



**Annual
Report
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NAKODA LIMITED
Annual Report 2012

BOARD OF DIRECTORS

| | |
|----------------------|------------------------------|
| Mr. B. G. Jain | Chairman & Managing Director |
| Mr. P. P. Vora | Director |
| Mr. P. J. Shah | Director |
| Mr. S. K. Bhoan | Director |
| Mr. B. L. Maheshwari | Director |
| Mr. Ishtiaq Ali | Director |
| Mr. Arvind Sinha | Director |
| Dr. J. A. Prem | Director |
| Mrs. P. B. Jain | Director |
| Mr. D. B. Jain | Jt. Managing Director |

COMPANY SECRETARY

Mrs. Rashmi Bhatt

AUDITORS

N. M. Singapuri & Co.
Chartered Accountants,
Surat - 395 001

REGISTERED OFFICE & MANUFACTURING FACILITY

Block No. 1&12 to 19,
Village - Karanj ; 394 110
Taluka - Mandvi,
Dist. - Surat

ADMINISTRATIVE OFFICE

A-701, International Trade Centre,
Majura Gate, Ring Road,
Surat -395 002

CORPORATE OFFICE

15B, 15th Floor, Earnest House,
194, Nariman Point,
Mumbai - 400 021

BANKERS

Canara Bank
Corporation Bank
State Bank of Patiala
Syndicate Bank
UCO Bank
Indian Overseas Bank
Karur Vysya Bank Ltd.
Union Bank of India
Lakshmi Vilas Bank Ltd.
Axis Bank Ltd.
Andhra Bank

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the members of **NAKODA LIMITED** will be held on Tuesday 25th June 2013 at 11.30 A. M. at the Company's Registered Office at Block No. 1 & 12 to 16, Village - Karanj, Taluka -Mandvi, Dist.- Surat – 394110.

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Accounts for the year ended on 31st December 2012 together with the reports of the Directors and Auditors thereon.
- To appoint a Director in place of Sh. S. K. Bhoan who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Sh. D. B. Jain who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Sh. B. L. Maheshwari who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Auditors and to fix their remuneration.
- To declare dividend.

SPECIAL BUSINESS:

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

7. As An Ordinary Resolution

"RESOLVED THAT in accordance with the provisions of Section 198,269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the members be and is hereby accorded to the re-appointment of Shri D. B. Jain as Joint Managing Director of the Company, for a period of 5(five) years with effect from July 01, 2013 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors of
 Nakoda Limited
Rashmi Bhatt
 Company Secretary

Place: Mumbai
 Date: 11.05.2013

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 Board of Directors at its meeting held on 27th February 2013 has recommended a dividend of Rs. 0.25 per equity share of Rs. 5/- each for the financial year ended 31st December 2012. Dividend, if declared, at the Annual General Meeting, will be paid by the Company on or before 20th July 2013.
- The Register of Members and Share transfer Books of the Company will remain closed from 18th June 2013 to 25th June 2013 (both days inclusive).
- As required in the terms 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, 3, 4 & 7 is given in Annexure-A.
- 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.
 - to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting, in case they hold shares in dematerialized form.
 - to forward their queries, if any, so as to reach the Administrative Office of the Company on or before 21st June, 2013 enabling the management to keep the information ready.
- The members are requested to intimate immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts or to the company's Share Transfer Agent, MCS Ltd., if the shares are held by them in physical form.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 7

The Board of Directors of the Company (the 'Board'), at its meeting held on 11th May 2013 has, subject to the approval of Members, re-appointed Sh. D. B. Jain as Joint Managing director, for a further period of 5(Five) years from the expiry of their present term, which will expire on June 30, 2013 on the remuneration approved by the Board.

It is proposed to seek Members' approval for the re-appointment of and remuneration payable to, Shri D. B. Jain, as Joint Managing Director, in terms of the applicable provisions of the Companies Act, 1956("the Act").

Broad particulars of the terms of re-appointment of and remuneration payable to Shri D. B. Jain are as under:

(a) Salary, Perquisites and Allowances per annum

(Rs. In Lacs)

| Name | Salary | Perquisites & Allowances |
|----------------|------------|--|
| Sh. D. B. Jain | 3,50,000/- | * Perquisites restricted to an amount equal to the annual salary |

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilization of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; medical insurance and such other perquisites and / or allowances. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. The Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Law, gratuity payable and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

(b) Reimbursement of Expenses

Reimbursement of expenses incurred for travelling, boarding and lodging including for their respective spouses and attendant(s) during business trips; provision of car for use on the Company's business; telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites.

(c) General

The Joint Managing Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall authority of the Chairman & Managing Director.

The Joint Managing Director shall adhere to the Company's Code of

Business Conduct and Ethics for Directors and Management personnel.

Shri D. B. Jain satisfies all the conditions set out in Part – 1 of Schedule XIII to the Act for being eligible for the re-appointment. He is not disqualified from being appointed as director in terms of Section 274(1)(g) of the Act.

The above may be treated as an abstract of the terms of re-appointment of Shri D. B. Jain under Section 302 of the Act.

Shri D. B. Jain is interested in the resolution as set out at item no. 7 of the Notice which pertains to his re-appointment and remuneration payable to him. Further, Shri B. G. Jain, Chairman & Managing Director and Smt. P. B. Jain, Director may be deemed to be concerned or interested in the resolution pertaining to the re-appointment of, and remuneration payable to Shri D. B. Jain as they are related to each other. Save and except the above, none of the other Directors of the Company is in any way, concerned or interested in the resolution.

The Board recommends the resolution as set out at item no. 7 of the Notice for your approval.

By Order of the Board of Directors of
 Nakoda Limited
Rashmi Bhatt
 Company Secretary

Place: Mumbai
 Date: 11.05.2013

Annexure-A

Details of Directors seeking appointments / re-appointments at the 28th Annual General Meeting (Pursuant to Clause 49(IV)(E) 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 | Finance & Textiles |
| | Directorships held in other Public companies | Nakoda Green Power Limited |
| 2 | Name of the Director | Sh. D. B. Jain |
| | Date of Birth | 07.04.1978 |
| | Date of Appointment | 29.07.2000 |
| | Qualifications | M.B.A.-Finance |
| | Expertise in specific functional area | Textile & Finance |
| | Directorships held in other Public companies | Surat Super Filament Limited Nakoda Green Power Limited |
| 3 | Name of the Director | Sh. B. L. Maheshwari |
| | Date of Birth | 30.01.1960 |
| | Date of Appointment | 28.04.2006 |
| | Qualifications | B.Com., F.C.A. |
| | Expertise in specific functional area | Finance |
| | Directorships held in other Public companies | Century Aluminum Mfg. Co. Ltd. |

DIRECTORS REPORT

Your Directors have pleasure in presenting their 28th Annual Report together with the Audited Accounts for the year ended 31st December 2012.

FINANCIAL RESULTS

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

| (Rs. In Cr) | | |
|--|----------------|---------|
| Year Ended 31 st December 2012 | 2012 | 2011 |
| Turnover & Other Income | 2586.68 | 2145.70 |
| Gross Profit (before Financial Charges & Depreciation) | 133.73 | 110.13 |
| Interest & Financial Charges | 46.60 | 35.65 |
| Profit before Depreciation (Cash Profit) | 87.13 | 74.48 |
| Depreciation | 27.54 | 25.84 |
| Profit for the year | 59.59 | 48.64 |

FINANCIAL HIGHLIGHTS

The Gross Income of the Company for the year rose to Rs. 2586.68 Cr from Rs. 2145.70 Cr during the previous year showing a growth of 20.55%. Gross Profit (before Financial Charges and Depreciation) grew by 21.43% and stood at Rs. 133.73 Cr for the year compared to Rs. 110.13 Cr during the previous year; Profit for the year grew at an impressive rate of 22.51% and was registered at Rs. 59.59 Cr against Rs. 48.64 Cr during the previous year. The Company, accordingly, exhibited an all round improved performance with handsome growth.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 0.25 per equity share of Rs.5 each for the year ended 31st December, 2012 for your consideration.

The Dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear on the register of members of the Company as on the Book closure date.

OPERATING RESULTS

The year 2012 was another year of growth for the Company. Your Company showed an improvement in business as compared to the previous year despite high raw material and fuel prices. Your Company recorded 20.55% growth in net revenue at Rs. 2586.68 Cr from Rs. 2145.70 Cr last year, which enabled the Company to maintain its track record of sustained year-on-year growth. The growth in revenue was largely driven by higher sales volumes, aided by new capacities of POY, FDY & DTY of about 60000 MTPA which commenced commercial production during the year.

EXPANSION PROGRAMME

Your Company is setting up a 2,80,000 MTPA plant comprising of Continuous Polymerisation, Direct Melt Spinning for the manufacture of POY and FDY in the denier range of 30 to 500 having 12 to 578 filaments in Bright, Semi-dull, Full-dull, Cationic and Dope-dyed yarns at new location. After the completion of the Expansion Project, Nakoda will be in a position to cater to the entire range of Polyester yarns in the domestic as well as international market. The project is estimated to cost Rs. 1746 Cr. and is proposed to be financed by a mix of equity, internal resources and also long term debts. The required equity for the same is already raised through GDRs and fully committed through preferential allotments to the promoters and strategic investors.

CAPITAL STRUCTURE

During the year under review, the share capital of your Company was changed / altered by further allotments as under:

Company has issued and allotted 4,86,00,000 equity shares of Rs. 5/- each at a premium of Rs. 5/- per equity share on conversion of 97,20,000 Warrants of Rs. 50/- each on 30.03.2013 to the Promoters' Group of the Company and Non-promoter investors.

It has also issued and allotted 2,92,00,000 Warrants of Rs. 100/- each convertible into 29,20,00,000 equity shares of Rs. 5/- each at a premium of Rs. 5/- per equity share (i.e. 10 Equity Shares for each Warrant allotted) within 18 months from the date of allotment i.e.

18.01.2013 to the Promoters' Group of the Company and Non-promoter investors.

SUBSIDIARY COMPANIES

A statement in respect of each of the subsidiaries, giving the details of capital, reserves, total assets and liabilities, details of investment, turnover, profit before taxation, provision for taxation, profit after taxation and proposed dividend is attached to this report.

Annual accounts of subsidiary companies and the related detailed information will be made available to the holding and subsidiary company investors, seeking such information. Copies of the annual accounts of the subsidiary companies are available for inspection by any investor at the registered Office as well as the Administrative office of the company between 11.00 a.m. to 1.00 p.m. on all working days.

DIRECTORS

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

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

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

The Board has proposed reappointment of Sh. D. B. Jain as Joint Managing Director of the company for a period of five years w.e.f. 1st July 2013.

INTERNAL CONTROL SYSTEMS

The Company has put in place adequate and effective system solutions to manage internal controls to ensure that all company assets and interests are safeguarded properly. All transactions are recorded, authorized and approved properly. Reliability and accuracy of accounting data are ensured with proper checks and balances for complying with various statutory requirements. The company has implemented SAP, a world class process to strengthen our Information Technology system and business processes and gone live on 03.01.2012. SAP is a comprehensive tool which enables the company to do the business in a more efficient and systematic manner.

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 at Karanj. A safety committee has been formed consisting of group of persons from different departments which overlooks safe working conditions.

The company has provided Safety Helmets, Safety belts with full attachments, Gloves, Aprons, Shoes etc as personal protective equipments, Fire alarm system is attached to security office and various other measures are taken for the safety of employees. Safety training and awareness programmes are being conducted throughout the year.

Your Company has complied with various emission standards and other environmental requirements as per pollution control norms.

LISTING

Equity Shares of your Company are listed on the Mumbai Stock Exchange and National Stock Exchange of India Ltd. Annual listing fees have been paid to the Stock Exchanges. GDRs are listed on Luxembourg Stock Exchange.

EMPLOYEES

The relations with the employees have been cordial throughout the year under review. Your Directors place on record their sincere appreciation in respect of the services rendered by the employees of the Company at all levels.

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.

HUMAN RESOURCE DEVELOPMENT (HRD)

The company has a strength of 825 permanent employees. Human Resource Development continued to receive focused attention. Industrial relations continued to be cordial throughout the year.

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.

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.

DIRECTORS RESPONSIBILITY STATEMENT

Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) 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;
- (iii) 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;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

We wish to express our gratitude and appreciation for the valuable support and cooperation received from our customers, business associates, banks, financial institutions, shareholders, various statutory authorities and agencies of Central and State Governments. We place on record our appreciation of the contribution made by employees at all levels.

Place: Mumbai
Date : 11.05.2013

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

MANAGEMENT DISCUSSION & ANALYSIS

Industry Review

Domestic MMF industry is mainly driven by Polyester & Viscose. MMF is primarily used to produce blended fabrics and 100 percent cotton fabrics, which are, in turn, used in readymade garments, home textiles and other industrial textiles.

Manmade Fibres contribute to 67% of global fibre basket with cotton at 31%. Over the year, Natural fibres have lost significant market share to MMF mainly on account of the uncertainty in the availability of cotton and growing popularity of polyester.

The high volatility in cotton prices and ambiguous outlook forced downstream players to opt for polyester due to lesser price volatility and greater reliability of steady supplies of polyester.

As in the past both demand and supplies are expected to grow steadily.

Opportunities, Threats & Future Outlook

CITI said that increasing cost of production in China has opened up huge opportunities for Indian Man-Made Fibre based textile industry to expand its market share.

Polyester has overtaken cotton as the dominant fibre, but the cost and availability still plays a significant role in the inter-fibre substitution. Rising crude oil prices and moderating cotton prices will lead the polyester industry to grow at a slower rate in the near future.

Textiles, which is the country's second largest employment generating sector after agriculture, employs over 4 crore people has been hit hard since the global economic slowdown in 2008. It is also facing problems of risk in raw material prices and high cost of credit.

India's textile exports declined 5.9% year to year during April – September 2012 because of slow down in major markets like the US & Europe.

A resilient Indian economy with inclusive growth encompassing all round rural development should ensure increased demand for textiles and polyester textiles in particular. Polyester filament fabric owing to its low-cost, versatility of characteristics, durability and wrinkle –resistance as well the very low per-capita consumption holds outstanding potential in India. Creation of new capacities in polyester yarn and chips may out-pace demand growth in the next 1-2 years. It may lead to price instability and pressure on profit margins. Yet the medium to long term projections for the industry is widely expected to be growth in demand. Your company's price-premium for the vast majority of its products and capacity expansion in chips and yarn will yield benefits in times to come.

Risks and Concerns

Your Company remains exposed to adverse movements in raw material prices. Large changes in prices tend to cause uncertainty and reduce domestic demand for polyester filament yarn. Nakoda's emphasis on specialty value-added products, diversified product line, strong marketing capabilities, and brand premium should partly offset this risk. Yet short-term inventory losses may be inevitable in the case of large price declines.

Nakoda is subject to risks arising from interest rate fluctuations. Company borrows funds in the domestic market to meet the long-term and short-term funding requirements for its operation and funding its growth initiatives. A majority of the borrowings are floating rate debt and hence are exposed to upward movement in interest rates. As such Nakoda is exposed to risks relating to rate fluctuations.

Conservation of Energy

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.

Environmental Policy

Your Company is committed to carrying out all its activities with requisite measures to protect the environment. Accordingly, your Company is committed by policy to not only abide by the prevailing legal requirements but also to have a futuristic approach in carrying out continuous improvement in this regard.

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

| | AS AT 31.12.2012 | AS AT 31.12.2011 |
|--|---------------------|---------------------|
| A. POWER AND FUEL CONSUMPTION | | |
| Electricity (Hathuran Texturising Plant) | | |
| Purchased Units (In 000's) | 3801.91 | 2085.15 |
| Total Amount (Rs. In Lacs) | 224.30 | 104.67 |
| Rate / Unit (Rs.) | 5.90 | 5.02 |
| (Excluding Electricity Duty) | | |
| Own Generation | | |
| i) Through Diesel | | |
| Generator Units (In 000's) | 346.26 | 3962.79 |
| Unit per liter of HSD/LDO/FO | 3.41 | 3.82 |
| Cost/Unit (Rs.) | 9.89 | 7.76 |
| ii) Through Gas | | |
| Engine Units (In 000's) | 51264.00 | 43340.96 |
| Unit per scm | 2.90 | 3.35 |
| Cost/Unit (Rs.) | 5.13 | 4.03 |
| B. CONSUMPTION PER UNIT OF PRODUCTION | | |
| | KWH/KGS | KWH/KGS |
| Products | | |
| Chips, POY, FDY & Texturised Yarn | 0.37 | 0.45 |

FORM – B

A. RESEARCH AND DEVELOPMENT

- Specific area in which R & D carried out by the Company : Not Applicable
- Benefits derived as a result of above R & D : Not Applicable
- Future plan of Action : Not Applicable
- Expenditure on R & D : Not Applicable

B. Technology absorption adoption and Innovation:

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.

- C. Foreign Exchange Earnings : Rs. 257.46 Lacs
 Foreign Exchange Outgo : Rs. 19.78 Lacs

For and on behalf of the Board of Directors

Place: Mumbai
 Date : 11.05.2013

B. G. Jain
 Chairman & Managing Director

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Nakoda is committed to do business in an efficient, responsible, honest and ethical manner. The core values of the Company's Governance process includes independence, integrity, accountability, transparency, responsibility and fairness. The Company is committed to transparency in all its dealings and places high emphasis on business ethics. The basic philosophy of corporate Governance in the Company is to achieve business excellence and dedication to increase long term shareholder's value.

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.

2. BOARD OF DIRECTORS

A. Composition of the Board

The present strength of the Board of Directors is 10 inclusive of Chairman and Managing Director, Joint Managing Director. Six Board Meetings were held during the year 2012 and all the operational and statutorily required information were placed before the Board. The details of the composition of the existing Board of Directors is given below:

| Sr. No. | Name of the Director | PD/NPD | ED/ NED/ ID* | Attendance In Board Meeting | | Other Board | |
|---------|----------------------|--------|--------------|-----------------------------|----------|--------------|---|
| | | | | Held | Attended | Directorship | Committee Membership** (Including Chairmanship) |
| 1 | Sh. B. G. Jain | PD | ED | 6 | 6 | 2 | 1 |
| 2 | Sh. D. B. Jain | PD | ED | 6 | 4 | 2 | 3 |
| 3 | Smt. P. B. Jain | PD | NED-ID | 6 | 5 | 1 | 1 |
| 4 | Sh. B. L. Maheshwari | NPD | NED-ID | 6 | 5 | 1 | 1 |
| 5 | Sh. S. K. Bhoan | NPD | NED-ID | 6 | 6 | 2 | 1 |
| 6 | Sh. P. J. Shah | NPD | NED-ID | 6 | 3 | 1 | 1 |
| 7 | Sh. P. P. Vora | NPD | NED-ID | 6 | 6 | 13 | 10 |
| 8 | Sh. Arvind Sinha | NPD | NED-ID | 6 | 6 | 1 | -- |
| 9 | Sh. Ishtiaq Ali | NPD | NED-ID | 6 | 4 | -- | -- |
| 10 | Dr. J. A. Prem | NPD | NED-ID | 6 | 4 | -- | -- |

*PD – Promoter Director, NPD – Non Promoter Director, ED – Executive Director, NED–Non Executive Director, ID–Independent Director

** In Audit, Management and shareholder's Committees of Indian Public Limited Companies

B. Board Meetings held during the year 2012.

The Board meets at regular intervals to discuss and decide on various issues including strategy related matters pertaining to the business / Company.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the board to take informed decisions and to discharge its functions effectively. Where it is not practicable to attach the relevant information as a part of agenda papers, the same are tabled at the meeting or / and the presentations are made by the concerned persons to the Board.

C. During the year 2012, the Board met six (6) times. Details of these meetings are as follows: -

| Sr. no. | Date of Meeting | Board Strength | No. of Directors Present |
|---------|-----------------|----------------|--------------------------|
| 1 | 05.01.12 | 10 | 8 |
| 2 | 08.02.12 | 10 | 10 |
| 3 | 12.05.12 | 10 | 8 |
| 4 | 28.07.12 | 10 | 9 |
| 5 | 30.10.12 | 10 | 8 |
| 6 | 08.12.12 | 10 | 6 |

D. Information on Directors seeking re-appointment at the ensuing Annual General Meeting:

Brief resume of director being reappointed at the ensuing AGM, nature of his expertise in specific functional areas and names of other companies in which he holds directorship are furnished as under:

(1) Mr. D. B. Jain

Mr. D. B. Jain - Joint Managing Director of the Company has done his graduation in commerce and is an M.B.A. He joined the company in the year 2001 and is currently responsible for managing business operations and looking after the execution of various expansion projects and other allied matters.

(2) Mr. B. L. Maheshwari

Mr. B. L. Maheshwari is a Practicing Chartered Accountant with over 25 years of significant experience in the field of Finance & Taxation. He is a well known personality in the field of Financial Advisory Services / Mergers and Acquisitions. He is associated with the company for the past 20 years.

(3) Mr. S. K. Bhoan

Mr. Bhoan, B.Tech. In Textile Technology Engineering and has over 40 years of experience in the Textile Industry, Textile Research Institutions and Financial Institutions. He has worked in IFCI as General Manager in the Project Finance Division and had also been successfully practicing as financial consultant.

3. COMMITTEES OF THE BOARD

(A) AUDIT COMMITTEE

The composition of the Audit Committee as on 31st December, 2012 was as follows:

1. Sh. B. L. Maheshwari – Chairman
2. Sh. D. B. Jain – Member
3. Sh. P. J. Shah – Member

Ms. Rashmi Bhatt, Company Secretary acts as a secretary to the Audit Committee

Note:

The powers of the Audit Committee as conferred by the Board of Directors are:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee includes the overview of the Company's financial reporting process and related disclosures to ensure that the financials are correct, sufficient and credible. The Committee will also undertake the review with our management of our annual and quarterly financial statements before submission to the Board for approval. The Committee shall also review the adequacy of our internal control systems, internal audit functions and discuss any significant findings of the internal auditors.

During the year 2012, the Audit Committee met Four (4) times. Details of these meetings are as follows:

| Sr. No. | Date of Meeting |
|---------|-----------------|
| 1 | 08.02.12 |
| 2 | 12.05.12 |
| 3 | 28.07.12 |
| 4 | 30.10.12 |

Attendance of the Members at the Audit Committee Meeting during 2012 was as follows:

| Sr. No. | Name of the Audit Committee Members | Number of Audit Committee Meeting held while holding the office | Number of Audit Committee Meetings attended |
|---------|-------------------------------------|---|---|
| 1 | Sh. B. L. Maheshwari | 4 | 4 |
| 2 | Sh. D. B. Jain | 4 | 4 |
| 3 | Sh. P. J. Shah | 4 | 3 |

(B) MANAGEMENT COMMITTEE

Composition of the Management Committee as on 31st December, 2012 was as follows:

1. Sh. B. G. Jain – Chairman
2. Sh. S. K. Bhoan – Member
3. Sh. D. B. Jain – Member

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.

Management Committee met on 14.02.12, 16.03.12, 30.03.12, 17.07.12, 26.07.12, 24.09.12, 15.10.12, 19.11.12, 18.12.12 & 29.12.12 during the year under review.

(C) INVESTOR GRIEVANCE COMMITTEE

Composition of the Investor Grievance Committee as on 31st December, 2012 was as follows:

1. Smt. P. B. Jain – Chairman
2. Sh. D. B. Jain – Member
3. Sh. P. P. Vora – Member

The Committee meets half yearly to review the Investors Grievance status as submitted by the Registrar and Transfer Agent M/s MCS Ltd.

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

The status of Shareholders Complaints as on 31st December 2012 is as follows:

| Particulars | Opening as on 1 st January 2012 | Received during the Year | Disposed during the Year | Balance as on 31 st December 2012 |
|-------------------|--|--------------------------|--------------------------|--|
| No. of Complaints | Nil | 34 | 34 | Nil |

4. REMUNERATION OF DIRECTORS

The Non-Executive Directors are paid sitting fee of Rs. 10,000 for attending each Board meeting and Rs.5000/- for each committee meetings thereof. Each of the Non-Executive Directors is also paid commission amounting to Rs. 6,00,000 on an annual basis and the total commission payable to such directors shall not exceed 1% of the net profits of the company.

Sitting Fee and Commission to the Non-Executive Directors, for 2012 are as detailed below:

| Name of the Non- Executive Director | Sitting Fee | Commission | Total |
|-------------------------------------|---------------|----------------|----------------|
| Smt. P. B. Jain | 55000 | 600000 | 655000 |
| Sh. B. L. Maheshwari | 70000 | 600000 | 670000 |
| Sh. S. K. Bhoan | 60000 | 0 | 60000 |
| Sh. P. J. Shah | 45000 | 600000 | 645000 |
| Sh. P. P. Vora | 70000 | 600000 | 670000 |
| Sh. Arvind Sinha | 60000 | 250000 | 310000 |
| Sh. Ishfaq Ali | 40000 | 250000 | 290000 |
| Dr. J. A. Prem | 40000 | 250000 | 290000 |
| Total | 440000 | 3150000 | 3590000 |

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 | 4,00,000/- P.M. | * Perquisites restricted to an amount equal to the annual salary |
| Sh. D. B. Jain | 3,00,000/- P.M. | |

* Perquisites 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.

5. GENERAL BODY MEETING

A. Schedule of the last three Annual General Meetings of the Company is presented below:

General Meetings of the Company held during last three years:

| Year | Location | Date | Time | Special Resolution |
|-------------|--|----------|---------------|--|
| 2009 AGM | Block No. 1&12 to 16, Village - Karanj, Taluka - Mandvi, Dist.- Surat. | 10.06.10 | 12.30 P.M. | <ol style="list-style-type: none"> 1. Mr. P. J. Shah appointed as director of the Company. 2. Resolution for issue of equity shares and/or Equity Shares through depository receipts and/or convertible bonds and/or other securities convertible into Equity Shares. 3. Resolution for Issue of Warrants on preferential basis. 4. Alteration of MOA for enhancement in Authorised share capital. 5. Alteration of AOA for enhancement in Authorised share capital. 6. Resolution to authorize the Board of Directors to create mortgage and or charge over all or any of the company's immovable and movable assets. |
| 2010 AGM | Block No. 1&12 to 16, Village - Karanj, Taluka - Mandvi, Dist.- Surat. | 27.06.11 | 11.30 A.M. | <ol style="list-style-type: none"> 1. Mr. P. P. Vora appointed as director of the Company. 2. Alteration of articles 80(2) & 60 of the Articles of Association of the Company. 3. Resolution for payment of commission to the Non Executive Directors of the Company |
| EGM | Block No. 1&12 to 16, Village - Karanj, Taluka - Mandvi, Dist.- Surat. | 06.03.12 | 12.30 P.M. | <ol style="list-style-type: none"> 1. Resolution for Issue of Warrants on preferential basis. |
| 2011 EGM | Block No. 1&12 to 16, Village - Karanj, Taluka - Mandvi, Dist.- Surat. | 23.06.12 | 4.00 P.M. | <ol style="list-style-type: none"> 1. Alteration of MOA for enhancement in Authorised share capital. 2. Alteration of AOA for enhancement in Authorised share capital. |

B. POSTAL BALLOT

| | |
|----------|---|
| 14.03.12 | <ol style="list-style-type: none"> 1. Special resolution under Section 293(1)(a) to authorize the Board of Directors to create mortgage and or charge over all or any of the company's immovable and movable assets. 2. Special resolution under section 372A to authorise the Board of directors to make investments and to provide loan/ security / guarantee beyond the prescribed ceiling of the Act. |
|----------|---|

6. SUBSIDIARY COMPANIES

Clause 49 defines a 'material non-listed Indian Subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

As on 31st December, 2012, the company has no such material non-listed subsidiary.

7. DISCLOSURE

- 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 have 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.

8. CODE OF CONDUCT

Code of Conduct for Directors and Senior Management:

The Board of Directors of the Company has adopted a code of Conduct and made it applicable to the Board Members and Senior Management of the Company. The same has also been posted on the website of the Company.

The Board and Senior Management of the Company have affirmed compliance with the Code. The declaration by JMD to this effect has been made elsewhere in this Annual Report.

Code of Conduct for Prevention of Insider Trading:

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a code of Conduct for Prevention of Insider Trading. Company Secretary acts as the Compliance Officer. This Code of Conduct is applicable to all Directors and such other Designated Employees of the Company who can have access to unpublished price sensitive information relating to the Company.

9. MEANS OF COMMUNICATION

The financial Results of the Company are normally published in one National news paper (English) and one Regional news paper. These results can also be viewed from the Company's website www.nakodaltd.com. Further, the Financial Results and other required filings of the Company can also be viewed on the website of the Bombay Stock Exchange Limited (www.bseindia.com).

10. GENERAL SHAREHOLDER INFORMATION

| | | |
|----|--|--|
| 1. | Annual General Meeting Day, Date, Time & Venue | Saturday, the 25 th June, 2013 at 11.30A. M. at Block No. 1&12 to 16, Village - Karanj, Taluka -Mandvi, Dist. - Surat - 394 110. |
| 2. | Financial calendar December 2013 (Tentative) Annual General Meeting Results For the Quarter ended 31.03.2013 Results For the Quarter ended 30.06.2013 Results For the Quarter ended 30.09.2013 Results For the Quarter ended 31.12.2013 | : May – June 2014 : Second Week of May 2013 : Second Week of August 2013 : Second Week of November 2013 : Second Week of February 2014 |
| 3. | Date of Book Closure | 18 th June 2013 to 25 th June 2013 (both days inclusive) |
| 4. | Dividend Payment Date | On or before 20 th July 2013 |
| 5. | Registered office | Block No. 1 & 12 to 16, Village – Karanj, Taluka -Mandvi, Dist.- Surat - 394 110. |
| 6. | Listing on Stock Exchanges | Equity Shares 1. Bombay Stock Exchange Limited 2. National Stock Exchange of India Ltd. P. J. Towers, Dalal Street, Exchange Plaza, Bandra Kurla Complex, Mumbai – 400 001 Bandra (E), Mumbai - 400 051 Scrip Code : 521030 Symbol: NAKODA ISIN: INE559B01023 GDRs Luxembourg Stock Exchange, Luxembourg. Annual Listing fee for the year 2013-14 has been paid to the exchanges. As on 31 st March 2013, there were 14942 Shareholders of the Company. |

7. Stock Market data During 2012

| MONTH | SHARE PRICE | | BSE SENSEX Corresponding to Share Price | |
|-----------|-------------|-------|--|----------|
| | HIGH | LOW | HIGH | LOW |
| January | 09.90 | 8.11 | 17258.97 | 15358.02 |
| February | 12.43 | 9.05 | 18523.78 | 17061.55 |
| March | 10.75 | 8.40 | 18040.69 | 16920.61 |
| April | 11.55 | 8.75 | 17664.10 | 17010.16 |
| May | 09.20 | 7.84 | 17432.33 | 15809.71 |
| June | 08.78 | 7.85 | 17448.48 | 15748.98 |
| July | 08.78 | 7.77 | 17631.19 | 16598.48 |
| August | 08.15 | 7.35 | 17972.54 | 17026.97 |
| September | 09.50 | 7.22 | 18869.94 | 17250.80 |
| October | 11.59 | 10.15 | 19137.29 | 18393.42 |
| November | 10.80 | 08.86 | 19372.70 | 18255.69 |
| December | 10.45 | 07.95 | 19612.18 | 19149.03 |

8. Distribution of Shareholding as on March 31, 2013

| Shareholding Rs. | | Shareholders | | Share Amount | |
|------------------|--------------|--------------|---------------|-------------------|---------------|
| | | Number | % To Total | In Rs. | % To Total |
| 01 | 5000 | 9378 | 62.7627 | 21524685 | 1.7429 |
| 5001 | 10000 | 3801 | 25.4384 | 25898395 | 2.0970 |
| 10001 | 20000 | 834 | 5.5816 | 13033585 | 1.0554 |
| 20001 | 30000 | 333 | 2.2286 | 8481280 | 0.6867 |
| 30001 | 40000 | 125 | 0.8366 | 4553505 | 0.3687 |
| 40001 | 50000 | 120 | 0.8031 | 5668450 | 0.4590 |
| 50001 | 100000 | 169 | 1.1310 | 12794515 | 1.0360 |
| 100001 | And Above | 182 | 1.2180 | 1143045585 | 92.5543 |
| | TOTAL | 14942 | 100.00 | 1235000000 | 100.00 |

9. Build up of Equity Share Capital

| Date of Allotment | Nature of Allotment /Reasons | No. of Equity Shares issued | Face Value (Rs.) | Cumulative Shares | Cumulative paid-up capital |
|-------------------|------------------------------|-----------------------------|------------------|-------------------|----------------------------|
| 18.08.1985 | Initial Allotment | 10,000 | 100 | 10,000 | 10,00,000 |
| 09.02.1989 | Preferential Issue | 5,000 | 100 | 15,000 | 15,00,000 |
| 27.06.1990 | Preferential Issue | 50,000 | 100 | 65,000 | 65,00,000 |
| 17.09.1991 | Bonus 1:1 | 65,000 | 100 | 1,30,000 | 1,30,00,000 |
| 17.09.1992 | Sub Division | 0 | 10 | 13,00,000 | 1,30,00,000 |
| 17.09.1992 | Public Issue | 47,55,000 | 10 | 60,55,000 | 6,05,50,000 |
| 30.06.1997 | Preferential Issue | 49,45,000 | 10 | 1,10,00,000 | 11,00,00,000 |
| 26.08.2006 | Preferential Issue | 40,00,000 | 10 | 1,50,00,000 | 15,00,00,000 |
| 20.02.2008 | FCD Conversion | 7,80,000 | 10 | 1,57,80,000 | 15,78,00,000 |
| 21.02.2009 | Warrant Conversion | 8,20,000 | 10 | 1,66,00,000 | 16,60,00,000 |
| 04.01.2010 | Sub-Division | 0 | 5 | 3,32,00,000 | 16,60,00,000 |
| 27.01.2010 | Bonus 1:1 | 3,32,00,000 | 5 | 6,64,00,000 | 33,20,00,000 |
| 26.11.2010 | GDR Underlying Shares | 6,00,00,000 | 5 | 12,64,00,000 | 63,20,00,000 |
| 19.12.2011 | Warrant Conversion | 7,20,00,000 | 5 | 19,84,00,000 | 99,20,00,000 |
| 30.03.2013 | Warrant Conversion | 4,86,00,000 | 5 | 24,70,00,000 | 1,23,50,00,000 |

10. Corporate Benefits to Investors

a. Bonus Issue of Fully Paid up Equity Shares

| Financial Year | Ratio |
|----------------|-------|
| 1991-92 | 1:1 |
| 2009 | 1:1 |

b. Dividend declared for the past 5 years.

| Financial Year | Dividend Declaration | Dividend per share |
|----------------|----------------------|--------------------|
| 2007 | 21.01.2008 | 5% |
| 2008 | 24.06.2009 | 6% |
| 2009 | 30.09.2009 | 7% |
| 2010 | 27.06.2011 | 5% |
| 2011 | 23.06.2012 | 5% |

11. Shareholding Pattern as on March 31, 2013

| (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) |
| (A) | Shareholding of Promoter & Promoter Group | | | | | |
| 1 | Indian | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 7 | 1708400 | 0.69 | 743600 | 43.53 |
| (b) | Central Government/ State Government(S) | 0 | 0 | 0 | 0 | 0 |
| (c) | Bodies Corporate | 9 | 119385800 | 48.33 | 30000000 | 21.13 |
| (d) | Financial Institutions/ Banks | 0 | 0 | 0 | 0 | 0 |
| (e) | Any Other (Specify) | 0 | 0 | 0 | 0 | 0 |
| | Sub-Total(A)(1) | 16 | 121094200 | 49.03 | 30743600 | 25.39 |
| 2 | Foreign | | | | | |
| (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 |
| | Sub-Total(A)(2) | 0 | 0 | 0 | 0 | 0 |
| | Total Shareholding of Promoter & Promoter Group (A)=(A)(1)+(A)(2) | 16 | 121094200 | 49.03 | 30743600 | 25.39 |
| (B) | Public Shareholding | | | | N.A. | N.A. |
| 1 | Institutions | | | | N.A. | N.A. |
| (a) | