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# NAKODA LIMITED

(Formerly Nakoda Textile Industries Ltd.)

ISO 9001-2008

## Board of Directors

(1) Mr. B. G. Jain	Chairman & Managing Director
(2) Mr. D. B. Jain	Joint Managing Director
(3) Mrs. P. B. Jain	Director
(4) Mr. B. L. Maheshwari	Director
(5) Mr. S. K. Bhoan	Director
(6) Mr. P. J. Shah	Additional Director
(7) Late Mr. M. S. Nayak	Director

(up to 30<sup>th</sup> April, 2010)

### Registered Office & Plant

Block No. 1&12 to 16,  
Village - Karanj,  
Taluka - Mandvi,  
Dist. - Surat.

### Corporate Office

121, Mittal Court, 12<sup>th</sup> Floor  
"A" Wing, Nariman Point,  
Mumbai 400021

### Administrative Office

A-701, International Trade Centre,  
Majura Gate, Ring Road,  
Surat 395002

### Company Secretary

Mrs. Rashmi Bhatt

### Auditors

N. M. Singapuri & Co.  
Chartered Accountants,  
O-18, Kanaknidhi Apartment,  
Opp. Gandhi Smruti, Nanpura,  
Surat.

### Bankers

Canara Bank  
Corporation Bank  
Syndicate Bank  
Axis Bank Ltd.  
State Bank of Patiala  
Karur Vysya Bank Ltd.  
UCO Bank  
Lakshmi Vilas Bank Ltd.

## Chairman's message



### Sustained Growth Through Innovation

As I gaze out of my cabin and watch the bright sun belting down the horizon, it strengthens my belief that its brightness is reflective of the immense potential of the Indian economy.

While the Indian economy has grown by leaps & bounds, our company has also leveraged the same which is witnessed in its growth cycle. Our growth in a span of 25 years from a mere Rs.19.00 lacs turnover company to Rs.1000 crore turnover company is a testimony to our commitment and success thus far and is further reflected in our joining the exclusive club of the finest 500 companies based on performance for 2007-08. This has enhanced our responsibility and we remain conscious of the fact that we have to raise the bar & set even higher standards for ourselves.

Finally, each one of us at NAKODA acknowledges the additional responsibility which we now shoulder of being a listed company. I take this opportunity to thank our investors for their confidence in us & assure each one of you of our best efforts.

Sincerely

B. G. Jain  
CMD

## NOTICE

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the members of **NAKODA LIMITED** will be held on Thursday, the 10<sup>th</sup> June, 2010 at 12.30 P.M. at the Company's Registered Office at Block No. 1&12 to 16, Village - Karanj, Taluka - Mandvi, Dist. - Surat.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended on 31<sup>st</sup> December 2009 together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. S. K. Bhoan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. D. B. Jain who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.
5. To declare dividend.

### SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification(s), the following resolutions:

#### 6. As A Special Resolution

"Resolved that Mr. Paresh J. Shah who was appointed as an additional director by the Board of Directors and holds office upto the date of Annual General Meeting of the Company, and in respect of whom the company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

#### 7. As A Special Resolution

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 ("Act") (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into with the stock exchanges where the Equity Shares of the Company are listed ("Stock Exchanges"), Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("ICDR Regulations"), the Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, the Government of India or any other relevant authority from time to time ("Governmental Authorities"), to the extent applicable, and subject to such approvals, consents, permissions and sanctions as may be required from such Governmental Authorities, and subject to such conditions as may be prescribed by such Governmental Authorities while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorised to accept on behalf of the Company; consent, authority and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot, (including the provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more public or private offerings in domestic and/or one or more international market(s) with or without a green shoe option, Equity Shares (including Qualified Institutions Placement under ICDR Regulations) and/or Equity Shares through depository receipts and/or convertible bonds and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to Equity Shares and/or securities including non-convertible debentures with warrants or other securities with or without warrants, which may either be detachable or linked, and which warrant has a right exercisable by the warrant holder to subscribe for the Equity Shares and/or warrants with an option exercisable by the warrant-holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares (including the issue and allotment of Equity Shares pursuant to a Green Shoe Option, if any), (all of which are hereinafter collectively referred to as "Securities") to eligible investors under applicable laws, regulations and guidelines (whether residents and/or non-residents and/or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds and Indian and/or multi-lateral financial institutions and/or individuals

and/or trustees and/or stabilizing agents or otherwise, and whether or not such investors are members of the Company), through prospectus and/or letter of offer or circular and/or on public and/or private/ preferential placement basis, to be made at such time/times, in one or more tranches, for cash, at such price or prices, in such manner and where necessary, in consultation with the Merchant Bankers and/or other Advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue of Securities provided that the total amount raised through the issuance of such Securities shall not exceed Rs.108 Crore or its equivalent in one or more currencies, including premium if any as may be decided by the Board; to all or any of the investors as mentioned above."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices etc."

"RESOLVED FURTHER THAT the Company and/or any agency or body or person authorised by the Board, may issue depository receipts representing the underlying Equity Shares in the capital of the Company or such other Securities in negotiable, registered or bearer form (as may be permissible) with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations. (including listing on one or more stock exchange(s) in or outside India)."

"RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the Depository Receipts and/or Securities issued pursuant to a QIP shall be the date on which the Board of the Company (including a Committee of the Board) decides to open the proposed issue, or the date on which the holder of the Securities which are convertible into or exchangeable with Equity Shares at a later date becomes entitled to apply for the said Equity Shares, as the case may be."

"RESOLVED FURTHER THAT in the event that non convertible debentures ("NCDs") with or without warrants with a rights exercisable by the warrant holder to exchange with Equity Shares of the company are issued the relevant date for determining the price of the Equity Shares of the corporation, if any, to be issued upon exchange of the warrants, shall be the date of the meeting in which the Board (which expression includes any committee thereof constituted or to be constituted) decides to open the proposed issue of the NCDs in accordance with ICDR."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Securities as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the offer, subject to the provisions of the Memorandum and Articles of Association of the Company all such Equity Shares ranking pari passu inter se and with the then existing Equity Shares of the Company in all respects, including dividend, which shall be subject to relevant provisions in that behalf contained in the Articles of Association of the Company."

"RESOLVED FURTHER THAT such of these NCDs to be issued as are not subscribed may be disposed off by the Board in such manner and/or on such terms and conditions, including offering or placing them with Qualified Institutional Buyers ("QIBs"), as the Board may deem fit and proper, in its sole and absolute discretion."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board, where required in consultation with the Merchant Bankers and/or other Advisors, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to the selection of QIBs to whom the Securities are to be offered, issued and allotted, and matters related thereto, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever

including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint lead managers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandums, documents, etc., with such agencies and also to seek the listing of such Securities on one or more national and international stock exchange(s) and the Equity Shares to be issued on conversion of the Securities as set forth in the aforesaid resolution, if any, on any stock exchange(s), authorising any director(s) or any officer(s) of the Company to sign for and on behalf of the Company, the offer document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s)."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to form a committee or delegate all or any of its power to any committee of directors to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Equity Shares including but not limited to:

- a) approving the offer document and filing the same with any authority or persons as may be required;
- b) taking decision to open the issue, decide bid opening and closing date;
- c) approving the issue price, the number of Securities to be allotted, the basis of allocation and allotment of Securities;
- d) arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of Securities by the company
- e) opening separate special account(s) with bank(s) to receive monies in respect of the issue of the Securities;
- f) making applications for listing of the Securities of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- g) finalization of the allotment of the Securities on the basis of the bids received;
- h) finalization of and arrangement for the submission of the placement document(s) and any amendments, supplements thereto, with any government and regulatory authorities, institutions or bodies as may be required;
- i) approval of the preliminary and final placement document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the lead managers / underwriters / advisors in accordance with applicable laws, rules, regulations and guidelines;
- j) finalization of the basis of allotment in the event of over-subscription;
- k) acceptance and appropriation of the proceeds of the issue of the Securities;
- l) authorization of the maintenance of a register of holders of the Securities;
- m) authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as authorized person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Securities;
- n) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India, and any other consents that may be required in connection with the issue and allotment of the Securities;
- o) seeking the listing of the Securities on any of the Stock Exchanges, submitting the listing applications to such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing;

p) giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and

q) deciding the pricing and terms of the Securities, and all other related matters."

#### 8. As A Special Resolution:

"RESOLVED THAT, in terms of section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (Including any statutory modification or re-enactment thereof for the time being in force), and in accordance with the provisions of the Articles of Association of the Company and Listing Agreement entered into by the Company with Stock Exchange, where the shares of the Company are listed and subject to consent of all concerned authorities, if and to the extent necessary and such other approvals, permissions and sanctions, which may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company and/or duly authorized committee (herein after referred to as "The Board"), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot 2,70,00,000 & 90,00,000 Warrants of Rs. 30/- each optionally convertible into 5,40,00,000 & 1,80,00,000 equity shares of Rs. 15/- each within 18 months from the date of allotment to the Promoters' Group of the Company and Strategic investors respectively on preferential allotment basis on such terms and conditions as the Board may deem fit and further stipulated in the explanatory statement attached."

"RESOLVED FURTHER THAT, each of the aforesaid warrants be converted at the option of the holder at any time within 18 months from the date of issue, into 2 Equity shares of Rs. 15/- each (Rs. 5/- face value + Rs. 10/- premium), which should not be less than the price determined in accordance with the prevailing SEBI (Disclosure and Investor Protection) Guidelines, 2000. An amount equivalent to 25% be received on the date of allotment of said Warrants."

"RESOLVED FURTHER THAT, the relevant date as per clause 13.1.2.1 of SEBI Guidelines for the determination of applicable price for the issue of equity shares shall be thirty days prior to the date of this Meeting and that the equity shares to be so issued and allotted shall be listed and traded on stock exchange. Accordingly the relevant date is 11.05.2010."

"RESOLVED FURTHER THAT, the equity shares so allotted on conversion of Warrants shall rank pari-passu with the existing shares of the Company and shall be listed on the stock Exchange."

"RESOLVED FURTHER THAT, for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds and to finalize and execute all documents and writings as may be deemed necessary, proper, desirable or expedient."

"RESOLVED FURTHER THAT, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any person as it may deem fit to give effect to this resolution"

#### 9. As a Special Resolution:

"RESOLVED THAT, pursuant to Section 94 of the Companies Act, 1956, the authorized share capital of the company be and is hereby reclassified into 10,00,00,000 (Ten Crores) equity shares of Rs.5/- each thereby cancelling 10,00,000 (Ten Lacs) preference shares of Rs.100/- each which have not been taken or agreed to be taken by any person."

"RESOLVED FURTHER THAT, pursuant to the provision of section 94 and all other applicable provisions, if any, of the Companies Act, 1956 (Including any statutory modification or re-enactment thereof for the time being in force), the Authorised Share capital of the Company be and is hereby increased to Rs. 1,00,00,00,000 (Rupees Hundred Crores only) divided in to 20,00,00,000 (Twenty Crore) Equity Shares of Rs. 5/- each."

"RESOLVED FURTHER THAT, pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing clause V of the Memorandum of Association of the company be and is hereby altered by substituting the following Clause V thereof:

V. The Authorised Share capital of the Company is Rs. 1,00,00,00,000 (Rupees Hundred Crores only) divided in to 20,00,00,000 (Twenty Crore) Equity Shares of Rs. 5/- each."

#### 10. As a Special Resolution

"RESOLVED THAT, Pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (Including any statutory modification or re-enactment

thereof for the time being in force), the existing Article V of Articles of Association of the Company be and is hereby altered by substituting the existing article with the following Article:

The Authorised Share capital of the Company is Rs. 1,00,00,00,000 (Rupees Hundred Crores only) divided in to 20,00,00,000 (Twenty Crores) Equity Shares of Rs. 5/- each."

#### 11. As An Ordinary Resolution

"RESOLVED THAT in supersession of the resolution passed at the Annual general meeting of the Company held on 18.06.2008 pursuant to provision of Section 293(1)(d) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time, on such terms and conditions and with or without security as the Board of Directors may in its discretion think fit notwithstanding that the money or monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not so set aside for any specific purposes, provided however, that the total amount so borrowed and remaining outstanding at any particular time shall not exceed Rs. 2000 Crores (Rs. Two Thousand Crores only)."

#### 12. As a Special Resolution

RESOLVED THAT pursuant to the provisions of the Section 293(1)(a) and other applicable provisions of the companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors and or Committee of Directors of the company to create mortgages and or charges over all or any of the company's assets and properties, project sites and assets, immovable and movable, book debts, charges, receivables actionable claims outstanding loans and advances and other assets and properties of the company, both present and future including assignment of rights under all the Project Agreements, rights under insurance policies and project guarantees on a pari passu first charge as agreed upon between the company and the lenders to secure the loans/facilities with interest thereon at the respective agreed rates, penal / additional interest liquidated damages, costs, charges, expenses and or monies if any due thereon monies on the aforesaid securities already borrowed by the company or to be borrowed by the company (apart from temporary loans obtained by the company from the Bankers in the ordinary course of business) not exceeding Rs.2000 Crores.

Place: Mumbai  
Date : 10.05.2010

By Order of the Board  
**RASHMI BHATT**  
Company Secretary

### NOTES

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote thereat and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the annual general meeting.
- Members/ Proxies should bring the attendance slip duly filled in for attending the meeting.
- The Register of Members and Share transfer Books of the Company will remain closed from 5<sup>th</sup> June 2010 to 10<sup>th</sup> June 2010 (both days inclusive)
- As required in the terms of paragraph VI(A) of the Clause 49 of the Listing Agreement, the details of the Directors retiring by rotation and eligible for re-appointment at item no.2 given in Annexure-A.  
Sh. S. K. Bhoan, Director of the Company is having a rich experience in textile industry. He has been associated with the Company since April 2007 retires by rotation and being eligible offers himself for re-appointment.  
Sh. D. B. Jain, Director of the Company is having a rich experience in textile industry. He has been associated with the Company since July 2000 retires by rotation and being eligible offers himself for re-appointment.
- Pursuant to the recommendation of SEBI Committee on Corporate Governance for appointment of Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors forms part of Corporate Governance report.
- Members are requested:
  - to bring their copies of Annual Report and Attendance slip at the time of the meeting.
  - to quote their Folio No. (s) in all correspondence.
  - who hold share in dematerialization form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
  - to forward their queries, if any, so as to reach the

Administrative office of the Company on or before 7<sup>th</sup> June, 2010 enabling the management to keep the information ready.

- Members are requested to note that all correspondence relating to share transfer, Change of Address and Dematerialization should be addressed to the Administrative office at A - 701, International Trade Centre, Ring Road, Surat 395002 / MCS Ltd., Neelam Apartment, 88, Sampatrao Colony, B/h Federation Bldg., Alkapuri, Baroda 390 007.

Place: Mumbai  
Date : 10.05.2010

By Order of the Board  
**RASHMI BHATT**  
Company Secretary

### ANNEXURE TO NOTICE

**Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956:**

#### Item No. 6

In accordance with Section 260 of the Companies Act, 1956 Mr. Paresh J. Shah holds office as a Director of the Company till the forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Paresh J. Shah to the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Mr. Paresh J. Shah, holds a degree in Law from Bombay University. Shah is an eminent lawyer and is a partner of a very reputed legal firm namely Shah & Sanghvi, Advocates & Solicitor. Mr. Shah has a wide variety of experience on various aspects of corporate legal matters and is practicing in the High Court of Bombay for the last 25 years.

