b>B</b>	<b>KEY MANAGERIAL PERSONAL</b>				
1	<b>Kaushik Kapadia</b>				
	At the beginning of the year	114	0.00	114	0.00
	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	NIL	NIL
	At the end of the year	114	0.00	114	0.00

\* There is no change in the total shareholding of Promoters and Key Managerial Personnel



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

**V Indebtedness :**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>				
(i) Principal Amount	14,087,237,803	3,34,728,753	-	14,421,966,556
(ii) Interest due but not Paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	14,08,723,7803	3,34,728,753	-	14,42,1966,556
<b>Change in Indebtedness during the financial year</b>				
• Addition	38,977,213	-	-	3,89,77,213
• Reduction	-	(3,34,728,753)	-	(3,34,728,753)
<b>Net Change</b>	38,97,7213	(3,34,728,753)	-	(2,95,751,540)
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	14,126,215,016	-	-	14,126,215,016
(ii) Interest due but not Paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	14,126,215,016	-	-	14,126,215,016

**VI Remuneration to Directors & Key Managerial Personnel**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. 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)	
1.	Gross salary	24,00,000	16,50,000	9,00,000	49,50,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(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
	<b>Total (A)</b>	<b>24,00,000</b>	<b>16,50,000</b>	<b>9,00,000</b>	<b>49,50,000</b>
	Ceiling as per the Act	<b>60,00,000</b>	<b>60,00,000</b>	<b>60,00,000</b>	

**B. Remuneration to Independent Directors :-**

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Jivansingh Negi	Mr. Gurpur 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
	<b>Total (A)</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>1,80,000</b>

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

Sr. 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	360,000	3,60,000
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	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.

**VII. 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.	<b>COMPANY</b> Penalty Punishment Compounding			NIL		
B.	<b>DIRECTORS</b> Penalty Punishment Compounding			NIL		
C.	<b>OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			NIL		

For and on behalf of the Board of Directors  
Pradip Overseas Limited

Sd/-  
Pradeepkumar J. Karia  
Managing Director  
DIN: 00123748

Sd/-  
Vishal Karia  
Whole Time Director  
DIN: 00514884

Date : 30th May, 2017  
Place : Ahmedabad

**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 2016-17.

Sr. No.	Name of each Director	Ratio of remuneration of Director to median remuneration of employees
		2016-17
1.	Mr. Pradipkumar J. Karia	7.77:1
2.	Mr. Chetan J. Karia	5.34:1
3.	Mr. Vishal R. Karia	2.91:1

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 2016-17 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 31<sup>st</sup> March, 2017 were 134.  
 5. 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.

6. 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 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	2016-17	2015-16
(A)	<b>Electricity</b>		
(1)	<b>Purchase</b>		
	Unit Nos.	9213240	10013560
	Total Amt. (₹ in Lacs)	688.27	774.90
	Rate Per Unit (₹)	7.47	7.74



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

<b>(2) Own Generation</b>			
Through Diesel Generation Set		62995	64133
Unit Per Liter of Diesel Oil		3.75	3.77
Cost Per Unit (₹)		13.37	13.42

**(B) Consumption of Electricity in unit for Per Unit of Production** 0.15 0.17

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

(₹ in Lacs)

**2016-17**

- a) Earnings 220.21
- b) Outgo 24.78



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

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2017**

*[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 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017 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, 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. 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. During the period under review, no changes took place in the



## PRADIP OVERSEAS LTD.

### DIRECTORS' REPORT (Contd....)

composition of the Board of Directors and existing composition of the Board of Directors is in compliance with the provisions of the Act.

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

**Place: Ahmedabad**

**Date: 30-05-2017**

**For, Ashish Shah & Associates**

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

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.

**Place: Ahmedabad**

**Date: 30-05-2017**

**For, Ashish Shah & Associates**

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



## **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**

Transparency and accountability are the two basic tenets of Corporate Governance. To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people, and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be pursued in the forthcoming years.

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe. 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. THE BOARD OF DIRECTORS:**

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Management Committee of the Company is headed by the Managing Director and Chief Executive Officer and has business /functional heads as its members, which look after the management of the day-to-day affairs of the Company.

**• Composition**

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 & 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 31<sup>st</sup> March, 2017.**

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

**B. Number of Board Meetings:**

As per the Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and refer to the Section 173 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 the Board of Directors meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business.

The notices of Board/Committee meetings are circulated well in advance to all the directors and to ensure meaningful participation in the meetings. The Agenda of Board/Committee meeting is prepared by the Company Secretary in consultation with Chairman and Managing Director and the Chief Financial Officer of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per the guidelines in the Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met five times during the financial year 2016-17. The meetings were held on 30<sup>th</sup> May, 2016, 9<sup>th</sup> June, 2016, 10<sup>th</sup> August, 2016, 10<sup>th</sup> November, 2016 and 13<sup>th</sup> February, 2017. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

**CORPORATE GOVERNANCE REPORT (Contd....)****C. Directors' attendance record and details of Directorships/Committee Positions held:**

As mandated by Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 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 31<sup>st</sup> March, 2017 are given below:

Sr. No.	Name of Directors	Category	Number of Board Meetings held during Financial Year 2016-17	Number of Board Meetings attended during Financial Year 2016-17	Whether attended last AGM	Number Directors hip 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	Yes	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.

**E. Details of Equity Shares held by the Non-Executive Directors:**

Details of Equity Shares held by Non-Executive Directors as on March 31st, 2017

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 for Board members comprises the following.

- Induction program for New Independent Directors
- Immersion session on business and functional issues
- Business Strategy Planning

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. The induction program is an exhaustive one that covers the history and culture, background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.



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

The independent director are also inducted through the factory and market visits to understand the operations and business of the Company and also know cut throat competition of the market.

In the Board meetings, immersion sessions deal with different parts of the business and bring out all facets of the business besides the shape of the business. These immersion sessions provide a good understanding of the business to the Independent Directors.

In the Business Strategy Meeting held by the Company during February, 2017 which continues half hour, the Independent Directors were familiarized with the strategy, operations, performance of the Company for the financial year 2016-17. The Independent directors were shared their experience and give idea for the better progress of the Company and also prepared the strategy to overcome with current situations of the Company for the bright future.

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 2016-17, 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](http://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 13th February, 2017 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 the Meetings of Independent Directors:

<b>Name of the Directors</b>	<b>Number of Meeting Held</b>	<b>Number of Meeting attended</b>
Mr. Ramdas Gurpur Kamath	1	1
Mr. Jivansingh Negi	1	1
Ms. Parulben 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](http://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. Committees of Board:-**

The Company has constituted four committees as mention below.

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholder Relationship Committee
- D. Risk Management Committee



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

The recommendations of the above mentioned committees are submitted to the entire board for approval and for the part of good corporate governance. The decisions taken on the meetings of the committees are recorded into the Committees Minutes and the minutes of the meeting of Committees are placed before the Board.

### **A. AUDIT COMMITTEE:**

As on 31st March, 2017, the Audit Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations.

