



PRADIP OVERSEAS LTD.

**ANNUAL REPORT
2013-14**





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
Shri Avinash Mayekar

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

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NOTICE

Notice is hereby given that Annual General Meeting of the Members of **PRADIP OVERSEAS LIMITED** will be held on Tuesday 30th September, 2014 at 12.30 P.M. 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, 2014 and the Profit and Loss Account for the year ended on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint Mr. Vishal Karia (holding DIN 00514884), 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 149, 150, 152 and any other applicable provisions, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the listing Agreement, Mr.Jivansingh Negi (holding DIN 01656455), Director of the Company who has submitted a declaration that he meets the criteria for independent director as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment be and is hereby appointed as a Non Executive Independent Director of the Company to hold office for five consecutive years."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the listing Agreement, Mr. Gurpur Ramdas Kamath (holding DIN 02234255), Director of the Company who has submitted a declaration that he meets the criteria for independent director as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

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

"RESOLVED THAT pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made thereunder read with Schedule IV to the Act and clause 49 of the Listing Agreement, Mr. Avinash Mayekar (holding DIN 03144412), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. January 17, 2014 and who holds office up to the date of this Annual General meeting and who has submitted a declaration that he meets the criteria for independent director as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from him proposing his candidature for the office of the Director of the Company, be and is hereby elected and appointed as an Independent Non-Executive Director, to hold office for five consecutive years, whose period of office shall be liable to determination by retirement of directors by rotation".

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, and 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the terms of the reappointment of Mr. Pradipkumar Jayantilal Karia (holding DIN 00123748) as Managing Director of the Company for a period of three years from 1st September, 2014 to 31st August, 2017 on the terms and conditions of appointment and remuneration as set out in Explanatory Statement annexed hereto submitted to the meeting be paid remuneration by way of salary, perquisites, allowances and



NOTICE (Contd...)

commission as approved by the Board of Directors of the company and as recommended by the Remuneration Committee as under :

Remuneration:

(a) Basic Salary:

₹ 6,00,000 /- (Rupees Six lacs)only per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, subject to maximum salary , per month as stated in the Schedule V of the Companies Act, 2013.

(b) Perquisites and Allowances:

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

CATEGORY - A

(i) The Company shall contribute towards provident fund/ Superannuation fund/ Annuity fund provided that such contribution either singly or put together shall not exceed tax free limit prescribed under the Income Tax Act.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Leave on full pay and allowances, as per the rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Rule of the Company.

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

CATEGORY - B

(i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.

(ii) The Company shall provide telephone and other communication facilities at the residence of the Managing Director at the entire cost of the Company.

Overall and Minimum Remuneration Limit:

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, and 203 and other applicable provisions, if any, of the Companies Act,2013, (including any amendment thereto or enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the terms of the reappointment of Mr. Chetan . J .Karia (holding DIN 00191790) as Whole-time Director of the Company for a period of three years from 1st September, 2014 to 31st August, 2017 on the terms and conditions of appointment and remuneration as set out in the Explanatory Statement annexed hereto submitted to the members and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the company and as recommended by the Remuneration Committee as under :



NOTICE (Contd...)

Remuneration:

(a) Basic Salary:

₹ 5,00,000/- (Rupees Five Lacs only) per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, subject to maximum salary, per month as stated in the Schedule V of the Companies Act, 2013.

(b) Perquisites and Allowances:

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

CATEGORY - A

(i) The Company shall contribute towards provident fund/ Superannuation fund/ Annuity fund provided that such contribution either singly or put together shall not exceed tax free limit prescribed under the Income Tax Act.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Leave on full pay and allowances, as per the rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Rule of the Company.

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

CATEGORY - B

(iv) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.

(v) The Company shall provide telephone and other communication facilities at the residence of the Wholetime Directors & Chief Financial Officer at the entire cost of the Company.

Overall and Minimum Remuneration Limit:

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

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

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

9. To consider and if thought fit to pass the following resolution as a Special Resolution with or without modification:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, and 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the terms of the reappointment of Mr. Vishal. R .Karia (holding DIN 00514884) as Wholetime Director and Chief Financial Officer of the Company for a period of three years from 1st October, 2014 to 30th September, 2017 on the terms and conditions of appointment and remuneration as set out in the Explanatory Statement annexed hereto and submitted to the members and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the company and recommended by the Remuneration Committee as under :

Remuneration:

(a) Basic Salary:

₹4,00,000/- (Rupees Four Lacs only) per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, subject to maximum salary, per month as stated in the Schedule V of the Companies Act, 2013.



NOTICE (Contd...)

(b) Perquisites and Allowances:

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

CATEGORY - A

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

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

CATEGORY - B

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

Overall and Minimum Remuneration Limit:

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

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

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

10. To consider and if thought fit to pass the following resolution as a **Special Resolution** with or without modification:

"RESOLVED THAT in supersession of the resolution passed by the Company at the Annual General Meeting held on 30th September, 2013 with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, to the Board of Directors, to borrow monies (apart from temporary loans from time to time obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time deem necessary, provided that the sum or sums so borrowed and remaining outstanding at any one time shall not exceed in the aggregate of **₹1750 Crores (Rupees One Thousand Seven Hundred Fifty Crores)** at any point of time on account of the principal."

11. To consider and if thought fit to pass the following resolution as a **Special Resolution** with or without modification:

"RESOLVED THAT in supersession of the resolution passed by the Company at the Annual General Meeting held on 30th September, 2013 with respect to mortgaging and/or charging by the Board of Directors, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), any statutory modification or re-enactment thereof, to Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the



NOTICE (Contd...)

powers conferred by this resolution and with the power to delegate such authority to any person or persons) to mortgage and/or charge any of its movable and / or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a mortgage/and or charge, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding ₹ 1750crs (One Thousand Seven hundred Fifty Crores) at any point of time."

12. To consider and if thought fit to pass the following resolution as a **Special Resolution** with or without modification:

"RESOLVED THAT pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members, and copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the office of Registrar and Share Transfer Agent of the Company appointed from time to time at present Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W) , Mumbai- 400078 or any other its office or place within the Ahmedabad City, instead of the Registered Office of the Company.

RESOLVED FURTHER THAT the Board of Directors or any committee thereof the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto."

By Order Of the Board of Directors

Sd/-

(Pradip J. Karia)

Chairman and Managing Director

DIN:00123748

Place : Ahmedabad

Date : 29th May, 2014

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND A 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 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 16th September, 2014 to 30th September, 2014 (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) viz. Link In time India Private Limited, C-13, Pannal Silk Mills Compound, LBS Marg, Bhandup (W) , Mumbai 400078. Those holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately. Members holding shares in dematerialized form may note that bank details registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its



NOTICE (Contd...)

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. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(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.

9. Instructions for e-voting

1. Voting through electronic means

- I. 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 (E Voting Event Number)

101055

- 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.
- 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



NOTICE (Contd...)

- 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 24th September, 2014(9:00 am) and ends on 26th September, 2014 (6:00 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, 2014, 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, 2014.
- 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, 2014 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, 2014 and communicated to the BSE Limited & NSE Limited.

Contact Details

- Company : Pradip Overseas Limited
601, Narnarayan Complex, Swastik Char Rasta, Navrangpura,
Ahmedabad – 380 009.
Ph : 079 2656 9243, 2656 0630. Fax- 079 2642 0408
Email : kaushik@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 : 29th May, 2014



NOTICE (Contd...)

ANNEXURE TO THE NOTICE

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

Item no 4:

Mr. Jivansingh Negi is a Non-Executive-Independent Director of the Company. He joined the Board of Directors of the Company in October, 2007.

Mr. Jivansingh Negi is a member of the Remuneration Committee, Audit Committee and Shareholder Grievance Committee of the Board of Directors of the company. His appointment as director is subject to retirement by rotation.

Mr. JivanSingh Negi holds a Bachelors degree in Civil Engineering from the Institution of Engineers, India, Diploma in Management from All India Management Association and has also pursued an International Post-graduate course in Hydrometeorology and Project Management from Regional Metrological Centre, Bet Dagan, Israel. He has a long standing experience as a project management consultant for textiles, dairy and infrastructure projects. In a career commencing in 1981, he has worked for three years as a lecturer of Civil Engineering in Government Polytechnic, Ajmer; he has worked as a Senior Manager (Project Management) in National Dairy Development Board, Anand for 14 years with a responsibility to handle dairy projects and allied projects in Gujarat and Western India and he has also worked on deputation from National Dairy Development Board to Taj Group of Hotels as General Manager (Projects) for one year with a responsibility to handle six air catering projects. The details of Directorships, Membership/Chairmanships of Committees of other Companies held by Mr. Jivan Singh Negi are as under:

Sr.No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	J.S. NEGI CONSULTANTS PRIVATE LIMITED	-	-

Mr. Jivan Singh Negi is a director whose period of office is liable to determined by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Jivan Singh Negi being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years. A notice has been received from a member proposing Mr. Jivan Singh Negi as a candidate for the office of Director of the Company.

In the Opinion of the Board, Mr. Jivan Singh Negi, fuifills the Conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is Independent of the management. The Copy of the draft letter for appointment of Mr. Jivan Singh Negi as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Jivan Singh Negi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Jivan Singh Negi as Independent Director, for the approval by the shareholders of the Company.

Except Mr. Jivan Singh Negi, 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 set out at Item NO.4 This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No.5:

Mr. Gurbur Ramdas Kamath is a Non-Executive-Independent Director of the Company. He joined the Board of Directors of the Company in June, 2008. Mr. Gurbur Ramdas Kamath is a member of the Remuneration Committee, Audit Committee of the Board of Directors of the company. His appointment as director is subject to retirement by rotation.

Mr. Gurbur Ramdas Kamath is an Ex-General Manager of Canara Bank, He obtained his degree in commerce and accounting at St. Alyonis College Mangalore. He has an experience of thirty eight (38) years in the banking industry. He is a Certified Associate of Indian Institute of Bankers. Mr. Kamath joined Canara Bank in the year 1966 and during his career held various positions including General Manager, Canara Bank heading North Circle, Mumbai.



NOTICE (Contd...)

The details of Directorships, Membership/Chairmanships of Committees of other Companies held by Mr. Gurpur Ramdas Kamath are as under:

Sr.No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	NIRAJ CEMENT STRUCTURALS LIMITED	-	-
2	LARK NON FERROUS METALS LIMITED	-	-

Mr. Gurpur Ramdas Kamath is a director whose period of office is liable to determined by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Gurpur Ramdas Kamath being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years. A notice has been received from a member proposing Mr. Gurpur Ramdas Kamath as a candidate for the office of Director of the Company.

In the Opinion of the Board, Mr. Gurpur Ramdas Kamath fulfills the Conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is Independent of the management. Copy of the draft letter for appointment of Mr. Gurpur Ramdas Kamath as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Gurpur Ramdas Kamath as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Gurpur Ramdas Kamath as Independent Director, for the approval by the shareholders of the Company.

Except Mr. Gurpur Ramdas Kamath, 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 set out at Item NO.5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 6:

The Board of Directors appointed Mr. Avinash Mayekar as an Additional Director w.e.f. January 17, 2014 pursuant to Section 161 of the Companies Act, 2013. He holds office upto the date of this Annual General Meeting. His term of office shall be liable to determination by retirement of directors by rotation.

The details of Directorships, Membership/Chairmanships of Committees of other Companies held by Mr. Avinash Jagannath Mayekar are as under:

Sr.No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	SUVIN ADVISORS PRIVATE LIMITED	-	-

Mr. Avinash Jagannath Mayekar is a director whose period of office is liable to determined by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Avinash Jagannath Mayekar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years. A notice has been received from him proposing Mr. Avinash Jagannath Mayekar as a candidate for the office of Director of the Company.

In the Opinion of the Board, Mr. Avinash Jagannath Mayekar fuifills the Conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management. Copy of the draft letter for appointment of Mr. Avinash Jagannath Mayekar as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Avinash Jagannath Mayekar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Avinash Jagannath Mayekar as an Independent Director, for the approval by the shareholders of the Company.



NOTICE (Contd...)

Except Mr. Avinash Mayekar, 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 except and to the extent they are member of the Company.

Item No 7:

Resolution under item No. 7 of the Notice relates to the reappointment of Mr. Pradipkumar .J. Karia as Managing Director of the Company for a further period of three years from 1st September, 2014 to 31st August, 2017 and approval of his remuneration and terms of reappointment.

The Remuneration Committee, at its meeting held on 29th May, 2014 had recommended the reappointment of Mr. Pradipkumar J. Karia as Managing Director of the Company and terms of remuneration payable to him for a period of three years from 1st September, 2014 to 31st August, 2017. The Board of Directors, as its meeting held on 29th May, 2014, had approved the same. The Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

The material terms of remuneration of Mr. Pradipkumar J. Karia effective from 1st September, 2014 to 31st August, 2017 as approved by both Remuneration Committee and Board of Directors in their respective meetings held on 29th May, 2014 are as under:

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

The Resolution at Item No. 7 is put before the members as a Special Resolution.

Except Mr. Pradip kumar J. Karia, being an appointee, Mr. Chetan J. Karia and Mr. Vishal R. Karia, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item NO.7 This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No 8:

Resolution under item No. 8 of the Notice relates to the reappointment of Mr. Chetankumar .J. Karia as Whole Time Director of the Company for a further period of three years from 1st September, 2014 to 31st August,2017 and approval of his remuneration and terms of reappointment.

The Remuneration Committee, at its meeting held on 29th May, 2014 had recommended the reappointment of Mr. Chetankumar J. Karia as Whole Time Director of the Company and terms of remuneration payable to him for a period of three years from 1st September, 2014 to 31st August,2017. The Board of Directors, as its meeting held on 29th May, 2014, had approved the same. The Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

The material terms of remuneration of Mr. Chetan J. Karia effective from 1st September, 2014 to 31st August, 2017 as approved by both Remuneration Committee and Board of Directors in their respective meetings held on 29th may, 2014 are as under:

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

The Resolution at Item No. 8 is put before the members as a Special Resolution.

Except Mr. Chetan J. Karia, being an appointee, Mr Pradip J. Karia and Mr. Vishal R. Karia, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item NO.8.This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.



NOTICE (Contd...)

Item No. 9:

Resolution under item No. 9 of the Notice relates to the reappointment of Mr. Vishal R. Karia as a Whole Time Director of the Company for a further period of three years from 1st October, 2014 to 30th September, 2017 and approval of his remuneration and terms of reappointment.

The Remuneration Committee, at its meeting held on 29th May, 2014 had recommended the reappointment of Mr. Vishal R. Karia as Whole Time Director and Chief Financial Officer of the Company and terms of remuneration payable to him for a period of three years from 1st October, 2014 to 30th September, 2017. The Board of Directors, at its meeting held on 29th May, 2014, had approved the same. The Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

The material terms of remuneration of Mr. Vishal R. Karia effective from 1st October, 2014 to 30th September, 2017 as approved by both Remuneration Committee and Board of Directors in their respective meetings held on 29th May, 2014 are as under:

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

The Resolution at Item No. 9 is put before the members as a Special Resolution.

Except Mr. Vishal R. Karia, being an appointee, Mr. Pradip J. Karia and Mr. Chetan J. Karia, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item no. 10:

The Members in Annual General meeting held on 30th September, 2013 has passed an Ordinary Resolution according their consent under section 293 (1) (d) of the Companies Act, 1956 for borrowing money upto a limit of ₹ 1750.00 crores over and above aggregate of the paid up share capital and free reserves of the Company.

With effect from 1st April, 2014, Section 180 (1) (c) of the Companies act, 2013, required passing of a Special Resolution instead of an Ordinary Resolution for the borrowing in excess of aggregate of Paid up Share Capital and Free Reserves.

Taking into account, the future finance requirements of the Company, a fresh resolution is proposed in line with requirements of Section 180 (1) (c) of the Companies Act, 2013.

Accordingly the proposal for borrowing monies upto a limit of ₹ 1750.00 crores over and above the aggregate paid up Share Capital and Free reserves of the Company is being placed for approval by way of a Special Resolution by the members.

The Board recommends the above Special Resolution for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

Item No. 11:

The Members in their Annual General Meeting held on 30th September, 2013 had passed Ordinary Resolution according their consent under Section 293 (1) (a) of the Companies Act, 1956 for creation of security through mortgage or pledge or hypothecation or otherwise for securing the borrowing limits as may be sanctioned by the lenders.

With effect from April 01, 2014, Section 180 (1) (a) of the Companies Act, 2013 requires passing of Special Resolution instead of Ordinary Resolution for creation of such security. Accordingly, the matter is being placed before the Members for passing of Special Resolution for the purposes narrated in the Resolution.

The Board recommends the above Special Resolution for the approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.



NOTICE (Contd...)

Item No. 12:

As required under the provisions of Section 94 of the Companies Act, 2013, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94(1) of the Companies Act, 2013, for keeping the aforementioned registers and documents at the office of the Registrar and Transfer Agent ("RTA"), Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-400078 or any other its office or place within the Ahmedabad City.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Gujarat, Ahmedabad, as required under the said Section 94(1) of the Companies Act, 2013.

The Directors recommended the said resolution proposed vide Item No. 12 to be passed as Special Resolution by the members.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the said resolution.

By Order Of the Board of Directors

Sd/-

(Pradip J. Karia)

Chairman and Managing Director

DIN:00123748

Place : Ahmedabad
Date : 29th May, 2014

Particulars of the Directors Seeking Appointment/ Reappointment at the ensuring Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

Name	Shri Jivansingh Negi	Shri Gurpur Ramdas Kamath
Age	55 years	67 years
Date of Appointment	15 th October, 2007	18 th June, 2008
Qualifications	B.E. (Civil Engineer) from Institution of Engineers, India, Diploma in Management from All India Management Association, International Post-graduate course in Hydrometeorology and Project Management from Regional Metrological Centre, Bet Dagan, Israel.	Degree in commerce and accounting at St. Alyonis College Mangalore.
Nature of Expertise/ Experience	He has a long standing experience as a project management consultant for textiles, dairy and infrastructure projects In a career commencing in 1981, he has worked for three years as a lecturer of Civil Engineering in Government Polytechnic, Ajmer; he has worked as a Senior Manager (Project Management) in National Dairy Development Board, Anand for 14 years with a responsibility to handle dairy projects and allied projects in Gujarat and Western India and he has also worked on deputation from National Dairy Development Board to Taj Group of Hotels as General Manager (Projects) for one year with a responsibility to handle six air catering projects.	Mr. Gurpur Ramdas Kamath is an Ex-General Manager of Canara Bank, He has an experience of thirty eight (38) years in the banking industry. He is a Certified Associate of Indian Institute of Bankers. Mr. Kamath joined Canara Bank in the year 1966 and during his career held various positions including General Manager, Canara Bank heading North Circle, Mumbai.
Name of the Companies in which he holds Directorship/ committee Membership	1. J.S. NEGI CONSULTANTS PRIVATE LIMITED	1. NIRAJ CEMENT STRUCTURALS LIMITED 2. LARK NON FERROUS METALS LIMITED
Shareholding	68206 Equity Shares	Nil



NOTICE (Contd...)

Name	Shri Pradip J. Karia	Shri Chetan J. Karia	Shri Vishal R. Karia
Age	54 years	51 years	34 years
Date of Appointment	29-06-2005	29-06-2005	29-06-2005
Qualifications	B.Com	B.Com	B.B.A. , PGDBA
& Nature of Expertise/ Experience	He commenced his career in textile business in 1985. He established a partnership firm M/s. Anu Impex in the year 1993. M/s. Pradip Exports was established in the year 1995 to carry on similar business. He started Home Linen Products by setting up of factory at Village Changodar, Ahmedabad, He has more than 29 years experience in retailing, marketing, business promotion and manufacturing of textile products, of which 15 years is in the Home Linen Products.	He was partners in M/s Vishal Textile, which has subsequently got converted into Chetan Textiles Private Limited in the year 2005 which is now known as Pradip Overseas Limited. To manufacture Narrow Width Home Linen Products He has more than 22 years experience. He was appointed as the Whole time Director of Pradip Overseas Limited on September 19, 2007..	He started his career in 2003 by joining as partner in M/s Vishal Textile, which has subsequently got converted into Chetan Textiles Private Limited in the year 2005 which is now known as Pradip Overseas Limited. He has 11 years of experience in Home Linen Products manufacturing business, purchases and logistics. He plays a major role in production, purchase, logistics and other technical segments in the Company.
Name of the Companies in which he holds Directorship/ committee Membership	1. PRADIP ENTERPRISES LIMITED 2. PRADIP ENERGY LIMITED 3. PRADIP INTEGRATED TEXTILE PARK PRIVATE LIMITED	1. PRADIP ENTERPRISES LIMITED 2. PRADIP ENERGY LIMITED 3. PRADIP INTEGRATED TEXTILE PARK PRIVATE LIMITED	1. PRADIP ENTERPRISES LIMITED 2. PRADIP ENERGY LIMITED 3. PRADIP INTEGRATED TEXTILE PARK PRIVATE LIMITED
Names of the Committees of the Board of Companies in which membership/ Chairmanship is held	1. Pradip Overseas Limited Audit Committee, Shareholders' Grievance Committee	NIL	NIL

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

Your Directors have pleasure to submit their Annual Report and Audited Statement of Accounts for the year ended on 31st March, 2014.

1) FINANCIAL REVIEW: [₹ in Lacs]

	Particulars	2013-14	2012-13
1.	Income From Operations	59856.73	94293.44
2.	Other Income	542.9	962.80
3.	Financial Charges	13,063.32	14510.10
4.	Depreciation	840.04	826.38
5.	Profit(loss) Before Tax	(14007.8)	(16806.92)
6.	Taxation	2957.74	(4370.11)
7.	Profit /(Loss) after Tax	(16965.60)	(11263.50)

2) OPERATIONS:

The year under review was a critical year for the Company. The turnover of the Company was lower by about 57.00 % as compared to the Sales revenue of the Company in the previous year. The major reason for lower turn over was under utilization of the Installed Capacity by 50% to 60% due to pending installation of the Effluent treatment Plant (ETP) The same was compounded by sluggish demand of the products in the market.

As reported last year , the Company has commenced the work for installation of the ETP, but the same could not be completed for non disbursement of the sanctioned Term Loan by the Consortium Banks for the said Project. The Management of the Company is pursuing in the matter with Banks and hopeful for the disbursement in near future.

Further, as reported last year, Lead Bank i.e State Bank of India had approached CDR Cell and the scheme of Corporate Debt Restructuring has been sanctioned and the same is under implementation.

3) DIVIDEND:

Due to the loss incurred by Company during the year under review, the Directors are not able to recommend dividend for year 2013-14.

4) FIXED DEPOSIT:

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

5) DIRECTOR'S RESPONSIBILITY STATEMENT:

The Directors confirm that:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year.
- That the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the Annual accounts on a going concern basis.



DIRECTORS' REPORT (Contd...)

6) DIRECTORS:

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

Mr. Aviansh Mayankar was appointed as an Additional Director of the Company with effect from 17th January, 2014. He hold the office up to the date of forthcoming Annual General Meeting. The Company has received proposal for his appointment as a Director of the Company and the Board commends the members to appoint him as a Director of the Company.

7) PARTICULAR AS PER SECTION 217 OF THE COMPANIES ACT, 1956:

As required by the Companies (disclosure of particulars in the Report of the Board of Directors) Rules, 1988, information pertaining to conversation of energy, Technology absorption and exports are given as Annexure-I to this report.

As there are no employees covered u/s. 217(2A) of the Companies Act, 1956 read with Rule framed there under no information is required to be given.

8) AUDITOR:

M/s. ASHOK DHARIWAL & CO., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends to the members to appoint them as Auditors of the Company and to fix their remuneration.

9) AUDIT OR AUDIOTRS' REPORT:

The Auditors Report to the shareholders does not contain any reservation, Qualification or adverse remarks.

10) CORPORATE GOVERNANCE:

Pursuant to the requirements of the Listing Agreement with Stock Exchanges, your Directors are pleased to annex the following:

1. Management Discussion and Analysis Report.
2. A report on Corporate Governance along with Auditor's Certificate relating to compliance of conditions thereof.

11) ACKNOWLEDGEMENT:

Your Directors acknowledge with gratitude the Co-Operation and Assistance received from the Banks, Government, Employees and all those associated with the Company during the year under review.

For and on behalf of the Board of Directors

Place : Ahmedabad.
Date : 29th May, 2014

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



DIRECTORS' REPORT (Contd...)

ANNEXURE I TO DIRECTORS' REPORT

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 taken and therefore there is nothing to comment.

RESEARCH & DEVELOPMENT

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

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

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

POWER AND FUEL CONSUMPTION IN RESPECT OF:

Sr. No.	Particular	2013-2014	2012-2013
(A)	Electricity		
(1)	Purchase		
	Unit Nos.	8374808	8629846
	Total Amt. (₹ in Lacs)	591.21	580.24
	Rate Per Unit (₹)	7.06	6.72
(2)	Own Generation		
	Through Diesel Generation Set	73797	0.00
	Unit Per Liter of Diesel Oil	3.81	0.00
	Cost Per Unit (₹)	14.33	0.00
(B)	Consumption of Electricity in unit Per Unit of Production	0.11	0.08

(C) FOREIGN EXCHANGE EARNINGS AND OUT GO :

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

	(₹ In lacs)
	<u>2013-14</u>
a) Earnings	5196.45
b) Outgo	174.58



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 Sale and Profitability has been reduced as demand of the product were sluggish and also the Company was operating at 50% to 60% level of its installed capacity as the work for implementation of the Effluent Treatment Plant is not completed.

2. INDUSTRY STRUCTURE AND DEVELOPMENT:

Indian Economy is facing inflation and the 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 Company has undertaken a project to develop Industrial Hub in place of SEZ. After implementation of the same the Company will be able to come out of the present difficult situation. In case if the Company could not implement the said project the Company will face crisis. But the Management of the Company is hopeful for timely implementation of the said project.

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 and readymade garments.

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 Industrial HUB as reported earlier in this report.

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**

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 stake holders in the Company.

BOARD OF DIRECTORS:

The Company is 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 Directors.

The following is the details of the composition of the Board as on 31st March, 2014

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

During the year 2013-14, 10 (Ten) Board Meetings were held i.e. on, 08/04/13, 30/05/13, 25/06/13, 28/06/13, 13/08/13, 13/11/13, 20/12/13, 17/01/2014, 13/02/2014, 20/03/2014.

