

PRADIP OVERSEAS LIMITED

Regd. Office : 104, 105, 106, Chancharvadi Vasna, Opp. Zydus Cadila, Sarkhej Bavla High Way,
Changodhar, Ahmedabad 382213

Dear Members,

Notice issued to the Members pursuant to section 192 (A) of the Companies Act, 1956.

The Company had raised fund by issue of 1,06,00,049 Equity Shares @ Rs. 110/- per share through Initial Public Offer (IPO) for the objects interalia for utilisation margin money for working capital for the New unit to be established in Sector Specific Special Economic Zone (SEZ) to be developed by the Company and for which Company had purchased 943486 Square Meters of land for the purpose of Development of aforesaid SEZ.

The Income Tax Act, 2011 has made Minimum Alternative Tax (MAT) applicable on the Developers of Special Economic Zone (SEZ) as well as units in the SEZ. The imposition of MAT on SEZ has made it unattractive for exporters as incentives available outside will outweigh the tax benefits offered by an SEZ. The imposition of MAT on SEZ developers and units is retrograde as it seeks to impose tax on income received from investments made with a commitment of tax exemption. This has lead the Company to drop the idea for development of SEZ. The Company has made an application to the Government of Gujarat for scrap of SEZ license and had considered to develop Industrial hub at the said place. Considering the above facts Company will not be able to incur the capital expenditure at the place where it was initially proposed.

Members are aware of the fact that because of delay in implementation of Project, the Board had recommended the members to allow the Company to use the said fund for Working Capital requirement for the present unit of the Company till the new project commence its commercial activities and for which necessary Special Resolution was passed through Postal Ballot

Now, as the Company is not able to establish a new unit at the proposed site and have also decided against availing the term loan sanctioned for the said loan, it needs to reconsider the utilization of funds raised through IPO. The Board of Directors of the Company at its meeting held on 18 October, 2012 has considered obtaining approval of shareholders of the Company to use the said IPO proceeds for capital expenditure and for the working capital requirement at the existing manufacturing unit situated at Village Changoder, Tal. Sanand, Dist, Ahmedabad.

As per section 1 92A of the Companies Act, 1956, read with the Companies (Passing of the resolution by Postal Ballot) Rules, 2001, the consent of the members for utilisation of the IPO proceeds for the purpose, other than the purpose for which the same is to be used, requires approval of the members of the Company by a special resolution by means of voting by Postal Ballot.

Further, the Board of Directors of the Company has on 18 October, 2012, recommended, subject to approval of the Shareholders of the Company, to issue of Bonus Shares to the shareholders of the Company in the ratio of One Equity Shares for Five shares held. For the said Bonus issue, approval of the shareholders of the Company is required.

To meet with the additional capital requirement for issuing Bonus Shares it is also proposed to increase the present Authorised Share Capital of the Company, which again require approval of the shareholders.

As the Company was to avail approval of the shareholders of the Company by Postal Ballot for utilisation of the IPO proceeds, it is considered fit to avail the approval of the shareholders of the Company also for enhancement of the Authorised Capital and approval for the issue of Bonus Shares through Postal Ballot. This has been considered as postal ballot gives more opportunity to the shareholders in participating then in calling an Extra Ordinary General Meeting.

The proposed draft resolution, the Explanatory statement stating all material facts and the reasons for modification of the object for the utilisation of the IPO fund, for enhancement of the Authorised Share Capital and for issue of Bonus Shares by Postal Ballot form is enclosed for your consideration. The Board has appointed Mr. Ravi Kapoor of M/s. Ravi Kapoor & Associates, Practicing Company Secretary, to act as a scrutinizer for conducting postal ballot process, in a fair and transparent manner,

Members are requested to read carefully the instructions printed on the postal ballot form and return the duly completed in all respect in the enclosed self addressed postage pre-paid envelope, so as to reach the scrutinizer on or before the closing of the working hour on 19th December, 2012 .

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on 21st December, 2012 at the Corporate Office at A/601, Narnarayan Complex , Swastik Corss Road, Navragpura, Ahmedabad 380009.

Place : Ahmedabad
Date : 7th November, 2012

Thanking You,
Yours Sincerely,
For, PRADIP OVERSEAS LIMITED

COMPANY SECRETARY

Encl :
1. Notice to members for conducting business through Postal
2. Postal Ballot Form.

NOTICE TO MEMBERS FOR TRANSACTING BUSINESS THROUGH POSTAL BALLOT Dear

Shareholder(s)

Notice is hereby given that the following business shall be resolved through postal ballot in accordance with Section 192A and other applicable provisions of the Companies Act, 1956, and the rules made there under:

AS SPECIAL BUSINESS:

Item no.1 :

To consider to change the object for utilisation of the IPO proceeds :

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of the Companies Act, 1956 along with any other laws, rules and regulations for the time being in force and approvals required from any Statutory authorities, if any, consent of the Company be and is hereby accorded to suitably modify, vary or alter the object and use of proceeds (“Issue Proceeds”) of the Initial Public offer, as stated under the head “ Objects of the Issue” in the Prospectus dated 19 March, 2010, filed by the company with the Registrar of Companies, Gujarat and also subsequently modified by passing resolution through postal ballot on 12 August, 2010 by allowing the Company to use the entire Issue proceeds for Capital expenditure and working capital requirement of the existing unit of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and /or Finance Committee of the Company be and are hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or Proper to be in the best interest of the Company.

Item no. 2.

To consider to Increase in the Authorised Share Capital and Alteration of the Memorandum of Association of the Company :

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 16 and 94 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Authorised Share Capital of Rs.42,00,00,000/- (Rupees Forty Two Crore only) divided into 4,20,00,000 (Four crore Twenty Lacs) Equity Shares of Re.10/- (Rupee Ten only) each be increased to Rs.50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores Equity Shares of Re.10/-(Rupee Ten only) each by enhancing the authorized share capital by 80,00,000 (Eighty lacs) Equity Shares of Re.10/-(Rupee Ten only) each and that Clause V of the Memorandum of Association of the Company be altered accordingly by substituting the following new Clause V in place of the existing Clause V:

'V. The Authorised Share Capital of the Company is Rs. 51,00,00,000 /- (Rupees Fifty one Crores only) divided into 5,00,00,000 /- (Five crores) Equity shares of Rs. 10/- (Rupees Ten only) each.

Item No. 3

To Consider to issue Bonus Shares :

To consider and, if thought fit, to pass the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to recommendation of the Board of Directors and 229 of Articles of Association of the Company and subject to such consents and approvals required, if any, and such conditions and modifications, as may be considered necessary and agreed to by the Board of Directors of the Company, (hereinafter referred to as the “Board” which expression shall also include a Committee thereof), subject

to the Guidelines issued by the Securities and Exchange Board of India (SEBI) in this behalf, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for capitalization of Rs. 8,07,33,640/- out of the amount of Rs.9724.73 lacs standing to the credit of the Securities Premium Account as at March 31, 2012, for allotment of new Equity Shares of the Company of Re. 10/- each as fully paid Bonus Shares to the persons who, on a date to be hereafter fixed by the Board (the "Record Date"), shall be the holders of the existing Equity Shares of Re. 10/- each of the Company on the said date and that such new Equity Shares out of the Company's unissued Equity Shares, be accordingly allotted as Bonus Shares to such persons in the proportion of 1 (One) new Equity Share for every 5 (Five) existing Equity Share, upon the footing that they become entitled thereto for all purposes as capital of the Company and not as an income.

RESOLVED FURTHER THAT the newly issued Equity Shares shall rank *pari passu* in all respects with and carry the same rights as the existing Equity Shares.

RESOLVED FURTHER THAT The allotment of the fully paid new Equity Shares as Bonus Shares to the extent that they relate to non-resident members of the Company, shall be subject to the approval of the Reserve Bank of India, under the Foreign Exchange Management Act, 1999, if necessary;

RESOLVED FURTHER THAT no fractions, if any, arising out of the issue and allotment of Bonus Shares shall be allotted by the Company and the Company shall not issue any certificate or coupon in respect thereof but all such fractional entitlements, if any shall be consolidated and the Bonus Shares, in lieu thereof, shall be allotted by the Board to the nominee (s) to be appointed by the Board, who shall hold the same as trustee (s) for the members entitled thereto and sell the said shares so arising at the prevailing market rate and pay to the Company the net sale proceeds thereof, after adjusting there from the cost and expenses in respect of such sale, for distribution to members in proportion to their fractional entitlements.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company / Allotment Committee be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the issue, allotment and distribution of the New Equity Shares."

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

Place: Ahmedabad

Date: 7 November, 2012

(Kaushik Kapadia)
COMPANY SECRETARY

NOTE:

1. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of the above resolution is annexed.
2. The Postal Ballot Form along with self-addressed envelope is enclosed. Members are requested to indicate their assent or dissent on the aforesaid business in the Postal Ballot against the relevant items and return the same to the Scrutinizer Mr. Ravi Kapoor, at A/601, Narnarayn Complex, Near Swastik Char Rasta, Navrangpura, Ahmedabad 380009, so as to reach the scrutinizer, not later than the close of working hours on 19th December, 2012

Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956.

ITEM NO.1

The Company had issued 1,06,00,049 Equity Shares of Rs. 10/- each at a premium of Rs. 100/- per share. The object of raising the fund for setting up new manufacturing facility within the proposed Sector Specific Textile Special Economic Zone and for margin money for working capital.

The Income Tax Act, 2011 has introduced Minimum Alternate Tax on units in Special Economic Zone as well as on the developers of the SEZ. This has mitigated the benefits available to the units going to be established in SEZ. The prospective entrepreneurs have lost their interest in establishing the unit in SEZ. This has compelled the Company to scrap the idea to Develop the SEZ. As a result the Company will not able to establish a unit in the said SEZ.

The Shareholders had expressed their consent vide postal ballot dated 1st 2nd August, 2010 to use the IPO proceeds as a Working Capital for the existing unit till the New Unit commence its activities and the Company had used the fund accordingly.

Now, looking into the present market scenario the Company Board decided to drop the idea of developing SEZ and therefore, Company will not be able to establish a unit therein. As a result of which the Company will not be able to utilize the IPO proceeds as per the object stated in the prospectus of IPO of the Company. Under the present circumstances, your director's intend to use the said IPO proceeds in the present unit of the Company situated at Village Changodar, Tal. Sanad, Dist. Ahmedabad for capital expenditure as well as for working capital of the Company.

As the IPO proceeds are intended to be used for the purpose other than the purpose which was it was raised, the consent of Shareholders of the Company is required to be obtained by passing Special Resolution through Postal Ballot.

Hence , this resolution is submitted for the consideration of members of the Company .

None of the Directors of the Company is concerned or interested in this resolution, except to the extent of their shareholding in the Company.

The Board commends the members to approve the aforesaid resolution.

ITEM NO.2

The present authorized Share Capital of the Company Is Rs. 42,00,00,000/- (Rupees Forty Two crores) only divided into 4,20,00,000 Equity Shares of Rs. 10 /- each. The present paid up capital of the Company is Rs. 40,36,68,190 /- divided into 4,03,66,819 Equity Shares each of Rs. 10/- .

The Board of Directors of the Company have subject to approval of the shareholders of the Company recommended to issue 1 (one) Bonus Equity Shares each of Rs. 10/- for 5 (Five) Shares held by the shareholders , by capitalization of Reserve and Surplus as stated in the Balance Sheet of the Company as on 31 March, 2012. The total number of bonus shares will be 8073364.

