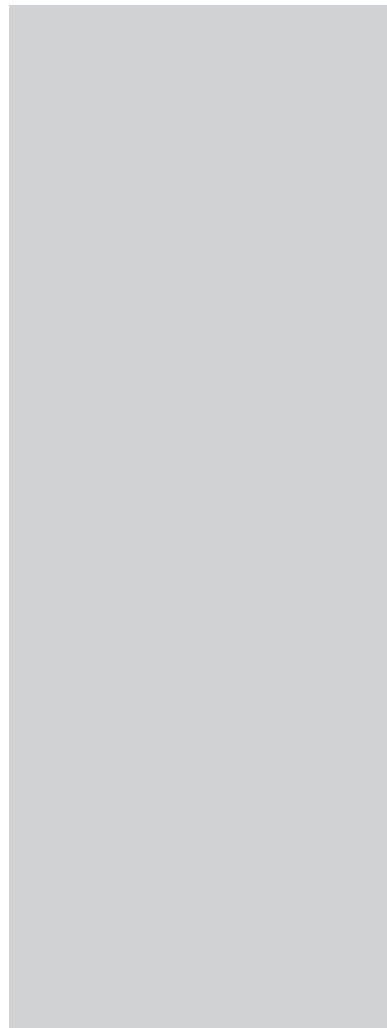


ANNUAL REPORT
2014-15



PRADIP OVERSEAS LTD.



CORPORATE INFORMATION

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,
Sarkhej Bavla Highway,
Changodar,
Ahmedabad-382213

BANKERS : State Bank of India
Indian Overseas Bank
Canara Bank
Union Bank of India
Karur Vysya Bank
Allahabad Bank
Bank of India
Punjab National Bank
Standard Chartered bank
State Bank of Patiala

COMPANY SECRETARY : Kaushik B. Kapadia

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

PLANT : Plot No. 104,105,106,
Village:Chacharwadi Vasna,
Sarkhej Bavla Highway,
Changodar,
Ahmedabad.- 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

Contents	Page No.
Notice	01-05
Directors’ Report	06-20
Management Discussion & Analysis	21
Corporate Governance Report	22-32
Secretarial Audit Report	33-35
Independent Auditors’ Report	36-39
Balance Sheet	40
Statement of Profit & Loss	41
Cash Flow Statement	42
Significant Accounting Policies	43-46
Notes forming part of Financial Statements	47-64





NOTICE

Notice is hereby given that Annual General Meeting of the Members of **PRADIP OVERSEAS LIMITED** will be held on Wednesday 30th September, 2015 at 12.00 noon at the Registered Office of the Company at 104, 105,106, Chancharwadi, 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 31st March, 2015 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. Chetan Karia (DIN 00191790), as a Director of the Company, who retires by rotation and being eligible offer himself for re appointment.
3. To Appoint Auditors and to fix their Remuneration.

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 Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act and clause 49 of the Listing Agreement, Ms. Parulben S. Thakore (DIN 07025547), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. March 28, 2015 and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment, be and is hereby appointed as an Independent Non-Executive Director, to hold office for five consecutive years for a term up to 30th September, 2020, whose period of office shall not be liable to determine by retirement of directors by rotation".

By Order Of the Board of Directors

Sd/-

(Pradip J. Karia)

Chairman and Managing Director

DIN:00123748

Place: Ahmedabad

Date : 09th June, 2015

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. 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.
3. The Register of Members and Share transfer Register will remain closed from 16h September, 2015 to 30th September, 2015 (both days inclusive).
4. 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.
5. 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) Link In time India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W) , Mumbai 400078. Those holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository



NOTICE (Contd...)

Participants (DP) immediately. The Company or its RTA cannot act on any request directly received from any member holding shares in dematerialized form any change in such details. Such changes are to be advised only to the DP of the members.

6. Documents referred to in the Notice and the Explanatory Statement attached hereto 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.
7. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. 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 In time India Private Limited.
9. Electronic copy of the Annual Report for 2014-15 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.

10. Instructions for e-voting

I. 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, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- i) The Notice of the AGM of the Company *inter alia* indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. Initial password is provided as below:

EVEN (102937)

- ii) NSDL shall also be sending the User-ID and Password, to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email address, can use the details as provided above.
- iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iv) Click on Shareholder – Login
- v) User ID :
 - a. for account holder in CDSL : your 16 Digits beneficiary ID
 - b. for account holder in NSDL : your 8 characters DP ID & Followed by 8 Digits Client ID
- vi) PAN: Enter your 10 Digits Alpha - numeric PAN issued by Income Tax Department. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use default value in PAN field as mentioned in sheet of "Information for e-voting" attached with Annual Report.



NOTICE (Contd...)

- vii) Put user ID and password as initial password noted in step (i) above. Click Login.
 - viii) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - ix) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - x) Select "EVEN" of PRADIP OVERSEAS LIMITED
 - xi) Now you are ready for e-Voting as Cast Vote page opens
 - xii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - xiii) Upon confirmation, the message "Vote cast successfully" will be displayed
 - xiv) Once you have voted on the resolution, you will not be allowed to modify your vote
 - xv) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail : ravikapoor@ravics.com and a copy marked to evoting@nsdl.co.in.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 27th September, 2015(9:00 am) and ends on 29th September, 2015 (5:00 pm). 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 16th September, 2015, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, 16th September, 2015.
- VII. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16th September, 2015 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- VIII. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.pradipoverseas.com and on the website of NSDL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company on 30th September, 2015 and communicated to the BSE Limited & NSE Limited.



NOTICE (Contd...)

Contact Details

- Company : Pradip Overseas Limited
- A) Registered Office
104 / 105 / 106, Chacharwadi, Opp. Zydus Cadila, Sarkhej-Bavla Highway, Changodar, Ahmedabad-382213
Ph : +91 (2717) 251859 / 60 / 61 Fax - +91 (2717) 251874
Email : investor@pradipoverseas.com Web : www.pradipoverseas.com
- B) Corporate Office
601, Narnarayan Complex, Swastik Char Rasta, Navrangpura, Ahmedabad – 380 009.
Ph : 079 2656 9243, 2656 0630. Fax- 079 2642 0408
Email : investor@pradipoverseas.com Web : www.pradipoverseas.com
- Registrar & Share Transfer : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.
Phone: +91 22-2596 0320. Fax: +91 22-2596 0328-29
- e-Voting Agency : National Securities Depository Limited
E-Mail: evoting@nsdl.co.in.
- Scrutinizer : CS Ravi Kapoor, Practicing Company Secretary
E-mail : ravikapoor@ravics.com

By Order Of the Board of Directors

Sd/-

(Pradip J. Karia)

Chairman and Managing Director

DIN:00123748

Place : Ahmedabad

Date : 9th June, 2015

ANNEXURE TO THE NOTICE

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

Item no 4:

The Board of Directors appointed Ms. Parulben S. Thakore (DIN 07025547) as an Additional Director w.e.f. March 28, 2015 pursuant to Section 161 of the Companies Act, 2013. She holds office till conclusion of this Annual General Meeting.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Parulben S. Thakore being eligible and offering herself for appointment, is proposed to be appointed as an Independent Woman Director for five consecutive years for a term up to 30th September, 2020.

In the Opinion of the Board, Ms. Parulben S. Thakore fulfills the Conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and she is Independent of the management.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Parulben S. Thakore as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Parulben S. Thakore as Independent Director, for the approval by the shareholders of the Company.

Details in terms of requirement under clause 49 (III) (E) (1) of the Listing Agreement with the Stock Exchanges and under Secretarial Standard– 2 clause 1.2.5 in respect of appointment of director are given at the end of the Explanatory Statement.



PRADIP OVERSEAS LTD.

NOTICE (Contd...)

The other details of Ms. Parulben S. Thakore in terms of Clause 49 of the Listing Agreement, is annexed to this Notice.

Except Ms. Parulben S. Thakore, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Details in terms of requirement under clause 49 (III) (E) (1) of the Listing Agreement with the Stock Exchanges and under Secretarial Standard- 2 clause 1.2.5 in respect of appointment of directors are given hereunder :

Name	Shri Chetan J. Karia	Ms. Parulben S. Thakore
Age	52 years	39 years
Date of Appointment	29-6-2005	28-3-2015
Qualifications	B.Com	MA , B.Ed.
Nature of Expertise/ Experience	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 and 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 th September, 2007.	Administration
Terms and conditions of appointment	The Director is appointed as a Whole Time Director for 3 years w.e.f. 01/09/2014	Independent Director
Remuneration paid	Rs. 24,00,000/- p.a. (Shareholders approved Remuneration of Rs. 48,00,000 but he has voluntarily received less salary)	Except fee for attending meeting of the Board of Directors, no other remuneration is payable to her
Chairman/ Member of Committee in other Companies	None	None
Relationship with other directors, Manager and other KMP of the Company	He is a brother of Mr. Pradip Karia, Managing Director of the Company	None
Name of the Companies in which he/she holds Directorship/ committee Membership	a) Directors in : 1. Pradip Enterprises Ltd. 2. Pradip Energy Limited 3. Pradip Integrated Textile Park Private Limited b) Committee Membership : Nil	a) Directors in : 1. Pradip Hi-tech Textile Park Private Limited 2. Karnavati Healthcare Pvt. Ltd. b) Committee Membership : Nil
No. of Meetings of the Board attended during the year	7(Seven)	Nil as she was appointed on 28 th March, 2015
Shareholding	9012976 Equity Shares each of Rs. 10/- in the Company	54356 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 : 9th June, 2015

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

Your Directors have pleased to submit their Annual Report and Audited Financial Statement for the financial year ended on 31st March, 2015.

1) FINANCIAL REVIEW:

[₹ in Lacs]

Sr. NO.	Particulars	2014-15	2013-14
1.	Income From Operations	23984.33	59856.73
2.	Other Income	422.65	542.90
3.	Financial Charges	11442.89	13063.32
4.	Depreciation	704.43	840.04
5.	Profit(Loss) Before Tax	(41683.69)	(14007.80)
6.	Taxation	(1,603.84)	2957.74
7.	Profit/(Loss) after Tax	(41,350.21)	(16965.60)

2) OPERATIONS:

The year under review was also critical year for the Company. The turnover of the Company was lower by about 60% as compared to the turnover of the Company for the previous year. The major reasons for lower turnover was under utilization of installed capacity due to pending installations of Effluent Treatment Plant (ETP) as stated in the report of the last year. The demand of the products in the local as well as overseas market were sluggish, which has also affected the turnover and profitability of the company.

The Company had placed an order for the plant and machineries for ETP and the Company had received the same in spite of non disbursement of sanction term loan by some of the members of the consortium Banks led by State Bank of India. The Company has installed the said Plant & Machineries at the factory. The first phase of the ETP, that is bio-chemical process will commence shortly and the full plant will be operative within three to four months and as a result the Company is hopeful for the improvement in performance and profitability of the Company.

The Company has undertaken to implement two projects of industrial Park namely Specialty & Fine Chemicals & Auto and Auto Components at village Bhamsara, Taluka Bavla District –Ahmedabad. The said projects are as per the policy framed by the Government of Gujarat (GoG) and the Company is expecting approvals for the same from the GoG shortly. The Company is also negotiating with some of the renowned Real Estate Developers to join any of them as a partner for development of the aforesaid projects.

The Company is appreciating the support extended by member Banks of the consortium for getting the CDR package through and implementation of the same.

The Net Worth of the Company is eroded as per the Balance Sheet of the Company as of 31st March, 2015 and pursuant to section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985, the Company will file reference to Board for Industrial and Financial Reconstruction for determination of the measures which shall be adopted for the Company.

3) DIVIDEND:

Due to the Loss incurred by Company during the year under review, the directors are not able to recommend dividend for the year 2014-15.

4) TRANSFER TO RESERVE:

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

5) FIXED DEPOSIT:

The Company has not accepted or renewed any deposits since inception.



DIRECTORS' REPORT (Contd...)

6) DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

Further, during the year, Mr. Avinash Mayekar had resigned as a director of the Company with effect from 13-11-2014. Your Directors place on record his sincere appreciation for the valuable contribution made by him during his tenure as a director of the Company.

Ms. Parulben S. Thakore was appointed as an additional director of the Company with effect from 28-03-2015. She holds the office up to the date of forthcoming annual general meeting. The Company has received proposal for her appointment as a Director of the Company and the Board recommends the members to appoint her as a Director of the Company.