#### Item No.7

In order to part finance the expansion project, to meet long term capital and working capital requirements, to make investments in subsidiaries, to acquire companies, businesses or projects, and for other general corporate purposes; it is proposed to issue equity shares / instruments convertible into equity shares or such other instruments as may be finalized by the Board or Committee thereof, up to Rs.108 Crores as detailed in the Resolution at item no.7 of the Notice.

Consent of the shareholders is sought for issuing Securities as stated in the said Resolution which would result in issuance of further Equity Shares of the Company in accordance with the terms and nature of the Securities. The Board, in consultation with its Lead Managers, Merchant Bankers and other Advisors, will finalize detailed terms of the issue including the pricing of the issue which will be fixed keeping in view the capital market conditions / practices and guidelines, if any, issued by the Securities and Exchange Board of India (SEBI). The proposed Resolution is an enabling resolution to authorise the Board of Directors to mobilize adequate resources to meet the growing needs of the Company by way of further issue of shares including or Warrants convertible into underlying Equity Shares / Equity Shares through Public Issue(s), Private Placement(s) or a combination thereof.

#### Item No. 8

- Object of the Issue  
The Company requires fresh funds to meet funds for its expansion project and the same is proposed to be part financed by issue of 2,70,00,000 & 90,00,000 Warrants of Rs. 30/- each optionally convertible into 5,40,00,000 & 1,80,00,000 equity shares of Rs. 15/- each within 18 months from the date of allotment to the Promoters' Group of the Company and Strategic investors respectively.
- Intention of Promoters' Group & Other persons to subscribe to the offer  
The Promoters' Group of the Company alongwith other persons (non-promoter) intended to subscribe to the abovesaid Warrants.
- Shareholding Pattern before and after the offer

Sr. No.	Category	Pre-Issue Equity Holding	%	After Issue of QIP and conversion of warrants	%
1	Promoters	33349600	50.23	87349600	50.09
2	Financial Institution, Banks & Mutual Funds	21600	0.03	21600	0.01
3	Foreign Holding	1838918	2.77	1838918	1.05
4	Public & Other	31189882	46.97	85189882	48.85
	<b>TOTAL</b>	<b>66400000</b>	<b>100.00</b>	<b>174400000</b>	<b>100.00</b>

Assuming that the 1.80 lacs equity shares allotted upon conversion of warrants and 3.60 lacs equity shares will be issued on QIP.

- (iv) Proposed time within which the allotment shall be completed  
 The proposed allotment of Warrants shall be completed within 15 days from the date of approval of such allotment by any regulatory authority or central government as may be required.
- (v) The identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them.

Sr. No.	Name of proposed Allottee	Pre-allotment		Post allotment	
		No. of shares	%	No. of shares consequent to conversion of warrants	%
1	G. P. Shah Inv. Pvt. Ltd.	7502000	11.30	19502000	11.18
2	B. G. Jain Inv. Pvt. Ltd.	7755600	11.68	19755600	11.33
3	P. B. Jain Inv. Pvt. Ltd.	7682800	11.57	19682800	11.29
4	Varju Inv. Pvt. Ltd.	7428800	11.19	19428800	11.14
5	Nakoda Syntex Pvt. Ltd.	1272000	1.92	7272000	4.17
6	Rajesh P. shah	0	0	9000000	5.16
7	Praveen P. shah	0	0	9000000	5.16
	<b>TOTAL</b>	<b>31641200</b>	<b>47.66</b>	<b>103641200</b>	<b>59.43</b>

- (vi) Pricing of Issue  
 The issue (including resultant shares arising out of exercise of option attached to the warrants) on preferential basis shall be made at a price not less than the higher of the following:
- (i) The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchange during the six months preceding the relevant date.  
 OR
- (ii) The average of weekly high and low of the closing price of the related shares quoted on stock Exchange during the two weeks preceding the relevant date.
- Explanation
- (a) "Relevant date" for the above purpose would be 11.05.2010 i.e. the date 30 days prior to the date on which the meeting of the general body of shareholder is to be held, in terms of Section 81(1A) of the Companies Act, 1956, to consider the proposed issue.
- (b) "Stock Exchange" for this purpose shall mean any of the recognized Stock Exchange in which the shares of the Company are listed and in which the highest trading volume in respect of the shares of the Company has been recorded during the preceding six months prior to the relevant date.
- (vii) Lock in Period  
 The above mentioned allotment of convertible warrant and/or equity shares allotted upon conversion of convertible warrant on preferential basis shall be locked in from the date of their allotment for such period as specified in clause 13.3.1 of SEBI guidelines.
- (viii) Currency of Warrants  
 The currency of Warrants, to subscribe to equity shares, shall not exceed 18 months from the date of allotment of Warrants and they shall automatically get extinguished on exercise of option to subscribe to equity shares or expiry of 18 months from the date of allotment respectively.
- (ix) Voting Rights and Dividend  
 The Warrants shall neither give any voting rights to its holder(s) nor entitle them to any dividend during its currency.

The auditor's certificate regarding compliance of requirements of SEBI (Disclosure & Investor Protection) Guidelines, 2000 for the issuance of abovesaid Warrants will be laid before the meeting.

As per the provisions of Section 81(1A) of the Companies Act, 1956 issue of Warrants to Promoters' Group and others vide a preferential issue requires the approval of the members of the Company by way of Special Resolution. The Board, therefore, recommends the resolution set out at item Nos. 8 of the accompanying Notice for the approval of members.

Mr. B. G. Jain Chairman & Managing Director, Mr. D. B. Jain Joint Managing Director and Smt. P. B. Jain may be deemed to be interested in this resolution.

Except as indicated above and as a member to the extent of his shareholding in the Company, none of the Directors of the Company is interested in the proposed resolution.

#### Item Nos. 9 & 10

The Company is not issuing any preference shares hence it is deemed fit to cancel the preference shares and increase the equity shares instead.

The Company in order to meet its growth objectives and to strengthen its financial position is required to generate long term resources by

issuing securities. It is therefore deemed appropriate to increase Authorised Share Capital of the Company from Rs. 50.00 Crores to Rs. 100.00 Crores and for that purpose; the Memorandum of Association and the Articles of Association of the Company are proposed to be suitably altered as set out at item No. 9 & 10 of the accompanying Notice.

The provisions of the Companies Act, 1956 require the Company to seek the approval of the Members for increase in the authorized share capital and for the alteration of capital clause of the Memorandum of Association and the Articles of Association of the Company.

The Board of Directors accordingly recommends the resolutions set out at item Nos. 9 & 10 of the accompanying Notice for the approval of the Members. None of the Directors of the Company is, in any way, concerned or interested in the said resolutions.

#### Item No. 11

At the AGM of the company held on 18.06.2008 the consent of the members had been obtained for directors to borrow a maximum amount of Rs. 1000 Crores not with standing that the money to be borrowed by the Company (apart from temporary loans obtain from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. The Company is taking up expansion / integration projects. Hence, the Board of Directors of the Company should be authorized to borrow moneys from time to time, from banks, financial institutions and any other sources. The moneys to be borrowed by the Company may exceed the aggregate paid-up capital and its free reserves, provided however, the total amount of such borrowing shall not exceed the sum of Rs. 2000 Crores at any time. This authority can only be exercised by the Board in accordance with the provisions of Section 293(1)(d) of the Companies Act, 1956.

Your Board proposes resolution, as set out in Item No. 11 for approval as an ordinary resolution.

None of the directors is concerned or interested in the resolution.

#### Item No.: 12

It is pertinent that the Board of Directors of the Company be authorized to borrow moneys from time to time, from banks, financial institutions and any other sources to part finance the expansion project, to meet long term capital and working capital requirements for the ongoing project. This may require the company to create mortgage and / or charge more particularly described in the resolution. This authority can only be exercised by the Board in accordance with the provisions of Section 293(1)(a) of the Companies Act, 1956.

Your Board proposes resolution, as set out in Item No. 12 for approval as special resolution.

None of the directors is concerned or interested in the resolution.

#### Annexure-A

Details of Directors seeking appointments / re-appointments at the Annual General Meeting (Pursuant to Clause 49(IV)(E) of the Clauses 49 of the Listing Agreement).

1	Name of the Director	Sh. S. K. Bhoan
	Date of Birth	16.06.1949
	Date of Appointment	25.04.2007
	Qualifications	B. Tech.
	Expertise in specific functional area	Textile
	Directorship held in other Public companies	--
2	Name of the Director	Shri D. B. Jain
	Date of Birth	07.04.1978
	Date of Appointment	29.07.2000
	Qualifications	MBA Finance
	Expertise in specific functional area	Textile & Finance
	Directorship held in other Public companies	-
3	Name of the Director	Shri P. J. Shah
	Date of Birth	02.05.1958
	Date of Appointment	10.05.2010
	Qualifications	B.Com. LL. B.
	Expertise in specific functional area	Corporate legal matters
	Directorship held in other Public companies	PSL Limited

## DIRECTORS REPORT

Your Directors have pleasure in presenting their 25<sup>th</sup> Annual Report together with the Audited Accounts for the year ended on 31<sup>st</sup> December 2009.

### FINANCIAL RESULTS

The Company's financial performance during the year is summarized below:

(Rs. In Million)

Year Ended 31 <sup>st</sup> December 2009	2009	2008
Turnover & other Income	10328	8039
Gross Profit (before Financial Charges & Depreciation)	482	338
Interest & Financial Charges	201	156
Profit before Depreciation (Cash Profit)	281	182
Depreciation	54	48
Profit for the year	227	134

### FINANCIAL HIGHLIGHTS

The Gross Income of the Company for the year rose to Rs. 1032.85 Cr. from Rs. 803.91 Cr during the previous year showing a growth of 28.48%. Gross Profit before Financial Charges and Depreciation grew by 42.60% and stood at Rs. 48.24 Cr during the year compared to Rs. 33.83 Cr during the previous year. Profit for the year grew at an impressive rate of 69.40% and was registered at Rs. 22.72 Cr against Rs. 13.44 Cr during the previous year. The Company, accordingly, exhibited an all round improved performance with handsome growth.

### DIVIDEND

Your directors had declared an interim dividend of Rs. 0.70 per Equity Share for the financial year ended on 31<sup>st</sup> December, 2009. The said dividend amounting to Rs. 1,35,94,819 including tax of Rs. 19,74,819 is already paid to the eligible shareholders. In view of the said Interim dividend which is higher than the previous year, your Directors do not recommend any further dividend.

### MAIDEN BONUS

In order to reward the shareholders on completion of 25 glorious years of your Company, your Directors have issued Bonus Shares in the ratio of one share for every one share held in the Company. The maiden bonus and an increased dividend testify the Company's philosophy of maximizing shareholders' value.

### CARE RATING

Your Directors are pleased to mention that CARE has upgraded Credit Rating to PR2+ (PR Two Plus) from PR2 (PR Two) for the Company's short term bank facilities while reaffirming Credit Rating of BBB+ (Triple B Plus) for Company's long term facilities.

### WIND MILL PROJECT

During the year under review, your Company has diversified into Clean Energy segment and has set up a Wind Mill Project at Tirunelveli in Tamilnadu. It has invested Rs. 43 Cr. in installing 9 Wind Mills. The Wind Mills with an aggregate capacity of 6.75 MW have been acquired from Global Wind Power Ltd., a company promoted by Reliance ADA Group which is manufacturing wind turbines with state of the art technology in collaboration with Norvin, Denmark. The project is commissioned, and your Company will be able to earn Carbon Credit out of the same.

### CHANGE OF NAME OF THE COMPANY

In view of your Company's successful diversification into different activities during past few years, the shareholders, at their Extraordinary General Meeting held on 4<sup>th</sup> January, 2010 had passed a Special Resolution for change of name of the Company. The Registrar of Companies, Gujarat has approved the same and accordingly, the name of your Company is changed from 'Nakoda Textile Industries Limited to 'Nakoda Limited'.

### DIRECTORS

Shri M. S. Nayak a Director of your Company, left for his heavenly abode in the month of April 2010. We appreciate and will remember always the services rendered by him to the Company.

Sh. S. K. Bhoan is retiring by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Sh. D. B. Jain is retiring by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Shri Paresh J. Shah was appointed as Additional Director of the company on 10<sup>th</sup> May 2010 to hold office till the date of annual general meeting. His appointment as a regular director is proposed

in the ensuing meeting.

### FORWARD-LOOKING STATEMENTS

This report contains forward looking statements. All statements that address expectations or projections about the future are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performances or achievements could thus differ materially from those projected in any such forward-looking statements.

### CORPORATE GOVERNANCE

In line with guidelines recommended by Securities & Exchange Board of India (SEBI), adequate steps have been taken to ensure that all the mandatory provisions of Clause 49 of the Listing Agreement are complied with. A separate report on Corporate Governance is included as part of the Annual Report. The Auditors' certificate confirming compliance of Corporate Governance is included in the said Corporate Governance report.

### SAFETY, ENVIRONMENT & POLLUTION CONTROL MEASURES

During the year, no major accident took place in plant operations. Training programs for safety awareness and safe working conditions were held round the year. Your Company has complied with various emission standards and other environmental requirements as per pollution control norms.

In order to improve environment, continuous tree plantations is being done within the factory complex. The Company has constructed water pond for rain water harvesting for increasing ground water level. It provides all types of safety products to all concerned employees.

### LISTING

Equity Shares of your Company continue to be listed on the Mumbai Stock Exchange. Annual listing fees have been paid to the Stock Exchange.

### EMPLOYEES

There is no employee getting remuneration as prescribed under section 217(2A) of the Companies (Particulars of Employees) rules, 1975 as amended.

### STATUTORY INFORMATION

Statutory information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 applicable to the Company and forming part of this report are set out in Annexure to this report.

### AUDITORS

M/s. N. M. Singapuri & Co. Chartered Accountants, Surat retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

### DIRECTORS RESPONSIBILITY STATEMENT

Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis.

### ACKNOWLEDGEMENT

Your Directors express their gratitude and sincere appreciation for the continued co-operation received from bankers and financial institutions throughout the year and for the utmost faith reposed by the investors and shareholders of the Company. They also place on record their sincere appreciation for the efforts put in by employees of the Company at all levels.

For and on behalf of the Board  
B. G.

Place: Mumbai  
Jain  
Date : 10.05.2010

Chairman & Managing Director



## MANAGEMENT DISCUSSION & ANALYSIS

### INDUSTRY STRUCTURE & DEVELOPMENT

The man made fibre (MMF) industry comprises fibres, filaments and yarns required for manufacturing apparel and non apparel products.

The components of demand in the man-made fibre industry are:

- Domestic demand
- Derived demand
- Direct exports of fibres, filaments and yarns.

The MMF industry is relatively insulated from the effects of the global economic meltdown, as derived demand and direct exports account for only 29 per cent of total demand.

CRISIL Research expects domestic MMF demand to grow at 7.0-8.0 per cent CAGR.

As the economy recovers, increased consumer spending will drive growth in the apparel and non-apparel segments of the domestic textile market.

Home furnishing and technical textiles will be key demand drivers in domestic market.

The overall textile market in India will witness a shift in consumption from cotton- to MMF- based materials in apparel and non-apparel applications, supported by favourable income and age demographics. Although the domestic market preference for cotton is high, a sizeable segment of the Indian population prefers apparels made of polyester and other synthetic materials, due to their lower price. This continuing shift will support demand growth for polyester. Within the polyester category, demand for polyester filament yarn (PFY) is expected to be the highest.

The key demand drivers of PFY were the increased competitiveness vis-à-vis cotton yarn and other types of spun yarn. PFY was the only yarn in the textile chain, to register positive growth of 3.1 per cent in 2009. Despite the improvement in demand, operating rates remained under pressure due to capacity addition.

### OPPORTUNITIES & THREATS

CRISIL Research expects operating rates of PFY producers to be in the range of 71-74 per cent during the 2009-10 to 2011-12. Although PFY demand is expected to grow at a higher rate of 8-9 per cent, the capacity expansion of around 350 million kg over the next 2 years will hold operating rates in check. However, after 2011-12, we expect operating rates of PFY manufacturers to increase steadily to 80 per cent by 2013-14.

CRISIL Research expects margins of domestic PFY producers to decline over 2010-11 from current level, as domestic operating rates will remain under pressure till 2010-11.

We expect PFY spreads to remain under pressure over most of 2010, as the recent additions to capacity by 15 per cent have resulted in oversupply, exerting pressure on PFY prices. However, demand for PFY is expected to pick up over 2011-12, allowing absorption of the additional capacities, and enabling a minor recovery in margins.

### FUTURE OUTLOOK

Polyester prices are expected to decline in 2010-11, from the levels in 2009-10, as international prices of polyester feedstock (PX, PTA and MEG) are expected to decrease by 7-8 per cent during the year. Polyester prices will decline marginally in 2011-12, as the landed cost of feedstock would decline by 1-2 per cent, with the expected appreciation of the Indian rupee during the year.

However we expect the price competitiveness of polyester to improve vis-à-vis cotton, and drive the growth in polyester demand. While prices of polyester would decline due to the decreasing feedstock prices, cotton prices would continue to remain firm due to higher minimum support price (MSP).

### HUMAN RESOURCE DEVELOPMENT (HRD)

Human Resource Development continued to receive focused attention. Industrial relations continued to be cordial throughout the year. The company has strength of 275 permanent employees.

The Company has drawn up plans to attract and retain talent at all levels. The Company also keeps an eye on the attrition levels and draws up appropriate plans to ensure that the employees at all levels find an environment that encourages performance, and transparency in performance appraisal.

### ENERGY CONSERVATION

The Conservation of energy in all the possible areas is undertaken as an important means of achieving cost reduction. Savings in electricity, fuel and power consumption receive due attention of the management on a continuous basis. Various measures have been taken to reduce air leakages resulting in energy savings.

### RISK & CONCERNS

With the current rise in crude prices and increase in excise duty the margins are expected to remain under pressure.

With new PFY capacities being commissioned in 2009-10, we expect operating rates of the industry to fall to 71-72 per cent in 2010-11, from 73-74 per cent in 2008-09.

### CAUTIONARY STATEMENT

Statements in this MDA may be 'forward looking statements' within the meaning of applicable securities laws and regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from those envisaged.

## ANNEXURE TO THE DIRECTORS' REPORT

### FORM A

### DISCLOSURES OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	ASAT 31.12.2009	ASAT 31.12.2008
<b>A. POWER AND FUEL CONSUMPTION</b>		
Electricity		
Own Generation		
i) Through Diesel		
Generator Units (In 000's)	3811.46	652.61
Unit per liter of		
HSD/LDO/FO	3.52	4.53
Cost/Unit (Rs.)	6.33	6.93
ii) Through Gas		
Engine Units (In 000's)	38666.69	34468.28
Unit per scm	3.83	3.75
Cost/Unit (Rs.)	3.15	3.95
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
	KWH/KGS	KWH/KGS
<b>Products</b>		
POY & FDY	0.79	0.80

### FORM B

<b>A. RESEARCH AND DEVELOPMENT</b>	
1. Specific area in which R & D carried out by the Company	: Not Applicable
2. Benefits derived as a result of above R & D	: Not Applicable
3. Future plan of Action	: Not Applicable
4. Expenditure on R & D	: Not Applicable
<b>B. Technology absorption adoption and Innovation :</b>	
Timely completion of the projects as well as meeting the budgetary requirements are the two critical areas where different techniques help to a great extent. Many innovative techniques have been developed and put to effective use in the past and the efforts to develop new techniques continue unabated.	
<b>C. Foreign Exchange Earnings</b>	: NIL
Foreign Exchange Outgo	: Rs. 12724809.00

Place: Mumbai  
Date : 10.05.2010

For and on behalf of the Board  
Shri B. G. Jain  
Chairman & Managing Director

## CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Nakoda, it is our belief that as we grow our corporate governance standards must be benchmarked. That gives us the confidence of having put in the right building blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner.

We are committed to meeting the aspirations of all our stakeholders. This is demonstrated in shareholder returns.

Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity.

Nakoda not only adheres to the prescribed corporate practices as per Clause 49 but is constantly striving to adopt emerging best practices.

Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target. We have undertaken several initiatives towards maintaining the highest standards.

### Key Board activities during the year

The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their remit is also to ensure that the long-term interests of the shareholders are being served.

### Corporate Social Responsibility (CSR).

Social welfare and community development is at the core of Nakoda's CSR philosophy and this continues to be a top priority for the Company. The CSR teams at the Company's manufacturing divisions interact with the neighboring community on regular basis.

### Shareholders communications.

The Board recognizes the importance of two-way communication with shareholders and of giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year.

### Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India.

The Institute of Company Secretaries of India (ICSI) is one of the premier professional bodies in India. ICSI has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares, Passing of Resolutions by Circulation, Affixing of Common Seal and Forfeiture of Shares. Although these standards are recommendatory in nature, the Company substantially adheres to the standards voluntarily.

## BOARD OF DIRECTORS

### COMPOSITION

The present strength of the Board of Directors is six of which one is chairman cum managing director, one joint managing director and Four non-executive directors. Eleven Board Meetings were held during the year 2009 and all the operational and statutorily required information were placed before the Board. The details of the composition of the existing Board of Directors are given below:

Name of the Directors	Category	Attendance		No. of other directorship and committee member / chairmanship		
		Board Meeting	Last AGM	Committee Membership	Committee Chairmanship	Other Directorship
Sh. B. G. Jain	CMD	10	Yes	1	1	6
Sh. D. B. Jain	JMD	11	Yes	4	---	9
Smt. P. B. Jain	NED	11	Yes	1	---	2
Sh. B. L. Maheshwari	NED/I	10	No	2	2	5
Sh. S. K. Bhoan	NED/I	9	No	1	---	5
Late Sh. M. S. Nayak (up to 30.04.2010)	NED/I	6	No	1	1	2
Sh. P. J. Shah (w.e.f. 10.05.2010)	NED/I	---	---	---	---	---

CMD-Chairman & Managing Director, JMD-Joint Managing Director, NED-Non Executive Director, I-Independent

### BOARD PROCEDURE

The Board meets atleast once a quarter to review the quarterly performance and the financial results. A detailed agenda folder is sent to each Director in advance of the Board Meetings. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting, on the overall performance of the Company, and with presentations by functional heads.

### COMMITTEES OF THE BOARD

#### AUDIT COMMITTEE

The Company has constituted an audit committee, comprising of three directors viz. Sh. M. S. Nayak, Sh. D. B. Jain and Sh. B. L. Maheshwari.

The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956. The committee met four times during the period under review.

Audit Committee met on 28.01.2009, 29.04.2009, 16.07.2009 & 30.10.2009 during the year under review.

The management of the Company is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and for issuing reports based on such audits. The Audit Committee supervises these processes and thus ensures proper and timely disclosures to maintain the transparency, integrity and quality of financial control and reporting.

#### MANAGEMENT COMMITTEE

The Company has constituted a Management Committee, comprising of three directors viz. Sh. B. G. Jain, Sh. D. B. Jain and Sh. S. K. Bhoan to carry out day to day activities of the Company and approve certain matters which come up in an emergency situation between the two Board Meetings.

#### Sitting Fee and Remuneration

The Non-executive directors of the Company are paid total sitting fees Rs. 2,73,000/- for attending the meetings of the Board / committees during the year under review.

The details of the remuneration paid to Sh. B. G. Jain Managing Director & Sh. D. B. Jain Joint Managing Director is given below:

Name	Salary	Perquisites
Sh. B. G. Jain	3,00,000/- P.M.	* Perquisites shall be restricted to an amount equal to the annual salary
Sh. D. B. Jain	2,00,000/- P.M.	

\* Perquisites shall include Housing, Medical Reimbursement, Entertainment reimbursement, Leave, Traveling reimbursement, Club fees, Personal Accident Insurance, Provident fund, superannuation fund, Telephone, Car, Gratuity etc. There was no Stock Option issued to any directors of the Company.

#### SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Company has formed a share transfer committee comprising of Sh. D. B. Jain and Smt. P. B. Jain. The Committee oversees the performance of the share transfer and all the matters relating to investors grievance.

The Board has designated Smt. R. T. Bhatt, Company Secretary as the Compliance officer.

The no. of complaints received and replied to the satisfaction of the shareholders during the year under review were 9. There were no outstanding complaints / transfers.

#### GENERAL MEETINGS

The last three Annual General Meetings of the Company were held as under:

	Location	Date	Time	Number Of Special Resolution Passed
AGM	Block No. 1 & 12 to 16, Village - Karanj, Taluka - Mandvi, Dist - Surat.	25.06.2007	12.30 P.M.	4
AGM	Block No. 1 & 12 to 16, Village - Karanj, Taluka - Mandvi, Dist - Surat.	18.06.2008	12.30 P.M.	4
AGM	Block No. 1 & 12 to 16, Village - Karanj, Taluka - Mandvi, Dist - Surat.	24.06.2009	12.30 P.M.	1

#### DISCLOSURES

- There were no materially significant transactions with related parties, which were in conflict with the interests of the Company. Suitable disclosures as required by Accounting Standard (AS-18)- Related Party Transactions, has been made in the Annual Report.
- There were no penalties, strictures imposed on the Company by Stock Exchanges or Securities & Exchange Board of India (SEBI) or any other Statutory Authority on any matter related to Capital Markets during the last three years.
- No personnel has been denied access to the audit committee.
- Disclosure with respect to the utilization of monies raised through preferential issue to the audit committee has been made as required as per Clause 49(IV)(D) of Listing agreement.

#### CEO / CFO CERTIFICATION

The requisite certification from the Managing Director / CFO required to be given under Clause 49(V) was placed before the Board of Directors of the Company.

#### MEANS OF COMMUNICATION

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within one month of the close of the respective period.
- The approved financial results are forthwith sent to the Listed Stock Exchanges and are published in the leading newspapers namely the Western Times Gujarati, Surat and Economic Times Ahmedabad edition within forty-eight hours of approval thereof.
- As the Company's quarterly financial results are published in press and also posted on its website, the same are not mailed to the shareholders.
- Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

**GENERAL SHAREHOLDER INFORMATION**

1.	Annual General Meeting Day, date, time & venue	Thursday, 10 <sup>th</sup> June, 2010 at 12.30 P.M. at Block No. 1&12 to 16, Village - Karanj, Taluka -Mandvi, Dist. - Surat.	
2.	Financial calendar December 2009	AGM - 24. 06. 2009	Board Meeting 28.01.2009 21.02.2009 29.04.2009 09.05.2009 30.05.2009 16.07.2009 30.09.2009 30.10.2009 23.11.2009 03.12.2009 10.12.2009
3.	Date of Book Closure	05.06.2010 To 10.06.2010 (both days inclusive)	
4.	Registered office	Block No. 1&12 to 16, Village - Karanj, Taluka -Mandvi, Dist. - Surat.	
5.	Investors Correspondence For transfer/ dematerialization of shares & any other query relating to the shares of the Company.	A-701, International Trade Centre, Majura Gate, Ring Road, Surat -395002 Phone : (0261) 3060200 Fax : (0261) 3060222 Email : cs@nakoda.co.in	
6.	Listing on Stock Exchanges	Mumbai Stock Exchange Annual Listing fee for the year 2010-11 has been paid to the exchange.	
7.	Stock code - physical Demat ISIN No. in NSDL & CDSL	521030 INE559B01023	

**8. Stock Market data During 2009**

MONTH	SHARE PRICE		BSE SENSEX Corresponding to Share Price	
	HIGH	LOW	HIGH	LOW
January	18.30	10.70	10469.72	8631.60
February	17.00	-11.24	9724.87	8619.22
March	20.74	10.21	10127.09	8047.17
April	21.85	16.00	11492.10	9546.29
May	30.65	16.50	14930.54	11621.30
June	44.35	29.00	15600.30	14016.95
July	52.65	33.30	15732.81	13219.99
August	56.50	41.75	16002.46	14684.45
September	71.55	49.20	17142.52	15356.72
October	82.40	56.40	17493.17	15805.20
November	93.20	68.15	17290.48	15330.56
December	86.10	65.00	17530.94	16577.78

**9. Distribution of Shareholding as on March 31, 2010**

Shareholding		Shareholders		Share Amount	
		Number	% To Total	In Rs.	% To Total
01	500	5670	38.27	8555730	2.58
501	1000	2860	19.31	11568590	3.49
1001	2000	4377	29.55	29985015	9.03
2001	3000	456	3.08	5823675	1.75
3001	4000	547	3.69	10493855	3.16
4001	5000	132	0.89	3093560	0.93
5001	10000	391	2.64	14408755	4.34
10001	50000	301	2.03	32464045	9.78
50001	100000	31	0.21	11684350	3.52
100001	And above.	49	0.33	203922425	61.42
	TOTAL	14814	100.00	332000000	100.00

**Shareholding Pattern as on March 31, 2010**

(I)	Category of Shareholder (II)	No. of Share holders (III)	Total No. of Shares (IV)	Percentage of Share holding (V)	Shares Pledged / encumbered	
					No. of Share (VI)	% [VII= (VI/IV)*100] (VII)
<b>(A)</b>	<b>Shareholding of Promoter &amp; Promoter Group</b>					
1	<b>Indian</b>					
(a)	Individuals/ Hindu Undivided Family	7	1708400	2.57	371800	21.76
(b)	Central Government/ State Government(S)	0	0	0	0	0
(c)	Bodies Corporate	10	31541200	47.65	4354000	13.76
(d)	Financial Institutions/ Banks	0	0	0	0	0
(e)	Any Other (Specify)	0	0	0	0	0
	<b>Sub-Total(A)(1)</b>	<b>17</b>	<b>33349600</b>	<b>50.23</b>	<b>4725800</b>	<b>14.17</b>
2	<b>Foreign</b>					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0
(c)	Institutions	0	0	0	0	0
(d)	Any Other (Specify)	0	0	0	0	0
	<b>Sub-Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter &amp; Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>17</b>	<b>33349600</b>	<b>50.23</b>	<b>4725800</b>	<b>14.17</b>
<b>(B)</b>	<b>Public Shareholding</b>				N.A.	N.A.
1	<b>Institutions</b>				N.A.	N.A.
(a)	Mutual Funds/UTI	0	0	0	0	0
(b)	Financial Institutions/Banks	3	21600	0.03	0	0
(c)	Central Government/State Government(s)	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0
(h)	Any Other (Specify)	0	0	0	0	0
	<b>Sub-Total(B)(1)</b>	<b>3</b>	<b>21600</b>	<b>0.03</b>	<b>0</b>	<b>0</b>
2	<b>Non-Institutions</b>				N.A.	N.A.
(a)	Bodies Corporate	370	6344867	10.31		
(b)	Individuals-					
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	13036	16619018	25.03		
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	107	7725997	11.64		
(c)	Any Other (Specify) NRI	1281	1838918	2.77		
	<b>Sub-Total(B)(2)</b>	<b>14794</b>	<b>33028800</b>	<b>49.74</b>		
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>14797</b>	<b>33050400</b>	<b>49.77</b>	<b>N.A.</b>	<b>N.A.</b>
<b>(C)</b>	<b>Shares held by custodians and against which Depository Receipt have been issued</b>	0	0	0.00	N.A.	N.A.
	<b>Grand Total: (A)+(B)+(C)</b>	<b>14814</b>	<b>66400000</b>	<b>100.00</b>	<b>4725800</b>	<b>7.12</b>

**10. Share Transfer System**

The transfer of shares in physical form is processed and completed by MCS Ltd., within a period of fifteen days from the date of receipt thereof provided all the documents are in order.

