

CIN NO.:- L17290GJ2005PLC046345



## PRADIP OVERSEAS LTD.

Corporate Office : A/601, Narnarayan Complex, Swastik Cross Roads,  
Navrangpura, Ahmedabad - 380 009. Gujarat, INDIA.  
Phone : 0091-79-26560630, 26431594 Fax : 0091-79-26420408  
Website : www.pradipoverseas.com

09<sup>TH</sup> October, 2017.

The Manager, The Listing Department, Bombay Stock Exchange Limited Dalal Street , Fort Mumbai - 400 001.	The Manager, The Listing Department, National Stock Exchange of India, Exchange Plaza, Bandra Kurla Complex, Bandra ( East ) Mumbai - 400 051.
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Dear Sir,

Sub. : Submission of Annual Report of the Company for the  
financial year 2016-17.

Ref.: BSE: Code 533178; NSE: Symbol -PRADIP -Series -EQ

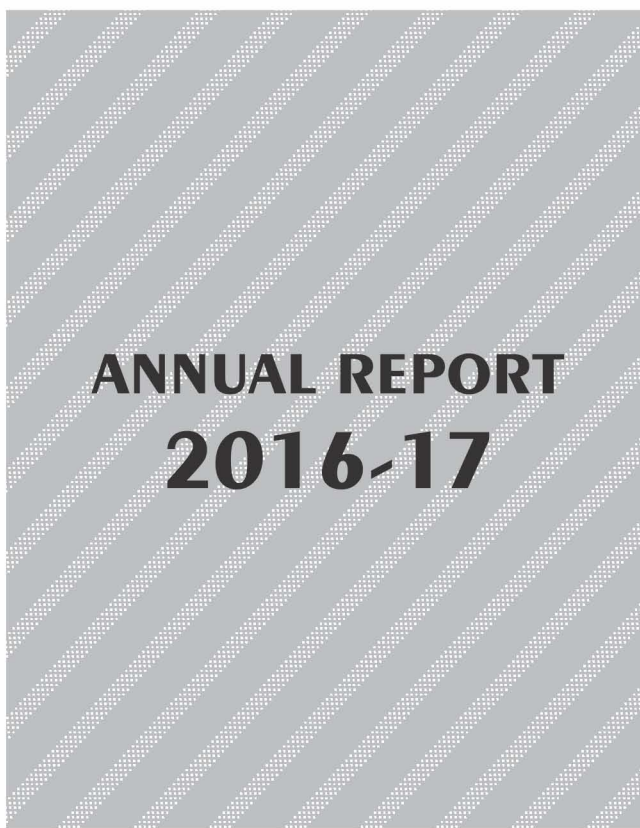
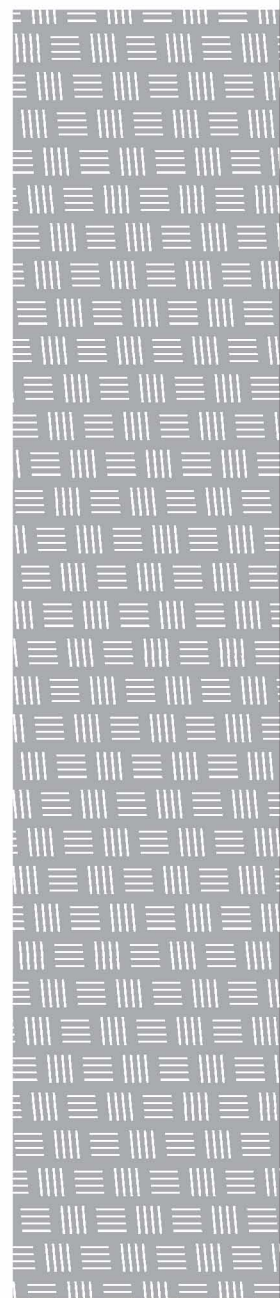
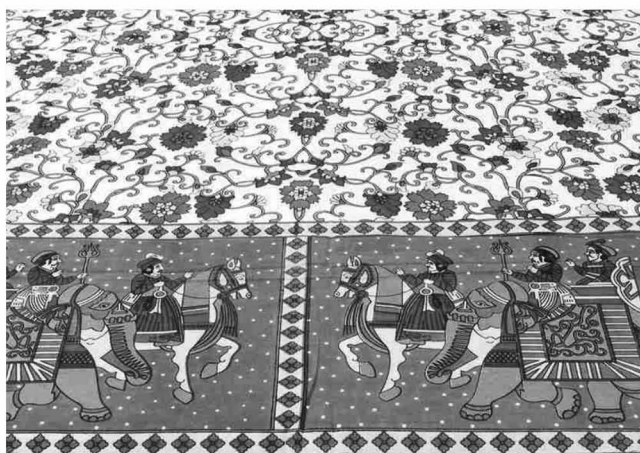
We refer to the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and enclose herewith Annual Report of the Company for the financial year 2016-17 as approved and adopted by the Shareholders of the Company in the Annual General Meeting of the Company held on 29th September, 2017.

Please find the same in order.

Thanking you,

Yours Faithfully,  
For, PRADIP OVERSEAS LIMITED

Kaushik B. Kapadia  
(Company Secretary)  
FCS-4834.



**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

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## PRADIP OVERSEAS LTD.

### 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."



## PRADIP OVERSEAS LTD.

### 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





## PRADIP OVERSEAS LTD.

### NOTICE (Contd....)

### ANNEXURE

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

Name	Shri Pradip J. Karia	Shri Chetan J. Karia	Shri Vishal R. Karia
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. Anulmpex 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. 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.
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,