During the Financial Year 2016-17, the Audit Committee met five times on 29.05.2016, 09.06.2016, 10.08.2016, 10.11.2016, and 13.02.2017. The time gap between any two meetings was less than 120 days.

<b>Name</b>	<b>Designation</b>	<b>Nature Of Directorship</b>
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 the Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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;

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

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;
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 29-05-2016, 09-06-2016, 10-08-2016, 10-11-2016 and 13-02-2017.

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

**B. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination & Remuneration Committee comprises of the members as stated below and the Committee meets for one time in the year i.e. on 13-02-2017 and attendance of the Members in the said meeting is stated in the below table.

Name of Members	Designation	Nature of Directorship	Attendance
Mr. Jivansingh Negi	Chairman	Independent & Non Executive Director	Yes
Mr. Gurbur Ramdas Kamath	Member	Independent & Non Executive Director	Yes
Ms. Parurlben S. Thakore	Member	Independent & Non Executive Director	Yes

In accordance with Section 178 of the Companies Act, 2013 and Regulations 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the role of the Nomination and Remuneration Committee of the Company is as under:

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

- 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 recommend to the Board their appointment and/or removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the Report of Performance evaluation of Independent Directors.

The Nomination and Remuneration Committee coordinates and oversees the annual self-evaluation of the Board and of individual directors. It also reviews the performance of all the executive directors and non-executive directors on a periodic basis or at such intervals as may be necessary on the basis of the detailed performance parameters set for each directors by the Nomination and Remuneration Committee. The nomination and remuneration committee may also regularly evaluate the usefulness of such performance parameters, and make necessary amendments.

The details of remuneration paid to executive directors and sitting fees paid to non-executive directors for the financial year ended 31st March, 2017 are provided hereinafter:

**Remuneration of Directors:****(₹ in lacs)**

Sr. No.	Name	Salary	Perquisites/ Allowances	Sitting fees	Commission/ Bonus	Total
1	Mr. Pradip J. Karia	24.00	0.00	0.00	0.00	24.00
2	Mr. Chetan J. Karia	16.50	0.00	0.00	0.00	16.50
3	MR. Vishal R. Karia	09.00	0.00	0.00	0.00	09.00
	<b>Total</b>	<b>49.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>49.50</b>

**Remuneration paid to Non-Executive Directors for the financial year 2016-17:****(₹ in lacs)**

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

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

As on 31<sup>st</sup> March, 2017 the Stakeholders Relationship Committee consists of Members as stated below.

During the Financial Year 2016-17 the Committee met five times on 30-05-2016, 10-08-2016, 10-11-2016, 13-02-2017 and 21-03-2017.

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 Gurpur Kamath	Member	Independent & Non Executive Director	5	4
Ms. Parurlben S. Thakore	Member	Independent & Non Executive Director	5	5
Mr. Pradip J. Karia	Member	Executive Director	5	5

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

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.
- Oversees the performance of Registrar and share transfer agents, and recommends measures for overall improvement in the quality of investor services.
- Reviews the Company's attention to the environmental, health and safety interests of stakeholders.

- **Compliance Officer:**

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

- **Status of Shareholders'/ Investors' Complaints for the period from 01st April, 2016 to 31st March, 2017.**

Nature of Complaints	No. of Complaints received	No. of Complaints resolved	No. of pending Complaint/s
Copy of Annual Report	09	09	-

**D. RISK MANAGEMENT COMMITTEE:**

As on 31st March, 2017 the Risk Management Committee consists of Members as stated below.

Risk Management committee comprises of the following members:

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 Gurple Kamath	Member	Independent & Non Executive Director	1	0
Ms. Parurlben 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 Systems and Framework.
- 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.

**CORPORATE GOVERNANCE REPORT (Contd....)****4. 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 work freely 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

**5. 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, 2014	12:30 a.m.	104,105,106, Chacharwadi, Vasna, Opp. Zydu Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad- 382 213.
30th September, 2015	12:00 noon	104,105,106, Chacharwadi, Vasna, Opp. Zydu Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad- 382 213.
30th September, 2016	12:00 noon	104,105,106, Chacharwadi, Vasna, Opp. Zydu Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad- 382 213.

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

(a) 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.
- 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 94 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.

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

(c) No special resolution was passed in the Annual General Meeting for the financial year 2015-16.



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

**6. 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of disclosure of Audited Financial Results of the Company for quarter ended 31<sup>st</sup> March, 2016 and the penalty of ₹ 57,500 & ₹ 50,000 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 : NIL**

**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](http://www.pradipoverseas.com).

**11. GENERAL SHAREHOLDERS INFORMATION:**

**i) Annual General Meeting:**

- Date : 29th September, 2017
- Time : 12.00 noon
- Venue : 104,105,106, Chacharwadi, Vasna, Opp. Zydus Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382213.

**CORPORATE GOVERNANCE REPORT (Contd....)****ii) Financial Calendar:**

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

**iii) Book Closure:**

The Register of Members and Share Transfer Register will remain closed from 22<sup>nd</sup> September, 2017 to 29<sup>th</sup> September, 2017 for the purpose of deciding name of the Shareholders of the Company..

**iv) Dividend Payment Date: Nil****v) 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

**vi) Stock code: BSE – 533178**

**NSE: PRADIP**

**vii) STOCK MARKET DATA**

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

Financial Year– 2016-17	Bombay Stock Exchange		National Stock Exchange	
	Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
April-16	1.63	1.31	1.50	1.30
May-16	1.73	1.35	1.55	1.40
June-16	1.50	1.30	1.50	1.30
July- 16	1.79	1.32	1.60	1.20
August-16	1.60	1.19	1.55	1.45
September-16	2.06	1.19	1.70	1.40
October-16	2.37	1.71	2.35	1.65
November-16	2.40	1.46	2.75	1.85
December-16	2.16	1.41	2.35	1.45
January-17	2.64	1.75	2.75	1.65
February-17	3.43	1.84	3.35	1.75
March-17	2.76	2.10	3.05	2.50

**viii) 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-101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.

**ix) 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....)****x) Distribution of shareholding as at 31st March, 2017.**

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of Shares held	% Share holding
1-500	11522	78.66	1487883	3.07
501-1000	1158	7.91	918899	1.90
1001-2000	779	5.32	1178469	2.43
2001-3000	330	2.25	843794	1.74
3001-4000	138	0.94	497110	1.03
4001-5000	158	1.08	749596	1.55
5001-10000	277	1.89	2053071	4.24
10001 and above	285	1.94	40711361	84.04
<b>Total</b>	<b>14647</b>	<b>100.00</b>	<b>48440183</b>	<b>100.00</b>

**xi) 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).

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

104,105,106, Chacharwadi, Vasna, Opp. ZyduS Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382213.

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

A/601, Narayan Complex, Near Swastik Char Rasta, Navrangpura Ahmedabad- 380009

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

C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.

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

104,105,106, Chacharwadi, 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 30th May, 2017.

**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, 2017, 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.



**PRADIP OVERSEAS LTD.**

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

**CERTIFICATION BY CEO/CFO UNDER REGULATION 17(8) OF SEBI LISTING 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 yearended 31st March, 2017 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 rectify 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 : 30<sup>th</sup> May, 2017

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**DECLARATION BY THE MANAGING DIRECTOR OF REGULATION 34(3) PART D  
OF THE SEBI LISTING 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, 2017.

For Pradip Overseas Limited

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

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017



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

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE**

**Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

**The Members**

**PRADIP OVERSEAS LIMITED**

1. Based on the engagement by the management of Pradip Overseas Limited ('the Company'), we have examined details of compliance of conditions of Corporate Governance by the Company for the year ended 31st March, 2017 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchange.

**Management's Responsibility for compliance with the conditions of Listing Regulations**

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

**Auditors' Responsibility**

3. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31<sup>st</sup> March, 2017.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

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

**Restriction on use**

9. The certificate is addressed and provided to the members of the Company solely for the purpose of compliance with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

**(CA Ashok Dhariwal)**  
Partner  
Membership No. 36452

Place : Ahmedabad  
Date : 30/05/2017



## **INDEPENDENT AUDITOR'S 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 31<sup>st</sup> March, 2017, 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.

### **Auditor's 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 ₹ 69.84 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 31<sup>st</sup> March, 2017, 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 to the financial statements in respect of failure of approved CDR package.
- b) Note no. 3.1.2 to the financial statements in respect of assignment of debts of some of the banks to Invent Assets Securitisation & Reconstruction Pvt. Ltd. ("Invent") and One Time Settlement with Invent for the repayment of debts of three banks.
- c) Note no. 3.1.3 to the financial statements in respect of preparation of financial statements on going concern.
- d) Note no. 26 to the financial statements in respect of the following :



**INDEPENDENT AUDITOR'S REPORT (Contd...)**

- i. Repeal of Sick Industries Companies (Special Provisions) Act, 1985 & dissolution of proceedings filed by company before BIFR ;
- ii. Notices received by the Company under Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. 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.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. 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.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. 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.
  - e. 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.
  - f. On the basis of written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - h. 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.
  - i. 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 :
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 16 to the Financial Statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in note 33 to these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Based on our audit procedures and relying on the management regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

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

Place : Ahmedabad  
Date : 30/05/2017

**ANNEXURE “A” TO INDEPENDENT AUDITOR’S 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 (Property, Plant & Equipment) :
- The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets (Property, Plant & Equipment).
  - As explained to us, all the fixed assets (Property, Plant & Equipment) 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.
  - 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 immovable 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:
- 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, 2017 for a period of more than six months from the date they became payable.
  - 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) According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of loans or borrowings to banks as at the balance sheet date. Details of which are as below:

(₹ in Cr.)

Bank Name	Amount of Default as on 31/03/2017*	Default From
Bank of India	128.49	February, 2012
Canara Bank	309.61	February, 2012
Indian Overseas Bank	137.33	August, 2013
Standard Chartered Bank	71.78	March, 2013
State Bank of Patiala	68.87	May, 2012
Laxmi Vilas Bank	20.85	October, 2012

\*The above table does not include the interest which bank has not provided after the account has been classified as Non Performing Assets and the amount which has been assigned /settled by the bankers.



## PRADIP OVERSEAS LTD.

### ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (Contd...)

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 : 30/05/2017



**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, 2017, 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”).

**Auditor’s 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 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, 2017, 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 : 30/05/2017

**PRADIP OVERSEAS LTD.****BALANCE SHEET AS AT MARCH 31, 2017**

₹ in Lacs

PARTICULARS	NOTES	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	8,742.02	8,742.02
Reserves and surplus	2	(91,334.42)	(71,541.13)
<b>Non-current liabilities</b>			
Long-term borrowings	3	1,20,866.64	1,08,497.07
Long-term provisions	5	31.35	47.06
<b>Current liabilities</b>			
Short-term borrowings	6	20,109.35	25,531.63
Trade payables	7	2,835.87	3,222.36
Other current liabilities	8	492.67	11,064.16
Short-term provisions	9	63.36	37.23
<b>TOTAL</b>		<b>61,806.84</b>	<b>85,600.40</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets (Property, Plant & Equipment)			
Tangible assets	10	11,776.53	12,454.56
Intangible assets	10	21.91	12.85
Capital Work-in-Progress	10	-	761.79
Deferred tax assets (net)	4	27,080.54	18,977.43
Long-term loans and advances	11	1,344.85	1,687.54
<b>Current assets</b>			
Inventories	12	5,904.12	11,771.49
Trade receivables	13	15,232.27	39,359.51
Cash and bank balances	14	161.19	125.74
Short-term loans and advances	15	285.43	449.49
<b>Total</b>		<b>61,806.84</b>	<b>85,600.40</b>

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 : May 30, 2017

**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, 2017**

₹ in Lacs

PARTICULARS	NOTES	2016-17	2015-16
<b>I. INCOME</b>			
Revenue from operations (gross)	17	16,064.91	23,770.84
Less : Excise duty		(81.01)	(2.70)
Revenue from operations (net)		15,983.90	23,768.14
Other income	18	367.51	1,667.86
<b>Total (I)</b>		<b>16,351.41</b>	<b>25,436.00</b>
<b>II. EXPENDITURE</b>			
Cost of materials consumed / sold	19	6,486.91	24,917.20
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	1,240.19	5,050.68
Employee benefit expenses	21	473.08	432.78
Finance costs	22	841.23	1,001.00
Depreciation and amortization expense	23	970.46	853.97
Other expenses	24	33,964.67	34,190.38
<b>Total (II)</b>		<b>43,976.54</b>	<b>66,446.01</b>
<b>III. Profit / (Loss) before exceptional items, prior period items and Tax (I-II)</b>		<b>(27,625.13)</b>	<b>(41,010.01)</b>
<b>IV. Add / (Less) : Exceptional items</b>	-	-	-
<b>V. Profit / (Loss) before prior period items and Tax</b>		(27,625.13)	(41,010.01)
<b>VI. Add / (Less) : Prior period items</b>	25	(271.27)	-
<b>VII. Profit for the year before taxation</b>		<b>(27,896.40)</b>	<b>(41,010.01)</b>
<b>VIII. Tax Expense:</b>			
Current tax		-	-
Deferred tax		(8,103.11)	(12,755.02)
Short/(Excess) Provision for taxation for earlier years		-	(157.38)
<b>Total Tax Expenses</b>		<b>(8,103.11)</b>	<b>(12,912.40)</b>
<b>Profit/ (Loss) for the year</b>		<b>(19,793.29)</b>	<b>(28,097.61)</b>
Earnings Per Equity Share			
Basic and Diluted (₹)	29	(40.86)	(58.00)
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 : May 30, 2017**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 MARCH 31, 2017**

₹ in Lacs

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before tax		(27,896.40)		(41,010.01)
<u>Non-cash adjustment to reconcile profit before tax to net cash flows</u>				
Depreciation/ amortisation on continuing operation	970.46		853.97	
Interest income	(253.58)		(13.43)	
Finance charges	841.23		1,001.00	
Sundry Balances Written off	761.79		-	
Profit on sale of fixed assets (Property, Plant & Equipment)	-		(1,306.74)	
Provision for doubtful debts	-	2,319.90	25,237.81	25,772.61
Operating profit / (loss) before working capital changes		(25,576.50)		(15,237.40)
<b>Movements in working capital:</b>				
Decrease / (increase) in Trade and other receivables	24,127.24		2,178.62	
Decrease / (increase) in Inventories	5,867.37		25,811.75	
Increase / (decrease) in Trade and other payables	(386.50)		(7,603.22)	
Increase / (decrease) in Other current liabilities	(10,571.49)		8,703.78	
Increase / (decrease) in Long-term provisions	(15.70)		(11.02)	
Increase / (decrease) in Short-term provisions	26.12	19,047.04	(4.57)	29,075.34
Cash generated from / (used in) operations		(6,529.46)		13,837.94
Direct taxes paid (net of refunds)		(0.57)		157.38
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(6,530.03)</b>		<b>13,995.32</b>
<b>B. Cash flow from investing activities</b>				
Interest received	253.58		13.43	
Movement in Short term loans & advances	164.05		(29.34)	
Movement in Long term loans & advances	343.26		565.13	
Purchase of fixed assets (Property, Plant & Equipment) & capital work-in-progress	(301.49)		(762.02)	
Sale of fixed assets (Property, Plant & Equipment)	-		1,551.00	
Sale of trade investments	-		45.67	
Movement in bank deposits not considered as cash and cash equivalents	2.23		10.32	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>461.63</b>		<b>1,394.19</b>
<b>C. Cash flow from financing activities</b>				
Finance charges	(841.23)		(1,001.00)	
Proceeds / (Repayment) of Long term borrowings	12,369.58		2,251.29	
Proceeds / (Repayment) of Short term borrowings	(5,422.27)		(16,627.14)	
Margin money deposits	-		15.00	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>6,106.08</b>		<b>(15,361.85)</b>
<b>D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>37.68</b>		<b>27.66</b>
<b>E. Cash and cash equivalents at the beginning of the year (refer note 14)</b>		<b>103.88</b>		<b>76.22</b>
<b>Cash and cash equivalents at the end of the year (D+E)</b>		<b>141.56</b>		<b>103.88</b>
Add : Bank balances not considered as Cash & Cash equivalents		19.63		21.86
<b>Closing Cash &amp; bank balances as per note 14</b>		<b>161.19</b>		<b>125.74</b>

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 : May 30, 2017

**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



## **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 (PROPERTY, PLANT & EQUIPMENT)/INTANGIBLE ASSETS & DEPRECIATION**

- a. Fixed assets (Property, Plant & Equipment) 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 (Property, Plant & Equipment) 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 patter, 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 (Property, Plant & Equipment), 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



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

at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial 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.



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

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.

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 (PROPERTY, PLANT & EQUIPMENT)**

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.

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017**

₹ in Lacs

**1. SHARE CAPITAL**

Particulars	As at March 31, 2017		As at March 31, 2016	
<b>Authorised Share Capital</b>				
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
<b>Issued, Subscribed and fully paid up</b>				
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 (100) each fully paid up		3,898.00		3,898.00
<b>Total</b>		<b>8,742.02</b>		<b>8,742.02</b>

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
Equity Shares at the beginning of the year	4,84,40,183	4,844.02	4,84,40,183	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	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>4,84,40,183</b>	<b>4,844.02</b>	<b>4,84,40,183</b>	<b>4,844.02</b>

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	₹	Nos.	₹
Preference Shares at the beginning of the year	38,98,000	3,898.00	38,98,000	3,898.00
Add : Shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>38,98,000</b>	<b>3,898.00</b>	<b>38,98,000</b>	<b>3,898.00</b>

**(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 shareholders.

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, 2017 (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, 2017	As at March 31, 2016
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	-	-
<b>TOTAL</b>	-	-

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

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Nos.	% holding	Nos.	% holding
Mr. Pradipkumar J. Karia	90,13,003	18.61%	90,13,003	18.61%
Mr. Chetankumar J. Karia	90,12,976	18.61%	90,12,976	18.61%
Mr. Vishal R. Karia	42,86,340	8.85%	42,86,340	8.85%
Pradip Petrofils Private Limited	29,33,043	6.05%	27,37,396	5.65%

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

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Nos.	% holding	Nos.	% holding
Pradip Petrofils Private Limited	38,98,000	100.00%	-	-
Mr. Vishal R. Karia	-	-	10,50,000	26.94%
Mr. Pritesh Karia	-	-	7,50,000	19.24%
Mr. Ramesh Karia	-	-	6,50,000	16.68%
Mr. Bakul Karia	-	-	2,50,000	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 31,2017		As at March 31,2016	
<b>SECURITY PREMIUM</b>				
As per last Balance Sheet		8,917.39		8,917.39
<b>CAPITAL RESERVE</b>				
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
<b>SURPLUS IN PROFIT &amp; LOSS</b>				
As per last Balance Sheet	(83,115.66)		(55,018.05)	
Add : Profit / (loss) for the year	(19,793.29)	(1,02,908.95)	(28,097.61)	(83,115.66)
<b>Total</b>		<b>(91,334.42)</b>		<b>(71,541.13)</b>

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)**

₹ in Lacs				
Particulars	As at March 31,2017		As at March 31,2016	
	Non Current	Current	Non Current	Current
<b>SECURED</b>				
Term loans from banks (refer note 3.1)	53,583.61	-	49,901.30	9,916.00
Vehicle loan from Financial Institutions	32.61	11.16	43.41	9.97
Invent Assets Securitization & Reconstruction Pvt. Ltd. (refer note 3.1)	67,250.42	275.00	55,205.07	265.00
<b>UNSECURED</b>				
Loans from directors	-	-	3,347.29	-
<b>Total</b>	<b>1,20,866.64</b>	<b>286.16</b>	<b>1,08,497.07</b>	<b>10,190.97</b>

**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) have sold their stake to Invent Assets Securitization & Reconstruction Pvt. Ltd. ("Invent") - the designated "Asset Reconstruction Company" (ARC). The company has entered into settlement agreement on 29<sup>th</sup> July, 2016 for the repayment of the debts of the said bank to Invent. In terms of the settlement agreement, if all the terms and conditions are fully complied by the company upto February 2021, there will be reduction in debt, as per books of accounts of the company, by Rs. 347.45 Cr.

During the year, Union Bank of India and Punjab National Bank have assigned their debts to Invent Assets Securitization & Reconstruction Pvt. Ltd. ("Invent"). In 2017-18, the company plans to approach Invent for One Time Settlement of the said dues.

**Steps taken by Management:****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,

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)**

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.

