Ashok Dhariwal & Co.
CHARTERED ACCOUNTANTS

Head Office : A/602, Narnarayan Complex, Near Swastik Cross Road, Navrangpura, Ahmedabad - 380 009.
Phone : (O) 079 - 2644 8255, 2656 4343 (M) : +91 9426001221 E-mail : ashokdhariwal2004@yahoo.co.in

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE BOARD OF DIRECTORS OF
PRADIP OVERSEAS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **PRADIP OVERSEAS LIMITED** ("the Company") for the quarter and six months ended 30th September, 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II – Select Information referred to in paragraph 5 below. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, *'Review of Interim Financial Information performed by the Independent Auditor of the Entity'*, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. **Basis for Qualified Conclusions**

   A. In respect of Trade Receivables amounting to Rs. 931.89 Cr. (as on 30th September, 2015) the Company had created a provision for doubtful debts to the tune of Rs. 262.56 Cr. for the year ended on 31st March, 2015. The Company has not created any provision for doubtful debts during the reporting period. We have not received balance confirmations from the debtors and there have been defaults on the payment obligations by debtors on the due dates. In our opinion, in the absence of any provision, the impact on loss and carrying value of trade receivables could not be ascertained.

   B. In respect of Inventories, during the reporting period, the management has not undertaken physical verification of Inventories at periodic intervals. In our opinion, the comparative inventory holding levels, in view of steep decline in the turnover as compared to earlier years, are higher and therefore there is a possibility of loss on sale / realization of slow moving / old items. No provision has been made on diminution in the value of old and slow moving inventory. The impact of the above remarks, presently not ascertainable and, therefore, cannot be commented upon.

   C. As regards preparation of accounts on going concern basis and considering the developments that have happened in the previous periods and period under review, the Company has suffered recurring losses from operations, has net capital deficiencies and non fulfillment of commitment of approved CDR package that raises substantial doubts about the Company's ability to continue as a going concern. The financial statement does not include any adjustment that might result from the outcome of this uncertainty. The appropriateness of going concern assumption is dependent on the Company's ability to raise adequate finance from alternate means and / or recoveries from debtors to meet its short term and long term obligations as well as to establish consistent business operations.

Branch Office : 20-C Angelica, Cosmos Lounge, Manpada, Thane (W) - 400 607.
(M) : +91 9029006101 E-mail : dhariwal_sh@hotmail.com

ASHOK DHARIWAL & CO. AHMEDABAD CHARTERED ACCOUNTANTS

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

4. Based on our review conducted as above, except for the effect of the matters stated in Basis for Qualified Conclusions, nothing has come to our notice that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/ encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and six months ended 30th September, 2015 of the Statement, from the details furnished by the Management.

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

ASHOK DHARIWAL & CO. AHMEDABAD CHARTERED ACCOUNTANTS

CA Ashok Dhariwal
Partner
Membership No. 36452

Date: 5th November, 2015
Place: Ahmedabad

Branch Office : 20-C Angelica, Cosmos Lounge, Manpada, Thane (W) - 400 607.
(M) : +91 9029006101 E-mail : dhariwal_sh@hotmail.com