Details of attendance of the Directors at the Board Meetings held during the year 2013-14 and the 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	10	10	Yes
2	Mr. Chetan J. Karia	Whole Time Director	10	10	Yes
3	Mr. Vishal R. Karia	Whole Time Director	10	10	Yes
4	Mr. Jivansingh Negi	Director	10	5	Yes
5	Mr. Gurple Ramdas Kamath	Director	10	4	No
6	Mr. Avinash Jagannath Mayekar*	Additional Director	10	0	No

* Mr. Avinash Jagananth Mayekar has been appointed as the Additional Director of the company with effect from 17th Jan, 2014

Audit Committee:

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



CORPORATE GOVERNANCE REPORT (Contd...)

Name	Designation	Nature of Directorship
Mr. Gurpur Ramdas Kamath	Chairman	Independent & Non Executive Director
Mr. Jivansingh Negi	Member	Independent & Non Executive Director
Mr. Pradip J. Karia	Member	Executive Director
Mr. Avinash Jagananth Mayekar	Member	Independent & Non Executive Director

Note : Mr. Avinash Jagannath Mayekar who has been appointed as an additional Director of the Company with effect from 17th Jan, 2014 and therefore joined as a member of the Audit Committee.

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

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Appointment, removal and terms of remuneration of internal auditors
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 1. 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 Section 134(3) of the Companies Act 2013;
 2. Changes, if any, in accounting policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on the exercise of judgment by management;
 4. Significant adjustments made in the financial statements arising out of audit findings;
 5. Compliance with listing and other legal requirements relating to the financial statements;
 6. Disclosure of any related party transactions;
 7. Qualifications in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- 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.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the Internal Control Systems.
- 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.
- Discussions with internal auditors on any significant findings and follow up thereon.
- Reviewing internal audit reports and adequacy of the Internal Control Systems.
- Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- Review statement of significant related party transactions.



CORPORATE GOVERNANCE REPORT (Contd...)

- Review of management discussion and analysis of financial condition and results of operations
- 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.
- 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.
- 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.
- To review the functioning of the Whistle Blower Mechanism, when the same is adopted by the Company and is existing.
- Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

Meetings and attendances:

During the year, 4 Audit Committee Meetings were held on 30/05/2013, 13/08/2013, 13/11/2013 and 13/02/2014

The Attendance of Members at meetings was as follows:

Sr. No.	Name	Designation	No. of meetings held during relevant period	No. of meetings attended
1.	Mr. Gurpur Ramdas Kamath	Chairman	4	3
2.	Mr. Jivansingh Negi	Member	4	4
3.	Mr. Pradip J. Karia	Member	4	4
4	Mr. Avinash Jagannath Mayekar	Member	4	0

Note : Mr. Avinash Jagannath Mayekar who has been appointed as an additional Director of the Company with effect from 17th Jan, 2014 and therefore joined as a member of the Audit Committee.

2. Remuneration Committee:

The Remuneration Committee is comprised of the following Directors:

Name	Designation	Nature of Directorship
Mr. Jivansingh Negi	Chairman	Independent & Non Executive Director
Mr. Gurpur Ramdas Kamath	Member	Independent & Non Executive Director
Mr. Avinash Jagannath Mayekar	Member	Independent & Non Executive Director

Note: Mr. Avinash Jagannath Mayekar who has been appointed as an additional Director of the Company with effect from 17th Jan, 2014 and therefore joined as a member of the Remuneration Committee.

The terms of reference of the Remuneration Committee are as follows:

- To decide and approve the terms and conditions for appointment of executive directors and/ or whole time directors and remuneration payable to other directors and matters related thereto.
- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);

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

- To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment.

Particulars of Remuneration Committee's meetings:

No meeting of the remuneration committee was held during the year under review.

Remuneration of Directors:**(₹ In Lacs)**

Sr. No	Name	Salary ₹	Perquisites & allowances ₹	Sitting fees ₹	Commission /bonus ₹	Total ₹
1.	Mr. Pradip J. Karia	36.00	0.00	0.00	0.00	36.00
2.	Mr. Chetan J. Karia	24.00	0.00	0.00	0.00	24.00
3.	Mr. Vishal R. Karia	12.00	0.00	0.00	0.00	12.00
4.	Mr. Jivansingh Negi	0.00	0.00	0.75	0.00	0.75
5.	Mr. Gurple Ramdas Kamath	0.00	0.00	0.60	0.00	0.60
6.	Mr. Avinash Mayekar	0.00	0.00	0.00	0.00	0.00

INVESTORS' GRIEVANCES COMMITTEE:

The Shareholders' / Investors' Grievance Committee is comprised of the following Directors: -

Name	Designation	Nature of Directorship
Mr. Jivansingh Negi	Chairman	Independent & Non Executive Director
Mr. Pradip Karia	Member	Executive Director
Mr. Avinash Mayekar	Member	Independent & Non Executive Director

The terms of reference of the Shareholders' / Investors' Grievances Committee is as follows:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

**CORPORATE GOVERNANCE REPORT (Contd...)****Meetings and Attendance:****Particulars of Shareholders'/Investors' Grievances Committee's meetings:**

Sr. No.	Name	Position	No. of committee meetings held during relevant the year	No. of meetings attended
1	Mr. Jivansingh Negi	Chairman	3	3
2	Mr. Pradip J. Karia	Member	3	3
3	Mr. Avinash Jagannath Mayekar	Member	3	0

Note: Mr. Avinash Jagannath Mayekar who has been appointed as an additional Director of the Company with effect from 17th Jan, 2014 and therefore joined as a member of the Investors' Grievances Committee.

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
27 th September, 2011	11:00 a.m.	104, 105, 106, Chacharwadi, Vasna, Opp. Zydu Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382 213
29 th September, 2012	11:00 a.m.	104, 105, 106, Chacharwadi, Vasna, Opp. Zydu Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382 213
30 th September, 2013	11.00 a.m.	104, 105, 106, Chacharwadi, Vasna, Opp. Zydu Cadila, Sarkhej Bavla Highway, Changodar, Ahmedabad-382 213

(ii) Whether any special resolution passed in the previous 3 AGMs

Year	Date of the Meeting	Details of the Special Resolution passed in the Annual General Meeting
2010-11	27-09-2011	Reappointment of Mr. Pradip J. Karia, Mr. Chetan J. Karia & Mr. Vishal J. Karia & fixation of their remuneration
2011-12	29-09-2012	None
2012-13	30-09-2013	None

DISCLOSURES:

The related party transaction has already been given in the note no. 28.

- There are NO penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any statutory Authority, on any matter related to Capital Markets during the last three years.
- No personnel have been denied to access to the Audit Committee.

MEANS OF COMMUNICATION:

i) Quarterly results :

The quarterly results are published in the new papers as required pursuant to the Listing Agreement.

ii) The results are normally published in Business Standard (English) & Jansatta/ Jaihind (Gujarati)

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

Date : 30th September,2014
 Time : 12.30 p.m.
 Venue : 104,105,106, Chancharwadi, Vasna, Opp. Zydu Cadila, Sarkej Bavla Highway, Changodar, Ahmedabad-382213

(2) Financial Calendar:

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

(3) Book Closure: 16th September, 2014 to 30th September, 2014 (Both days inclusive)

(4) Dividend Payment date: N.A

(5) Listing on 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 – 2013-14	Bombay Stock Exchange		National Stock Exchange	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
April-13	9.75	6.75	9.88	6.39
May-13	8.05	5.65	7.93	5.61
June-13	5.95	3.85	5.97	4.00
July-13	6.2	3.95	6.40	3.90
August-13	4.15	3.75	4.31	3.50
September-13	8.15	3.65	8.49	3.75
October-13	7.80	5.65	7.31	4.56
November-13	Nil	Nil	4.81	3.65
December-13	Nil	Nil	6.27	3.56
January-14	5.10	3.60	6.83	3.60
February-14	4.15	3.60	4.05	3.46
March-14	4.55	3.75	4.73	3.43



CORPORATE GOVERNANCE REPORT (Contd...)

(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 India Pvt. Ltd

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

(9) SHARE TRANSFER SYSTEMS :

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

(10) Distribution of shareholding as at 31st March, 2014

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of Share held	% Share holding
1-500	12509	85.5492	1522824	3.1437
501-1000	858	5.8679	612470	1.2644
1001-2000	577	3.9461	817481	1.6876
2001-3000	226	1.5456	563486	1.1633
3001-4000	87	0.595	302341	0.6242
4001-5000	69	0.4719	317301	0.6550
5001-10000	129	0.8822	884293	1.8255
10001 and above	167	1.1421	43419987	89.6363
TOTAL	14622	100	48440183	100.0

11) Dematerialization of shares and liquidity :

The Company's shares are available for dematerialization 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:

1) Registered Office:

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

2) PRADIP OVERSEAS LIMITED

Corporate Office:

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

3) Link Intime India Private Limited

C/13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078

The Above report was placed before Board of Directors of the Company at its meeting held on 29th May, 2014



PRADIP OVERSEAS LTD.

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 31st March, 2014, as stipulated in clause 49 of Listing Agreement of the said Company with stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

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

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

Place : Ahmedabad
Date : 29th May, 2014



INDEPENDENT AUDITORS' REPORT

To the Members of Pradip Overseas Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Pradip Overseas Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

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

Emphasis of Matter

- a. We draw attention to Note 3.1 to the financial statements which, describes the Scheme of Corporate Debt Restructuring and its effects given in the financial statements. Our opinion is not qualified in respect of this matter.



INDEPENDENT AUDITORS' REPORT (Contd...)

- b. We draw attention to Note 17 to the financial statements in respect of contingency related to compensation payable in lieu of bank sacrifice, the outcome of which is materially uncertain and cannot be determined currently. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is Disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Sd/-
(CA Ashok Dhariwal)
Partner

Membership No. 036452

Place : Ahmedabad
Date : 29/05/2014



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

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets on the basis of available Information.
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - 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 reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii (c) and iii (d) of the order are not applicable to the Company.
 - b. The Company has taken unsecured loans from Directors. The outstanding amount of unsecured loan as on March 31, 2014 is ₹ 33,38,16,460 (Previous Year ₹ 23,89,46,460). Apart from this, the company has not taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of Companies Act, 1956.
 - c. In our opinion, the terms and conditions on which loans have been taken from Companies, Firms and other Parties covered in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
4. 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 continuing failure to correct major weaknesses in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.



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

8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. In respect of statutory dues:
 - a. According to the records of the company, undisputed statutory dues including Provident Fund, Income – Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and other statutory dues have been generally regularly deposited with the appropriate authorities.
 - b. According to the information and explanation given to us, there are no dues of VAT, Service Tax, Income tax, Wealth Tax, Customs duty, Excise duty and cess, which have not been deposited on account of any dispute.
10. The accumulated losses of the Company as at the end of the financial period are more than fifty percent of its net worth as on March 31, 2014. 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.
11. 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 Debt Restructuring proposal. The company approached the Corporate Debt Restructuring Cell to restructure its debt obligations. The CDR proposal of the company has been approved by CDR empowered group and a master restructuring agreement has been entered into on 22.03.2014 which cured all defaults during the year to banks.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund /nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. 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 during the year.
16. The company has not raised any new term loan during the year. The Term Loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

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

Place : Ahmedabad
Date : 29/05/2014

**PRADIP OVERSEAS LTD.****BALANCE SHEET AS AT 31ST MARCH, 2014**

(₹ in Lacs)

PARTICULARS	Nos.	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	4,844.02	4,844.02
Reserves and Surplus	2	(2,152.24)	12,306.99
Non-current liabilities			
Long-term borrowings	3	68,966.51	56,918.95
Long-term provisions	5	43.67	47.47
Current liabilities			
Short-term borrowings	6	66,234.36	59,260.77
Trade Payables	7	2,931.59	3,851.11
Other current liabilities	8	4,951.87	7,788.75
Short-term provisions	9	35.58	46.14
TOTAL		145,855.36	145,064.20
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	8,540.04	10,753.84
Intangible assets	10	12.54	14.82
Capital Work-in-Progress	10	3,124.11	2,757.44
Non-current investments	11	45.67	45.67
Deferred tax assets (net)	4	4,608.68	7,566.08
Long-term loans and advances	12	2,055.95	1,757.19
Current assets			
Inventories	13	37,975.94	38,396.79
Trade receivables	14	88,401.66	82,337.30
Cash and Bank Balances	15	450.61	856.10
Short-term loans and advances	16	640.17	578.97
Total		145,855.36	145,064.20

Significant Accounting Policies

Notes on Financial Statements 1 to 35

As per our Report attached
For, **Ashok Dhariwal & Co.,**
Chartered Accountants,

Sd/-
(CA Ashok Dhariwal)
Partner

Membership No. 036452
(Reg. No. 100648W)

Place : Ahmedabad

Date : May 29, 2014

For and on behalf of the Board

Sd/-
(Pradip Karia)
Director

Sd/-
(Chetan Karia)
Director

Sd/-
(Kaushik B. Kapadia)
Company Secretary

Place : Ahmedabad

Date : May 29, 2014

**PRADIP OVERSEAS LTD.****STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014**

(₹ in Lacs)

PARTICULARS	Nos.	2013-14	2012-13
I. INCOME			
Revenue from Operations (gross)	18	59,856.73	94,293.44
Less : Excise duty		-	-
Revenue from Operations (net)		59,856.73	94,293.44
Other Income	19	542.90	962.80
Total (I)		60,399.64	95,256.24
II. EXPENDITURE			
Cost of Materials Consumed	20	52,619.91	66,116.47
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(1,128.17)	19,583.50
Employee Benefit Expenses	22	421.44	567.88
Finance Costs	23	13,063.33	14,510.10
Depreciation and Amortization Expense	24	840.04	826.38
Other Expenses	25	8,590.96	10,458.84
Total (II)		74,407.51	112,063.17
III. Profit / (Loss) before extraordinary items and Tax (I-II)		(14,007.88)	(16,806.93)
IV. Add / (Less) : Extraordinary Items		-	-
V. Profit for the year before taxation		(14,007.88)	(16,806.93)
VI. Tax Expense:			
Current tax		0.34	0.45
Deferred Tax		2,957.40	(4,370.55)
Total Tax Expenses (VI)		2,957.74	(4,370.11)
Prior Period Adjustment		-	(1,173.32)
Profit/ (Loss) for the year (V-VI)		(16,965.61)	(11,263.50)
Earnings Per Equity Share			
Basic and Diluted	29	(35.02)	(23.25)

Significant Accounting Policies

Notes on Financial Statements 1 to 35

As per our Report attached
For, **Ashok Dhariwal & Co.,**
Chartered Accountants,

Sd/-
(CA Ashok Dhariwal)
Partner

Membership No. 036452
(Reg. No. 100648W)

Place : Ahmedabad

Date : May 29,2014

For and on behalf of the Board

Sd/-
(Pradip Karia)
Director

Sd/-
(Chetan Karia)
Director

Sd/-
(Kaushik B. Kapadia)
Company Secretary

Place : Ahmedabad

Date : May 29,2014



PRADIP OVERSEAS LTD.

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

(₹ in Lacs)

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax	(14,007.88)	(14,007.88)	(16,806.92)	(16,806.92)
Non-cash adjustment to reconcile profit before tax to net cash flows				
Depreciation/ amortisation on continuing operation	840.04		826.38	
Interest income	(16.61)		(212.91)	
Dividend income	-		-	
Finance Charges	13,063.33		14,510.10	
Profit on sale of Fixed Assets	-		(10.97)	
Net prior year adjustments	-		1,173.33	
		13,886.76		16,285.93
Operating profit / (loss) before working capital changes		(121.12)		(520.99)
Movements in working capital:				
Decrease/ (increase) in trade and other receivables	(6,064.36)		(14,690.42)	
Decrease/ (increase) in inventories (other than Stock-in-trade : Land)	4,581.10		8,839.36	
Increase/ (decrease) in trade and other payables	(3,770.76)		(785.88)	
		(5,254.02)		(6,636.94)
Cash generated from / (used in) operations		(5,375.13)		(7,157.93)
Direct taxes paid (net of refunds)		(0.34)		(0.45)
Net cash flow from / (used in) operating activities (A)		(5,375.47)		(7,158.38)
B. Cash flow from investing activities				
Interest received	16.61		212.91	
Movement in loans & advances	(359.95)		4,001.71	
Purchase of Fixed Assets	(644.50)		(2,300.64)	
Sales of Fixed Assets	-		94.70	
Investment in Bank Deposits (having original maturity of more than three months)	266.39		3,836.52	
Net cash flow from / (used in) investing activities (B)		(721.45)		5,845.20
C. Cash flow from financing activities				
Unclaimed Dividend Accounts	0.00		0.01	
Finance Charges	(13,063.33)		(14,510.10)	
Share Issue Expenses	-		-	
Proceeds / (Repayment) of Long Term Borrowings	12,047.56		12,677.35	
Proceeds / (Repayment) of Short Term Borrowings	6,973.59		620.91	
Margin Money	-		2,773.09	
Net cash flow from / (used in) financing activities (C)		5,957.83		1,561.26
D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(139.09)		248.08
E. Cash and cash equivalents at the beginning of the year (refer note 15)		555.15		307.07
Cash and cash equivalents at the end of the year (D+E)		416.06		555.15
Add : Bank Balances not considered as Cash & Cash Equivalents		34.55		300.95
Closing Cash & Bank Balances as per note 15		450.61		856.10

As per our Report attached
For, **Ashok Dhariwal & Co.,**
Chartered Accountants,

Sd/-
(CA Ashok Dhariwal)
Partner

Membership No. 036452
(Reg. No. 100648W)

Place : Ahmedabad
Date : May 29, 2014

For and on behalf of the Board

Sd/-
(Pradip Karia)
Director

Sd/-
(Chetan Karia)
Director

Sd/-
(Kaushik B. Kapadia)
Company Secretary

Place : Ahmedabad
Date : May 29, 2014



SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

Financial Statements have been prepared under historical cost convention on accrual basis, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. All Income and Expenditure having a material bearing on the Financial Statement are recognized on accrual basis.

2. USE OF ESTIMATES

The preparation of Financial Statement in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported accounts of Assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

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-Process and Finished Goods are valued at lower of cost and net realizable value. Cost is ascertained on specific identification method / FIFO basis and includes appropriate production overheads in case of Work-in-Process and Finished Goods. The closing stock-in-trade consisting of land has been valued at fair market value on the date of conversion, i.e. 31.03.2014.

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. The Company is providing depreciation on its assets at the rate prescribed as per Schedule XIV of the Companies Act, 1956 at Straight Line Method. However the depreciation on addition made during the year has been provided on pro-rata basis from the date of their purchase/use.
- b. Addition in Fixed Assets is stated at cost net of CENVAT credit (where applicable).
- c. 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).

7. REVENUE RECOGNITION

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



SIGNIFICANT ACCOUNTING POLICIES (Contd...)

- 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.

Foreign Currency translation:

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

9. GOVERNMENT GRANTS

Government grants are recognized where it is reasonably certain that the ultimate collection will be made. During the year the Company has accounted for Revenue Grants by adding to the Income in case of Export Incentives and reducing the Bank interest on Term Loans (Financial Expenses) in case of interest subsidy of ₹ NIL (Previous year ₹18,67,005) under TUF Scheme.

10. 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.



SIGNIFICANT ACCOUNTING POLICIES (Contd...)

11. 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.

12. 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.

13. FINANCIAL DERIVATES 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, 2014, the company had no outstanding forward exchange contracts.

14. 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.

15. LEASES

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

16. 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.



SIGNIFICANT ACCOUNTING POLICIES (Contd...)

17. 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.

18. 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.

19. 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.

20. 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 profit and loss account.

21. 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.

22. BASIS OF CONSOLIDATION:

The consolidation financial statements of the company together with its wholly owned subsidiary Pradip Home Fashion Inc. USA have been prepared under historical cost convention, on accrual basis, to comply, in all material respect, with the mandatory accounting standards as specified in the Companies (Accounting Standard) Rules, 2006 (as amended).

Investment in subsidiary has been accounted in accordance with accounting principles as defined in Accounting Standard 21 “Consolidated Financial Statements” as specified in the Companies (Accounting Standard) Rules,2006 (as amended).

The following are the details of the company’s wholly owned subsidiary:

Name of Subsidiary	Country of Incorporation	Nature of Interest	% of Interest	Accounting Year
Pradip Home Fashion Inc	U.S.A.	Subsidiary	100 %	31st March, 2014

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****1. SHARE CAPITAL**

(₹ in Lacs)

	As at 31st March,2014	As at 31st March,2013
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 (Nil) Preference Shares of ₹100 (NIL) each	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
Total	4,844.02	4,844.02

1.1 Increase in Authorised Share Capital

During the year, company has increased the authorised share capital by ₹ 40 Cr. (Rupees Forty Crores only) comprising of 40,00,000 (Forty Lacs) Preference Shares of ₹ 100 each vide resolution dated 25.01.2014.

(a) Reconciliation of the Number of Shares Outstanding

Particulars	As at 31st March,2014		As at 31st March,2013	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
Equity Shares at the beginning of the year	48,440,183	4,844.02	40,366,819	4,036.68
Add : Shares issued on exercise of Employee Stock Options	-	-	-	-
Add : Allotted as Bonus Shares	-	-	8,073,364	807.34
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	-	-	-	-
Equity Shares at the end of the year	48,440,183	4,844.02	48,440,183	4,844.02

(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 increased authorised share capital as mentioned in note 1.1 above which includes Preference Shares. 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.

(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

(Nos.)

Particulars	As at 31st March, 2014	As at 31st March,2013
Equity Shares allotted as fully paid bonus shares by capitalization of securities premium	-	8,073,364
Equity Shares allotted as fully paid pursuant to contracts for consideration other than cash	-	-
Equity Shares bought back by the company	-	-
TOTAL	-	8,073,364



PRADIP OVERSEAS LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

Name of the shareholder	As at 31st March, 2014		As at 31st March, 2013	
	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%	273,537	0.56%
Pradip Petrofils Private Limited	2,038,968	4.21%	4,664,160	9.63%

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)

	As at 31st March, 2014		As at 31st March, 2013	
2.1 SECURITY PREMIUM RESERVE				
As per last Balance Sheet	8,917.39		9,724.73	
Add : On issue of shares	-		-	
Less : Premium utilised on expenses incurred for issue of Share Capital	-	8,917.39	807.34	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 (refer note 2.1)	2,506.38	2,657.14	-	150.76
2.3 SURPLUS IN PROFIT & LOSS				
As per last Balance Sheet	3,238.84		14,502.34	
Add : Profit / (loss) for the year	(16,965.61)		(11,263.50)	
Amount available for appropriations	(13,726.78)		3,238.84	
Less : Appropriations				
Proposed Dividend on Equity Shares	-		-	
Tax on Dividend	-	(13,726.78)	-	3,238.84
Total		(2,152.24)		12,306.99

2.1 Conversion of Capital Asset into Stock-in-trade

In the current year, company has converted a fixed asset (consisting of land) into stock-in-trade at the then fair market value. The surplus (market price less original cost) arising on such conversion was credited to Capital Reserve.

3. LONG TERM BORROWINGS

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
	Non Current	Current	Non Current	Current
SECURED				
Term Loans from Banks (refer note 3.1)	60,278.30	47.00	49,200.48	6,777.10
UNSECURED				
Inter- Corporate Loans	5,350.05	-	5,329.01	-
Loans from Directors	3,338.16	-	2,389.46	-
Total	68,966.51	47.00	56,918.95	6,777.10



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 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, 2014

- 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's 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 interse.
- (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 interse 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 interse.
- (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 interse 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 interse.
- (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 interse and Restructured working capital facilities, FITL and WCTL

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

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 interse.

Maturity Profile of Restructured Loans is as below: ₹ in Cr.

Nature of Facility	Mar-15	Mar-16	Mar-17	Mar-18
Restructured Term Loans	0.25	5.44	87.05	87.05
New Term Loan - for ETP facility	0.01	0.30	4.79	4.79
New Term Loan from SCB	0.01	0.13	2.00	2.00
WCTL	0.10	2.12	33.93	33.93
FITL	0.10	2.34	37.49	37.49
Total	0.47	10.33	165.26	165.26

Nature of Facility and Rate of Interest	Mar-19	Mar-20	Mar-21	Mar-22
Restructured Term Loans	97.94	108.82	108.82	48.72
New Term Loan - for ETP facility	5.39	5.98	5.98	2.68
New Term Loan from SCB	2.25	2.50	2.50	1.11
WCTL	38.21	42.42	42.42	18.99
FITL	42.18	46.87	46.87	20.97
Total	185.97	206.59	206.59	92.47

3.1.2 The company and the CDR lenders have executed a MRA during the year. 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.

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****4. DEFERRED TAX LIABILITIES / ASSETS** (₹ in Lacs)

DEFERRED TAXATION	Balance as on 01.04.2013	Arising during the year	Balance as on 31.03.2014
A. Deferred Tax Liabilities			
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	992.27	(92.68)	899.59
Others	-	-	-
Gross Deferred Tax Liabilities	992.27	(92.68)	899.59
B. Deferred Tax Assets			
Disallowances u/s. 43B of the Income Tax (IT) Act	16.21	(0.83)	15.38
Preliminary Expenses u/s. 35D of the IT Act	(0.47)	0.47	-
Initial Public Offer Expenses	13.41	(13.41)	-
Unabsorbed Depreciation	835.61	177.82	1,013.44
Unabsorbed Business Loss	7,686.17	(3,211.31)	4,474.85
Long Term Capital Loss	7.41	(2.82)	4.60
Gross Deferred Tax Assets	8,558.34	(3,050.08)	5,508.27
NET DEFERRED TAX LIABILITIES / (ASSETS)	(7,566.07)	2,957.40	(4,608.68)

5. LONG TERM PROVISIONS (₹ in Lacs)

Particulars	As at 31st March,2014	As at 31st March,2013
Provision for employee benefits :		
Provision for gratuity (refer note 22.1)	43.67	47.46
TOTAL	43.67	47.46

6. SHORT-TERM BORROWINGS (₹ in Lacs)

Particulars	As at 31st March,2014	As at 31st March,2013
Secured Borrowings		
Working Capital Loans from Banks (refer note 3.1)	66,234.36	59,260.77
TOTAL	66,234.36	59,260.77

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****7. TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Micro, Small and Medium Enterprises	65.85	188.57
Others	2,865.74	3,662.54
Total	2,931.59	3,851.11

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	31.03.2014	31.03.2013
Principal amount due and remaining unpaid	65.85	188.57
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, 2014	As at 31st March, 2013
Current portion of long term debt (refer note 3.1)	47.00	6,777.10
Unclaimed Dividends	1.13	1.13
Preference Share application money pending allotment (refer note 8.1)	3,998.00	-
Creditors for Capital Expenditure	978.92	989.48
Other payables (refer note 8.2)	26.82	21.04
Total	4,951.87	7,788.75

8.1 Preference share application money pending allotment

As per CDR package, the company has received share application money for issue of 38,98,000 Non - Convertible Preference Shares of ₹ 100 each. The Preference shares are pending allotment as on March 31, 2014.

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

9. SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provisions for Employee Benefits		
Provision for Salary & Reimbursements	24.35	27.33
Provision for Gratuity (refer note 22.1)	6.11	1.35
Provision for Leave Encashment	0.60	1.99
Provision for Bonus	1.51	5.25
Others		
Provisions for Income Tax	-	-
Provision for Wealth Tax	0.34	0.45
Other Expenses	2.67	9.77
Total	35.58	46.14



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

10. FIXED ASSETS

(₹ in Lacs)

Sr. No.	Particulars	Gross Block				Depreciation & Amortisation				Net Block	
		As at 01-04-13	Addition during the Year	Deductions / adjustments during the Year	As at 31-03-2014	As at 01-04-13	For the Year	Deductions / adjustments during the Year	As at 31-03-2014	As at 31-03-2014	As at 31-03-13
A	Tangible Assets										
1	Land - Freehold	2488.57	74.81	1,651.99	911.39	-	-	-	-	911.39	2,488.57
2	Land - Leasehold	2.00	-	2.00	-	0.10	0.02	0.13	-	-	1.90
3	Factory Building	2,467.58	24.27	-	2,491.86	551.97	80.62	-	632.60	1,859.26	1,915.61
4	Office Building	42.12	-	-	42.13	8.33	0.62	-	8.95	33.17	33.79
5	Plant & Machinery	9,583.31	81.35	-	9,664.65	3,695.47	694.49	-	4,389.95	5,274.69	5,887.84
6	Computer System	51.57	-	-	51.58	37.62	7.56	-	45.18	6.40	13.95
7	Office Equipments	103.18	6.39	-	109.57	21.48	4.97	-	26.46	83.11	81.70
8	Electrical Installation	224.96	-	-	224.96	106.15	15.97	-	122.12	102.85	118.81
9	Furniture & Fittings	177.87	5.09	-	182.96	63.20	10.55	-	73.75	109.21	114.67
10	Vehicles	154.05	83.00	-	237.05	66.46	19.37	-	85.83	151.22	87.59
11	Laboratory Equipment	13.86	-	-	13.86	4.45	0.66	-	5.10	8.75	9.41
12	Shop	-	-	-	-	-	-	-	-	-	-
	Total (A)	15,309.07	274.91	1,653.99	13,929.99	4,555.23	834.84	0.13	5,389.95	8,540.04	10,753.84
B	Intangible Assets										
1	Computer Software	21.52	2.92	-	24.44	7.66	4.58	-	12.24	12.20	13.86
2	Trade Mark	3.32	-	-	3.32	2.36	0.62	-	2.98	0.34	0.96
	Total (B)	24.84	2.92	-	27.76	10.02	5.20	-	15.22	12.54	14.82
	Grand Total (A + B)	15,333.91	277.83	1,653.99	13,957.76	4,565.25	840.04	0.13	5,405.18	8,552.58	10,768.66
	Previous Year	14,628.54	790.51	85.12	15,333.92	3,740.27	826.38	1.39	4,565.26	10,768.66	10,888.26
C	Capital Work-in-Progress									3,124.11	2,757.44

11. NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
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		
500 Equity Shares of Pradip Integrated Textile Park Pvt. Ltd. of ₹ 10 each	0.05	0.05
523 Equity Shares of Elegant Home Fashion INC of \$200 each	45.62	45.62
TOTAL	45.67	45.67

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****12. LONG TERM LOANS AND ADVANCES (Unsecured, considered good) (₹ in Lacs)**

Particulars	As at 31st March,2014	As at 31st March,2013
Capital Advances	983.78	1,049.05
Deposits with Others	110.46	111.52
Advance Income Tax	130.30	182.14
Other Loans and Advances	831.41	414.48
Total	2,055.95	1,757.19

13. INVENTORIES (₹ in Lacs)

Particulars	As at 31st March,2014	As at 31st March,2013
Raw Materials	26,525.44	32,211.52
Stock -in - Process	4,253.80	3,814.12
Finished Goods	2,722.36	2,033.87
Stores, Chemicals and Packing Materials	314.09	337.28
Stock-in-trade : Land (refer note 13.1)	4,160.25	-
Total	37,975.94	38,396.79

13.1 The closing stock in trade consisting of Land, situated at Village Bhamasara, has been valued at fair market value on date of conversion i.e. 31st March, 2014.

14. TRADE RECEIVABLES (₹ in Lacs)

Particulars	As at 31st March,2014	As at 31st March,2013
Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	59,749.17	25,260.22
Receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	28,652.49	57,077.08
TOTAL	88,401.66	82,337.30

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****15. CASH AND BANK BALANCES**

(₹ in Lacs)

Particulars	As at 31st March,2014	As at 31st March,2013
Cash and cash Equivalents		
Balances with banks :		
- in current accounts	385.35	548.46
- in deposits with original maturity less than three months	-	-
- Cash on hand	30.71	6.69
Total (A)	416.06	555.15
Other bank balances		
- Deposits with original maturity of more than twelve months	33.43	299.82
- In unclaimed dividends accounts	1.12	1.13
Total (B)	34.55	300.95
TOTAL (A+B)	450.61	856.10

16. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)

(₹ in Lacs)

Particulars	As at 31st March,2014	As at 31st March,2013
Staff Advance	34.45	33.58
Prepaid Expenses	6.56	10.61
Trade Advances	176.00	176.00
Advances recoverable in cash or in kind	125.48	12.64
Balance with Customs, Central Excise Authorities	297.68	346.14
Total	640.17	578.97

17. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lacs)

Particulars	As at 31st March,2014	As at 31st March,2013
Bank Guarantee	-	15.00
Export Obligation pending against advance license	35.66	33.34
Compensation payable in lieu of bank sacrifice as per first restructuring & CDR	15,011.00	-
TOTAL	15,046.66	48.34

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****19. REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Sale of Products	59,856.73	94,293.44
Less: Excise Duty / Service Tax Recovered	-	-
Total	59,856.73	94,293.44

18.1 PARTICULARS OF SALE OF PRODUCTS

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Grey Fabrics	52,693.85	94,293.44
Others	7,162.88	-
Total	59,856.73	94,293.44

19. OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest Income		
From Current Investments	16.61	212.91
From Long - Term Investments	- 16.61	- 212.91
Duty Drawback and other export incentives	522.33	732.22
Profit on sale of fixed assets	3.96	14.67
Rental Income	-	3.00
Total	542.90	962.80

20. COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Inventory at the beginning of the year	32,211.52	21,404.30
Add: Purchases during the year	46,933.83	76,923.69
	79,145.35	98,327.99
Less: Inventory at the end of the year	26,525.44	32,211.52
TOTAL	52,619.91	66,116.47

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****20.1 PARTICULARS OF MATERIALS CONSUMED**

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
Grey Fabrics				
- Imported	-	-	-	-
- Indigenous	52,619.91	100%	66,116.47	100%
Others	-	-	-	-
Total	52,619.91	100%	66,116.47	100%

21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (₹ in Lacs)

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
Inventories (at close)				
Finished Goods / Stock-in-Trade	2,722.36		2,033.87	
Stock-in-Process	4,253.80	6,976.16	3,814.12	5,847.99
Inventories (at commencement)				
Finished Goods / Stock-in-Trade	2,033.87		12,908.21	
Stock-in-Process	3,814.12	5,847.99	12,523.28	25,431.49
Total		(1,128.17)		19,583.50

22. EMPLOYEE BENEFIT EXPENSES (₹ in Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Salaries and Wages	399.75	529.96
Contribution to Provident and Other Funds	10.94	14.58
Gratuity	0.97	9.66
Staff Welfare Expenses	9.78	13.68
Total	421.44	567.88

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

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	2013-14	2012-13
Employer's Contribution to Provident Fund and Pension Fund	10.94	14.58

B. Defined Benefit Plans

Contributions to Defined Benefit Plan is as under :

Change in defined benefit obligation	2013-14	2012-13
Opening defined benefit obligation	48.81	39.15
Service Cost	10.05	11.09
Interest Cost	4.03	3.33
Actuarial losses (gains)	(13.12)	(4.75)
Benefits paid	-	-

Closing defined benefit obligation **49.78** **48.81**

Change in plan assets	2013-14	2012-13
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	2013-14	2012-13
Fair value of Plan assets	-	-
Present value of obligation	49.78	48.81

Amount recognised in Balance Sheet **49.78** **48.81**

The net amount recognised in the statement of Profit & Loss for the year ended 31st March, 2014		
Current service Cost	10.05	11.09
Interest on obligation	4.03	3.33
Expected return on plan assets	-	-
Net actuarial losses (gains) recognised in the period	(13.12)	(4.75)

Total included in 'employee benefit expense' **0.96** **9.67**



PRADIP OVERSEAS LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

Grauity	2013-14	2012-13	2011-12	2010-11	2009-10
(a) Present value of the defined benefit obligation	49.78	48.81	39.15	34.33	26.44
Fair value of the plan assets	-	-	-	-	-
(Surplus) / Deficit in the plan	49.78	48.81	39.15	34.33	26.44
(b) Experience Adjustments	-	-	-	-	-
On Plan Liabilities	(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	2013-14	2012-13
Discount Rate	9.32%	8.25%
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 employment market.