As a result of issue of Bonus shares as and when approved, the present issued capital will exceeds the present Authorised Capital and therefore, the Company will be required to enhance Authorised Capital so as to cover the amount of the enhanced paid share Capital. The Board consider it deem fit to enhance the Authorised Share Capital.

None of the Directors of the Company is concerned or interested in this resolution, except to the extent of their shareholding in the Company .

The Board commends the members to approve the aforesaid resolution.

Item no. 3

The Board considered the issue of Bonus Shares and at its meeting held on 18 October, 2012, it was resolved to recommend to the general body that a sum of Rs. 8,07,33,640 out of the amount of Rs. 9724.72 lacs standing to the credit of Securities Premium Account may be capitalized to be applied for issue of fully paid up Bonus Equity Shares to the members in the proportion of 1 (One) fully paid up Bonus Shares for every 5(five) numbers of Equity Shares held by members on the record date. The resolution, if approved by the members, effect will be given by the Board of Directors after affixing a Record Date for entitlement of Bonus Shares.

The Shareholders holding Equity Shares in odd number(s) would be entitled for Bonus Equity Shares (rounded off to the lower integer) the fraction, if any contained in the entitlement shall be credited to a separate fund which would be disposed off in the open market by a trustee to the said shares and proceeds would be distributed amongst the holders, whose fractions are so set aside. Bonus shares so allotted shall rank pari passu in all respects including dividend with the existing Equity Shares.

The Board commends the members to approve the aforesaid resolution.

The Directors of the Company may be considered to be interested in the resolution to the extent of their entitlement for Bonus Shares.

Place : Ahmedabad
Date : 7th November, 2012

**For and on behalf of the Board of Directors
PRADIP OVERSEAS LIMITED**

(Kaushik Kapadia)
COMPANY SECRETARY

INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if deposited in person or sent by courier at the registered shareholder will also be accepted.
2. The self-addressed envelope bears the name of the scrutinizer appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the shareholder(s) (as per the specimen signature registered / recorded with the Company / DP). In case of joint holding, this form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder.
4. Unsigned / Blank Postal Ballot Forms will be rejected.
5. Duly completed Postal Ballot Form should reach the scrutinizer not later than close of working hours on 19 December, 2012. All postal Ballot Forms received after this date will be strictly treated as if the reply from the Shareholder(s) has not been received.
6. In case of shares held by the companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution / Authority.
7. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholder(s).
8. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope, in as much as all such envelopes will be sent to the scrutinizer and any extraneous paper found in such envelope would be destroyed by the scrutinizer and the Company would not be able to act on the same.

POSTAL BALLOT FORM

Serial No.:

(1) Name & Registered Address of the Sole/ first name shareholder. :

(2) Name(s) of the joint holder(s) if any (in block Letters) :

(3) Registered Folio No./ DPID No./ Client ID No.* :
 (*Applicable to investors holding shares in demat form)

(4) No. of Share(s) held :

(5) I/We hereby exercise my / our vote in respect of the special resolution to be passed through postal ballot for the business stated in the Notice of the Company dated 7th November, .2012 by conveying my / our assent or dissent to the said resolution by placing the tick (√)mark at the appropriate box below.

Description	No. of Share(s)	I/We assent to the Resolution	I/We dissent to the Resolution
1. Special Resolution to allow the Company to utilize the balance fund of IPO meant for setting new unit in the SEZ to be developed by the Company, for the present unit of the Company and working capital requirement.			
2. Increase in Authorised Share Capital of the Company from Rs. 42,00,00,00,000/- divided into 4,20,00,000 Equity Shares each of Rs. 10/- to Rs. 50,00,00,00,000/- divided in to 5,00,00,000 Equity Shares each of Rs. 10/-			
3. Approval of capitalization of Share Premium account by issue of Bonus Shares in the ratio of One Equity Shares for five shares held by the members.			

Place :

Signature of the Shareholder(s)

Date:

#E-mail: _____ **# Tel. No.** _____