During the year under review Mr. Vishal Karia was appointed as chief financial officer of the Company.

7) NUMBER OF MEETING OF BOARD OF DIRECTORS:

The Board of Directors of the Company had 7 (Seven) meetings and one meeting of the independent Directors were held during the Financial Year 2014-15. The details of the Board meeting held during the year 2014-15 have been furnished in the Corporate Governance Report.

8) DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors confirm that:

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

9) DETAILS OF COMMITTEE OF DIRECTORS :

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, Stake Holders Relationship/ Grievances Committee and Risk Management Committee of Directors, number of meetings held of each Committee during the Financial year 2014-15 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report and forming part of the report.

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

10) EXTRACT OF ANNUAL RETURN:

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

11) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company has one wholly own subsidiary namely Pradip Home Fashions, USA. The Subsidiary Company has not carried out any transaction since inception except issue of Share Capital by it. A statement containing



DIRECTORS' REPORT (Contd...)

salient features of the financial statements of the Company's subsidiary and Consolidated Financial statement has not been attached to the financial statements of the Company, pursuant to section 129 (3) of the Companies Act, 2013 read with proviso of rule 6 of the of the Companies (Accounts) Rules, 2014.

12) DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS:

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

13) POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

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

- Policy on Directors' Appointment

The Company has followed the policy regarding appointment of Director as laid down in the Companies Act, 2013 and clause-49 of the Listing Agreement with Stock Exchanges and good corporate practices.

- Policy on remuneration of Directors :

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

- 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.

14) PARTICULARS OF LOANS ,GUARANTEES AND INVESTMENT U/S 186 OF THE COMPANIES ACT, 2013 :

The particulars of the loan given, investment made, alongwith the purpose for which the loan is proposed to be utilized by the recipient are provided in the Financial statement. (Please refer to notes no. 11, 12 &16 of the Financial Statement). The Company has not given securities or guarantee during the year under review.

15) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :

There is no transaction with related party which requires disclosures under section 134 (3) (h) of the Companies Act, 2013 and rule 8 (2) of the Companies (Accounts) Rules, 2014.

16) CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS:

Your Company fully complies with conditions of the Corporate Governance stipulated in clause 49 of the Listing Agreement with Stock Exchanges. A separate section on compliance with the conditions of Corporate Governance and a certificate from firm of Practicing Chartered Accountants dated 9th June, 2015 in this regard is annexed hereto and forms a part of the report. Management discussion and analysis are attached, which form part of this report.

17) (a) PARTICULARS OF THE EMPLOYEES :

There are no employees in the Company who are receiving remuneration in excess of the limit specified in under section 197 (12) of the Companies Act,2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and therefore there is no information required to be given:

(b) ANALYSIS OF REMUNERATION :

Disclosure pertaining to remuneration and other details as required under section 197 (12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are stated in Annexure no. 2.

18) WHISTLE BLOWER & VIGIL MECHANISM

The Company has established a "Whistle Blower and Vigil Mechanism Policy" for Directors and employees to report the genuine concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and the revised clause 49 of the Listing Agreements with the stock exchanges. Policy is available on the website of the Company.



DIRECTORS' REPORT (Contd...)

19) INTERNAL CONTROL SYSTEMS

The Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorised, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors.

20) AUDITORS :

M/s. Ashok Dhariwal and Co., Chartered Accountants, Statutory Auditors of the Company will retire from the office of the auditor and being eligible offer themselves for reappointment. They confirm their eligibility to the effect that their reappointment, if made, would be within the prescribed limit under the Act and they are not disqualified for the reappointment.

21) SECRETARIAL AUDIT REPORT

The Board has appointed M/s. Ashish Shah & Associates, Practising Company Secretary to Conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the year ended 31st March, 2015 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:-

(A) Reply to the point no. A of Basis for disclaimer of opinion of Auditors' Report

Trade Receivables:-

The Company has pursued with debtors for recovery of the due amounts and it could recover some amount from trade receivables. The Company is still pursuing in the matter for recovery of balance trade receivables. The Company had also submitted balance confirmation letter to the debtors and had received response from some debtors. In view of the above the Company has made provision for doubtful debts to the tune of ₹262.56 Crores being older than 36 months, therefore the Board of Directors of the Company is of the opinion that the provision for doubtful debts made by the Company is adequate and sufficient.

(B) Reply to the point no. B of Basis for disclaimer of opinion of Auditors' Report

Inventories:-

The Management is carrying out physical verification of inventories as and when required. The Company is also maintaining records of inventories. The turnover of the Company during the year under review deteriorated due to various reasons inter alia non establishment of New ETP Plant and therefore the inventories are high as compared to turnover. The basic raw material of the Company is grey cloth and quality of the raw material does not deteriorate even though the same is not utilized for a period of 2-3 years and therefore the Company has not made provision for diminution in the value of old and slow moving inventories and the Company is utilising the said inventories as and when the order in respect such old stock is received.

**(C) Reply to the point no. C of Basis for disclaimer of opinion of Auditors' Report
ON GOING CONCERN:-**

The Company is suffering loss from operations since 2011-12. The commitment made by the Company in the approved CDR could not be fulfilled for various reasons viz. delay in disbursements of sanctioned term loan for ETP Plant, Non fulfillment of the conditions by Banks like refund of interest/charges paid by the Company after cut-off date but before the date of approval of CDR scheme.

The Company has undertaken two projects for development of Specialty & Fine Chemical Park and Auto & Auto Component Park on the Land of the Company situated at Village Bhamsara, Taluka-Bavla, Ahmedabad. The Company is expecting approval from the Govt. of Gujarat for both the aforesaid projects shortly and also Company is in the advance stage for negotiation with some Real Estate Developers to join them as a partner for development of these projects. And on completion of the projects the Company will be able to meet its financial obligations.



DIRECTORS' REPORT (Contd...)

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

1. The Company will take due care in compliance with provisions of rule 20(5) of The Companies (Management and Administration) Rules, 2014 are not complied.
2. The Company will take due care in compliance with section 181 of the Companies Act, 2013.
3. Mr. Avinash Mayekar, an Independent Director had resigned as a Director with effect from 13th November, 2014. As per clause 49 (D) (4) of the Listing Agreement, the Company is required to appoint another Independent Director in his place within within a period three months or immediate next Board Meeting which ever is later from the date of the Resignation of Mr. Avinash Mayekar.

After resignation of Mr. Avinash Mayekar, the Company had initiated dialogues with number of proper and fit persons to appoint any of them as a Director in his place. However, due to poor financial conditions of the Company none of them was effectively coming forward to join the Board of the Company. And the Company had intimated the aforesaid fact to the Exchanges.

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

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

24) RISK MANAGEMENT :

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

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

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

26) ALLOTMENT OF PREFERENCE SHARES

During the year under review, the Board of Directors of the company had allotted 38,98,000/-, 2% Non Cumulative, Non Convertible, Redeemable Preference Shares of ₹ 100/- each at par to the Promoters and their relatives on Preferential basis.

27) 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.

28) 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.

29) General :

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

30) ACKNOWLEDGEMENT :

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

For and On behalf of Board of Directors

Sd/-

(PRADIP J KARIA)

CHAIRMAN & MANAGING DIRECTOR

DIN 00123748

Place: Ahmedabad

Date : 9th June, 2015

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

**Annexure 1
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2015**
[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
5	Address of the Registered office and contact details	<p>A) Registered Office 104 / 105 / 106, Chacharwadi, Opp. Zydus Cadila, Sarkhej-Bavla Highway, Changodar, Ahmedabad-382213 Ph : +91 (2717) 251859 / 60 / 61 Fax - +91 (2717) 251874 Email : investor@pradipoverseas.com Web : www.pradipoverseas.com</p> <p>B) Corporate Office 601, Narnarayan Complex, Swastik Char Rasta, Navrangpura, Ahmedabad - 380 009. Ph : 079 2656 9243, 2656 0630. Fax- 079 2642 0408 Email : investor@pradipoverseas.com Web : www.pradipoverseas.com</p>
5	Whether listed Company (Yes/No)	Yes
6	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PRIVATE LIMITED C-13, Pannalal silk mills compound, LBS marg, Bhandup, Mumbai-400078 Ph: +91 22-2596 0320 Fax: +91 22-2596 0328-29

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

SR. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	Pradip Home fashions, INC - USA	N.A.	Subsidiary Company	100%	2(87) (ii) of the Companies Act, 2013
2	Elegant Home Fashions - USA	N.A.	Associate Company	47%	2 (6) of the Companies Act, 2013



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
	Demate	Physical	Total	% of Total Share	Demate	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
a) Individual / HUF	28597415	-	28597415	59.04	25792519	-	25792519	53.25	(5.79)
b) CentralGovt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) BodiesCorp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) AnyOther	-	-	-	-	-	-	-	-	-
Sub-total(A) (1):-	28597415	-	28597415	59.04	25792519	-	25792519	53.25	(5.79)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	28597415	-	28597415	59.04	25792519	-	25792519	53.25	(5.79)
B. Public Shareholding									
1. Institutions									
a) MutualFunds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) CentralGovt.	-	-	-	-	-	-	-	-	-
d) StateGovt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) InsuranceCompanies	-	-	-	-	-	-	-	-	-
g) FIIs	42856	-	42856	0.09	-	-	-	-	(0.09)
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
Others(specify	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	42856	-	42856	0.09	-	-	-	-	(0.09)



DIRECTORS' REPORT (Contd...)

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
	Demate	Physical	Total	% of Total Share	Demate	Physical	Total	% of Total Share	
2. Non Institutions									
a) Bodies Corp.									
i) Indian	8473267	0	8473267	17.50	5534454	-	5534454	11.43	(6.07)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	4550941	6	4550947	9.39	7300904	6	7300910	15.07	5.68
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6141749	0	6141749	12.68	8817066	0	8817066	18.20	5.52
c) Others(specify)	-	-	-	-	-	-	-	-	-
i) Clearing Member	394568	0	394568	0.81	480482	0	480482	0.99	0.18
ii) Non Resident Indian (Repat)	237319	0	237319	0.49	498299	0	498299	1.03	0.54
iii) Non Resident Indian (non Repat)	1948	0	1948	0.00	16339	0	16339	0.03	0.03
v) Trusts	114	0	114	0.00	114.	0	114	0.00	0.00
Sub-total(B)(2):-	19799906	6	19799912	40.87	22647658	6	22647664	46.75	5.88
Total Public shareholding (B) = (B)(1)+(B)(2)	19842762	6	19842768	40.96	22647664	6	22647664	46.75	(5.79)
C. Shares held by Custodian for GDRs &	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	48440177	6	48440183	100.00	48440177	6	48440183	100.	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PRADIPKUMAR J. KARIA	9013003	18.61	18.61	9013003	18.61	18.61	0
2	CHETANKUMAR J. KARIA	9012976	18.61	18.61	9012976	18.61	18.61	0
3	VISHAL R. KARIA	4286340	8.85	8.85	4286340	8.85	8.85	0
	Total	22312319	46.07	46.07	22312319	46.07	46.07	0



DIRECTORS' REPORT (Contd...)

(iii) *Change in Promoters' Shareholding (please specify, if thereis no change)- There is no change of shareholding of the promoters during the financial year .*

Sr. No.		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
	At the beginning of the year	22312319	46.07	-	
	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):	-	-	-	
	At the End of the year	22312319	46.07	-	

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

Sr. no	Top ten shareholders pattern	Shareholding 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 Pvt. Limited	2038968	4.21	01-04-2014	-	-	2038968	4.21
				11-04-2014	132028	0.27	2170996	4.48
				13-06-2014	226503	0.47	2397499	4.95
				30-06-2014	(876216)	1.81	1521283	3.14
				30-06-2014	40333	0.08	1561616	3.22
				05-09-2014	55101	0.11	1616717	3.34
				12-09-2014	59622	0.12	1676339	3.46
				19-12-2014	237401	0.49	1913740	3.95
				31-12-2014	261864	0.54	2175604	4.49
				22-12-2014	398257	0.82	2573861	5.31
2	Bakul J. Karia	1296936	2.61	01-04-2014	-	-	1296936	2.61
				01-8-2014	30736	0.06	1266200	2.61
				31-03-2015	-	-	1266200	2.61
3.	Gaurang K Kataria	486500	1.00	01-04-2014	-	-	486500	1.00
				04-04-2014	1000	0.00	487500	1.00
				25-07-2014	260744	0.55	748244	1.55
				07-11-2014	69256	0.14	817500	1.69
				31-03-2015	-	-	817500	1.69

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



DIRECTORS' REPORT (Contd...)