**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 Bhamsara & is making effort to tie-up with reputed developer to take up the development work at the proposed park. The company is hopeful for One Time Settlement (OTS) of its outstanding debt of Union Bank of India and Punjab National Bank (assigned to Invent) by March, 2018. 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 01.04.2016	Arising during the year	Balance as on 31.03.2017
<b>A. Deferred Tax Liabilities</b>			
Fixed Assets (Property, Plant & Equipment) : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	1,074.13	95.54	1,169.67
<b>Gross Deferred Tax Liabilities</b>	1,074.13	95.54	1,169.67
<b>B. Deferred Tax Assets</b>			
Disallowances u/s. 43B of the Income Tax (IT) Act	17.34	(3.32)	14.02
Unabsorbed depreciation	1,679.20	395.41	2,074.61
Unabsorbed business loss	18,355.03	7,806.56	26,161.59
<b>Gross Deferred Tax Assets</b>	20,051.57	8,198.65	28,250.22
<b>NET DEFERRED TAX LIABILITIES / (ASSETS)</b>	<b>(18,977.43)</b>	<b>(8,103.11)</b>	<b>(27,080.54)</b>

**5. LONG TERM PROVISIONS**

₹ in Lacs

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits :		
Provision for gratuity (refer note 21.1)	31.35	47.06
<b>Total</b>	<b>31.35</b>	<b>47.06</b>

**6. SHORT-TERM BORROWINGS**

₹ in Lacs

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Secured Borrowings</b>		
Working capital loans from banks (refer note 3.1)	20,109.35	25,531.63
<b>Total</b>	<b>20,109.35</b>	<b>25,531.63</b>

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)****7. TRADE PAYABLES** **₹ in Lacs**

Particulars	As at March 31, 2017	As at March 31, 2016
Micro, Small and Medium Enterprises	23.88	28.11
Others	2,811.99	3,194.25
<b>Total</b>	<b>2,835.87</b>	<b>3,222.36</b>

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

Particulars	31.03.2017	31.03.2016
Principal amount due and remaining unpaid	23.88	28.11
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, 2017	As at March 31, 2016
Current maturities of long-term debt (refer note 3.1)	286.16	10,190.97
Unclaimed dividends	1.12	1.12
Creditors for capital expenditure	55.81	762.82
Other payables (refer note 8.1)	149.58	109.25
<b>Total</b>	<b>492.67</b>	<b>11,064.16</b>

**8.1** Other Payables include the statutory dues and advance from customers.**9. SHORT TERM PROVISIONS** **₹ in Lacs**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Provisions for Employee Benefits</b>		
Provision for salary & reimbursements	39.64	22.29
Provision for gratuity (refer note 21.1)	14.01	9.06
Provision for leave encashment	2.78	1.61
Provision for bonus	6.93	3.70
<b>Others</b>		
Provision for expenses	-	0.57
<b>Total</b>	<b>63.36</b>	<b>37.23</b>



**PRADIP OVERSEAS LTD.**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)**

**10 FIXED ASSETS (PROPERTY, PLANT & EQUIPMENT)**

₹ in Lacs

Sr. No.	Particulars	Gross Block					Depreciation / Amortisation				Net Block	
		As at 01-04-16	Additions during the Year	Reversal of Revaluation Reserve	Deductions/ Adjustments during the Year	As at 31-03-2017	As at 01-04-16	For the year	Adjustments during the Year	As at 31-03-2017	As at 31-03-2016	As at 31-03-2017
<b>A</b>	<b>Tangible Assets</b>											
1	Land - Freehold	668.12	-	-	-	668.12	-	-	-	-	668.12	668.12
2	Land - Leasehold	-	-	-	-	-	-	-	-	-	-	-
3	Factory Building	2,522.89	53.00	-	-	2,575.89	784.14	76.69	-	860.83	1,738.75	1,715.06
4	Office Building	42.13	-	-	-	42.13	12.09	1.57	-	13.66	30.04	28.47
5	Plant & Machinery	15,367.53	228.64	-	-	15,596.17	5,539.60	844.14	-	6,383.74	9,827.93	9,212.43
6	Computer System	53.96	1.87	-	-	55.83	52.26	1.29	-	53.54	1.71	2.29
7	Office Equipments	112.46	0.55	-	-	113.01	94.16	6.64	-	100.80	18.30	12.22
8	Electrical Installation	226.35	5.55	-	-	231.89	203.72	4.73	-	208.45	22.63	23.44
9	Furniture & Fittings	186.14	-	-	-	186.14	130.72	13.43	-	144.15	55.42	41.99
10	Vehicles	237.05	0.44	-	-	237.50	147.29	19.31	-	166.60	89.76	70.90
11	Laboratory Equipment	14.47	-	-	-	14.47	12.56	0.29	-	12.85	1.91	1.62
12	Shop	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (A)</b>	<b>19,431.11</b>	<b>290.05</b>	<b>-</b>	<b>-</b>	<b>19,721.15</b>	<b>6,976.54</b>	<b>968.08</b>	<b>-</b>	<b>7,944.62</b>	<b>12,454.56</b>	<b>11,776.53</b>
<b>B</b>	<b>Intangible Assets</b>											
1	Computer Software	27.86	11.44	-	-	39.29	15.21	2.32	-	17.53	12.64	21.76
2	Trade Mark	3.32	-	-	-	3.32	3.11	0.06	-	3.17	0.21	0.15
	<b>Total (B)</b>	<b>31.18</b>	<b>11.44</b>	<b>-</b>	<b>-</b>	<b>42.62</b>	<b>18.33</b>	<b>2.38</b>	<b>-</b>	<b>20.71</b>	<b>12.85</b>	<b>21.91</b>
	<b>Grand Total (A + B)</b>	<b>19,462.28</b>	<b>301.49</b>	<b>-</b>	<b>-</b>	<b>19,763.77</b>	<b>6,994.87</b>	<b>970.46</b>	<b>-</b>	<b>7,965.33</b>	<b>12,467.42</b>	<b>11,798.44</b>
	<b>Previous Year</b>	<b>14,385.13</b>	<b>5,321.42</b>	<b>-</b>	<b>244.26</b>	<b>19,462.28</b>	<b>6,140.89</b>	<b>853.97</b>	<b>-</b>	<b>6,994.87</b>	<b>8,244.24</b>	<b>12,467.42</b>
<b>C</b>	<b>Capital Work-in-Progress</b>										<b>761.79</b>	<b>-</b>

**11. LONG TERM LOANS AND ADVANCES**

₹ in Lacs

Particulars	As at March 31, 2017	As at March 31, 2016
(Unsecured, considered good)		
Capital advances	582.76	879.81
Deposits with others	139.47	139.47
Balance with Income Tax authorities	612.53	611.96
Other loans and advances	10.09	56.30
<b>Total</b>	<b>1,344.85</b>	<b>1,687.54</b>



## PRADIP OVERSEAS LTD.

### NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)

12. INVENTORIES		₹ in Lacs	
Particulars	As at March 31, 2017	As at March 31, 2016	
Raw materials	150.23	4,716.73	
Work-in-progress	26.34	612.77	
Finished goods	173.49	1,098.53	
Stores, chemicals and packing materials	317.26	377.94	
Stock-in-trade : Land	5,236.80	4,965.52	
<b>Total</b>	<b>5,904.12</b>	<b>11,771.49</b>	