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

23. FINANCE COSTS (₹ in Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest Expenses	12,822.09	13,962.67
Other Borrowing Costs	241.24	547.43
TOTAL	13,063.33	14,510.10

24. DEPRECIATION AND AMORTISATION EXPENSE (₹ in Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Depreciation of Tangible Assets	834.84	824.83
Amortisation of Intangible Assets	5.20	1.55
	840.04	826.38
Less : Transferred from revaluation reserve	-	-
TOTAL	840.04	826.38

**PRADIP OVERSEAS LTD.****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****25. OTHER EXPENSES**

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
Manufacturing Expenses				
Stores, Chemicals and Packing Materials	3,751.77		5,032.27	
Electric Power, Fuel and Water	2,042.16		1,948.06	
Labour Processing, Production Royalty and Machinery Hire Charges	1,289.21		1,543.04	
Repairs to Buildings	5.10		2.83	
Repairs to Machinery	123.50		130.02	
Exchange Difference (Net)	23.89	7,235.63	70.29	8,726.51
Selling and Distribution Expenses				
Clearing and Forwarding	189.62		431.82	
Advertisement Expenses	3.91		8.46	
Sales Commission	194.05		254.27	
Other Selling and Distribution Expenses	27.92	415.50	38.57	733.12
Others				
Professional fees	295.00		121.17	
Communication Expenses	32.33		48.89	
Printing and Stationery	13.12		23.32	
Freight and Forwarding	198.99		279.61	
General Expenses	226.24		207.98	
Rent	16.65		92.52	
Insurance	63.52		102.35	
Rates & Taxes	4.10		0.89	
Other Repairs	20.07		17.45	
Travelling and Coveyance Expenses	49.44		84.08	
Charity and Donations	8.01		8.58	
Payment to Auditors (refer note 25.1)	12.36	939.83	12.36	999.20
Total		8,590.96		10,458.83

25.1 PAYMENT TO AUDITORS

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
As Auditors	8.43	8.43
For Taxation Matters	2.81	2.81
For Other Services	1.12	1.12
Total	12.36	12.36

26. 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.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****27. SEGMENT REPORTING**

As the Company's business activity falls within a single segment viz. 'Textile' and the sales substantially being in the domestic market, the disclosure requirements of the Accounting Standard - 17 "Segment Reporting" as specified by the Companies (Accounting Standard) Rules, 2006 are not applicable. However it does not have any impact on the true and fair view of the state of affairs in case of Balance Sheet and the Statement of Profit and Loss.

28. RELATED PARTY DISCLOSURES

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

I. Names of Related Parties & Description of Relationship

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

(B) Key Managerial Personnel :

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

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

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

II. Nature and Volume of Transactions with Related Parties :

(₹ in Lacs)

Particulars	Key Managerial Personnel (KMP)	Enterprises over which KMP have significant influence:
Rent Paid	-	4.50
Remuneration	126.00	-

REMUNERATION TO KEY MANAGERIAL PERSONNEL	2013-14	2012-13
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	20.40	20.40
Shri Anil Agarwal	19.20	19.20
Shri A. N. Saboo	6.00	6.00
Shri Anand Shiolkar	4.80	4.80
Shri Kamal Garg	-	17.50
Shri Kaushik Kapadia	3.60	3.60
TOTAL	126.00	143.50

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

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****29. EARNINGS PER SHARE (EPS)**

Particulars	2013-14	2012-13
Net Profit for the year (in ₹)	(16,965.61)	(11,263.50)
Weighted average number of shares outstanding during the year	484.40	484.40
Earning Per Share (in ₹)	(35.02)	(23.25)
Nominal Value of Share (in ₹)	10	10

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

Particulars	2013-14	2012-13
Chemicals, Packing Materials and Other Stores	27.15	78.12

31. EXPENDITURE IN FOREIGN CURRENCY (₹ in Lacs)

Particulars	2013-14	2012-13
Travelling expenses	10.62	20.78
Commission and other payments	136.82	174.74

32. EARNING IN FOREIGN CURRENCY (₹ in Lacs)

Particulars	2013-14	2012-13
F.O.B. value of exports	5,196.95	9,388.47

33. The company has 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. The application for Settlement has been admitted u/s 245 D(1) by the Hon'ble Settlement Commission vide order dated May 6, 2013. The Company has paid taxes (incl interest) of ₹ 82,45,000. The proceedings are pending before the Hon'ble Settlement Commission. The ultimate liability, if any, is dependent on the outcome of the proceedings and will be quantified only on the completion of the same.

34. Pradip Overseas Ltd. had formed a company named "Pradip Home Fashions 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 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 other transaction has been carried out by the subsidiary company, except issue of share capital, the consolidated accounts have not been prepared.

35. 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 attached
For, **Ashok Dhariwal & Co.,**
Chartered Accountants,

Sd/-
(CA Ashok Dhariwal)
Partner

Membership No. 036452
(Reg. No. 100648W)

Place : Ahmedabad

Date : May 29,2014

For and on behalf of the Board
Sd/-
(Pradip Karia)
Director

Sd/-
(Chetan Karia)
Director

Sd/-
(Kaushik B. Kapadia)
Company Secretary

Place : Ahmedabad

Date : May 29,2014



PRADIP OVERSEAS LTD.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

- (1) Name of Company : Pradip Home Fashions INC. USA
- (2) Financial year of subsidiary ended : 31st March, 2014.
- (3) Holding Company's interest :
- (i) No. of equity shares : 100 equity shares of US\$ 0.01 each.
- (ii) Extent of holding : 100%
- (4) The net aggregate of Profit / (Loss) of the Subsidiary Company in so far as it concerns the members of the Holding Company.
- (a) Not dealt with in the accounts of the Company for the year ended 31st March 2014 :
- (1) For the Subsidiary's financial year ended 31st March 2014. Nil
- (2) For the previous financial years of the Subsidiary. Nil
- (b) Dealt with in the accounts of the Company for the year ended 31st March 2014
- (1) For the Subsidiary's financial year ended 31st March 2014. Nil
- (2) For the previous financial years of the Subsidiary. Nil

For and on behalf of the Board

Sd/-

(Pradipkumar J. Karia)

Chairman cum Managing Director

Sd/-

(Chetan J. Karia)

Whole Time Director

Sd/-

(Kaushik B. Kapadia)

Company Secretary

Place : Ahmedabad
Date : May 29, 2014



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 Tuesday, 30th September, 2014 at 12: 30 P.M.

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 _____ or failing him/her

Tear Here

As my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the ANNUAL GENERAL MEETING of the company to be held on Tuesday, the 30th September, 2014 at 12:30 p.m. in 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 are indicated overleaf:

[PTO]

Tear Here

PRADIP OVERSEAS LIMITED

(CIN : L17290GJ2005PLC046345)

ATTENDANCE SLIP

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

I/We _____

hereby record my/our present at the ANNUAL GENERAL MEETING of the company held in 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 12:30 p.m. on Tuesday, 30th September, 2014.

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 31 st March, 2014.		
2.	Re-appointment of Shri Vishal 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 Remunerations.		
Special Business			
4.	Appointment of Shri Jivansingh Negi as Independent Director.		
5.	Appointment of Shri Gurbur Ramdas Kamath as Independent Director.		
6.	Appointment of Shri Avinash Mayekar as Independent Director.		
7.	Re-appointment of Shri Pradip Jayantilal Karia as a Managing Director of the company.		
8.	Re-appointment of Shri Chetan Jayantilal Karia as a Wholetime Director of the company.		
9.	Re-appointment of Shri Vishal R. Karia as a Wholetime Director and CFO of the company.		
10.	Special Resolution for borrowing of moneys in excess of aggregate of paid up share capital and free reserves of the company.		
11.	Special Resolution for sale/ lease or creation of mortgage and/or charge on immovable and moveable properties of the company in favor of the lenders to secure the financial assistance.		
12.	Special resolution for keeping and inspecting the registers of Members , return etc at a place other than the Regd. office of the company.		

Signed this _____ day of _____ 2014

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

Affix
₹ 1
Revenue
Stamp

Signature of Shareholder(s)

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the resolutions, Explanatory statements and Notes, please refer to the notice of the Annual General Meeting.
- *3. It is optional to put 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'FOR' or 'AGAINST' blank against any or all the resolutions, your proxy will be entitled to vote in the manner he/she thinks appropriate.
4. Please complete all details including details of Member(s) in the above box before submission.

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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)