Sr. no	Top ten shareholders pattern	Shareholding 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
4.	Pritesh J. Karia	1312896	2.71	01-04-2014	-	-	1312896	2.71
				01-08-2014	(562896)	1.16	750000	1.55
				31-03-2015	-	-	750000	1.55
6.	Vijay Salhekar	545700	1.13	01-04-2014	-	-	545700	1.13
				31-03-2015	-	-	545700	1.13
7.	Amita P. Karia	611664	1.26	01-04-2014	-	-	611664	1.26
				01-08-2014	(74664)	0.15	537000	1.11
				31-03-2015	-	-	537000	1.11
8.	Roopaben C. Karia	611664	1.26	01-04-2014	-	-	611664	1.26
				01-08-2014	(74644)	0.15	537000	1.11
				31-03-2015	-	-	537000	1.11
9.	Rameshbhai J. Karia	616944	1.27	01-04-2014	-	-	616944	1.27
				01-08-2014	(226944)	0.47	390000	0.81
				31-03-2015	-	-	390000	0.81
10.	Charles India Private Limited	274199	0.57	01-04-2014	-	-	274199	0.57
				31-03-2015	-	-	274199	0.57

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. no	For each of Directors and Key Managerial Personnel	Shareholding 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 J. Karia	9013003	18.61	-	-	-	9013003	18.61
2.	Chetan J. Karia	9012976	18.61	-	-	-	9012976	18.61
3.	Vishal R. Karia	4286340	8.85	-	-	-	4286340	8.85
4.	J.S.Negi	68206	0.14	-	-	-	68206	0.14
5.	Praulben H. Thakore	54356	0.11	-	-	-	54356	0.11
6.	Kaushik Kapadia	114	0.00	-	-	-	114	0.00

* There is no change in the total shareholding of Promoters and Key Managerial Personnel between 1-4-2014 to 31-3-2015.

**DIRECTORS' REPORT (Contd...)****V) Indebtedness : Indebtedness of the Company including interest outstanding/accrued but not due for payment.
(₹ in Lacs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness in the beginning of the year				
(i) Principal Amount	60325.30	8688.21	-	69013.51
(ii) Interest due but not Paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	60325.30	8688.21	-	69013.51
Change in Indebtedness during the financial year				
• Addition	38987.78	-	-	38987.78
• Reduction	-	(713.60)	-	(713.60)
Net Change	38987.78	(713.60)	-	38274.18
Indebtedness at the end of the financial year				
(i) Principal Amount	99313.08	7974.61	-	107287.69
(ii) Interest due but not Paid	2656.62	-	-	2656.62
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	101969.70	7974.61	-	109944.31

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

(In ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Pradip Karia (Managing Director)	Chetan Karia	Vishal Karia	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	36,00,000*	24,00,000*	12,00,000*	72,00,000*
	(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				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission- as % of profit- others, specify...				
5.	Others, please specify				
	Total (A)	36,00,000	24,00,000	12,00,000	72,00,000
	Ceiling as per the Act	72,00,000	60,00,000	48,00,000	1,80,00,000

* Executive Directors had agreed for reduction in salary than sanctioned salary due to present financial condition of the Company.

B. *Remuneration to Independent Directors*

(In ₹)

Particulars of Remuneration	Name of the Directors			Total Amount
	Mr. Jivansingh Negi	Mr. Gurpur R Kamath	Ms. Parulben Thakore	
Fees for attending board meetings	60000	60000	Nil	120000
Commission	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil
Total(1)	60000	60000	Nil	120000



DIRECTORS' REPORT (Contd...)

C. Remuneration to Key Managerial Personnel other than MD /WTD / Manager:- (In ₹)

Sr. No.	Particulars of Remuneration	Kaushik Kapadia	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	3,60,000	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.

II. Other Non- Executive Directors:- There are no other non executive directors

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details) imposed
A. COMPANY					
Penalty					
Punishment			-----NONE-----		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			-----NONE-----		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			-----NONE-----		
Compounding					

**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 2014-15:

Sr. No.	Name of each Director	Ratio of remuneration of Director to median remuneration of employees	
		2014-15	2013-14
1.	Mr. Pradipkumar J. Karia	15.34 :1	15.34 :1
2.	Mr. Chetan J. Karia	10.23 :1	10.23 :1
3.	Mr. Vishal R. Karia	5.11:1	5.11 :1

2. Percentage increase in remuneration of each Director, President, Chief Financial Officer and Company Secretary:
There is no increase in remuneration of each Director, President, Chief Financial Officer and Company Secretary during 2013-14 and 2014-15 and therefore there is nothing to disclose.
3. There is no increase in median remuneration of employees in the financial year.
4. Number of permanent employees on the rolls of the Company as on 31st March, 2015 were 97 and as on 31st March, 2014 were 97.
5. The Company has not increased remuneration of the Employees during the year under review as the Company's performance was deteriorated.
6. The Company has not increased remuneration of the Key Employees during the year under review as the Company's performance was deteriorated.
7. Variation in the market capitalization of the Company ,Price earnings ratio as at the closing date of the Current Financial year and Previous Financial year and Percentage increase over decrease in the market quotations of the Shares of the Company in comparison to the rate at which the Company came out with last Public Offer.

- i) Variation in the market capitalization during the financial year 2014-15 of the Company.

Decrease (₹ in lacs)	Percentage of Decrease (%)
1089.90	43.04

- ii) Price earning ratio :

Description	As on 31-3-2015	As on 31-3-2014
Price earning ratio	-0.02	- 11.14

- iii) Percentage of increase over decrease in the market quotations of the Shares of the Company in comparison to the rate at which the Company came out with last Public Offer : (98.45%)

8. 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. The Company has also not increased the remuneration of the Key Managerial Personnel during the year under review.
9. The Company has incurred loss during the year under review and therefore there are no information for comparison of remuneration of the Key Managerial Personnel against the performance of the Company.
10. There are no variable components in the remuneration availed by Directors of the Company and therefore there are no information for Key parameters for any variable components.
11. There are no employees in the Company who are not Directors but receives remuneration in excess of the highest paid Directors during the year 2014-15.
12. The Company affirms that the remuneration payable to Directors and Employees of the Company are as per the Remuneration policy of the Company.



DIRECTORS' REPORT (Contd...)

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	2014-2015	2013-2014
(A)	Electricity		
	(1) Purchase		
	Unit Nos.	9508952	8374808
	Total Amt. (₹ in Lacs)	632.37	591.21
	Rate Per Unit (₹)	6.65	7.06
	(2) Own Generation		
	Through Diesel Generation Set	131797	73797
	Unit Per Liter of Diesel Oil	3.74	3.81
	Cost Per Unit (₹)	16.74	14.33
(B)	Consumption of Electricity in unit for Per Unit of Production	0.16	0.11

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(₹ in lacs)

	2014-15
a) Earnings	4032.39
b) Outgo	2369.47



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 reasons stated in the Directors' Report

2. INDUSTRY STRUCTURE AND DEVELOPMENT:

Indian economy is facing crisis and prices in all the sector is roaring. Industrial Sector is also affected badly and the growth of the industry is deteriorated. Textile is not out of it. 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****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company's policy on Corporate Governance is to attain highest transparency apart from compliance with the regulatory requirements as per clause 49 of the Listing Agreement with the Stock Exchanges. It also aims to create long term value for all the shareholders of the Company.

BOARD OF DIRECTORS:

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors with at least one Woman Director in compliant with requirement of clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (As specified in clause 49), across all the Companies in which they are Director.

The following is the details of the composition of the Board as on 31st March, 2015.

Sr. no.	Name of Directors	Designation	Position	No. of outside Directorship held	No. of Membership in Board /Committee	No. of Chairmanship in Board /Committee
1.	Mr. Pradip J. Karia	Managing Director	Executive	3	3	4
2.	Mr. Chetan J. Karia	Whole Time Director	Executive	3	None	None
3.	Mr. Vishal R. Karia	Whole Time Director	Executive	3	None	None
4.	Mr. Jivansingh Negi	Director	Non Executive & Independent	1	4	4
5.	Mr. Gurpur Ramdas Kamath	Director	Non Executive & Independent	2	4	1
6.	Mr. Avinash Mayekar*	Director	Non Executive & Independent	1	2	1
7.	Mrs. Parulben S. Thakore#	Director	Non Executive & Independent	1	None	None

* Mr. Avinash Jagannath Mayekar has resigned as a director of the Company w.e.f. 13.11.2014.

Ms. Parulben S. Thakore has been appointed as a Woman Director of the Company w.e.f. 28.03.2015.

During the year 2014-15, 7 (Seven) Board Meetings were held i.e on 29-5-2014, 29-7-2014, 13-8-2014, 30-9-2014, 14-11-2014, 12-2-2015 & 28-3-2015.

Details of attendance of the Directors at the Board Meetings held during the year 2014-15 and Last Annual General Meeting are given below:

Sr. No.	Name of the Directors	Designation	No. of Board meetings held during the year	No. of meeting attended	General Meeting attended
1.	Mr. Pradip J. Karia	Managing Director	7	7	Yes
2.	Mr. Chetan J. Karia	Whole Time Director	7	7	Yes
3.	Mr. Vishal R. Karia	Whole Time Director	7	7	Yes
4.	Mr. Jivansingh Negi	Director	7	4	Yes
5.	Mr. Ramdas Gurpur Kamath	Director	7	4	No
6.	Mr. Avinash Jagannath Mayekar*	Director	4	0	No
7.	Ms. Parulben S. Thakore #	Additional Director	1	0	No

* Mr. Avinash Jagannath Mayekar has resigned as a director of the Company w.e.f. 13.11.2014.

Ms. Parulben S. Thakore has been appointed as a Woman Director of the Company w.e.f. 28.03.2015.



CORPORATE GOVERNANCE REPORT (Contd...)

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 12th February, 2015 without the attendance of Non-Independent directors and Members of the Management.

The independent Directors had reviewed on the following matters:

- i. Review of 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. To assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Attendance Record of Meetings of Independent Directors:

Name of the Director	Number of Meetings Held	Number of Meetings attended
Mr. Ramdas Gurpur Kamath	1	1
Mr. Jivansingh Negi	1	1

CODE OF CONDUCT:

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

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

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

AUDIT COMMITTEE:

The Board of Director has constituted an Audit Committee of Directors and empowered the committee to deal with all such matters which it may consider appropriate to perform an Audit Committee with requirement of Section 177(4) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Audit Committee comprises of 4 members, the committee consists of three independent directors and one Executive Director.

Name	Designation	Nature of Directorship
MR. RAMDAS GURPUR KAMATH	CHAIRMAN	Independent & Non executive Director
MR. JIVANSINGH NEGI	MEMBER	Independent & Non executive Director
MR. PRADIP J. KARIA	MEMBER	Executive Director
MR. AVINASH JAGANNATH MAYEKAR*	MEMBER	Independent & Non executive Director

* Mr. Avinash Jagannath Mayekar had resigned as a Director of the Company w.e.f 13/11/2014.

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

The terms of reference of our Audit committee are given below:

Sr. no.	Scope of work
I	the recommendation for appointment, remuneration and terms of appointment of the auditors of the Company;
II	review and monitor the auditor's independence and performance, and effectiveness of audit process.
III	examination of the financial statement and the auditor's report thereon;
IV	Approval or any subsequent modification of transactions of the Company with related parties.
V	scrutiny of inter-corporate loans and investments;
VI	valuation of undertakings and assets of the Company.
VII	evaluation of internal financial controls and risk management systems.
VIII	Oversight of the Company's financial reporting process and the disclosure of its financial.
IX	information to ensure that the financial statement is correct, sufficient and credible.
X	Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
XI	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.
XII	Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
XIII	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;
XIV	Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
XV	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;
XVI	Discussion with internal auditors of any significant findings and follow up there on
XVII	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;
XVIII	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;
XIX	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
XX	To review the functioning of the Whistle Blower mechanism;
XXI	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

**CORPORATE GOVERNANCE REPORT (Contd...)****Meetings and Attendances:**

During the year, 4 Audit Committee Meetings were held on 29/05/2014, 13/08/2014, 13/11/2014 and 12/02/2015.

The attendance of members at meetings were as follows:

Sr. No.	Name	Designation	No. of meetings held during during the year	No. of meetings attended
1	MR. RAMDAS GURPUR KAMATH	CHAIRMAN	4	4
2	MR. JIVANSINGH NEGI	MEMBER	4	4
3	MR. PRADIP J. KARIA	MEMBER	4	4
4	MR. AVINASH JAGANNATH MAYEKAR*	MEMBER	4	0

* Mr. Avinash Jagannath Mayekar had resigned as a Director of the Company w.e.f 13/11/2014.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee comprises of the members as stated below.

Name	Designation	Nature of Directorship
MR. JIVANSINGH NEGI	CHAIRMAN	Independent & Non executive Director
MR. RAMDAS GURPUR KAMATH	MEMBER	Independent & Non executive Director
MR. AVINASH JAGANNATH MAYEKAR*	MEMBER	Independent & Non executive Director

* Mr. Avinash Jagannath Mayekar had resigned as a Director of the Company w.e.f 13/11/2014.

Terms of Reference of the Nomination & Remuneration Committee:

Sr. no.	Scope of work
1	To identify the 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 removal.
2	To carry out the evaluation of the performance of every Directors.
3	To formulate the criteria for determining qualification, positive attributes and independence of Directors.
4	To recommend to the Board a policy relating to the remuneration of the Directors , Key Managerial Personnel and other employees.
5	Devising a policy on Board diversity.

Particulars of Nomination and Remuneration Committee's Meetings :

Sr. No.	Name	Designation	No. of meetings held during the year	No. of meetings attended
1	MR. JIVANSINGH NEGI	MEMBER	3	3
2	MR. RAMDAS GURPUR KAMATH	CHAIRMAN	3	3
3	MR. AVINASH JAGANNATH MAYEKAR*	MEMBER	1	0

* Mr. Avinash Jagannath Mayekar had resigned as a Director of the Company w.e.f 13/11/2014.

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

Sr. No	Name	Salary ₹	Perquisites & allowances ₹	Sitting fees ₹	Commission /bonus ₹	Total ₹
1	Mr. Pradip J. Karia	36.00	0.00	0.00	0.00	36.00
2	Mr. Chetan J. Karia	24.00	0.00	0.00	0.00	24.00
3	Mr. Vishal Karia	12.00	0.00	0.00	0.00	12.00

Remuneration paid to Non-Executive Directors for the financial year 2014-15:**(₹ in lacs)**

Sr. No.	Name	Sitting Fees	Commission	Total
1.	MR. RAMDAS GURPUR KAMATH	0.60	0.00	0.60
2.	MR. JIVANSINGH NEGI	0.60	0.00	0.60
3.	MR. AVINASH JAGANNATH MAYEKAR*	0.00	0.00	0.00

*Mr. Avinash Jagannath Mayekar had resigned as a Director of the Company w.e.f 13/11/2014.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The stakeholders Relationship/Grievance Committee of Directors has been constituted in place of Share holders/ Investors' Grievances Committee of Directors. The role of the committee is to consider and resolve the grievances of security holders and perform such duties and responsibilities with requirement of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The stakeholders relationship committee is comprised of the following Directors.

Name	Designation	Nature of Directorship	No. of committee meetings held during relevant the year	No. of meetings attended
Mr. Jivansingh Negi	Chairman	Independent & Non Executive Director	4	4
Mr. Ramdas Gurple Kamath	Member	Independent & Non Executive Director	4	4
Mr. Pradip Karia	Member	Executive Director	4	4

Compliance Officer

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

Status of Shareholders'/ Investors' Complaints for the period 01st April, 2014 to 31st March, 2015.

Nature of Complaints	No. of Complaint received	No. of Complaint resolved	No. of pending Complaint
Copy Of Annual Report	11	11	-

RISK MANAGEMENT COMMITTEE:

The Risk Management Committee was constituted by the Board on 29th May,2014 with requirement of Clause 49 of the Listing Agreement.



CORPORATE GOVERNANCE REPORT (Contd...)

Role and Responsibilities of the Committee includes the following.

Sr. no.	Scope of work
1	To assist the Company to lay down procedures to inform Board members about the risk assessment & minimization procedures.
2.	To assist the Company in framing, implementing and monitoring the risk management plan for the Company.

Risk Management committee comprises of the following members:

Name	Designation	Nature of Directorship	No. of committee meetings held during relevant the year	No. of meetings attended
Mr. Jivansingh Negi	Chairman	Independent & Non Executive Director	1	1
Mr. Pradip Karia	Member	Executive Director	1	1
Mr. Ramdas Gurple Kamath	Member	Independent & Non Executive Director	1	1

WHISTLE BLOWER POLICY

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 behaviour.

The Company promotes the culture where employees can freely work and reporting for any unethical behaviour or unacceptable practice and any event of misconduct. Section 177 read with Rule 7 of The Companies (Meetings of Board and its Powers), 2014 and revised Clause 49 of the Listing Agreement, inter-alia, 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.

GENERAL BODY MEETING:

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

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

Date	Time	Venue
29 th September, 2012	11:00 a.m.	104, 105, 106, Chancharwadi, Vasna, Opp. Zydus Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382 213
30 th September, 2013	11.00 a.m.	104, 105, 106, Chancharwadi, Vasna, Opp. Zydus Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382 213
30 th September, 2014	12:30 p.m.	104,105,106, Chancharwadi, Vasna, Opp. Zydus Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad- 382 213.



CORPORATE GOVERNANCE REPORT (Contd...)

- (ii) Information about Special Resolutions passed in previous three Annual General Meetings:
- (a) No special resolution was passed in the Annual General Meeting held for financial year 2011-12 and 2012-13.
- (b) 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. (Three separate resolutions were passed.)
 - Consent of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to Board of Directors to borrow amount not exceeding at any time ₹ 1750 Crores over and above the paid up capital and free reserves of the Company.
 - Consent of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or charge by the Board of Directors any immovable and movable properties/assets of the Company including undertaking(s) to secure the borrowings.
 - Consent of the Company pursuant to Section 92 of the Companies Act, 2013 to keep the register and index of members and copies of all annual returns, certificates and documents at office of Registrar and Share Transfer Agent of the Company or any other its office or place within Ahmedabad city instead of the Registered office of the Company.

DISCLOSURES:

- I. Related Party Transactions: There is no transaction of materially significant 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.**

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.

Newspapers Release:

The Company’s quarterly results are published in the Business Standard (English Language) and Jaihind (Gujarati Language).

Website:

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

GENERAL SHAREHOLDERS INFORMATION:

1) Annual General Meeting:

- Date : 30th September, 2015
- Time : 12.00 noon
- Venue : 104,105,106, Chancharwadi, Vasna, Opp. Zydu Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382213.

2) **Financial Calendar:**

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

Result for the quarter ended

- | | |
|----------------------------------|--|
| 30 th June, 2015 | On or before 14 th August, 2015 |
| 30 th September, 2015 | On or before 14 th November, 2015 |
| 31 st December, 2015 | On or before 14 th February, 2016 |
| 31 st March, 2016 | On or before 30 th May, 2016 |



CORPORATE GOVERNANCE REPORT (Contd...)

3) Book Closure:

The Register of Members and Share Transfer Register will remain closed from 16th September,2015 to 30th September, 2015 for the purpose of payment of dividend.

4) Dividend Payment Date: Nil

5) Listing of stock exchanges:

Sr. No.	Name of the Exchanges	Code	Address
1	Bombay Stock Exchange Limited	533178	Dalal Street, Fort, Mumbai – 400001
2	National Stock Exchange Limited	PRADIP	Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

6) Stock code : BSE – 533178 NSE : PRADIP

7) STOCK MARKET DATA

The Month wise Highest and lowest stock prices at Bombay Stock Exchange and National Stock Exchange.

Financial Year – 2014-15	Bombay Stock Exchange		National Stock Exchange	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
April-14	4.25	3.56	4.15	3.75
May-14	6.58	3.00	6.45	3.50
June-14	5.94	4.37	5.90	4.35
July-14	4.85	3.30	4.85	3.45
August-14	5.25	3.31	5.25	3.10
September-14	4.20	2.72	4.10	2.55
October-14	3.59	2.60	3.50	2.50
November-14	2.90	1.85	2.85	1.80
December-14	2.35	1.55	2.15	1.60
January-15	2.97	1.85	2.95	1.85
February-15	2.74	1.90	2.75	1.95
March-15	2.44	1.54	2.40	1.60

8) Registrars and Transfer Agents:

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

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

Link Intime Pvt. Ltd.

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

**CORPORATE GOVERNANCE REPORT (Contd...)****9) SHARE TRANSFER SYSTEMS :**

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

10) Distribution of shareholding as at 31st March, 2015.

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of Share held	% Share holding
1-500	11873	78.93	1524701	3.14
501-1000	1185	7.87	936544	1.93
1001-2000	795	5.28	1201499	2.48
2001-3000	315	2.09	811973	1.67
3001-4000	149	0.99	526272	1.08
4001-5000	163	1.08	776391	1.60
5001-10000	267	1.77	2002675	4.13
10001 and above	294	1.95	40660128	83.93
Total	15041	100.00	48440183	100.00

11) Dematerialization of shares and liquidity:

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

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

a) **Registered Office:** 104,105,106, Chancharwadi, Vasna, Opp. Zydu Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382213.

Ph : +91 (2717) 251859 / 60 / 61 Fax - +91 (2717) 251874

Email : investor@pradipoverseas.com Web : www.pradipoverseas.com

b) **Corporate Office :** A/601, Narayan Complex, Near Swastik Char Rasta, Navrangpura, Ahmedabad-380009.

Ph : 079 2656 9243, 2656 0630. Fax- 079 2642 0408

Email : investor@pradipoverseas.com Web : www.pradipoverseas.com

II) Registrar and Share Transfer Agent

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

The Above report was placed before Board of Directors of the Company at its meeting held on 09th June, 2015.



CORPORATE GOVERNANCE REPORT (Contd...)

CFO CERTIFICATION:

The WTD & Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Clause 49 of the listing agreement certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

**To,
The Members of
PRADIP OVERSEAS LIMITED**

We have examined the compliance of conditions of corporate governance by Pradip Overseas Limited for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to review procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement with relevant Stock Exchanges.

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

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

Sd/-
(CA Ashok Dhariwal)
Partner
Membership No. 036452

Place : Ahmedabad
Date : 09/06/2015

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management of the Company, affirmation that they had complied with the Clause 49 of the Listing Agreement with Stock Exchanges and there is no violation under this clause during the year ended 31st March, 2015.

Place : Ahmedabad
Date : 09/06/2015

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



CORPORATE GOVERNANCE REPORT (Contd...)

CFO CERTIFICATE UNDER CLAUSE 49 (IX)

**To,
The Members of
PRADIP OVERSEAS LIMITED**

1. We have reviewed financial statements and the cash flow statement of Pradip Overseas Limited for the year ended 31st March, 2015 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 violating of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectifying these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - (i) there is no significant changes in internal control over financial reporting during the year;
 - (ii) there is no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

Place: Ahmedabad
Date : 09/06/2015

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



SECRETARIAL AUDIT REPORT

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2015**

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

To,
The Members,
Pradip Overseas Limited

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

Based on my verification of the Pradip Overseas Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Pradip Overseas Limited ("the Company") for the financial year ended on 31st March, 2015 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:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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, 1992;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (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;



SECRETARIAL AUDIT REPORT (Contd...)

- (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 listing agreement entered into by the Company with Stock Exchange. We have not verified the compliance of the Secretarial Standards issued by the Institute of Company Secretaries of India since the same are yet to be notified.

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

1. *Company has not published public notice by way of an advertisement immediately after completion of dispatch of notices for the meeting and therefore, to that extent provisions of rule 20(5) of The Companies (Management and Administration) Rules, 2014 are not complied.*
2. *During the period under review Company has given donation of Rs.1,57,312, which is in excess of permissible limit prescribed under the Act and therefore, to that extent Company has violated provisions of section 181 of the Companies Act,2013.*

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. *However, on 13th November, 2014, Mr. Avinash Mayenkar had resigned as a Director and therefore, as per listing agreement Company was required to appoint Independent Director before 13th February, 2015, however same was appointed on 28th March, 2015 and therefore, to that Company has violated provisions of listing agreement.* The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

Place : Ahmedabad
Date : 28/05/2015

For, Ashish Shah & Associates
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.