In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

**11. Dematerialization and Liquidity of shares**

The equity shares of the Company are traded in the S Group at the Mumbai stock Exchange. 57270380 shares being 86.25% of equity shares of the Company are dematerialized.

**12. Secretarial Audit**

A Practicing Company Secretary carried out secretarial audit in each of the quarter in the financial year 2009, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total no of dematerialized shares held with depositories.

**13. Registrar & Transfer Agent (for both physical & demat segment of Equity Shares of the Company.)**

MCS LIMITED

Neelam Apartment, 88, Sampatrao Colony, B/h Federation Bldg., Alkapuri, Baroda-390007

**14. Outstanding GDRS, ADRS, Warrants or any Convertible Instruments etc.: NIL**

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## AUDITOR'S REPORT

**To the Members of  
Nakoda Limited,**

1. We have audited the attached Balance Sheet of **NAKODA LIMITED** as at 31<sup>st</sup> December, 2009 and also the Profit and Loss account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibilities of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, We report that:
  - (I) 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;
  - (II) 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;
  - (III) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (IV) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
  - (V) On the basis of written representations received from the Directors of the Company as on 31<sup>st</sup> December, 2009 and taken on record by the Board of Directors, we report that none of the Director of the Company is disqualified as on 31<sup>st</sup> December, 2009 from being appointed as a Director of the Company under clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
  - (VI) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon, give the information required by the Companies Act, 1956 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 Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> December, 2009;
    - (b) In the case of the Profit and Loss account, of the Profit of the company for the year ended on that date;

And

  - (C) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR N. M. SINGAPURI & CO.**  
Chartered Accountants

Place : Surat  
Date : 10.05.2010

**N. M. SINGAPURI**  
Partner  
Membership No. 11601

**ANNEXURE TO AUDITORS' REPORT**  
**(Referred to in Paragraph 3 of our report of even date)**

1. (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, the fixed assets have been physically verified by the management during the year in phased periodical manner, which in our opinion is reasonable, having regard to the size of 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. (a) As explained to us, inventories have been physically verified during the year by the management at regular intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and 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. The company has neither granted nor taken any loans secured or unsecured to/from the companies/firms or parties covered in the register maintained Under Section 301 of the companies act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. The company has not entered in to transactions exceeding the value of Rs. 5 Lacs with any party need to be entered in to register in pursuance of the section 301 of the Companies Act.
6. The company has not accepted any deposit from the public.
7. In our opinion, the internal audit system of the company is commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account 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 are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.
9. (a) According to the records of the company undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Excise and Custom, Wealth Tax, Estate Duty have been generally regularly deposited with the appropriate authorities.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> December 2009 for the period of more than six months for the date of becoming payable.
- (c) According to records of the company, following disputed statutory dues have not been deposited with appropriate authorities.

(Rs. In Lacs)

Sr. No	Name of Status	Nature of the dues	Forum where disputes is pending	Amount
1	Central Excise Act 1944	Excise Duty	CEGATE and Commissioner of Excise	26.39

10. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances 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 or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. In respect of dealing/trading in securities, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The securities have been held by the Company in its own name.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to information and explanations given to us and based on the documents and records produced to us, the company has applied the term loans for the purpose for which the loan were obtained.
17. According to the information and explanations given to us and an overall examination of the Balance Sheet and Cash Flow Statement of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debenture.
20. The company has not raised any money through a public issue.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

**FOR N. M. SINGAPURI & CO.**  
 Chartered Accountants

Place : Surat  
 Date : 10.05.2010

**N. M. SINGAPURI**  
 Partner  
 Membership No. 11601

## BALANCE SHEET AS AT 31ST DECEMBER, 2009

	SCHEDULES	AS AT 31.12.2009 (Rs. in Lacs)	AS AT 31.12.2008 (Rs. in Lacs)
<b>I. SOURCES OF FUNDS :</b>			
SHARE HOLDERS' FUNDS			
Share Capital	1	1660.00	1,578.00
Share Warrant & FCD	2	0.00	284.40
Reserves & Surplus	3	<u>7871.84</u>	<u>5,569.37</u>
		<u><b>9,531.84</b></u>	<u><b>7,431.77</b></u>
LOAN FUNDS			
Secured Loans	4	12,084.72	7,244.31
Unsecured Loans	5	<u>16,806.36</u>	<u>5,966.27</u>
		<u><b>28,891.08</b></u>	<u><b>13,210.57</b></u>
Deferred Tax Liability		<u>714.65</u>	<u>531.49</u>
<b>TOTAL</b>		<u><b>39,137.57</b></u>	<u><b>21,173.83</b></u>
<b>II. APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block	6	13882.63	9,691.29
Less : Depreciation		<u>4182.36</u>	<u>3,643.50</u>
Net Block		<u><b>9,700.27</b></u>	<u><b>6,047.79</b></u>
Capital Work in Progress		<u>7636.92</u>	<u>506.80</u>
		<u><b>17,337.20</b></u>	<u><b>6,554.59</b></u>
Investments	7	<u>58.79</u>	<u>4.05</u>
<b>CURRENT ASSETS, LOANS AND ADVANCES :</b>			
Inventories	8	7,719.73	5,874.11
Sundry Debtors	9	27,717.35	20,750.18
Cash & Bank Balances	10	6,503.75	3,544.58
Loans & Advances	11	<u>2,095.58</u>	<u>1,115.97</u>
		<u><b>44,036.41</b></u>	<u><b>31,284.84</b></u>
Less : Current Liabilities & Provisions	12	<u>22,294.82</u>	<u>16,669.64</u>
Net Current Assets		<u><b>21,741.58</b></u>	<u><b>14,615.20</b></u>
<b>TOTAL</b>		<u><b>39,137.57</b></u>	<u><b>21,173.83</b></u>
Significant Accounting Policies & Notes on Accounts	19		

As per our attached report of even date.

**For N. M. SINGAPURI & CO.**  
Chartered Accountants

**N. M. SINGAPURI**  
Partner  
Membership No. 11601  
Surat, 10.05.2010

For and on Behalf of the Board

**B. G. Jain** Chairman & Managing Director  
**D. B. Jain** Joint Managing Director  
**Rashmi Bhatt** Company Secretary  
Surat, 10.05.2010



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2009**

	SCHEDULES	AS AT 31.12.2009 (Rs. in Lacs)	AS AT 31.12.2008 (Rs. in Lacs)
<b>INCOME :</b>			
Sales	13	102,930.73	80,141.18
Less : Excise Duty / VAT		4,303.65	2,246.18
Net Sales		98,627.08	77,895.00
Other Income	14	353.79	249.79
Variation in Stocks		(+) 1,498.73	(+) 607.63
<b>TOTAL</b>		<b>100,479.60</b>	<b>78,752.42</b>
<b>EXPENDITURE :</b>			
Consumption of Materials	15	90,443.01	70,618.46
Manufacturing Expenses	16	4,462.51	4,185.43
Financial Expenses	17	2,013.66	1,561.88
Administrative & Selling Expenses	18	284.87	239.98
<b>TOTAL</b>		<b>97,204.05</b>	<b>76,605.75</b>
Profit before Depreciation & tax		3,275.55	2,146.67
Less : Depreciation		538.86	477.19
Profit Before Tax		2,736.69	1,669.48
Less : Provision for Taxation		465.10	325.49
Profit after tax		2,271.59	1,343.99
Balance Brought Forward from last year		4,194.82	3,134.31
Less : Deferred Tax Liability		183.16	166.95
Balance available for appropriations		6,283.25	4,311.35
Less : Transfer to General Reserve		900.00	0.00
Interim Dividend		116.20	99.60
Tax on Interim Dividend		19.75	16.93
Balance Carried to Balance Sheet		5,247.30	4,194.82
		<b>5,383.25</b>	<b>4,311.35</b>

**Significant Accounting Policies & Notes on Accounts 19**

As per our attached report of even date.

**For N. M. SINGAPURI & CO.**  
 Chartered Accountants

**N. M. SINGAPURI**  
 Partner  
 Membership No. 11601  
 Surat, 10.05.2010

For and on Behalf of the Board

**B. G. Jain** Chairman & Managing Director  
**D. B. Jain** Joint Managing Director  
**Rashmi Bhatt** Company Secretary  
 Surat, 10.05.2010

**SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET  
AS AT 31ST DECEMBER, 2009**

	<b>AS AT 31.12.2009 (Rs. in Lacs)</b>	<b>AS AT 31.12.2008 (Rs. in Lacs)</b>
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
4,00,00,000 Equity Shares of Rs.10/- each	<b>4,000.00</b>	4,000.00
10,00,000 Preference Shares of Rs.100/- each	<b>1,000.00</b>	1,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
16600000 Equity Shares of Rs. 10/- each fully paid up	<b>1660.00</b>	1578.00
(i) 6,50,000 shares are allotted as fully paid up by way of Bonus Shares as on 16-09-1991		
(ii) 6,32,500 Shares fully paid up converted from fully Convertible Debentures as on 17-09-1992		
<b>TOTAL</b>	<b>1,660.00</b>	<b>1,578.00</b>
<b>SCHEDULE - 2 : SHARE WARRANT &amp; FCD</b>		
2844000 Share Warrants of Rs. 100 each	2844.00	
Less : Uncalled Money	<u>2559.60</u>	<u>0.00</u>
<b>TOTAL</b>	<b>0.00</b>	<b>284.40</b>
<b>SCHEDULE - 3 : RESERVES &amp; SURPLUS</b>		
Share Premium Account	<b>1035.50</b>	953.50
General Reserve	<b>1275.36</b>	375.36
Capital Reserve	<b>268.00</b>	0.00
Investment Subsidy	<b>45.68</b>	45.68
Profit & Loss Appropriation	<b>5247.30</b>	4194.82
<b>TOTAL</b>	<b>7,871.84</b>	<b>5,569.37</b>
<b>SCHEDULE - 4 : SECURED LOANS</b>		
Term Loans	<b>4,726.87</b>	1877.80
Working Capital Loans	<b>7,260.78</b>	5352.32
Vehicles Loans	<b>97.07</b>	14.18
<b>TOTAL</b>	<b>12,084.72</b>	<b>7,244.31</b>

**Note:-** (I) Facilities from Canara Bank, State Bank of Patiala, Syndicate Bank, Axis Bank Ltd., Corporation Bank, Uco Bank, Karur Vysya Bank Ltd. & Laxmi Vilas Bank are secured by hypothecation of stock in trade and book-debts and collateral security of equitable mortgage of Land and Building situated at Company's Texturising division at Karanj and Block no. 4 & 17 to 19 at Karanj. First charge by way of hypothecation of machineries situated at Company's Texturising Division at Karanj and 5 POY lines situated at Block No.13 to 16. Second charge by way of mortgage and/or hypothecation of Land, Building and Machineries situated at Company's POY division at Karanj on which G.I.I.C. Ltd. & G.S.F.C. having 1st charge and personal guarantee of Directors of the Company and corporate guarantee of B.G.Jain Investment Pvt.Ltd. G.P.Shah Investment Pvt.Ltd., P.B.Jain Investment Pvt.Ltd. and Varju Investment Pvt.Ltd.

(II) The Loan for Vehicles have been secured by specific charges on the vehicles covered under the said loan.

**SCHEDULE - 5 : UNSECURED LOANS**

Agency Deposit	351.00	351.00
Suppliers Credit	3,650.00	0.00
Others	12,805.36	5,615.27
<b>TOTAL</b>	<b>16,806.36</b>	<b>5,966.27</b>

**SCHEDULE - 6 : FIXED ASSETS**

Particulars	Gross Block			Depreciation				Net Block	
	As On 1.01.09	Addition	Deduction	As On 31.12.09	As On 01.01.09	Addition	Deduction	As On 31.12.09	As On 31.12.08
Land	49.37	0.00	0.00	49.37	0.00	0.00	0.00	49.37	49.37
Building & Godown	1385.42	0.00	0.00	1385.42	166.82	38.09	0.00	204.91	1180.52
Plant & Machinery	7673.12	4050.00	0.00	11723.12	3159.60	458.63	0.00	3618.24	8104.88
Electric Installation	336.41	0.00	0.00	336.41	132.17	17.76	0.00	149.93	186.48
Office Equipment	52.74	2.06	0.00	54.80	28.34	2.81	0.00	31.15	23.65
Furniture & Fixtures	50.03	1.01	0.00	51.04	45.76	3.18	0.00	48.94	2.10
Vehicles	144.20	138.27	0.00	282.47	110.82	18.38	0.00	129.20	153.27
<b>TOTAL</b>	<b>9691.29</b>	<b>4191.34</b>	<b>0.00</b>	<b>13882.63</b>	<b>3643.50</b>	<b>538.86</b>	<b>0.00</b>	<b>4182.36</b>	<b>9700.27</b>
Previous Year	9285.72	405.58	0.00	9691.29	3166.31	477.19	0.00	3643.50	
Capital Work in Progress									7636.92
<b>TOTAL</b>									<b>6554.59</b>

	AS AT 31.12.2009	(Rs. In Lacs) AS AT 31.12.2008
<b>SCHEDULE - 7 : INVESTMENTS</b>		
<b>LONG TERM TRADE (UNQUOTED) :</b>		
Nakoda Syntex P. Ltd. (Long Term - Non Trade) (50 Equity Share of Rs. 100/- each fully paid up)	0.05	0.05
Surat Super Yarn Park Ltd. (Long Term - Non Trade) (18000 Equity Share of Rs. 10/- each fully paid up)	56.80	4.00
Koncept Infotainment Pvt. Ltd. (18000 Equity Share of Rs. 10/- each fully paid up)	0.50	0.00
Nakoda Realities Pvt. Ltd. (5400 Equity Share of 10/- each fully paid up)	0.50	0.00
Nakoda Financial Services Pvt. Ltd. (10000 Equity Share of 10/- each fully paid up)	0.50	0.00
Nakoda Shipyard Pvt. Ltd. (900 Equity Share of 10/- each fully paid up)	0.40	0.00
<b>SUBSIDIARY COMPANY</b>		
NAKODA HOLDING MAURITIOUS LIMITED (1 Equity Share of USD 100 each fully paid up)	0.04	0.00
<b>TOTAL</b>	<b>58.79</b>	<b>4.05</b>
<b>SCHEDULE - 8 : INVENTORIES</b>		
Raw Materials	2,743.62	2436.52
Finished goods	4,574.75	3076.02
Fuel, Oil Chemical & Packing Material and Stores Spares	401.36	361.57
<b>TOTAL</b>	<b>7,719.73</b>	<b>5,874.11</b>
<b>SCHEDULE - 9 : SUNDRY DEBTORS (Unsecured Considered Good)</b>		
Outstanding for a period exceeding six months	0.87	4.29
Others	27,706.48	20,745.89
<b>TOTAL</b>	<b>27,717.35</b>	<b>20,750.18</b>
<b>SCHEDULE - 10 : CASH &amp; BANK BALANCE</b>		
Cash & Cheque in Hand	10.45	4.75
With Schedule Bank in :		
Fixed Deposits	6,451.80	3,517.72
Current Account	41.49	22.10
<b>TOTAL</b>	<b>6,503.75</b>	<b>3,544.58</b>
<b>SCHEDULE - 11 : LOANS &amp; ADVANCES (Unsecured Considered Good)</b>		
Deposits with Govt. Authorities	4.23	4.23
Share Application Money	1,254.21	661.05
Advances Recoverable in Cash or in kind	837.14	450.69
<b>TOTAL</b>	<b>2,095.58</b>	<b>1,115.97</b>
<b>SCHEDULE - 12 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities :</b>		
Acceptances Under L/C	22,152.06	16,401.95
<b>Sundry Creditors</b>		
(1) Dues of small scale industrial undertaking(s)	2.60	6.29
(2) Other	20.55	18.87
Other Liabilities	119.61	126.01
Provision for Dividend & Tax	0.00	116.53
<b>TOTAL</b>	<b>22,294.82</b>	<b>16,669.64</b>