13. TRADE RECEIVABLES		₹ in Lacs	
Particulars	As at March 31, 2017	As at March 31, 2016	
<b>Receivables outstanding for a period exceeding six months from the date they are due for payment</b>			
Unsecured, considered good	10,415.05	57,490.87	
Less : Provision for doubtful debts	-	25,237.81	32,253.06
<b>Receivables outstanding for a period less than six months from the date they are due for payment</b>			
Unsecured, considered good	4,817.22		7,106.45
<b>Total</b>	<b>15,232.27</b>		<b>39,359.51</b>

14. CASH AND BANK BALANCES		₹ in Lacs	
Particulars	As at March 31, 2017	As at March 31, 2016	
<b>Cash and cash equivalents</b>			
Balances with banks :			
- in current accounts	127.63	99.08	
- in deposits with original maturity less than three months	-	-	
Cash on hand	13.93	4.80	
<b>Total (A)</b>	<b>141.56</b>	<b>103.88</b>	
<b>Other bank balances</b>			
- Deposits with original maturity of more than twelve months (including deposits of ₹ 15 Lakhs held as lien)	18.51	20.74	
- In unclaimed dividends accounts	1.12	1.12	
<b>Total (B)</b>	<b>19.63</b>	<b>21.86</b>	
<b>Total (A + B)</b>	<b>161.19</b>	<b>125.74</b>	

15. SHORT-TERM LOANS AND ADVANCES		₹ in Lacs	
Particulars	As at March 31, 2017	As at March 31, 2016	
(Unsecured, considered good)			
Staff advance	12.07	31.76	
Prepaid expenses	5.46	4.34	
Trade advances	100.00	100.00	
Advances recoverable in cash or in kind	79.92	194.34	
Balance with Customs, Central Excise authorities	87.98	119.05	
<b>Total</b>	<b>285.43</b>	<b>449.49</b>	

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)****16. CONTINGENT LIABILITIES AND COMMITMENTS**

₹ in Lacs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Bank guarantee	15.00	15.00
Export obligation pending against advance license	44.94	42.62
<b>Total</b>	<b>59.94</b>	<b>57.62</b>

**16.1 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 Neogiable 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.

**C. Application for Recovery of Debts filed by Indian Overseas Bank in DRT, Ahmedabad**

Indian Overseas Bank has filed an original application no. 136/2017 in Debt Recovery Tribunal, Ahmedabad for recovery of its dues of ₹ 169.90 Cr. The same is pending for hearing in DRT, Ahmedabad.

**D. Application for Recovery of Debts filed by Canara Bank in DRT, Ahmedabad**

Canara Bank has filed an original application no. 165/2017 in Debt Recovery Tribunal, Ahmedabad for recovery of its dues. The same is pending for hearing in DRT, Ahmedabad. The copy of the original application is awaited, hence the amount of claim is not known.

*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.*

**17. REVENUE FROM OPERATIONS**

₹ in Lacs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of fabrics	5,503.26	14,143.64
Job work	10,561.65	9,627.20
Less: Excise duty	(81.01)	(2.70)
<b>Total</b>	<b>15,983.90</b>	<b>23,768.14</b>



## PRADIP OVERSEAS LTD.

### NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)

#### 17.1 PARTICULARS OF SALE OF PRODUCTS

₹ in Lacs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Grey fabrics	5,422.25	14,140.94
Others	10,561.65	9,627.20
<b>Total</b>	<b>15,983.90</b>	<b>23,768.14</b>

#### 18. OTHER INCOME

₹ in Lacs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Interest Income</b>		
- On bank fixed deposits	1.29	2.14
- On deposits	10.05	10.68
- Others	242.24	0.61
	253.58	13.43
Duty drawback and other export incentives	65.17	259.92
Rental Income	3.00	1.50
Profit on sale of fixed assets (Property, Plant & Equipment)	-	1,306.74
Reduction in Gratuity obligation (refer note 21.1)	10.75	9.45
Excise Refund	-	2.76
Interest on IT Refund	35.01	74.06
<b>Total</b>	<b>367.51</b>	<b>1,667.86</b>

#### 19. COST OF MATERIALS CONSUMED / SOLD

₹ in Lacs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Inventory at the beginning of the year	4,716.73	25,543.34
Add: Purchases during the year	1,920.42	4,090.59
	6,637.15	29,633.93
Less: Inventory at the end of the year	(150.24)	(4,716.73)
<b>Total</b>	<b>6,486.91</b>	<b>24,917.20</b>

#### 19.1 PARTICULARS OF MATERIALS CONSUMED

₹ in Lacs

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	₹	% of Consumption	₹	% of Consumption
Grey Fabrics				
- Imported	-	-	-	-
- Indigenous	6,486.91	100%	24,917.20	100%
Others	-	-	-	-
<b>Total</b>	<b>6,486.91</b>	<b>100%</b>	<b>24,917.20</b>	<b>100%</b>



**PRADIP OVERSEAS LTD.**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)**

**20. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE** ₹ in Lacs

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	<b>Inventories (at close)</b>			
Finished goods / stock-in-trade	173.49		1098.53	
Land	5,236.80		4965.52	
Work-in-progress	26.34	5,436.63	612.77	6,676.82
<b>Inventories (at commencement)</b>				
Finished goods / stock-in-trade	1,098.52		3376.04	
Land	4,965.52		4965.52	
Work-in-progress	612.77	6,676.82	3,385.94	11,727.50
<b>Total</b>		<b>1,240.19</b>		<b>5,050.68</b>

**21. EMPLOYEE BENEFIT EXPENSES** ₹ in Lacs

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Salaries and wages	449.43		404.72
Contribution to provident and other funds	12.14		15.95	
Staff welfare expenses	11.51		12.11	
<b>Total</b>	<b>473.08</b>		<b>432.78</b>	

21.1 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	2016-17	2015-16
Employer's contribution to provident fund and pension fund	12.14	15.95

**B. Defined Benefit Plans**

Contributions to defined benefit plan is as under :

Change in defined benefit obligation	2016-17	2015-16
Opening defined benefit obligation	56.11	65.56
Service cost	5.52	11.69
Interest cost	2.62	5.24
Actuarial losses (gains)	4.30	(26.38)
Prior period liability recognised in current period	(23.19)	-
<b>Closing defined benefit obligation</b>	<b>45.36</b>	<b>56.11</b>
Change in plan assets	2016-17	2015-16
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Actuarial losses / (gains)	-	-
Benefits paid	-	-
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)**

<b>Reconciliation of fair value of assets and obligations</b>	<b>2016-17</b>	<b>2015-16</b>
Fair value of plan assets	-	-
Present value of obligation	45.36	56.11
<b>Amount recognised in Balance Sheet</b>	<b>45.36</b>	<b>56.11</b>
<b>The net amount recognised in the statement of Profit &amp; Loss for the year ended 31st March, 2017</b>	<b>2016-17</b>	<b>2015-16</b>
Current service cost	5.52	11.69
Interest on obligation	2.62	5.24
Expected return on plan assets	-	-
Net actuarial losses (gains) recognised in the period	4.30	(26.38)
Prior period items recognised in current period	(23.19)	-
<b>Total recognised in the Statement of Profit &amp; Loss</b>	<b>(10.75)</b>	<b>(9.45)</b>

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

<b>Grauity</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
(a) Present value of the defined benefit obligation	45.36	56.11	65.56	49.78	48.81
Fair value of the plan assets	-	-	-	-	-
(Surplus) / Deficit in the plan	45.36	56.11	65.56	49.78	48.81
(b) Experience adjustments					
On plan liabilities	2.01	(26.55)	(4.35)	(7.22)	(6.12)
On plan assets	-	-	-	-	-

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

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Discount rate	7.29%	7.96%
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.**

**22. FINANCE COSTS**

₹ in Lacs

<b>Particulars</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
Interest expense	841.23	957.05
Other borrowing costs	-	43.95
<b>Total</b>	<b>841.23</b>	<b>1,001.00</b>



**PRADIP OVERSEAS LTD.**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)**

**23. DEPRECIATION AND AMORTISATION EXPENSE** ₹ in Lacs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation on tangible assets	968.08	852.42
Amortisation of intangible assets	2.38	1.55
<b>Total</b>	<b>970.46</b>	<b>853.97</b>

**24. OTHER EXPENSES** ₹ in Lacs

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
<b>Manufacturing Expenses</b>				
Stores, chemicals and packing materials	3,618.26		3,962.42	
Electric power, fuel and water	2,210.87		2,367.20	
Labour processing, production royalty and machinery hire charges	1,293.93		1,267.43	
Rent	6.00		-	
Repairs to machinery	87.79	7,216.85	122.94	7,719.99
<b>Selling and Distribution Expenses</b>				
Clearing and forwarding	2.67		118.24	
Advertisement	1.31		2.98	
Sales commission	97.55	101.54	140.36	261.58
<b>Others</b>				
Bank charges	3.57		6.68	
ETP Waste Disposal Charges	3.13		-	
Professional fees	149.52		68.30	
Communication expenses	12.48		22.18	
Printing and stationery	7.52		9.64	
Freight and forwarding	116.22		168.33	
Security charges	57.46		53.26	
General expenses	100.14		102.10	
Rent	1.08		-	
Insurance	28.65		44.55	
Rates & Taxes	26.47		30.22	
Bad Debts	25,312.71		93.21	
Repairs to buildings	0.46		3.17	
Service Tax of earlier years	-		7.91	
Other repairs	23.97		10.48	
Travelling & Coveyance	20.39		22.78	
Foreign exchange fluctuation loss	3.71		314.45	
Provision for doubtful debts	-		25,237.81	
Stock Exchange penalty	1.11		0.86	
Interest on TDS	3.26		0.24	
Sundry Capital expenditure written off	761.79		-	
Payment to auditors (refer note 24.1)	12.65	26,646.28	12.65	26,208.81
<b>Total</b>		<b>33,964.67</b>		<b>34,190.38</b>

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)****24.1 PAYMENT TO AUDITORS**

₹ in Lacs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
As auditors	8.63	8.63
For taxation matters	2.88	2.88
For other services	1.15	1.15
<b>Total</b>	<b>12.65</b>	<b>12.65</b>

**25. PRIOR PERIOD ITEMS**

₹ in Lacs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Land Development expenses	271.27	-
<b>Total</b>	<b>271.27</b>	<b>-</b>

**26. Additional Disclosures:**

- i) Repeal of Sick Industries Companies (Special Provisions) Act, 1985 & dissolution of proceedings filed by company before BIFR :

The Net worth of the Company was eroded as at the end of the financial year ending 31st March, 2016. 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, 2016. The said reference was registered by BIFR vide case no. 149/2016 on 30th October, 2016. The Government has repealed Sick Industries Companies (Special Provisions) Act, 1985 vide notification no. S.O. 3568 & S.O. 3569 with effect from 1st December, 2016. As a result of which, BIFR stands dissolved with effect from that date and all the proceedings filed by the Company stands dissolved.

- ii) Notice under Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002:

Canara Bank, Bank of India and Indian Overseas Bank have issued notices dated 20.06.2016, 27.06.2016 and 06.03.2017 respectively under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") for assets of the company secured by hypothecation and mortgage and therefore the concept of the going concern of the Company may be adversely affected.

- iii) Company's loan accounts have been classified as Non Performing Assets by the bankers. Some of the bankers have not charged interest on the said accounts and therefore provision for Interest (Other than upfront charges) has not been made in the books of accounts and to that extent loss and bankers loan liability has been understated. The extent of exact amount is under determination and reconciliation with the banks, however as per the details available with the Company, the amount of un-provided interest, on approximate basis, on the said loans {Other than the loans which are assigned to Invent Assets Securitisation Reconstruction Private Limited (Invent)} is as under:

₹ in Cr.

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on Corporate Loans and Working Capital Loans	69.84	142.93

- 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 (Property, Plant & Equipment) and non-current investments) are approximately of the value stated, if realised in ordinary course of



## PRADIP OVERSEAS LTD.

### NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)

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.

#### 27. 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 :

Particulars	₹ in Lakhs					
	Within India		Outside India		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Segment revenue by location of customers:</b>						
Sales / Income from operations	15,762.81	21,174.56	221.10	2,593.58	15,983.91	23,768.14
<b>Segment Assets*</b>	61,806.84	84,964.83	-	635.57	61,806.84	85,600.40
<b>Net Additions to tangible and intangible assets</b>	301.49	507.72	-	-	301.49	507.72

\*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.

#### 28. 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, 2017 (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	95.50	-

₹ in Lacs

REMUNERATION TO KEY MANAGERIAL PERSONNEL	2016-17	2015-16
Shri Pradip J. Karia	24.00	36.00
Shri Chetan Karia	16.50	24.00
Shri Vishal R. Karia	9.00	12.00
Shri Amit H. Thakkar	10.00	1.10
Shri Anil Agarwal	21.60	19.20
Shri A. N. Saboo	6.00	6.00
Shri Anand Shiplkar	4.80	4.80
Shri Kaushik Kapadia	3.60	3.60
<b>TOTAL</b>	<b>95.50</b>	<b>106.70</b>

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

**29. EARNINGS PER SHARE (EPS)**

Particulars	2016-17	2015-16
Net Profit for the year (₹ in Lacs)	(19,793.29)	(28097.61)
Weighted average number of shares outstanding during the year (No. in Lacs)	484.40	484.40
Earning Per Share (in ₹)	(40.86)	(58.00)
Nominal Value of Share (in ₹)	10.00	10.00

**30. VALUE OF IMPORTS ON CIF BASIS**

₹ in Lacs

Particulars	2016-17	2015-16
Chemicals, packing materials and other stores	-	28.74

**31. EXPENDITURE IN FOREIGN CURRENCY**

₹ in Lacs

Particulars	2016-17	2015-16
Travelling expenses	3.89	6.09
Purchase of spare parts of machinery	19.62	-
Commission and other payments	1.27	34.47

**32. EARNING IN FOREIGN CURRENCY**

₹ in Lacs

Particulars	2016-17	2015-16
F.O.B. value of exports	220.21	2,472.68

**33. DISCLSOURE ON SPECIFIED BANK NOTES (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017 (Contd...)**

transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below: ₹ in Lacs

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	55.55	0.36	55.91
(+) Permitted receipts	-	4.92	4.92
(-) Permitted payments	-	4.85	4.85
(-) Amount deposited in Banks	55.55	-	55.55
Closing cash in hand as on December 30, 2016	-	0.43	0.43

\*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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 annexed herewith

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 : May 30, 2017

**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 CHACHARWADI 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

**Form No. MGT-11**

**PROXY FORM**

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

Name of the member(s)	
Registered address	
E-mail ID	
Folio No / Client ID	
DPID	

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 \_\_\_\_\_ or failing him/her

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 29th September, 2017 at 12:00 Noon at the Registered Office of the company at 104, 105, 106 CHACHARWADI 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 hereover:

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**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 Chacharwadi Vasna, Opp. Zydus Cadila, Sarkhej Bavla High Way, Tal. Sanand, Ahmedabad, Gujarat - 382213 at 12:00 Noon. on Friday, 29th September, 2017.

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.

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## PRADIP OVERSEAS LTD.

Sr. No.	Resolution	For	Against
<b>Ordinary Business</b>			
1.	Adoption of Annual Accounts of the Company as on March 31, 2017.		
2.	Re-appointment of Mr. Vishal R. Karia (DIN:00514884) who retires by rotation and being eligible offer himself for Re-appointment.		
3.	To appointment M/s. Vijay Moondra & Co., Chartered Accountants, as Statutory Auditors of the Company and fixing their remuneration.		
<b>Special Business</b>			
4.	Re-appointment of Mr. Pradipkumar Jayantilal Karia (DIN:00123748) as a Managing Director of the Company for a further period of three years w.e.f 01.09.2017 (Ordinary Resolution).		
5.	Re-appointment of Mr. Chetan J. Karia (DIN:00191790) as a Whole-time Director of the Company for a further period of three years w.e.f 01.09.2017 (Ordinary Resolution).		
6.	Re-appointment of Mr. Vishal R. Karia (DIN:00514884) as a Whole-time Director and Chief Financial Officer of the Company for a further period of three years w.e.f 01.10.2017 (Ordinary Resolution).		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Member's Folio / DP ID - Client ID No. \_\_\_\_\_

Signature of Shareholder :

Signature of Proxy holder(s)

Affix  
₹ 1/-  
Revenue  
Stamp

**Note :**

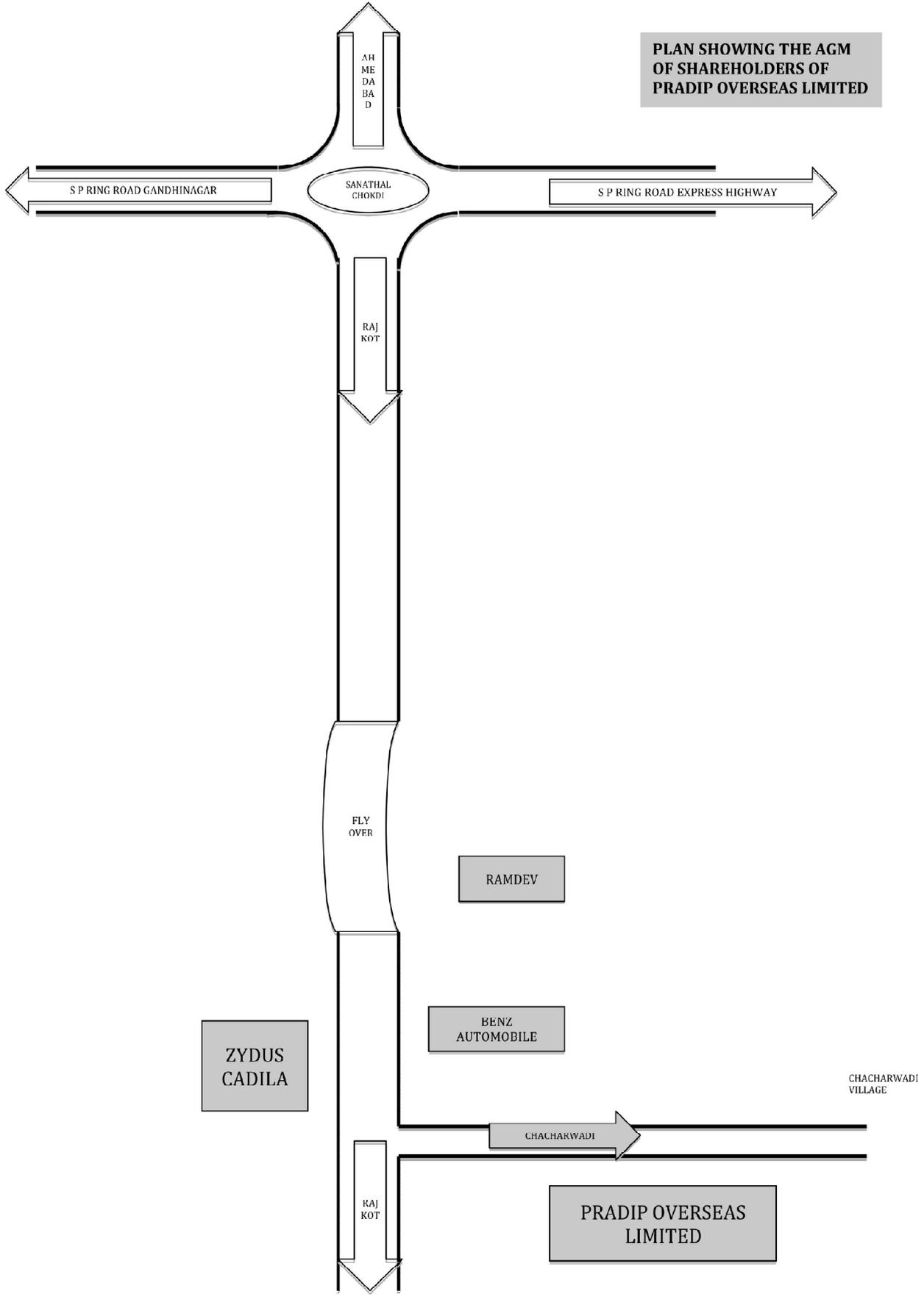
- THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING..**
- For the resolutions, Explanatory statements and Notes, please refer to the notice of the Annual General Meeting.
- 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.
- Please complete all details including details of Member(s) in the above box before submission.
- In case of joint holder, the signature of any one holder will be sufficient, but the names of all joint holders should be stated.

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**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)