SECRETARIAL AUDIT REPORT (Contd...)

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 : 28/05/2015

For, Ashish Shah & Associates
Ashish Shah
Company Secretary in practice
FCS No. 5974
C P No.: 4178



INDEPENDENT AUDITORS' REPORT

To the Members of Pradip Overseas Limited

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Pradip Overseas Limited ("the company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and 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 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 for ensuring accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting our audit in accordance with the Standards on Auditing under Section 143(10) of the Act.

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.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

- A. In respect of Trade Receivables amounting to ₹ 930.32 Cr., we have not received balance confirmations from the debtors. There have been defaults on the payment obligations by debtors on the due dates. The Company has created a provision for doubtful debts to the tune of ₹ 262.56 Cr. during the reporting period. The Company has stated that the provision is based on receivables which are older than 36 months, which in our opinion is not commensurate with the size and operation of the Company. In our opinion, the provision made is inadequate and the impact on loss and carrying value of trade receivables could not be ascertained.
- B. In respect of Inventories, during the reporting period, the management has not undertaken physical verification of Inventories at periodic intervals. The Company has not maintained adequate inventory records at the factory. In our opinion, the comparative inventory holding levels, in view of steep decline in the turnover as compared to earlier years, are higher and therefore there is a possibility of loss on sale / realization of slow moving / old items. No provision has been made on diminution in the value of old and slow moving inventory. The impact of the above remarks, presently not ascertainable and, therefore, cannot be commented upon.
- C. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered recurring losses from operations, has net capital deficiencies and non fulfillment of commitment of approved CDR package that raises substantial doubts about the Company's ability to continue as a going concern. The financial statement does not include any adjustment that might result from the outcome of this uncertainty. Management plans in regard to this matter are described in note 3.1.4 to the financial statements. The appropriateness of going concern assumption is dependent on the Company's ability to raise adequate finance from alternate means and / or recoveries from debtors to meet its short term and long term obligations as well as to establish consistent business operations.

In the absence of any convincing audit evidences, no positive steps taken by the management, non recovery of Trade Receivables since long, default in payment of the restructured loans forming part of CDR package and financial difficulties faced by the Company due to decrease in business operations, we are unable to determine the possible effects of these multiple uncertainties on the financial statements.



INDEPENDENT AUDITORS' REPORT (Contd...)

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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. As described in the Basis of Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters as referred to in Basis for Disclaimer of Opinion.
 - 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 except for the matters as referred to in Basis for Disclaimer of Opinion.
 - d. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether 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 matters described in the Basis for Disclaimer of 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 March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - g. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis of Disclaimer of Opinion paragraph above.
 - h. 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. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 17 to the Financial Statements;
 - ii. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-
(CA Ashok Dhariwal)
Partner
Membership No. 036452

Place : Ahmedabad
Date : 09/06/2015



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (ii) In respect of its inventories:
 - a. The management has not conducted physical verification of inventory at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are not reasonable and adequate in relation to the size of the Company and the nature of its business. The management has not undertaken physical verification of inventory at periodic intervals during the reporting period.
 - c. The Company has not maintained proper records of inventory. In the absence of adequate documentation of physical verification of inventory and inventory records, we are unable to determine whether there were any material discrepancies noticed on physical verification of inventories as compared to the book records and whether the same has 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 the Companies, firms or other parties covered in register maintained under section 189 of the Act. Accordingly, the provisions of clause (iii) (a) and (iii) (b) of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess to the extent applicable and any other statutory dues with the appropriate authorities. There were no undisputed statutory dues in arrears as on 31st of March, 2015 for a period of more than six months from the date they became payable.
 - b) There are no amounts payable in respect of income tax, wealth 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 any disputes.
 - c) According to the information and explanations given to us, there were no amounts which were required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.



PRADIP OVERSEAS LTD.

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

- (viii) The accumulated losses of the Company at the end of the financial year exceed its net worth. The Company has incurred cash losses during the financial period covered by our audit. The cash losses were also incurred in the immediately preceding financial year.
- (ix) Based on our audit procedure and as per the information and explanation given by the management, the Company has defaulted in meeting its scheduled debt service obligations as per the approved Corporate Debt Restructuring proposal. The details of such default are as under:

Bank Name	Total Amount Defaulted (₹ in Cr.)	Date from when Default Started
State Bank of India	0.10	31/03/2015
Canara Bank	0.12	31/03/2015
Indian Overseas Bank	0.05	31/03/2015
Allahabad Bank	0.08	31/03/2015
Union Bank of India	0.01	31/03/2015
Punjab National Bank	0.02	31/03/2015
State Bank of Patiala	0.02	31/03/2015
Karur Vyasa Bank	0.01	31/03/2015
Bank of India	0.04	31/03/2015
Laxmi Vilas Bank	0.02	31/03/2015
Total	0.47	

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

- (x) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for the loan taken by others from banks or financial institutions. Accordingly, the provisions of clause (x) of the paragraph 3 of the Order are not applicable to the Company.
- (xi) The Company has raised new term loans during the year. In our opinion, the term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Sd/-
(CA Ashok Dhariwal)
Partner

Place : Ahmedabad
Date : 09/06/2015

Membership No. 036452

**PRADIP OVERSEAS LTD.****BALANCE SHEET AS AT 31ST MARCH, 2015**

(₹ in Lacs)

PARTICULARS	Nos.	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	8,742.02	4,844.02
Reserves and surplus	2	(43,443.52)	(2,152.24)
Non-current liabilities			
Long-term borrowings	3	106,254.69	68,966.51
Long-term provisions	5	58.07	43.67
Current liabilities			
Short-term borrowings	6	42,158.77	66,234.36
Trade payables	7	10,825.58	6,078.65
Other current liabilities	8	2,351.47	4,951.87
Short-term provisions	9	41.81	35.58
TOTAL		126,988.89	149,002.42
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	8,233.25	8,540.04
Intangible assets	10	10.99	12.54
Capital Work-in-Progress	10	5,321.19	3,124.11
Non-current investments	11	45.67	45.67
Deferred tax assets (net)	4	6,222.40	4,608.68
Long-term loans and advances	12	2,213.24	2,055.95
Current assets			
Inventories	13	37,583.25	37,975.94
Trade receivables	14	66,775.94	88,401.66
Cash and bank balances	15	123.40	450.61
Short-term loans and advances	16	459.57	3,787.23
TOTAL		126,988.89	149,002.42

Significant Accounting Policies

Notes on Financial Statements 1 to 36

As per our Report of even date

For, **Ashok Dhariwal & Co.,**

Chartered Accountants,

(Reg. No. 100648W)

Sd/-

(CA Ashok Dhariwal)

Partner

Membership No. 036452

Place : Ahmedabad

Date : June 9, 2015

For and on behalf of the Board

Sd/-

(Pradip Karia)

Chairman & Managing Director

(DIN: 00123748)

Sd/-

(Vihal Karia)

WTD & CFO

(DIN: 00514884)

Sd/-

(Kaushik B. Kapadia)

Company Secretary

FCS 4834

Place : Ahmedabad

Date : June 9, 2015

**PRADIP OVERSEAS LTD.****STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2015**

(₹ in Lacs)

PARTICULARS	Nos.	2014-15	2013-14
I. INCOME			
Revenue from operations (gross)	18	23,984.33	59,856.73
Less : Excise duty		-	-
Revenue from operations (net)		23,984.33	59,856.73
Other income	19	422.65	542.90
Total (I)		24,406.98	60,399.64
II. EXPENDITURE			
Cost of materials consumed	20	18,565.67	52,619.91
Purchase / Conversion of land into stock in trade		805.27	4,160.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(591.09)	(5,288.42)
Employee benefit expenses	22	450.97	421.44
Finance costs	23	11,442.89	13,063.33
Depreciation and amortization expense	24	704.43	840.04
Other expenses	25	34,712.54	8,590.96
Total (II)		66,090.67	74,407.51
III. Profit / (Loss) before exceptional items, prior period items and Tax (I-II)		(41,683.69)	(14,007.88)
IV. Add / (Less) : Exceptional items		-	-
V. Profit / (Loss) before prior period items and Tax		(41,683.69)	(14,007.88)
VI. Add / (Less) : Prior period items	26	(1,270.35)	-
VII. Profit for the year before taxation		(42,954.05)	(14,007.88)
VIII. Tax Expense:			
Current tax		0.22	0.34
Deferred tax		(1,604.06)	2,957.40
Total Tax Expenses		(1,603.84)	2,957.74
Profit/ (Loss) for the year		(41,350.21)	(16,965.61)
Earnings Per Equity Share			
Basic and Diluted	30	(85.36)	(35.02)

Significant Accounting Policies

Notes on Financial Statements

1 to 36

As per our Report of even date

For, **Ashok Dhariwal & Co.,**

Chartered Accountants,

(Reg. No. 100648W)

Sd/-

(CA Ashok Dhariwal)

Partner

Membership No. 036452

Place : Ahmedabad

Date : June 9, 2015

For and on behalf of the Board

Sd/-

(Pradip Karia)

Chairman & Managing Director

(DIN: 00123748)

Sd/-

(Vihal Karia)

WTD & CFO

(DIN: 00514884)

Sd/-

(Kaushik B. Kapadia)

Company Secretary

FCS 4834

Place : Ahmedabad

Date : June 9, 2015



PRADIP OVERSEAS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	(42,954.05)	(14,007.88)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortisation on continuing operation	704.43	840.04
Interest income	(27.20)	(16.61)
Finance charges	11,442.89	13,063.33
Profit on sale of fixed assets	-	(3.96)
Provision for doubtful debts	26,256.15	-
Fees for increase in authorised share capital	33.77	-
Net prior year adjustments	80.55	-
	38,490.60	13,882.80
Operating profit / (loss) before working capital changes	(4,463.45)	(125.08)
Movements in working capital:		
Decrease / (increase) in Trade and other receivables	(4,630.44)	(6,064.36)
Decrease / (increase) in Inventories	392.69	4,581.10
Increase / (decrease) in Trade and other payables	4,746.93	(7,567.91)
Increase / (decrease) in Other current liabilities	(2,600.40)	(2,836.88)
Increase / (decrease) in Long-term provisions	14.41	(3.80)
Increase / (decrease) in Short-term provisions	6.23	(10.56)
	(2,070.58)	(11,902.41)
Cash generated from / (used in) operations	(6,534.03)	(12,027.48)
Direct taxes paid (net of refunds)	(0.22)	(0.34)
Net cash flow from / (used in) operating activities (A)	(6,534.25)	(12,027.82)
B. Cash flow from investing activities		
Interest received	27.20	16.61
Movement in Short term loans & advances	3,327.66	6,587.20
Movement in Long term loans & advances	(157.29)	(298.76)
Purchase of fixed assets & capital work-in-progress	(2,624.45)	(771.59)
Sale of fixed assets	-	131.05
Movement in bank deposits not considered as cash and cash equivalents	2.37	251.39
Net cash flow from / (used in) investing activities (B)	575.49	5,915.90
C. Cash flow from financing activities		
Proceeds from issue of non - convertible preference shares	3,898.00	-
Fees for increase in authorised share capital	(33.77)	-
Unclaimed dividend accounts	-	0.00
Finance charges	(11,442.89)	(13,063.33)
Proceeds / (Repayment) of Long term borrowings	37,288.18	12,047.56
Proceeds / (Repayment) of Short term borrowings	(24,075.59)	6,973.59
Margin money deposits	(15.00)	15.00
Net cash flow from / (used in) financing activities (C)	5,618.92	5,972.83
D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(339.84)	(139.09)
E. Cash and cash equivalents at the beginning of the year (refer note 15)	416.06	555.15
Cash and cash equivalents at the end of the year (D+E)	76.22	416.06
Add : Bank balances not considered as Cash & cash equivalents	47.18	34.55
Closing Cash & bank balances as per note 15	123.40	450.61

In terms of our report attached

For, **Ashok Dhariwal & Co.,**

Chartered Accountants,

(Reg. No. 100648W)

Sd/-

(CA Ashok Dhariwal)

Partner

Membership No. 036452

Place : Ahmedabad

Date : June 9, 2015

For and on behalf of the Board

Sd/-

(Pradip Karia)

Chairman & Managing Director

(DIN: 00123748)

Sd/-

(Vihal Karia)

WTD & CFO

(DIN: 00514884)

Sd/-

(Kaushik B. Kapadia)

Company Secretary

FCS 4834

Place : Ahmedabad

Date : June 9, 2015



SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

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

2. USE OF ESTIMATES

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

3. INVENTORIES

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

4. CASH FLOW STATEMENT

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

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

(b) Cash Flow Statement

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

5. PRIOR PERIOD AND EXCEPTIONAL ITEMS:

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

6. FIXED ASSETS/INTANGIBLE ASSETS & DEPRECIATION

- a. Fixed assets are stated at their original cost of acquisition including respective taxes duties freight and other incidental expenses related to acquisition and installation of the respective assets.
- b. Intangible Assets are recognized as per the principle laid down in Accounting Standard 26 – Intangible Assets, as specified in the Companies (Accounting Standard) Rules, 2006 (as amended).



SIGNIFICANT ACCOUNTING POLICIES (Contd...)

- c. Depreciation on tangible fixed assets has been provided on Straight Line Method as per the useful life prescribed in the Schedule II to the Companies Act, 2013. However the depreciation on addition made during the year have been provided on pro-rata basis from the date of their purchase/use. Intangible assets are amortized over its expected useful life on straight line method. The estimated useful life of the intangible assets and amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

7. REVENUE RECOGNITION

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

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

8. FOREIGN CURRENCY TRANSACTIONS

Initial Recognition

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

Conversion

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

Exchange Differences

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

Forward Exchange Contracts

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

Derivative Instruments

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



SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Foreign Currency translation:

The functional and presentation currency of Pradip Home Fashion Inc. is US \$.

9. INVESTMENTS:

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

10. RETIREMENT BENEFITS

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

In respect of derivative contracts, premium paid, gains /losses on restatement are recognised in the Statement of Profit and Loss except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets. The Company uses forward exchange contracts to hedge its foreign exchange exposure in accordance with its forex policy. As on 31st March, 2015, the company had no outstanding forward exchange contracts.

13. 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.



SIGNIFICANT ACCOUNTING POLICIES (Contd...)

14. LEASE

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.

15. 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.

16. 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.

17. 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.

18. TAXES ON INCOME:

Deferred Taxation

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

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

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.

19. IMPAIRMENT OF FIXED ASSETS:

The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exist, 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 its recognized in the Statement of Profit and Loss.

20. 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. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****1. SHARE CAPITAL**

(₹ in Lacs)

Particulars	As at 31st March,2015	As at 31st March,2014
Authorised Share Capital		
5,00,00,000 (5,00,00,000) Equity Shares of ₹10 (10) each	5,000.00	5,000.00
40,00,000 (40,00,000) Non-cumulative Non-convertible Redeemable Preference Shares of ₹ 100 (100) each	4,000.00	4,000.00
Issued, Subscribed and fully paid up		
4,84,40,183 (4,84,40,183) Equity Shares of ₹10 (10) each fully paid up	4,844.02	4,844.02
38,98,000 (NIL) Non-cumulative Non-convertible Redeemable Preference Shares of ₹ 100 (NIL) each fully paid up	3,898.00	-
Total	8,742.02	4,844.02

(a) (i) Reconciliation of the Number of Equity Shares Outstanding

Particulars	As at 31st March,2015		As at 31st March,2014	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
Equity Shares at the beginning of the year	48,440,183	4,844.02	48,440,183	4,844.02
Add : Shares issued on exercise of employee stock options	-	-	-	-
Add : Allotted as bonus shares	-	-	-	-
Add : Allotted without payment being received in cash on amalgamation	-	-	-	-
Add : Allotted to Qualified Institutional Buyers	-	-	-	-
Less : Shares cancelled on buy back of equity shares	-	-	-	-
Outstanding at the end of the year	48,440,183	4,844.02	48,440,183	4,844.02

(a) (ii) Reconciliation of the number of Preference Shares outstanding

Particulars	As at 31st March,2015		As at 31st March,2014	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
Preference Shares at the beginning of the year	-	-	-	-
Add : Shares issued during the year	3,898,000	3,898.00	-	-
Outstanding at the end of the year	3,898,000	3,898.00	-	-

(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.



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(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, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Equity Shares allotted as fully paid bonus shares by capitalization of securities premium	Nil	Nil	8073364	Nil	Nil
Equity Shares allotted as fully paid pursuant to contracts for consideration other than cash	Nil	Nil	Nil	Nil	Nil
Equity Shares bought back by the company	Nil	Nil	Nil	Nil	Nil
TOTAL				-	-

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

Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Nos.	% holding	Nos.	% holding
Mr. Pradipkumar J. Karia	9,013,003	18.61%	9,013,003	18.61%
Mr. Chetankumar J. Karia	9,012,976	18.61%	9,012,976	18.61%
Mr. Vishal R. Karia	4,286,340	8.85%	4,286,340	8.85%
Gogia Capital Services Limited	-	-	3,581,342	7.39%
Pradip Petrofils Private Limited	2,573,861	5.31%	2,038,968	4.21%

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

Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Nos.	% holding	Nos.	% holding
Mr. Vishal R. Karia	1,050,000	26.94%	-	-
Mr. Pritesh Karia	750,000	19.24%	-	-
Mr. Ramesh Karia	650,000	16.68%	-	-
Mr. Bakul Karia	250,000	6.41%	-	-

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

2. RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
2.1 SECURITY PREMIUM				
As per last Balance Sheet		8,917.39		8,917.39
2.2 CAPITAL RESERVE				
As per last Balance Sheet		150.76		150.76
On Conversion of Capital Asset into Stock-in-trade	2,506.38	2,657.14	2,506.38	2,657.14
2.3 SURPLUS IN PROFIT & LOSS				
As per last Balance Sheet	(13,726.78)		3,238.84	
Add : Profit / (loss) for the year	(41,350.21)		(16,965.61)	
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on fixed assets with NIL remaining useful life (refer note 10A)	21.62		-	
Tax paid in earlier year for I. T.	(81.45)		-	
Settlement Commission Application Adjustment due to I.T. Settlement Commission Order	162.00	(55,018.05)	-	(13,726.78)
Total		43,443.52		(2,152.24)

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****3. LONG TERM BORROWINGS**

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non Current	Current	Non Current	Current
SECURED				
Term loans from banks (refer note 3.1)	98,280.08	1,033.00	60,278.30	47.00
UNSECURED				
Inter- corporate loans	4,693.46	-	5,350.05	-
Loans from directors	3,281.15	-	3,338.16	-
Total	106,254.69	1,033.00	68,966.51	47.00

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 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 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 has 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 is January 1, 2013. The Master Restructuring Agreement ('MRA') has been 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 The Key Features of the CDR Proposal are as follows:

- Setting up the ETP (Effluent Treatment Plant) facility so that the company can operate at higher capacity utilisation.
- To monetize the land parcel at Bhamsara and the sale proceeds (estimated at ₹ 1,036.39 Cr.) from the monetization shall be utilised for repayment of dues to the lenders.
- The existing term facilities of ₹ 544.09 Cr. (including existing term loan, WCTL and FITL) shall stand restructured, merged and converted into Restructured Term Loans. The Rate of Interest (ROI) on Restructured Term Loans shall be linked to the Base Rate of the respective lenders, which is presently in the range of 10.50% - 10.70% p.a. with reset due at the end of the 3rd year from COD.
- The company to avail a new term loan aggregating to ₹ 29.92 Cr. for setting up ETP facility under the approved CDR package. No FITL (Funded Interest Term Loan) on new term loan is proposed hence the company shall pay interest on the new term loan as and when due. The ROI on new term loan shall be linked to the Base Rate of the respective lenders, which is presently in the range of 11 - 11.20% p.a. with reset due at the end of 3rd year from COD.
- There shall be a moratorium of 24 months from COD for repayment of installments of Restructured Term Loans and New Term loans.
- A new term loan of ₹ 12.50 Cr. from SCB is proposed and the same shall be repaid over a period of 7 years as per the schedule mentioned below.
- The irregular portion of working capital facilities as on COD amounting to ₹ 212.12 Cr., after payment of interest overdues and bank charges, shall be converted to WCTL (Working Capital Term Loan). The ROI on WCTL shall be linked to the Base Rate of the respective lenders, which is presently in the range of 10.50 - 10.70% p.a. with reset due at the end of 3rd year from COD.
- The balance portion of working capital facilities of ₹ 359.78 Cr. shall stand reconstituted into need based working capital limits. Need based working capital limits / facilities shall be provided within the drawing power of the company. The ROI on these working capital limits shall be linked to the Base Rate of the respective Lenders, which is presently in the range of 10.50 - 10.70% p.a. with reset due annually. These working capital facilities shall be repayable on demand.



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- The interest on Restructured Term Loans, Working Capital Term Loan and Working Capital Facilities accrued/to be accrued for a period of 24 months from the COD i.e. from 1st January 2013 till 31st December 2014 shall stand converted into Funded Interest Term Loan (FITL) aggregating to ₹ 234.31 Cr. The ROI on FITL shall be linked to the Base Rate of the respective lenders, which is presently in the range of 10.50 - 10.70% p.a. with reset due at the end of 2nd year from COD.
- All the above term facilities (except working capital facilities repayable on demand) are to be repaid in 28 structured quarterly installments commencing from quarter ending March 2015 and the last installment will be payable in quarter ending December 2021.
- Waiver of all penal charges / penal interest / cumulative interest after COD.
- Permitting holding-on operation till implementation of the CDR package.
- Right to recompense to CDR lenders for the relief and sacrifice extended, subject to the provisions of the CDR guidelines and MRA.
- Minimum promoters' contribution shall be 25% of the lenders sacrifice. The promoters shall make contribution of ₹ 42.06 Cr. (being 25.65%) in the company in lieu of bank sacrifice, out of which ₹ 33.65 Cr. (20.52%) shall be brought upfront including conversion of unsecured loans brought post COD by the directors into equity / preference shares. The balance ₹ 8.41 Cr. (5.13%) shall be brought over next 12 months.
- The promoters shall pledge their entire shareholding in favour of the lenders in demat form with voting rights. Further, if any fresh equity shares are issued to the promoters, they shall also be pledged in favour of the lenders.
- The promoters shall furnish unconditional and irrevocable personal guarantee along with the corporate guarantee from Pradip Enterprises Ltd. and M/s. Pradip Exports (limited to the value of property offered).

Details of Securities offered by the Company:

- (A) Charge on Immovable Properties of the Company :** Term loans and working capital facilities from banks are secured by way of first charge by mortgage of all immovable properties of the company, both present and future, ranking pari passu inter se.
- (B) Charge on Current Assets of the Company :** Working Capital facilities, WCTL and FITL on Working Capital facilities are secured by way of hypothecation by first charge over current assets of the company, both present and future, ranking pari passu inter se and Restructured working capital facilities, New Term Loan and FITL on Restructured Term Loan from Banks are secured by hypothecation of second charge over the current assets of the company, both present and future, ranking pari passu inter se.
- (C) Charge on Movable P&M of the Company :** Restructured Working Capital facilities, FITL on Restructured Term Loans and New Term loans from Banks are secured by way of hypothecation by first charge over the movable Plant and Machinery of the Company, both present and future, ranking pari passu inter se and working capital facilities, WCTL and FITL on working capital facilities from banks are secured by way of Hypothecation by second charge over the movable Plant and Machinery of the Company, both present and future, ranking pari passu inter se.
- (D) Charge on Movable P&M for ETP of the Company :** New Term Loans from Banks are secured by hypothecation by first charge over the movable Plant and Machinery for ETP, both present and future, ranking pari passu inter se and Restructured working capital facilities, FITL and WCTL from banks are secured by way of hypothecation by second charge over movable Plant and Machinery for ETP, both present and future, ranking pari passu inter se.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****Maturity Profile of Restructured Loans is as below: ₹ in Cr.**

Nature of Facility	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
Restructured Term Loans	0.25	5.44	87.05	87.05	97.94	108.82	108.82	48.72
New Term Loan - for ETP facility	0.01	0.30	4.79	4.79	5.39	5.98	5.98	2.68
New Term Loan from SCB	0.01	0.13	2.00	2.00	2.25	2.50	2.50	1.11
WCTL	0.10	2.12	33.93	33.93	38.21	42.42	42.42	18.99
FITL	0.10	2.34	37.49	37.49	42.18	46.87	46.87	20.97
Total	0.47	10.33	165.26	165.26	185.97	206.59	206.59	92.47

3.1.2 The company and the CDR lenders had executed MRA on March 22, 2014. The MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the CDR lenders to get recompense of their waivers and sacrifices made as part of the CDR proposal. The recompense payable by the company is contingent on various factors including improved performance of the company and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as contingent liability.

The aggregate present value of the outstanding sacrifice made / to be made by CDR Lenders as per first restructuring and CDR is approximately ₹ 440.08 Cr.

3.1.3 Going Concern:

CDR Empowered group has approved a restructuring package in terms of which the existing loans of the lenders to the company are to be restructured. Post approval, the company is confident of successful implementation of the CDR package. The company is also taking various steps to reduce costs and improve efficiencies to make its operations profitable. 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.

3.1.4 Steps taken by Management post approval of CDR Package:**- Industrial Park Project at Bhamsara Land:**

One of the key features of CDR proposal is to monetize the land parcel at Bhamsara. Since majority of land situated at Bhamsara is converted into Industrial bonafide land, the company had approached Government of Gujarat ("GoG") in the month of September, 2014 to approve two Industrial parks as per the GoG Industrial Park policy announced in the Year 2013. Company has submitted two investment intentions to GoG under Vibrant Gujarat Global Summit 2015 ("VGGGS 2015") for development of two industrial parks one each for Specialty & Fine Chemicals and Auto & Auto Components. Memorandum of Understanding was signed during the VGGGS 2015 in the month of January, 2015. Government of Gujarat is in active consideration of approving the two industrial parks at Bhamsara. Once the approval from GoG will be in place, the company will take initiative to develop the two industrial parks. The monetization of land parcel at Bhamsara & sale proceeds shall be utilised for repayment of dues to lenders.

- Zero Discharge Effluent Treatment Plant – Capacity 5MLD

In the CDR package, a term loan of ₹ 30 Cr. was sanctioned by the consortium of 10 Banks. Prior to the sanctioning the term loan, Company had completed the major civil work for the Effluent Treatment Plant (ETP). Machinery for the entire plant was to be procured from the loan sanctioned in CDR package. The purchase order for supply of ETP machinery was issued in the month of July 2014. The disbursement of loan & Foreign Letter of Credit (FLC) was issued time to time by State Bank of India (Monitoring Institution & Lead bank) for supplying of entire plant.

Out of 10 participating banks, only seven banks had disbursed the loan in the tune of ₹ 27.06 Cr. The entire imported machinery was delivered in the month of January, 2015. The erection work of Biological Plant & Tertiary Plant was completed by 31st March, 2015 & the erection of Recovery plant is in progress. Due to delay in disbursement of the loan amount by the consortium members, the supply of plant got delayed. It is expected that the plant would be ready by month of July 2015, and company would be in position to run the processing plant on more than 75% capacity.

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****4. DEFERRED TAX LIABILITIES / ASSETS**

(₹ in Lacs)

Particulars	Balance as on 01.04.2014	Arising during the year	Balance as on 31.03.2015
A. Deferred Tax Liabilities			
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	899.59	(0.17)	899.42
Others	-	-	-
Gross Deferred Tax Liabilities	899.59	(0.17)	899.42
B. Deferred Tax Assets			
Disallowances u/s. 43B of the Income Tax (IT) Act	15.38	(4.87)	20.26
Unabsorbed Depreciation	1,013.44	(230.15)	1,243.58
Unabsorbed Business Loss	4,474.85	(1,378.52)	5,853.37
Long Term Capital Loss	4.60	-	4.60
Gross Deferred Tax Assets	5,508.27	(1,613.54)	7,121.81
NET DEFERRED TAX LIABILITIES / (ASSETS)	(4,608.68)	1,613.73	(6,222.40)

5. LONG TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits :		
Provision for gratuity (refer note 22.1)	58.07	43.67
TOTAL	58.07	43.67

6. SHORT-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Secured Borrowings		
Working Capital Loans from Banks (refer note 3.1)	42,158.77	66,234.36
TOTAL	42,158.77	66,234.36

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****7. TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at 31st March,2015	As at 31st March,2014
Micro, Small and Medium Enterprises	44.82	65.85
Others	10,780.76	6,012.80
Total	10,825.58	6,078.65

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	31.03.2015	31.03.2014
Principal amount due and remaining unpaid	44.82	65.85
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 31st March,2015	As at 31st March,2014
Current portion of long term debt (refer note 3.1)	1,033.00	47.00
Unclaimed dividends	1.12	1.12
Preference share application money pending allotment	-	3,898.00
Creditors for capital expenditure	1,164.57	978.92
Other payables (refer note 8.1)	152.77	26.82
Total	2,351.47	4,951.87

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

9. SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31st March,2015	As at 31st March,2014
Provisions for Employee Benefits		
Provision for salary & reimbursements	26.00	24.35
Provision for gratuity (refer note 22.1)	7.49	6.11
Provision for leave encashment	2.25	0.60
Provision for bonus	5.63	1.51
Others		
Provision for wealth tax	0.22	0.34
Other expenses	0.22	2.67
Total	41.81	35.58



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

10. FIXED ASSETS

(₹ in Lacs)

Sr. No.	Particulars	Gross Block			Depreciation & Amortisation				Net Block		
		As at 01-04-14	Addition during the Year	Deductions / adjustments during the Year	As at 31-03-2015	As at 01-04-14	For the Year	Adjustments during the Year	As at 31-03-2015	As at 31-03-2015	As at 31-03-14
A	Tangible Assets										
1	Land - Freehold	911.39	1.00	-	912.39	-	-	-	-	912.39	911.39
2	Land - Leasehold	-	-	-	-	-	-	-	-	-	-
3	Factory Building	2,491.86	9.83	-	2,501.69	632.60	75.55	-	708.14	1,793.55	1,859.26
4	Office Building	42.13	-	-	42.13	8.95	1.57	-	10.52	31.61	33.17
5	Plant & Machinery	9,664.65	411.89	-	10,076.53	4,389.95	485.89	-	4,875.84	5,200.69	5,274.69
6	Computer System	51.58	1.40	-	52.98	45.18	6.25	-	51.43	1.55	6.40
7	Office Equipments	109.57	1.19	-	110.75	26.46	23.70	27.72	77.88	32.87	83.11
8	Electrical Installation	224.96	-	-	224.96	122.12	40.78	-	162.90	62.06	102.85
9	Furniture & Fittings	182.96	2.06	-	185.02	73.75	28.46	-	102.20	82.82	109.21
10	Vehicles	237.05	-	-	237.05	85.83	36.98	3.57	126.38	110.67	151.22
11	Laboratory Equipment	13.86	-	-	13.86	5.10	3.71	-	8.81	5.04	8.75
12	Shop	-	-	-	-	-	-	-	-	-	-
	Total (A)	13,929.99	427.37	-	14,357.37	5,389.95	702.88	31.29	6,124.12	8,233.25	8,540.04
B	Intangible Assets										
1	Computer Software	24.44	-	-	24.44	12.24	1.49	-	13.73	10.71	12.20
2	Trade Mark	3.32	-	-	3.32	2.99	0.06	-	3.05	0.27	0.34
	Total (B)	27.76	-	-	27.76	15.23	1.55	-	16.78	10.99	12.54
	Grand Total (A + B)	13,957.76	427.37	-	14,385.13	5,405.18	704.43	31.29	6,140.89	8,244.24	8,552.58
	Previous Year	15,333.92	277.83	1,653.99	13,957.76	4,565.26	840.04	0.13	5,405.18	8,552.58	10,768.66
C	Capital Work-in-Progress									5,321.19	3,124.11

10A. During the year, the company has realigned its depreciation policy in accordance with Schedule II to the Companies Act, 2013. Consequently w.e.f. 1st April, 2014:

- 1) The carrying value of assets is now depreciated over its revised remaining useful life.
- 2) Where the remaining life of the asset is NIL as on 1st April, 2014, carrying value of assets has been adjusted against opening reserves (net of deferred tax) amounting to ₹ 21.62 Lakhs in accordance with transitional provision of Schedule II.
- 3) On account of above change, depreciation charged to Statement of Profit and Loss for the year 2014-15 is lower by ₹ 151.30 Lakhs for the assets held in the beginning as on 1st April, 2014.



PRADIP OVERSEAS LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

11. NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31st March,2015	As at 31st March,2014
TRADE INVESTMENTS		
In Equity Shares of Subsidiary Companies		
- Unquoted, fully paid up		
100 Equity Shares of Pradip Home Fashion INC at USA of \$0.01 each	0.00	0.00
In Equity Shares of Associate Companies		
- Unquoted, fully paid up		
523 Equity Shares of Elegant Home Fashion INC of \$200 each	45.62	45.62
In Equity Shares of Other Companies		
- Unquoted, fully paid up		
500 Equity Shares of Pradip Integrated Textile Park Pvt. Ltd. of ₹ 10 each	0.05	0.05
Total	45.67	45.67

12. LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31st March,2015	As at 31st March,2014
(Unsecured, considered good)		
Capital advances	968.82	983.78
Deposits with others	104.63	110.46
Balance with Income Tax authorities	802.30	638.59
Other loans and advances	337.49	323.12
Total	2,213.24	2,055.95

13. INVENTORIES

(₹ in Lacs)

Particulars	As at 31st March,2015	As at 31st March,2014
Raw materials	25,543.34	26,525.44
Work -in - progress	3,385.95	4,253.80
Finished goods	3,376.04	2,722.36
Stores, chemicals and packing materials	312.40	314.08
Stock-in-trade : Land	4,965.52	4,160.25
Total	37,583.25	37,975.94

14. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31st March,2015	As at 31st March,2014
Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	84,182.58	59,749.17
Less : Provision for doubtful debts	26,256.15	
	57,926.43	
Receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	8,849.52	28,652.49
Total	66,775.95	88,401.66

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****15. CASH AND BANK BALANCES**

(₹ in Lacs)

Particulars	As at 31st March,2015	As at 31st March,2014
Cash and cash equivalents		
Balances with banks :		
- in current accounts	71.21	385.35
- in deposits with original maturity less than three months	-	-
Cash on hand	5.01	30.71
Total (A)	76.22	416.06
Other bank balances		
- Deposits with original maturity of more than twelve months (including deposits of ₹ 15 Lakhs held as lien)	31.06	33.43
- Margin money deposits	15.00	-
- In unclaimed dividends accounts	1.12	1.12
Total (B)	47.18	34.55
Total (A + B)	123.40	450.61

16. SHORT-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31st March,2015	As at 31st March,2014
(Unsecured, considered good)		
Staff advance	25.83	34.45
Prepaid expenses	6.61	6.56
Trade advances	100.00	176.00
Advances recoverable in cash or in kind	109.21	3,272.54
Balance with Customs, Central Excise authorities	217.92	297.68
Total	459.57	3,787.23

17. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lacs)

Particulars	As at 31st March,2015	As at 31st March,2014
Bank guarantee	15.00	-
Export obligation pending against advance license	37.98	35.66
Compensation payable in lieu of bank sacrifice as per first restructuring & CDR	23,103.00	15,011.00
Total	23,155.98	15,046.66

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

Laxmi Vilas Bank Limited (LVB) had instituted original application (O.A.) no. 84 of 2013 in Debts Recovery Tribunal (DRT) Ahmedabad against the company and others for recovery of its dues of ₹ 20.83 Cr. During the pendency of aforesaid O.A., the Debt and Securities were assigned by LVB to Phoenix ARC Private limited (Phoenix) 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.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****B. Cases filed by Laxmi Vilas Bank Limited u/s 138 of Negotiable 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.
The debt due to Laxmi Vilas Bank Limited, Ahmedabad forms part of the approved CDR Package as mentioned in note 3.1.

18. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Sale of products	23,984.33	59,856.73
Less: Excise duty	-	-
Total	23,984.33	59,856.73

18.1 PARTICULARS OF SALE OF PRODUCTS

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Grey fabrics	15,787.86	52,693.85
Others	8,196.46	7,162.88
Total	23,984.32	59,856.73

19. OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Interest Income		
- On bank fixed deposits	13.29	0.53
- On deposits	11.09	4.41
- Others	2.82	11.67
Duty drawback and other export incentives	395.45	522.33
Profit on sale of fixed assets	-	3.96
Total	422.65	542.90

20. COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Inventory at the beginning of the year	26,525.44	32,211.52
Add: Purchases during the year	17,583.56	46,933.83
	44,109.00	79,145.35
Less: Inventory at the end of the year	25,543.34	26,525.44
TOTAL	18,565.67	52,619.91

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****20.1 PARTICULARS OF MATERIALS CONSUMED**

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
Grey Fabrics				
- Imported	-	-	-	-
- Indigenous	18,565.67	100%	52,619.91	100%
Others	-	-	-	-
Total	18,565.67	100%	52,619.91	100%

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

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
Inventories (at close)				
Finished Goods / Stock-in-Trade	3,376.04		2,722.36	
Land	4,965.52		4,160.25	
Work-in-progress	3,385.94	11,727.51	4,253.80	11,136.41
Inventories (at commencement)				
Finished goods / stock-in-trade	2,722.36		2,033.87	
Land	4,160.25		-	
Work-in-progress	4,253.80	11,136.41	3,814.12	5,847.99
Total		(591.09)		(5,288.42)

22. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Salaries and wages	410.86	399.75
Contribution to provident and other funds	15.62	10.94
Gratuity	15.78	0.97
Staff welfare expenses	8.71	9.78
Total	450.97	421.44

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

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

A. Defined Contribution Plans (₹ in Lacs)

Contributions to Defined Contribution Plans, recognised as expense for the year is as under :

Particulars	2014-15	2013-14
Employer's contribution to provident fund and pension fund	15.62	10.94

B. Defined Benefit Plans

Contributions to defined benefit plan is as under :

Change in defined benefit obligation

Opening defined benefit obligation	49.78	48.81
Service cost	7.10	10.05
Interest cost	4.64	4.03
Actuarial losses (gains)	4.04	(13.12)
Benefits paid	-	-

Closing defined benefit obligation **65.56** **49.78**

Change in plan assets

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

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

Reconciliation of fair value of assets and obligations

Fair value of plan assets	-	-
Present value of obligation	65.56	49.78

Amount recognised in Balance Sheet **65.56** **49.78**

The net amount recognised in the statement of Profit & Loss for the year ended 31st March, 2015

Current service cost	7.10	10.05
Interest on obligation	4.64	4.03
Expected return on plan assets	-	-
Net actuarial losses (gains) recognised in the period	4.04	(13.12)

Total included in 'employee benefit expense' **15.78** **0.96**

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****Disclosures as required under Para 120(n) of the Accounting Standard -15** (₹ in Lacs)

Grauity	2014-15	2013-14	2012-13	2011-12	2010-11
(a) Present value of the defined benefit obligation	65.56	49.78	48.81	39.15	34.33
Fair value of the plan assets	-	-	-	-	-
(Surplus) / Deficit in the plan	65.56	49.78	48.81	39.15	34.33
(b) Experience Adjustments	-	-	-	-	-
On Plan Liabilities	(4.35)	(7.22)	(6.12)	(7.84)	*
On Plan Assets	-	-	-	-	*

* The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on Employee Benefits are not available in the valuation report and hence, are not furnished.

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

Particulars	2014-15	2013-14
Discount Rate	7.99%	9.32%
Expected rate of return on Plan Assets	-	-
Annual increase in Salary costs	6.50%	6.50%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

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

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

23. FINANCE COSTS

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Interest Expenses	11,229.47	12,822.09
Other Borrowing Costs	213.42	241.24
TOTAL	11,442.89	13,063.33

24. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Depreciation of Tangible Assets	702.88	834.84
Amortisation of Intangible Assets	1.55	5.20
TOTAL	704.43	840.04



PRADIP OVERSEAS LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

25. OTHER EXPENSES

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
Manufacturing Expenses				
Stores, chemicals and packing materials	3,740.81		3,751.77	
Electric power, fuel and water	2,428.51		2,042.16	
Labour processing, production royalty and machinery hire charges	1,128.56		1,289.21	
Repairs to machinery	167.86	7,465.74	123.49	7,206.64
Selling and Distribution Expenses				
Clearing and forwarding	159.54		189.62	
Advertisement	4.67		3.91	
Sales commission	124.69		194.05	
Other selling and distribution expenses	-	288.90	27.92	415.50
Others				
Professional fees	66.83		295.00	
Communication expenses	18.68		32.33	
Printing and stationery	11.95		13.12	
Freight and forwarding	244.04		199.00	
Security charges	57.58		52.21	
General expenses	96.11		154.39	
Rent	8.47		16.65	
Insurance	49.09		63.52	
Rates & Taxes	21.54		23.73	
Repairs to buildings	2.93		5.10	
Other repairs	13.75		20.07	
Travelling and conveyance expenses	27.80		49.44	
Charity and donations	1.57		8.01	
Foreign exchange fluctuation loss	20.21		23.89	
Provision for doubtful debts	26,256.15		-	
GPCB penalty	14.90		-	
Fees for increase in authorised share capital	33.77		-	
Payment to auditors (refer note 25.1)	12.54	26,957.90	12.36	968.82
Total		34,712.54		8,590.96

25.1 PAYMENT TO AUDITORS

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
As auditors	8.55	8.43
For taxation matters	2.85	2.81
For other services	1.14	1.12
Total	12.54	12.36

26. PRIOR PERIOD ITEMS

(₹ in Lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Loss on forward contract	1,270.35	-
Total	1,270.35	-

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

27. In the opinion of the management and to the best of their knowledge and belief, the value under the head of current and non-current assets (other than fixed assets and non-current investments) are approximately of the value stated, if realised in ordinary course of business, except unless stated otherwise. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.

28. SEGMENT REPORTING

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

(₹ in Lacs)

Particulars	Within India		Outside India		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Segment revenue by location of customers:						
Sales / Income from operations	19522.84	5432.04	4461.49	5530.69	23984.33	59856.73
Segment Assets*	125233.75	147237.42	1755.14	1765.00	126988.89	149002.42
Additions to tangible and intangible assets	2624.45	644.50	-	-	2624.45	644.50

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

29. RELATED PARTY DISCLOSURES

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

I. Names of Related Parties & Description of Relationship

(A) Subsidiaries of Company : Pradip Home Fashions, INC (USA)

(B) Key Managerial Personnel :

Shri Pradip J. Karia, Managing Director

Shri Chetan Karia, Whole Time Director

Shri Vishal R. Karia, Whole Time Director & CFO

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 Integrated Textile Park Pvt. Ltd.

Pradip Enterprises Limited

Pradip Energy Limited

M/s Anu Impex

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****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	117.60	-

REMUNERATION TO KEY MANAGERIAL PERSONNEL	2014-15	2013-14
Shri Pradip J. Karia	36.00	36.00
Shri Chetan Karia	24.00	24.00
Shri Vishal R. Karia	12.00	12.00
Shri Amit H. Thakkar	12.00	20.40
Shri Anil Agarwal	19.20	19.20
Shri A. N. Saboo	6.00	6.00
Shri Anand Shiplkar	4.80	4.80
Shri Kaushik Kapadia	3.60	3.60
TOTAL	117.60	126.00

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

30. EARNINGS PER SHARE (EPS)

Particulars	2014-15	2013-14
Net Profit for the year (in ₹)	(41,350.21)	(16,965.61)
Weighted average number of shares outstanding during the year	484.40	484.40
Earning Per Share (in ₹)	(85.36)	(35.02)
Nominal Value of Share (in ₹)	10	10

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

Particulars	2014-15	2013-14
Chemicals, packing materials and other stores	53.93	27.15

32. EXPENDITURE IN FOREIGN CURRENCY (₹ in Lacs)

Particulars	2014-15	2013-14
Travelling expenses	1.63	10.62
Import of Machinery	2,259.40	-
Commission and other payments	54.51	136.82



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

33. EARNING IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	2014-15	2013-14
F.O.B. value of exports	4,032.39	5,196.95

34. The company had made an application before the Hon'ble Settlement Commission, Mumbai u/s 245C of the Income Tax Act, 1961, for A.Y. 2006-07 to 2012-13. During the year, the application was heard and disposed off vide order u/s 245 D(4) dated 07.11.2014 in favour of the Company. The effects of the order have been given in the current year' financial statements.

35. Pradip Overseas Ltd. had formed a company, "Pradip Home Fashion Inc." (USA), on 31-01-2011 by subscribing all 100 Equity Shares of US\$ 0.01 in the said Company and making it as a wholly owned Subsidiary Company. The subsidiary company has not commenced any business activities. As per clause 32 of the Listing Agreement, the company is required to mandatorily publish Consolidated Financial Statements (CFS) in its Annual Report in addition to the individual financial statements. The Company will have to get its Consolidated Financial Statements audited by the statutory auditors of the company and file the same with the stock exchange. The Accounting Standard 21 related to "Consolidated Financial Statement" states that it applies to material items and if there are no material transactions, the accounts of the subsidiary may not be consolidated. Accordingly, since no transaction has been carried out by the subsidiary company, except issue of share capital, the consolidated accounts have not been prepared.

Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 requires that a company having one or more subsidiaries (including associate company) will, in addition to separate financial statements, prepare CFS. But as per the fourth proviso to Rule 6 of the Companies (Accounts) Rules, 2014 (as amended), "nothing in Rule 6 shall apply in respect of consolidation of financial statement by a company having subsidiary or subsidiaries incorporated outside India only for the financial year commencing on or after 1st April, 2014". Since the company has subsidiaries (including associate company) incorporated outside India, it is also not required to prepare CFS as per the Companies Act, 2013 read with the relevant Rules.

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

As per our Report of even date

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

Sd/-

(CA Ashok Dhariwal)

Partner

Membership No. 036452

Place : Ahmedabad

Date : June 9, 2015

For and on behalf of the Board

Sd/-

(Pradip Karia)

Chairman & Managing Director

(DIN: 00123748)

Sd/-

(Vihal Karia)

WTD & CFO

(DIN: 00514884)

Sd/-

(Kaushik B. Kapadia)

Company Secretary

FCS 4834

Place : Ahmedabad

Date : June 9, 2015



PRADIP OVERSEAS LTD.

PRADIP OVERSEAS LIMITED

CIN: L17290GJ2005PLC046345

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

PROXY FORM

Annual General Meeting Wednesday, 30th September, 2015 at 12: 00 noon

I/We being the member(s), holding _____ shares of the above named company, 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 _____

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 Wednesday, the 30th September, 2015 at 12:00 Noon at the Registered Office of the company at 104, 105, 106 CHANCHARWADI VASNA, OPP. ZYDUS CADILA, SARKHEJ BAVLA HIGH WAY, TAL. SANAND AHMEDABAD, Gujarat – 382213 and at any adjournment thereof in respect of such Resolutions as indicated hereunder:

[PTO]

Tear Here

Tear Here

PRADIP OVERSEAS LIMITED

(CIN : L17290GJ2005PLC046345)

ATTENDANCE SLIP

FOLIO NO. _____ D.P. ID _____ CLIENT ID _____

I/We _____

hereby record my/our presence in the ANNUAL GENERAL MEETING of the company held at the Registered Office of the company at 104, 105, 106 Chancharwadi Vasna, Opp. Zydus Cadila, Sarkhej Bavla High Way, Tal. Sanand, Ahmedabad, Gujarat – 382213 at 12:00 Noon. on Wednesday, 30th September, 2015.

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

Notes:

- (1) Please handover the Attendance Slip at the entrance to the place of the Meeting.
 - (2) Only Members and in their absence, duly appointed proxies will be allowed for the Meeting.
- Please avoid bringing non members/ children to the Meeting.



PRADIP OVERSEAS LTD.

Resolution No.	Resolutions	Optional*	
		For	Against
	Ordinary Business		
1.	Adoption of Financial Statements for the year ended 31st March, 2015.		
2.	Re-appointment of Mr. Chetan J. Karia as a Director of the Company, who retires by rotation and being eligible offer himself for Re-appointment.		
3.	Appointment of Statutory Auditors and to fix their Remuneration.		
	Special Business		
4.	Appointment of Ms. Parulben S. Thakore as an Independent Non- Executive Director of the Company.		

Signed this _____ day of _____ 2015

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

Affix
₹ 1
Revenue
Stamp

Signature of Shareholder(s)

Signature of Proxy holder(s)

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.

Tear Here

Tear Here

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)