**SCHEDULE - 13 : SALES**

	AS AT 31.12.2009 (Rs. in Lacs)	Quantity in MT/MTR	AS AT 31.12.2008 (Rs. in Lacs)	Quantity in MT/MTR
Chips	0.00	0.000	46.21	76.000
POY	24,271.66	30762.603	21,880.07	26825.582
FDY	17,511.71	20891.417	12,786.92	16914.364
Texturised / D. T. Yarn	976.19	878.695	609.27	641.337
PFY/ YARN	22,434.36	23704.385	15,001.02	15546.282
SALT	12,579.46	4235665.000	13,642.62	4658110.000
SOYA	729.36	3320.000	2,164.59	13150.000
Fancy Shirting / Grey	24,427.99	62551632.400	14,010.48	17939609.000
<b>TOTAL</b>	<b>102,930.73</b>		<b>80,141.18</b>	

**SCHEDULE - 14 : MISCELLANEOUS INCOME**

Interest	117.53	72.04
Other Income	207.29	156.27
Insurance Claim	28.96	21.48
<b>TOTAL</b>	<b>353.79</b>	<b>249.79</b>

**SCHEDULE - 15 : CONSUMPTION OF RAW MATERIAL**

Opening Stock	2,436.52	782.20
Purchase	90,750.11	72,272.78
	93,186.63	73,054.98
Less : Closing Stock	2,743.62	2,436.52
<b>TOTAL</b>	<b>90,443.01</b>	<b>70,618.46</b>

**SCHEDULE - 16 : MANUFACTURING EXPENSES**

	Provisional Current Year	Previous Year		
Fuel Consumed			1,459.45	1,408.19
Opening Bal.	18.46	11.79		
Add : Purchase	1455.14	1414.86		
Less : Clos. Bal.	14.15	18.46		
Oil, Chemicals & Packing Material Consumed			1,039.99	1,025.40
Opening Bal.	96.27	67.41		
Add : Purchase	1125.36	1054.26		
Less : Clos. Bal.	181.64	96.27		
Repairs & Maintenance to Building			50.80	49.22
Stores spares & Maintenance to Machineries Consumed			458.12	345.84
Opening Bal	246.84	139.74		
Add : Purchase	416.85	452.94		
Less : Clos. Bal.	205.57	246.84		
Salaries, Wages & Others Employees Benefits			293.75	258.20
Contribution to P.F. & Other Funds			37.48	25.18
Insurance Premium			36.70	28.26
Transportation & Octroi			232.82	242.91
Factory Expenses			24.00	13.34
Customs Clearing Expenses			207.09	330.47
Lease Rental Charges			622.31	458.42
<b>TOTAL</b>			<b>4,462.51</b>	<b>4,185.43</b>

**SCHEDULE - 17 : FINANCIAL CHARGES**

Interest payment on Fixed Loans	230.47	239.84
Other Loans	1,783.19	1,322.04
<b>TOTAL</b>	<b>2,013.66</b>	<b>1,561.88</b>

**SCHEDULE - 18 : ADMINISTRATIVE & SELLING EXPENSES**

Printing & Stationery	8.68	5.57
Traveling Expenses	45.32	36.28
Other Repairs & Maintenance	11.75	10.19
Postage & Telephone Expenses	19.27	17.92
Office Expenses	8.50	6.26
Rent	43.02	41.56
Legal & Professional Expenses	47.45	36.82
Directors Sitting Fees	2.73	0.30
Subscription & Membership Fees	1.38	2.87
Rates & Taxes	1.68	1.04
Donations	11.10	9.13
Staff Welfare Expenses	10.82	9.08
Audit Fee	2.21	2.25
Electricity Expenses	17.41	13.19
Advertisement & Recruitment Exp.	14.54	12.26
Listing Fee	1.23	0.80
Sales Commission	28.62	26.94
Secretarial Exp.	3.00	2.83
Vehicle Maintenance	6.16	4.69
<b>TOTAL</b>	<b>284.87</b>	<b>239.98</b>

As per our attached report of even date.

**For N. M. SINGAPURI & CO.**  
Chartered Accountants

For and on Behalf of the Board

**N. M. SINGAPURI**  
Partner  
Membership No. 11601  
Surat, 10.05.2010

**B. G. Jain** Chairman & Managing Director  
**D. B. Jain** Joint Managing Director  
**Rashmi Bhatt** Company Secretary  
Surat, 10.05.2010

**SCHEDULE 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**
**I. Significant Accounting Policies:**
**(A) Basis of Preparation of Financial Statements:**

The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the applicable accounting standards and as per provisions of the Companies Act, 1956. The company follows the mercantile system of accounting and recognizes Income and Expenditure on accrual basis. Accounting Policies not referred to otherwise are consistent with the generally accepted accounting principles.

**(B) Fixed Assets:**

Fixed Assets are stated at cost less Accumulated Depreciation. Cost comprises purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

**(C) Depreciation:**

Depreciation on Fixed Assets has been calculated on straight line method at the rate prescribed in schedule XIV to the Companies Act, 1956. Depreciation on addition/deletion during the year has been provided on prorata basis.

**(D) Investments:**

Investments are stated at cost of acquisition.

**(E) Inventories:**

Inventories are valued at lower of cost or net realisable value using FIFO cost method.

**(F) Retirement Benefits:**

Contribution to Provident Fund, Liability for Leave encashment and Gratuity are accounted for on accrual basis.

**(G) Excise Duty:**

The liability for Central Excise duty on account of stocks lying in factory has not been provided in the books of accounts as the same is being accounted for on payment basis and not carried into stock as per practice followed by the company. However, the liability if accounted would have no effect on the Profit for the year.

**(H) Revenue Recognition:**

- a) Sales is net of Salestax/VAT, Excise duty, Sales return, Rate difference, damage goods Compensation etc.
- b) Other income is accounted on due basis as per the terms.

**(I) Foreign Currency Transactions:**

Transaction in foreign currency are recorded at the rates of exchange in force at the time transactions are affected

**(J) Borrowing Cost**

Borrowing Cost that are directly attributable to the acquisition, construction of qualifying assets, Wherever applicable, are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(K) Impairment Loss

As required by the Accounting Standards (AS 28) "Impairment of Assets" issued by ICAI, as informed to us, the company has carried out the assessment of impairment of assets. There has been no Impairment loss during the year.

(L) Related Party disclosure as per accounting standard 18

- (a) Where control exists
- |   |   |
|---|---|
| Nakoda Syntex Pvt. Ltd.                             | - Konzept Infotement Pvt. Ltd.              |
| - B. G. Jain Investment Pvt. Ltd.                   | - Nakoda Realities Pvt. Ltd.                |
| - G. P. Shah Investment Pvt. Ltd.                   | - Nakoda Energy Pvt. Ltd.                   |
| - P. B. Jain Investment Pvt. Ltd.                   | - Nakoda Financial Services Pvt. Ltd.       |
| - Varju Investment Pvt. Ltd.                        | - Nakoda Infrastructure & Leasing Pvt. Ltd. |
| - Nakoda Shipyard Pvt. Ltd.                         | - Surat Super Yarn Park Ltd.                |
| - Nakoda Holdings Mauritius Ltd. Foreign subsidiary |   |

(b) Key Management Personnel:

- Shri B. G. Jain (Chairman & Managing Director)
- Shri D. B. Jain (Joint Managing Director)

(c) Other related parties with whom transaction have taken place during the year: NIL

Transaction with Related Parties

(Rs. In Lacs)

Type of Related Party	Description of Nature of Transaction	Volume of Transaction		Outstanding as on	
		2009	2008	31st Dec 2009	31st Dec 2008
Where Control Exists	FCD Issued	NIL	NIL	NIL	NIL
	Share warrant issued	164.00	NIL	NIL	2559.60
	Investments & Loans	NIL	803.40	351.40	783.40
Key management Personnel	Remuneration etc.	54.75	33.30	5.00	NIL

2. Contingent Liabilities:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Pre. Year Rs. Nil)
- b) Outstanding guarantee furnished by Company's bankers Rs. 143.75 lacs (Pre. Year Rs. 143.75 lacs).
- c) Claim against the Company not acknowledged as debt: Rs. NIL
- d) Uncalled Liabilities: Rs. NIL

3. Salary and wages Rs. 29374850/- (Pre. year Rs. 2,58,20,218/-) includes remuneration paid to Directors Rs. 5475000/- (Pre year Rs. 33,30,000/-)

4. The balances of debtors, creditors, deposits, loans & advances are subject to confirmation.

5. Auditor's Remuneration

	Current Year Rs.	Previous Year Rs.
(a) As Auditor's : (including tax audit)	2,20,600	1,68,540
(b) As Advisor or in any other capacity in respect of:		
a) Company law matter:	--NIL--	--NIL--
b) Taxation matter:	--NIL--	--NIL--
c) Management service	--NIL--	--NIL--
d) in any other matter	88,240	56,460

6. Segment Information as per Accounting Standard 17:

A) Primary Segment Reporting (by Activity Segment) - The two identified Segments are (i) Manufacturing (ii) Trading

(Rs.in Lacs)

2009		Manufacturing	Trading	Total
1	<b>Segment Revenue</b>			
1	Net Income from Sales	42759.56	60171.17	102930.73
2	<b>Segment Result</b>			
	Profit Before Interest & Tax	2806.60	1943.76	4750.36
	Less : Interest	918.24	1095.42	2013.66
	Total Profit/(Loss) before Tax	1888.36	848.33	2736.69
	Exceptional items			
	Profit/(Loss) after Exceptional items	1888.36	848.33	2736.69
	Provision for Taxation	320.93	144.17	465.10
	<b>Net Profit</b>	<b>1567.43</b>	<b>704.16</b>	<b>2271.59</b>
3	<b>Capital Employed</b>	-	-	9531.84

Capital Employed has not been identified with any of the reportable segments, as the assets used in the company's business and liabilities contracted are used interchagable between segments.

7. Deferred Tax liability that has been recognised in Balance Sheet is as under:

Deferred Tax Liability	Opening as on 01-01-09	Debit/(Credit) during the year	Closing as at 31-12-09
Unabsorbed depreciation Under Income Tax Act, 1961	(30094103)	(18315851)	(48409954)
Unabsorbed Losses Under Income Tax Act, 1961	(23055010)	-	(23055010)
<b>Total</b>	<b>(53149113)</b>	<b>(18315851)</b>	<b>(71464964)</b>

8. As required by Accounting Standard 20 on Earning Per Share Issued by the Institute of Chartered Accountants of India (ICAI) basic & Diluted Earning Per Share are calculated as under:

	31/12/2009	31/12/2008
Profit as per P&L A/c	227158294	134398607
Weighted number of Equity Share	16600000	15780000
Face Value of Share	10.00	10.00
Basic & Diluted EPS	13.68	8.52

9. Registered / installed capacity and production of each class of goods manufactured :

	Items	Units	Capacity		Production	
			Registered	Installed	Current Year	Previous Year
1.	POY	MT	50000	30000	52850	42774
2.	FDY			19500		
3.	Texturised Yarn	MT	650	650		
4.	Draw Twisted Yarn	MT	420	420	858	677

10. Turnover: (Rs. in 000's)

Items	Units	Current Year		Previous Year	
		Qty.	Value	Qty.	Value
POY	MT	51654	41783.37	42244	34666.99
FDY					
Texturised / D.T. Yarn	MT	879	976.19	641	609.27

11. Details of Raw Materials, Components, Stores, Packing Materials, Oils & Chemicals purchased or acquired during the year under audit were :

(i) Raw Material ( Chips ) Indegineous	<b>(Rs. in Lacs)</b> 90443.01/-
(ii) Fuel, Oil, Chemicals, Packing Material, Components, Stores & Spares etc.	2957.56/-

12. Details regarding Opening Stock, Purchase, Sales, Consumption and Closing Stock.

	Chips (Kgs.)	POY/FDY (Kgs.)	Texturised (Kgs.)	PFY/ (Kgs.)	Salt (MT)	Soya (MT)	Fancy Shirting (MT)
Opening Stock	2289858	94161	49474	242863	165264	9549.594	783671
Purchase	56403849	-	-	23778194	4301088	-	64445757
Transfer from Chips/POY	-	52849679	857996	-	-	-	-
<b>Total</b>	<b>58693707</b>	<b>52943840</b>	<b>907470</b>	<b>24021057</b>	<b>4466352</b>	<b>9549.594</b>	<b>65229428</b>
Sales	-	51654020	879695	23704385	4235665	3320.000	62551632
Consumption	52849679	857996	-	-	-	-	-
Wastage	2223846	-	-	-	-	680.000	-
Closing Stock	3620182	431824	27775	316672	230687	5549.594	2677796
<b>Total</b>	<b>58693707</b>	<b>52943840</b>	<b>907470</b>	<b>24021057</b>	<b>4466352</b>	<b>9549.594</b>	<b>65229428</b>

13. Value of imports on C.I.F. Basis (Rs. in 000's):  
Raw Materials

Current Year	12724.809	Previous Year	28557.500
--------------	-----------	---------------	-----------

14. Earning in foreign exchange on export of goods calculated on FOB Basis (Rs. in 000's):  
Current Year Rs.

Previous year Rs.	---NIL---
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15. Expenditure in foreign currency (Rs. in 000's):

Current Year	---NIL---	Previous year	---NIL---
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16. Consumption of Imported Raw Material (Rs. in 000's):

Current Year	12724.809	Previous year	28557.500
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17. Sundry Debtors and advances include Rs. NIL due from concern in which directors of the company are directors or the members or partners in case of firm

18. Small Scale industries to whom the company owes a sum which is outstanding for more than 30 days are Rs. NIL

19. Previous year's figures have been regrouped and/or recast wherever necessary and made them comparable with the current year's figure.

As per our attached report of even date.

**For N. M. SINGAPURI & CO.**  
Chartered Accountants

**N. M. SINGAPURI**  
Partner  
Membership No. 11601  
Surat, 10.05.2010

For and on Behalf of the Board

**B. G. Jain** Chairman & Managing Director  
**D. B. Jain** Joint Managing Director  
**Rashmi Bhatt** Company Secretary  
Surat, 10.05.2010

## Balance Sheet Abstract and Company's General Business Profile

<b>I</b>	<b>Registration Details</b>	Registration No. L17111GJ1984PLC45995	State Code 04 (Refer Code List)
	Balance Sheet Date	31 12 2009	
		Date      Month      Year	
<b>II</b>	<b>Capital raised during the year (Rs. In Lacs)</b>		
	Public Issue		Rights Issue
	NIL		NIL
	Bonus Issue		Private Placement
	NIL		NIL
<b>III</b>	<b>Position of Mobilisation and Deployment of Funds (Rs. In Lacs)</b>		
	Total Liabilities		Total Assets
	39,137.57		39,137.57
	<b>Sources of Funds</b>		
	Paid-up Capital		Share Application Money
	1,660.00		0.00
	Share Warrant & FCD		Reserves & Surplus
	0.00		7,871.84
	Secured Loans		Unsecured Loans
	12,084.72		16,806.36
	Deferred Tax Liability		
	714.65		
	<b>Application of Funds</b>		
	Net Fixed Assets		Investments
	4,182.36		58.79
	Net Current Assets		Deferred Tax Assets
	21,741.58		0
	Misc. Expenditure		Accumulated Losses
	NIL		NIL
<b>IV</b>	<b>Performance of Company (Rs. In Lacs)</b>		
	Turnover (Net)		Total Expenditure
	102,930.73		97,204.05
	+ - Profit/Loss Before Tax		+ - Profit/Loss After Tax
	3,275.55		2,271.59
		(Please tick appropriate box + for profit, - for loss)	
	Earning per Share in Rs.		Dividend Rate %
	13.68		0
<b>V</b>	<b>Generic Names of Three Principal Products / Services of Company (as monetary terms)</b>		
	Item Code No	54024600	
	(ITC Code)		
	Product Description	<b>PARTIALLY ORIENTED YARN</b>	
	Item Code No	54023300	
	(ITC Code)		
	Product Description	<b>POLYESTER TEXTURISED YARN</b>	
	Item Code No	54024300	
	(ITC Code)		
	Product Description	<b>POLYESTER FULLY DRAWN YARN</b>	

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of NAKODA LIMITED

We have examined the compliance of conditions of Corporate Governance by Nakoda Limited ("The Company") for the year ended 31st December, 2009, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances for a period exceeding one month against Company as on 31<sup>st</sup> December, 2009 is/are pending as per the records maintained by the shareholders / investor's grievances committee.

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

**FOR N. M. SINGAPURI & CO.**  
Chartered Accountants

N. M. SINGAPURI  
Partner  
Membership No. 11601

Place : Surat  
Date : 10.05.2010



## CASH FLOW STATEMENT FOR THE 12 MONTHS ENDED ON 31ST DECEMBER, 2009

	31.12.2009	(Rs. In Lacs) 31.12.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	2271.59	1343.99
Add : Depreciation	538.86	477.19
Interest	2013.66	1561.88
Operating Profit before Working Capital Charges	4824.11	3383.06
Add / (Less) : (Increase) / Decrease in Current Assets		
Debtors	(6967.17)	(5564.61)
Inventories	(1845.62)	(2404.58)
Loans & Advances	(979.61)	(283.19)
Add / Less : Increase / Decrease in Current Liabilities & Provisions	(4968.29)	(4869.32)
Cash Generated From Operations	565.89	418.92
Interest Paid	(2033.09)	(1552.58)
Direct Taxes Paid / Fringe Benefit Tax	0.00	0.00
Net Cash Flow From Operating Activities	(1376.20)	(1133.66)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(4191.34)	(405.57)
Capital Work In Progress	(7130.12)	(506.80)
Purchase of Investments	(54.74)	(689.20)
Sales of Investments	0.00	0.00
Profit on Sale of Fixed Assets	0.00	0.00
Net Cash Flow From Investing Activities	(11376.20)	(1601.57)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increasing in Share Capital	82.00	78.00
Increasing in Share Premium	82.00	78.00
Share Application Money	(284.40)	(815.60)
Proceeds From Borrowings	8490.41	804.79
Increase in Capital Reserve	268.00	0.00
Proceeds From Unsecured Loans	7190.09	3317.41
Dividend Paid	(116.53)	(87.75)
Net Cash Flow From Financing Activities	15711.57	3374.85
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2959.17</b>	<b>639.62</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>3544.58</b>	<b>2904.96</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6503.75</b>	<b>3544.58</b>

As per our attached report of even date.

**For N. M. SINGAPURI & CO.**  
Chartered Accountants

**N. M. SINGAPURI**  
Partner  
Membership No. 11601  
Surat, 10.05.2010

For and on Behalf of the Board

**B. G. Jain** Chairman & Managing Director  
**D. B. Jain** Joint Managing Director  
**Rashmi Bhatt** Company Secretary  
Surat, 10.05.2010

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## Auditors Report on Consolidated Financials Statements

To,  
**The Board of Directors,**  
**Nakoda Limited**

We have audited the attached Consolidated Balance Sheet of Nakoda Limited ("the Company) and its subsidiary as 31<sup>st</sup> December 2009, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management and have been prepared by the Management on the basis of Separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of Nakoda Holdings Mauritius Limited, Mauritius have not been audited. The financial statement of this subsidiary as provided by the management reflects total assets of Rs. 450.81 lacs as at 31<sup>st</sup> Dec.2009, total revenue of Rs. Nil and net cash flow amounting to Rs. 0.81 lacs for the year ended on that date. These Financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

We report the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and audited financial statements of its subsidiary included in the consolidated financial statements.

Based on our audit and consideration of the report on other Auditors on separate financial statements of the Company and other financial statements of the subsidiary, and to the best of our information and according to the explanations given to us, We are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiary as at 31<sup>st</sup> December 2009.
- (b) In the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Company and its subsidiary for the year ended on that date; and
- (c) In the case of consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiary for the year ended on that date.

**FOR N. M. SINGAPURI & CO.**  
Chartered Accountants

Place : Surat  
Date : 10.05.2010

**N. M. SINGAPURI**  
Partner  
Membership No. 11601

**COLSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 2009**

	SCHEDULES	AS AT 31.12.2009 (Rs. in Lacs)	AS AT 31.12.2008 (Rs. in Lacs)
<b>I. SOURCES OF FUNDS :</b>			
SHARE HOLDERS' FUNDS			
Share Capital	1	1660.00	1,578.00
Share Warrant & FCD	2	0.00	284.40
Reserves & Surplus	3	7846.25	5,569.37
		<u>9,506.25</u>	<u>7,431.77</u>
LOAN FUNDS			
Secured Loans	4	12,084.72	7,244.31
Unsecured Loans	5	16,806.36	5,966.27
		<u>28,891.08</u>	<u>13,210.57</u>
Deferred Tax Liability		714.65	531.49
<b>TOTAL</b>		<u><u>39,111.98</u></u>	<u><u>21,173.83</u></u>
<b>II. APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block	6	13882.63	9,691.29
Less : Depreciation		4182.36	3,643.50
Net Block		9,700.27	6,047.79
Capital Work in Progress		7636.92	506.80
		<u>17,337.20</u>	<u>6,554.59</u>
Investments	7	58.75	4.05
<b>CURRENT ASSETS, LOANS AND ADVANCES :</b>			
Inventories	8	7,719.73	5,874.11
Sundry Debtors	9	27,717.35	20,750.18
Cash & Bank Balances	10	6,504.56	3,544.58
Loans & Advances	11	2,072.93	1,115.97
		<u>44,014.57</u>	<u>31,284.84</u>
Less : Current Liabilities & Provisions	12	22,298.53	16,669.64
Net Current Assets		<u>21,716.04</u>	<u>14,615.20</u>
<b>TOTAL</b>		<u><u>39,111.98</u></u>	<u><u>21,173.83</u></u>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	<b>19</b>		

As per our attached report of even date.

**For N. M. SINGAPURI & CO.**  
Chartered Accountants

**N. M. SINGAPURI**  
Partner  
Membership No. 11601  
Surat, 10.05.2010

For and on Behalf of the Board

**B. G. Jain** Chairman & Managing Director  
**D. B. Jain** Joint Managing Director  
**Rashmi Bhatt** Company Secretary  
Surat, 10.05.2010

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED 31ST DECEMBER, 2009**

	SCHEDULES	AS AT 31.12.2009 (Rs. in Lacs)	AS AT 31.12.2008 (Rs. in Lacs)
<b>INCOME :</b>			
Sales	13	102,930.73	80,141.18
Less : Excise Duty / VAT		<u>4,303.65</u>	<u>2,246.18</u>
Net Sales		98,627.08	77,895.00
Other Income	14	353.79	249.79
Variation in Stocks		<u>(+) 1,498.73</u>	<u>(+) 607.63</u>
<b>TOTAL</b>		<u><u>100,479.60</u></u>	<u><u>78,752.42</u></u>
<b>EXPENDITURE :</b>			
Consumption of Materials	15	90,443.01	70,618.46
Manufacturing Expenses	16	4,462.51	4,185.43
Financial Expenses	17	2,013.75	1,561.88
Administrative & Selling Expenses	18	288.58	239.98
<b>TOTAL</b>		<u><u>97,207.85</u></u>	<u><u>76,605.75</u></u>
Profit before Depreciation & tax		3,271.75	2,146.67
Less : Depreciation		538.86	477.19
Profit Before Tax		2,732.89	1,669.48
Less : Provision for Taxation		465.10	325.49
Profit after tax		<u>2,267.79</u>	<u>1,343.99</u>
Balance Brought Forward from last year		4,194.82	3,134.31
Less : Deferred Tax Liability		183.16	166.95
Balance available for appropriations		<u>6,279.45</u>	<u>4,311.35</u>
Less : Transfer to General Reserve		900.00	0.00
Interim Dividend		116.20	99.60
Tax on Interim Dividend		19.75	16.93
Balance Carried to Balance Sheet		<u>5,243.50</u>	<u>4,194.82</u>
		<u><u>5,379.45</u></u>	<u><u>4,311.35</u></u>

**Significant Accounting Policies & Notes on Accounts** 19

As per our attached report of even date.

**For N. M. SINGAPURI & CO.**  
Chartered Accountants

**N. M. SINGAPURI**  
Partner  
Membership No. 11601 ,  
Surat, 10.05.2010

For and on Behalf of the Board

**B. G. Jain** Chairman & Managing Director  
**D. B. Jain** Joint Managing Director  
**Rashmi Bhatt** Company Secretary  
Surat, 10.05.2010

**SCHEDULES ATTACHED CONSOLIDATED BALANCE SHEET  
AS AT 31ST DECEMBER, 2009**

	AS AT 31.12.2009 (Rs. in Lacs)	AS AT 31.12.2008 (Rs. in Lacs)
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
4,00,00,000 Equity Shares of Rs.10/- each	4,000.00	4,000.00
10,00,000 Preference Shares of Rs.100/- each	1,000.00	1,000.00
	<u>5,000.00</u>	<u>5,000.00</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
16600000 Equity Shares of Rs. 10/- each fully paid up	1660.00	1578.00
(i) 6,50,000 shares are allotted as fully paid up by way of Bonus Shares as on 16-09-1991		
(ii) 6,32,500 Shares fully paid up converted from fully Convertible Debentures.) as on 17-09-1992		
<b>TOTAL</b>	<u>1,660.00</u>	<u>1,578.00</u>
<b>SCHEDULE - 2 : SHARE WARRANT &amp; FCD</b>		
2844000 Share Warrants of Rs. 100 each	2844.00	
Less : Uncalled Money	2559.60	
<b>TOTAL</b>	<u>0.00</u>	<u>284.40</u>
	<u>0.00</u>	<u>284.40</u>
<b>SCHEDULE - 3 : RESERVES &amp; SURPLUS</b>		
Share Premium Account	1035.50	953.50
General Reserve	1275.32	375.36
Capital Reserve	268.00	0.00
Foreign Currency Translation Reserve	(21.75)	0.00
Investment Subsidy	45.68	45.68
Profit & Loss Appropriation	5243.50	4194.82
<b>TOTAL</b>	<u>7,846.25</u>	<u>5,569.37</u>
<b>SCHEDULE - 4 : SECURED LOANS</b>		
Term Loans	4,726.87	1877.80
Working Capital Loans	7,260.78	5352.32
Vehicles Loans	97.07	14.18
<b>TOTAL</b>	<u>12,084.72</u>	<u>7,244.31</u>

Note:- (I) Facilities from Canara Bank, State Bank of Patiala, Syndicate Bank, Axis Bank Ltd., Corporation Bank, Uco Bank, Karur Vysya Bank Ltd. & Laxmi Vilas Bank are secured by hypothecation of stock in trade and book-debts and collateral security of equitable mortgage of Land and Building situated at Company's Texturising division at Karanj and Block no. 4 & 17 to 19 at at Karanj. First charge by way of hypothecation of machineries situated at Company's Texturising Division at Karanj and 5 POY lines situated at Block No.13 to 16. Second charge by way of mortgage and/or hypothecation of Land, Building and Machineries situated at Company's POY division at Karanj on which G.I.I.C. Ltd. & G.S.F.C. having 1st charge and personal guarantee of Directors of the Company and corporate guarantee of B.G.Jain Investment Pvt.Ltd., G.P.Shah Investment Pvt.Ltd., P.B.Jain Investment Pvt.Ltd. and Varju Investment Pvt.Ltd.

(II) The Loan for Vehicles have been secured by specific charges on the vehicles covered under the said loan.

**SCHEDULE - 5 : UNSECURED LOANS**

Agency Deposit	351.00	351.00
Suppliers Credit	3,650.00	0.00
Others	12,805.36	5,615.27
<b>TOTAL</b>	<u>16,806.36</u>	<u>5,966.27</u>

**SCHEDULE - 6 : FIXED ASSETS**

Particulars	Gross Block			Depreciation				Net Block		
	As On 1.01.09	Addition	Deduction	As On 31.12.09	As On 01.01.09	Addition	Deduction	As On 31.12.09	As On 31.12.09	As On 31.12.08
Land	49.37	0.00	0.00	49.37	0.00	0.00	0.00	0.00	49.37	49.37
Building & Godown	1385.42	0.00	0.00	1385.42	166.82	38.09	0.00	204.91	1180.52	1218.60
Plant & Machinery	7673.12	4050.00	0.00	11723.12	3159.60	458.63	0.00	3618.24	8104.88	4513.52
Electric Installation	336.41	0.00	0.00	336.41	132.17	17.76	0.00	149.93	186.48	204.25
Office Equipment	52.74	2.06	0.00	54.80	28.34	2.81	0.00	31.15	23.65	24.40
Furniture & Fixtures	50.03	1.01	0.00	51.04	45.76	3.18	0.00	48.94	2.10	4.27
Vehicles	144.20	138.27	0.00	282.47	110.82	18.38	0.00	129.20	153.27	33.38
<b>TOTAL</b>	<b>9691.29</b>	<b>4191.34</b>	<b>0.00</b>	<b>13882.63</b>	<b>3643.50</b>	<b>538.86</b>	<b>0.00</b>	<b>4182.36</b>	<b>9700.27</b>	<b>6047.79</b>
Previous Year	9285.72	405.58	0.00	9691.29	3166.31	477.19	0.00	3643.50		
Capital Work in Progress									7636.92	506.80
<b>TOTAL</b>									<b>17337.20</b>	<b>6554.59</b>

	AS AT 31.12.2008	(Rs. In Lacs) AS AT 31.12.2007
<b>SCHEDULE - 7 : INVESTMENTS</b>		
<b>LONG TERM TRADE (UNQUOTED) :</b>		
Nakoda Syntex P. Ltd. (Long Term - Non Trade) (50 Equity Share of Rs. 100/- each fully paid up)	0.05	0.05
Surat Super Yarn Park Ltd. (Long Term - Non Trade) (18000 Equity Share of Rs. 10/- each fully paid up)	56.80	4.00
Koncept Infotenment Pvt. Ltd. (18000 Equity Share of Rs. 10/- each fully paid up)	0.50	0.00
Nakoda Realities Pvt. Ltd. (5400 Equity Share of 10/- each fully paid up)	0.50	0.00
Nakoda Financial Services Pvt. Ltd. (10000 Equity Share of 10/- each fully paid up)	0.50	0.00
Nakoda Shipyard Pvt. Ltd. (900 Equity Share of 10/- each fully paid up)	0.40	0.00
<b>TOTAL</b>	<u>58.75</u>	<u>4.05</u>
<b>SCHEDULE - 8 : INVENTORIES</b>		
Raw Materials	2,743.62	2436.52
Finished goods	4,574.75	3076.02
Fuel, Oil Chemical & Packing Material and Stores Spares	401.36	361.57
<b>TOTAL</b>	<u>7,719.73</u>	<u>5,874.11</u>
<b>SCHEDULE - 9 : SUNDRY DEBTORS (Unsecured Considered Good)</b>		
Outstanding for a period exceeding six months	10.87	4.29
Others	27,706.48	20,745.89
<b>TOTAL</b>	<u>27,717.35</u>	<u>20,750.18</u>
<b>SCHEDULE - 10 : CASH &amp; BANK BALANCE</b>		
Cash & Cheque in Hand	10.45	4.75
With Schedule Bank in :		
Fixed Deposits	6,451.80	3,517.72
Current Account	42.30	22.10
<b>TOTAL</b>	<u>6,504.56</u>	<u>3,544.58</u>
<b>SCHEDULE - 11 : LOANS &amp; ADVANCES (Unsecured Considered Good)</b>		
Deposits with Govt. Authorities	4.23	4.23
Share Application Money	1,231.56	661.05
Advances Recoverable in Cash or in kind	837.14	450.69
<b>TOTAL</b>	<u>2,072.93</u>	<u>1,115.97</u>
<b>SCHEDULE - 12 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities :</b>		
Acceptances Under L/C	22,152.06	16,401.95
<b>Sundry Creditors</b>		
(1) Dues of small scale industrial undertaking(s)	2.60	6.29
(2) Other	20.55	18.87
Other Liabilities	123.32	126.01
Provision for Dividend & Tax	0.00	116.53
<b>TOTAL</b>	<u>22,298.53</u>	<u>16,669.64</u>

**SCHEDULE - 13 : SALES**

	AS AT 31.12.2009 (Rs. in Lacs)	Quantity in MT/MTR	AS AT 31.12.2008 (Rs. in Lacs)	Quantity in MT/MTR
Chips	0.00	0.000	46.21	76.000
POY	24,271.66	30762.603	21,880.07	26825.582
FDY	17,511.71	20891.417	12,786.92	16914.364
Texturised / D. T. Yarn	976.19	878.695	609.27	641.337
PFY/ YARN	22,434.36	23704.385	15,001.02	15546.282
SALT	12,579.46	4235665.000	13,642.62	4658110.000
SOYA	729.36	3320.000	2,164.59	13150.000
Fancy Shirting / Grey	24,427.99	62551632.400	14,010.48	17939609.000
<b>TOTAL</b>	<b>102,930.73</b>		<b>80,141.18</b>	

**SCHEDULE - 14 : MISCELLANEOUS INCOME**

Interest	117.53	72.04
Other Income	207.29	156.27
Insurance Claim	28.96	21.48
<b>TOTAL</b>	<b>353.79</b>	<b>249.79</b>

**SCHEDULE - 15 : CONSUMPTION OF RAW MATERIAL**

Opening Stock	2,436.52	782.20
Purchase	90,750.11	72,272.78
	93,186.63	73,054.98
Less : Closing Stock	2,743.62	2,436.52
<b>TOTAL</b>	<b>90,443.01</b>	<b>70,618.46</b>

**SCHEDULE - 16 : MANUFACTURING EXPENSES**

	Provisional Current Year	Previous Year		
Fuel Consumed			1,459.45	1,408.19
Opening Bal.	18.46	11.79		
Add : Purchase	1455.14	1414.86		
Less : Clos. Bal.	14.15	18.46		
Oil, Chemicals & Packing Material Consumed			1,039.99	1,025.40
Opening Bal.	96.27	67.41		
Add : Purchase	1125.36	1054.26		
Less : Clos. Bal.	181.64	96.27		
Repairs & Maintenance to Building			50.80	49.22
Stores spares & Maintenance to Machineries Consumed			458.12	345.84
Opening Bal.	246.84	139.74		
Add : Purchase	416.85	452.94		
Less : Clos. Bal.	205.57	246.84		
Salaries, Wages & Others Employees Benefits			293.75	258.20
Contribution to P.F. & Other Funds			37.48	25.18
Insurance Premium			36.70	28.26
Transportation & Octroi			232.82	242.91
Factory Expenses			24.00	13.34
Customs Clearing Expenses			207.09	330.47
Lease Rental Charges			622.31	458.42
<b>TOTAL</b>			<b>4,462.51</b>	<b>4,185.43</b>

**SCHEDULE - 17 : FINANCIAL CHARGES**

Interest payment on Fixed Loans	230.47	239.84
Other Loans	1,783.28	1,322.04
<b>TOTAL</b>	<b>2,013.75</b>	<b>1,561.88</b>

**SCHEDULE - 18 : ADMINISTRATIVE & SELLING EXPENSES**

Printing & Stationery	8.68	5.57
Traveling Expenses	45.32	36.28
Other Repairs & Maintenance	11.75	10.19
Postage & Telephone Expenses	19.27	17.92
Office Expenses	11.76	6.26
Rent	43.02	41.56
Legal & Professional Expenses	47.45	36.82
Directors Sitting Fees	2.73	0.30
Subscription & Membership Fees	1.38	2.87
Rates & Taxes	1.68	1.04
Donations	11.10	9.13
Staff Welfare Expenses	10.82	9.08
Audit Fee	2.66	2.25
Electricity Expenses	17.41	13.19
Advertisement & Recruitment Exp.	14.54	12.26
Listing Fee	1.23	0.80
Sales Commission	28.62	26.94
Secretarial Exp.	3.00	2.83
Vehicle Maintenance	6.16	4.69
<b>TOTAL</b>	<b>288.58</b>	<b>239.98</b>

As per our attached report of even date.

**For N. M. SINGAPURI & CO.**  
Chartered Accountants.

For and on Behalf of the Board

**N. M. SINGAPURI**  
Partner  
Membership No. 11601  
Surat, 10.05.2010

**B. G. Jain** Chairman & Managing Director  
**D. B. Jain** Joint Managing Director  
**Rashmi Bhatt** Company Secretary  
Surat, 10.05.2010

**SCHEDULE 19**
**NOTES FORMING PARTS OF THE CONSOLIDATED ACCOUNTS**
**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**
**A Basis of Consolidation :**

The Consolidated financial statements related to Nakoda Limited ('The Company') and its subsidiary company. The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary company have been combined on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting in unrealized Profits & Losses in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the institute of Chartered Accountants of India.
- In Case of forgiven subsidiary, being non-integral foreign operations, revenue item as well as. All assets and liabilities are converted at rates prevailing at the end of the year.
- The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- Exchange rate differences arises on the transaction of consolidated foreign subsidiary is classified as reserve and transferred to Foreign Currency Translation Reserve.

**B** Investments other than in subsidiary have been accounted as per Accounting Standard 13 (AS) 13 on "Accounting For Investments".

**C** Other significant accounting Policies:

These are set out under "significant accounting policies" as given in the Unconsolidated Financial Statements of the Nakoda Limited and its subsidiary.

2. Following subsidiary company has been considered in the preparation of consolidated Financial Statements:

Name of the Company	Nature of Interest	Country of Incorporation	Proportion of Ownership Interest
Nakoda Holdings Mauritius Ltd.	- Subsidiary	Mauritius	100%

3. Related Party disclosure as per accounting standard 18

- |                          |   |   |
|--------------------------|---|---|
| (a) Where control exists | - Nakoda Syntex Pvt. Ltd.                           | - Konzept Infotainment Pvt. Ltd.            |
|                          | - B. G. Jain Investment Pvt. Ltd.                   | - Nakoda Realities Pvt. Ltd.                |
|                          | - G. P. Shah Investment Pvt. Ltd.                   | - Nakoda Energy Pvt. Ltd.                   |
|                          | - P. B. Jain Investment Pvt. Ltd.                   | - Nakoda Financial Services Pvt. Ltd.       |
|                          | - Varju Investment Pvt. Ltd.                        | - Nakoda Infrastructure & Leasing Pvt. Ltd. |
|                          | - Nakoda Shipyard Pvt. Ltd.                         | - Surat Super Yarn Park Ltd.                |
|                          | - Nakoda Holdings Mauritius Ltd. Foreign subsidiary |   |



- (b) Key Management Personnel:  
 Shri B. G. Jain (Chairman & Managing Director)  
 Shri D. B. Jain (Joint Managing Director)

(c) Other related parties with whom transaction have taken place during the year: NIL

**Transaction with Related Parties**

(Rs. In Lacs)

Type of Related Party	Description of Nature of Transaction	Volume of Transaction		Outstanding as on	
		2009	2008	31st Dec 2009	31st Dec 2008
Where Control Exists	FCD Issued	NIL	NIL	NIL	NIL
	Share warrant issued	164.00	NIL	NIL	2559.60
	Investments & Loans	NIL	803.40	351.40	783.40
Key management Personnel	Remuneration etc.	54.75	33.30	5.00	NIL

4. **Contingent Liabilities :**

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Pre. Year Rs. Nil)  
 b) Outstanding guarantee furnished by Company's bankers Rs. 143.75 lacs (Pre. Year Rs. 143.75 lacs).  
 c) Claim against the Company not acknowledged as debt: Rs. NIL  
 d) Uncalled Liabilities: Rs. NIL

5. Salary and wages Rs. 29374850/- (Pre. year Rs. 2,58,20,218/-) includes remuneration paid to Directors Rs. 5475000/- (Pre year Rs. 33,30,000/-)

6. The balances of debtors, creditors, deposits, loans & advances are subject to confirmation.

7. **Auditor's Remuneration**

	Current Year Rs. :	Previous Year Rs. :
(a) As Auditor's : (including tax audit)	2,65,600	1,68,540
(b) As Advisor or in any other capacity in respect of;		
a) Company law matter:	--NIL--	--NIL--
b) Taxation matter:	--NIL--	--NIL--
c) Management service	--NIL--	--NIL--
d) in any other matter	88,240	56,460

8. **Segment Information as per Accounting Standard 17:**

A) Primary Segment Reporting (by Activity Segment) - The two identified Segments are (i) Manufacturing (ii) Trading

(Rs.in Lacs)

2009	Manufacturing	Trading	Total
<b>Segment Revenue</b>			
1 Net Income from Sales	42759.56	60171.17	102930.73
<b>Segment Result</b>			
Profit Before Interest & Tax	2806.60	1943.76	4750.36
Less : Interest	918.24	1095.42	2013.66
Total Profit/(Loss) before Tax	1888.36	848.33	2736.69
Less : Subsidiary's Profit / (Loss)			(3.80)
Exceptional items			
Profit/(Loss) after Exceptional items	1888.36	848.33	2732.89
Provision for Taxation	320.93	144.17	465.10
<b>Net Profit</b>	<b>1567.43</b>	<b>704.16</b>	<b>2267.79</b>
3 <b>Capital Employed</b>			9505.35
Capital Employed has not been identified with any of the reportable segments, as the assets used in the company's business and liabilities contracted are used interchangeable between segments.			

9. **Deferred Tax liability that has been recognised in Balance Sheet is as under:**

Deferred Tax Liability	Opening as on 01-01-09	Debit/(Credit) during the year	Closing as at 31-12-09
Unabsorbed depreciation Under Income Tax Act, 1961	(30094103)	(18315851)	(48409954)
Unabsorbed Losses Under Income Tax Act, 1961	(23055010)	—	(23055010)
<b>Total</b>	<b>(53149113)</b>	<b>(18315851)</b>	<b>(71464964)</b>

10. As required by Accounting Standard 20 on Earning Per Share Issued by the Institute of Chartered Accountants of India (ICAI) basic & Diluted Earning Per Share are calculated as under.

	31/12/2009	31/12/2008
Profit as per P&L A/c	227158294	134398607
Weighted number of Equity Share	16600000	15780000
Face Value of Share	10.00	10.00
Basic & Diluted EPS	13.68	8.52

11. Registered / installed capacity and production of each class of goods manufactured :

	Items	Units	Capacity		Production	
			Registered	Installed	Current Year	Previous Year
1.	POY <input type="checkbox"/>	MT	50000	30000 <input type="checkbox"/>	52850	42774
2.	FDY <input type="checkbox"/>			19500 <input type="checkbox"/>		
3.	Texturised Yarn	MT	650	650 <input type="checkbox"/>	858	677
4.	Draw Twisted Yarn	MT	420	420 <input type="checkbox"/>		

12. Turnover: (Rs. in 000's)

Items	Units	Current Year		Previous Year	
		Qty.	Value	Qty.	Value
POY <input type="checkbox"/>	MT	51654	41783.37	42244	34666.99
FDY <input type="checkbox"/>	MT	879	976.19	641	609.27
Texturised / D.T. Yarn					

13. Details of Raw Materials, Components, Stores, Packing Materials, Oils & Chemicals purchased or acquired during the year under audit were:

(Rs. in Lacs)

- (i) Raw Material ( Chips ) Indegineous 90443.01  
 (ii) Fuel, Oil, Chemicals, Packing Material, Components, Stores & Spares etc. 2957.56

14. Details regarding Opening Stock, Purchase, Sales, Consumption and Closing Stock.

	Chips (Kgs.)	POY/FDY (Kgs.)	Texturised (Kgs.)	PFY/ (Kgs.)	Salt (Mt)	Soya (Mt)	Fancy Shirting (Mt)
Opening Stock	2289858	94161	49474	242863	165264	9549.594	783671
Purchase	56403849	-	-	23778194	4301088	-	64445757
Transfer from Chips/POY	-	52849679	857996	-	-	-	-
<b>Total</b>	<b>58693707</b>	<b>52943840</b>	<b>907470</b>	<b>24021057</b>	<b>4466352</b>	<b>9549.594</b>	<b>65229428</b>
Sales	-	51654020	879695	23704385	4235665	3320.000	62551632
Consumption	52849679	857996	-	-	-	-	-
Wastage	2223846	-	-	-	-	680.000	-
Closing Stock	3620182	431824	27775	316672	230687	5549.594	2677796
<b>Total</b>	<b>58693707</b>	<b>52943840</b>	<b>907470</b>	<b>24021057</b>	<b>4466352</b>	<b>9549.594</b>	<b>65229428</b>

15. Value of imports on C.I.F. Basis (Rs. in 000's):  
 Raw Materials

Current Year 12724.809  
 Previous Year 28557.500

16. Earning in foreign exchange on export of goods calculated on FOB Basis (Rs. in 000's):

Current Year Rs. ---NIL---  
 Previous year Rs. ---NIL---

17. Expenditure in foreign currency (Rs. in 000's):

Current Year ---NIL---  
 Previous year ---NIL---

18. Consumption of Imported Raw Material (Rs. in 000's):

Current Year 12724.809  
 Previous year 28557.500

19. Sundry Debtors and advances include Rs. NIL due from concern in which directors of the company are directors or the members or partners in case of firm

20. Small Scale industries to whom the company owes a sum which is outstanding for more than 30 days are Rs. NIL

21. Previous year's figures have been regrouped and/or recast wherever necessary and made them comparable with the current year's figure.

22. This being first year, previous year figures are given standalone.

As per our attached report of even date.

**For N. M. SINGAPURI & CO.**  
 Chartered Accountants

For and on Behalf of the Board

**N. M. SINGAPURI**  
 Partner  
 Membership No. 11601  
 Surat, 10.05.2010

**B. G. Jain** Chairman & Managing Director  
**D. B. Jain** Joint Managing Director  
**Rashmi Bhatt** Company Secretary  
 Surat, 10.05.2010

**CONSOLIDATED CASH FLOW STATEMENT FOR THE 12 MONTHS ENDED ON  
31ST DECEMBER, 2009**

	AS AT	(Rs. In Lacs) AS AT
	31.12.2009	31.12.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	2,267.79	1343.99
Add : Depreciation	538.86	477.19
Interest	2,013.75	1561.88
Operating Profit before Working Capital Charges	4820.39	3383.06
Add / (Less) : (Increase) / Decrease in Current Assets		
Debtors	(6967.17)	(5564.61)
Inventories	(1845.62)	(2404.58)
Loans & Advances	(956.96)	(283.19)
Add / Less : Increase / Decrease in Current Liabilities & Provisions	(4949.36)	(4869.32)
Cash Generated From Operations	679.53	418.92
Interest Paid	(2033.54)	(1552.58)
Direct Taxes Paid / Fringe Benefit Tax	0.00	0.00
Net Cash Flow From Operating Activities	(1354.01)	(1133.66)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(4191.34)	(405.57)
Capital Work In Progress	(7130.13)	(506.80)
Purchase of Investments	(54.70)	(689.20)
Sales of Investments	0.00	0.00
Profit on Sale of Fixed Assets	0.00	0.00
Net Cash Flow From Investing Activities	(11376.17)	(1601.57)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increasing in Share Capital	82.00	78.00
Increasing in Share Premium	82.00	78.00
Share Application Money	(284.40)	(815.60)
Proceeds From Borrowings	4840.41	804.79
Increase in Capital Reserve	268.00	0.00
Foreign Currency Translation Reserve	(21.75)	0.00
Proceeds From Unsecured Loans	10840.10	3317.41
Dividend Paid	(116.20)	(87.75)
Net Cash Flow From Financing Activities	15690.16	3374.85
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2959.98</b>	<b>639.62</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>3544.58</b>	<b>2904.96</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6504.56</b>	<b>3544.58</b>

As per our attached report of even date.

**For N. M. SINGAPURI & CO.**  
Chartered Accountants

**N. M. SINGAPURI**  
Partner  
Membership No. 11601  
Surat, 10.05.2010

For and on Behalf of the Board

**B. G. Jain** Chairman & Managing Director  
**D. B. Jain** Joint Managing Director  
**Rashmi Bhatt** Company Secretary  
Surat, 10.05.2010

**Statement Pursuant to Section 212 (1) (e) of the Companies Act, 1956, relating to Company's Interest in subsidiary Company viz Nakoda Holdings Mauritius Ltd., Mauritius**

1	The Financial Year of subsidiary Company the ended on	31/12/2009
2	Extent of interest of Holding Company at the end of the Financial year of the subsidiary	
	a) Extent of interest of Nakoda Limited (Holding Company) in the subsidiaries at the end of financial year of the subsidiary	100.00%
	b) Extent of interest of Nakoda Holdings Mauritius Ltd. (Subsidiary Company) in Gerback Holding Pte. Ltd., Singapore.	-
	c) Extent of interest of Gerback Holding Pte. Ltd., Singapore in Indo-Korean Petrochem Ltd., Korea.	-
3	The net aggregate amount of the subsidiary's Profit/(Loss) so far as it concern, the members of Holding Company.	
	a) Not dealt with in the Holding Company's accounts.	
	i) For the financial year ended as on 31st December, 2009	NIL
	ii) For the previous financial year of the subsidiary Company	NIL
	b) Dealt with in the Holding Company's accounts.	
	i) For the financial year ended as on 31st December, 2009	Rs.(3.80 Lacs)
	ii) For the previous financial of the subsidiary since it became the Holding Company's subsidiary.	NIL

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**NAKODA HOLDINGS MAURITIUS LIMITED****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

This report is made solely to the members of Nakoda Holdings Mauritius Limited (the "Company"), as a body, in accordance with the Companies Act 2001. My Audit work has been undertaken so that I might state to the Company's members those matters I am required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for my audit work, for this report, or for opinions I have formed.

**Report on the Financial Statements**

I have audited the Financial Statements of Nakoda Holdings Mauritius Limited on pages 3 to 11 which comprise the Balance Sheet at December 31, 2009 the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

*Directors' Responsibility for the Financial Statements*

The directors are responsible for the preparation and fair presentation of this financial statement in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are responsible in the circumstances.

*Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error in making those risk assessments, the auditors consider 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 accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

In my opinion, the financial statements give a true and fair view of the financial position of the Company at December 31, 2009, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

**Dwarka SOOCHIT F.C.C.A.**  
Certified Accountant

La Forge Avenue,  
Palma Road,  
Quatre Bornes,  
Mauritius.

Date : 30.04.2010

**NAKODA HOLDINGS MAURITIUS LIMITED**  
**BALANCE SHEET AS AT DECEMBER 31, 2009**

	NOTES	<u>2009</u> USD
<b>ASSETS</b>		
<b>Non- Current Assets</b>		
Available-for-Sale Investments	4	999,992
		<u>999,992</u>
<b>Current Assets</b>		
Cash at Bank		1,805
		<u>1,805</u>
<b>Total Assets</b>		<u><u>1,001,797</u></u>
 <b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share Capital	5	100
Retained Earnings		(8,453)
Shareholder's Interest		<u>(8,353)</u>
<b>Non Current Liabilities</b>		
Borrowings	6	2,000
Advances and Application Monies	7	999,900
		<u>1,001,900</u>
<b>Current Liabilities</b>		
Account Payable	8	8,250
		<u>8,250</u>
<b>Total Equity and Liabilities</b>		<u><u>1,001,797</u></u>

Virrsing Ramdeny  
 DIRECTORS

Koosoom Newoor  
 DIRECTORS

**INCOME STATEMENT**
**FOR THE PERIOD JULY 10, 2009 TO DECEMBER 31, 2009**

	NOTES	2009
		USD
<b>REVENUE</b>		
Interest Received		-
<b>EXPENSES</b>		
Administrative Expenses		7,250
Bank Charges		203
Accounting and Audit fees		1,000
		8,453
<b>LOSS FOR THE PERIOD</b>		(8,453)
<b>PROFIT/(LOSS) BROUGHT FORWARD</b>		-
<b>LOSS CARRIED FORWARD</b>		(8,453)
<b>EARNINGS/(LOSS) PER ORDINARY SHARE</b>	10	(8,453)

**CASH FLOW STATEMENT**
**FOR THE PERIOD JULY 10, 2009 TO DECEMBER 31, 2009**

	NOTES	<u>2009</u>
		USD
<b>Operating Activities</b>		
Cash generated from operation	11(a)	(203)
Net cash generated from Operation Activities		<u>(203)</u>
<b>Investing Activities</b>		
Purchase of Investment		(999,992)
Net Cash Flow from Investing Activities		<u>(999,992)</u>
<b>Financial Activities</b>		
Proceeds from Issue of Shares		100
Loan Received		2,000
Advances and Share Application Monies		999,900
Net Cash Flow from Financial Activities		<u>1,002,000</u>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>		<u><u>1,805</u></u>
<b>Cash and Bank Balances as at 31 December</b>		
Cash at Bank	11(b)	1,805
<b>LESS : Cash and Bank Balance previous year</b>		
Cash at Bank		-
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>		<u><u>1,805</u></u>



## NOTES TO THE FINANCIAL STATEMENTS

### 1. COMPANY PROFILE

Nakoda Holdings Mauritius Limited is a limited liability company incorporated and domiciled in Mauritius and has been granted a Category 1 Global Licence under the Financial Services Act, 2007.

The address of its registered office is Suite G12, St. James Court, St. Denis Street, Port Louis, Mauritius.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

#### (a) Basis of preparation

The financial statements have been prepared under the Historical Cost Convention adjusted to fair value where applicable, and in accordance with International Financial Reporting Standards (IFRS).

The functional and presentation currency of the financial statements are US Dollar (USD) rounded to the nearest US Dollar.

The preparation of financial statements in accordance with IFRSs required the directors and management to exercise judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosure in the financial statements. Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual could differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgment that have a significant effect on the amounts recognized in the financial statements, or estimates and assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### (b) Adoption of New and Revised Standards

In the current period, the Company has adopted all of the new and revised IFRS and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 10 July 2009. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the Company's accounting policies.

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- IAS 1 Presentation of Financial Statement- Amendments resulting from April 09 Annual improvements to IFRS
- IAS 7 Statement of Cash Flows- Amendments resulting from April 09 Annual Improvements
- IAS 17 Leases- Amendments resulting from April 09 Annual Improvements
- IAS 24 Related Party Disclosures- Revised Definition of Related Parties.
- IAS 27 Consolidated and Separate Financial Statements- Consequential amendments arising from amendments to IFRS 3
- IAS 28 Investments in Associates- Consequential amendments arising from amendments to IFRS 3
- IAS 31 Investments in Joint Ventures- Consequential amendments arising from amendments to IFRS 3
- IAS 32 Financial Instruments- Presentation- Amendments relating to puttable instruments and obligations arising on liquidation.
- IAS 36 Impairment of Assets- Amendments resulting from April 09 Annual Improvements.
- IAS 38 Intangible Assets- Amendments resulting from April 09 Annual Improvements
- IAS 39 Financial Instruments- Amendments resulting from April 09 Annual Improvements.
- IFRS 1 First-time adoption of IFRS- Disclosure of first-time adopters
- IFRS 2 Share Based Payment- Amendment relating to group cash-settled Share based payment transactions.
- IFRS 3 Business Combinations- Comprehensive revision of applying the acquisition method
- IFRS 8 Operating Segments- Amendments resulting from April 09 Annual Improvements
- IFRI 17 Distributions of Non-cash Assets to Owners
- IFRI 18 Transfers of Assets from Customers
- IFRI 19 Extinguishing Financial Liabilities with Equity Instruments

The directors anticipate that the adoption of these Standards and Interpretations in future period will have no material impact on the financial statements of the Company.

#### (c) Impairment

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

#### (d) Revenue Recognition

Dividend income is recognized when the Company's right to receive payment is established. Interest income is recognized when the amount is actually credited in the Company's account.

#### (e) Provisions

Provisions are recognized when the Company has a present or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

#### (f) Related Parties

Related parties are individuals and enterprises where the individual or enterprise has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

#### (g) Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the date of the transactions. Foreign exchange gains and losses resulting from the transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Income Statement.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

#### (h) Financial Instruments

The Company's accounting policies in respect of the main financial instruments are set out below:

##### (i) Borrowings

Borrowings are recorded at the proceeds received.

##### (ii) Payables

Payables are stated at their nominal value.

##### (iii) Available-for-Sale Investments

###### Initial recognition

Investment in shares is recognized on a trade-date basis and is initially measured at cost. They are included in non-current assets.

###### Subsequent recognition

Available-for-sale investment is measured at subsequent reporting date at fair value. Unrealised gains and losses on such investment is recognized directly in equity, until the investment is disposed of or found to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the Income Statement for the period.

##### (iv) Equity Instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### (i) Comparative Figures

Comparative figures have been restated whenever necessary to confirm with changes in presentation or in accounting policies.

### 3. FINANCIAL RISK FACTORS

- 3.1 The Company's activities expose it to a variety of financial risks, including:  
 liquidity risk

\* foreign exchange risk.

A description of the significant risk factors is given below together with the risk management policies applicable.

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash marketable funding through an adequate amount of committed credit facilities. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

**Foreign Exchange Risk**

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

3.2 **Fair Value Estimation**

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair value. The fair value of Financial Instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of Financial Instruments that are not traded in an active market is determined based on assumptions of market conditions existing at each balance sheet date.

4. **AVAILABLE FOR SALE INVESTMENTS**

				<u>2009</u>
				USD
At July 10				
Acquisition				999,992
<b>At December 31</b>			<b>USD</b>	<u><u>999,992</u></u>
Details of investments as at 31 December 2009 are as follows:				
<b>Equity shares</b>	<b>Type of Share</b>	<b>Number of Share</b>	<b>%holding</b>	<b>Fair Value USD</b>
Gerback Holdings Pte. Ltd.	Equity			999,992
				USD <u><u>999,992</u></u>

5. **SHARE CAPITAL**

				<b>Issued &amp; Fully paid</b>
				<u>2009</u>
				USD
1 ordinary share of USD 100				USD <u><u>100</u></u>

6. **BORROWINGS**

				<u>2009</u>
				USD
Shareholders' Loan				USD <u><u>2,000</u></u>

7. **ADVANCES AND APPLICATION MONIES**

				<u>2009</u>
				USD
Nakoda Limited				999,990
			<b>USD</b>	<u><u>999,990</u></u>

These advances and application monies are towards share application in the Company.

8. **ACCOUNTS PAYABLE**

				<u>2009</u>
				USD
Other Payable and accruals				8,250
			<b>USD</b>	<u><u>8,250</u></u>

The carrying amounts of other payables approximate their fair value.

9. **TAXATION**

The Company is liable to income tax in Mauritius on its chargeable income at 15%. It is, however, entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritius tax on its foreign source income. For the period ended 31 December 2009, the Company has an accumulated tax loss.

10. **(LOSS) / EARNINGS PER SHARE**

Basic Loss per share is based on loss for the period before extraordinary items of USD 8,445 and 1 equity share in issue throughout the period ended 31 December 2009.

11. **NOTES TO THE CASH FLOW STATEMENT**

				<u>2009</u>
				USD
<b>(a) Cash generated from operations</b>				
Reconciliation of profit before taxation				
to cash generated from operations:				
Loss before taxation				(8,453)
Adjustments for:				
Changes in working capital:				
- Accounts Payable				8,250
Cash generated from operations			<b>USD</b>	<u><u>(203)</u></u>
<b>(b) Cash and cash equivalents</b>				<u>2009</u>
				USD
Cash at bank				1,805
			<b>USD</b>	<u><u>1,805</u></u>

12. **FINANCIAL INSTRUMENTS**

**Fair Values**

The carrying amounts of the available for sale investments, Cash equivalents, Borrowings and payables approximate their fair values.

**NAKODA LIMITED**

Registered Office: Block No. 1&12 to 16, Village - Karanj, Taluka -Mandvi, Dist.- Surat

**PROXY FORM**

Folio No. / Client ID \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of the

above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company, to be held at \_\_\_\_\_ and at adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.



Signature:

Note: Proxy Forms must reach the Company's Registered Office not less than 48 hours before the meeting.

------(TEAR HERE)-----

(TEAR HERE)

**NAKODA LIMITED**

Registered Office: Block No. 1&12 to 16, Village - Karanj, Taluka -Mandvi, Dist.- Surat

**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (In Block Letters)	Folio No. / Client ID
Name of Proxy (In Block Letters) (To be filled in if the Proxy attends instead of the Member)	

number of Shares held:

I hereby record my presence at the 25<sup>th</sup> Annual General Meeting of the Company held at, Block No. 1&12 to 16, Village - Karanj, Taluka -Mandvi, Dist.- Surat at 12.30 P. M. on Thursday, the 10<sup>th</sup> June, 2010.

-----  
Member's/Proxy's Signature  
(To be signed at the time of handling over this slip)



If undelivered, Please return to :

**NAKODA LIMITED**  
A-701, International Trade Centre,  
Majura Gate, Ring Road, Surat 395002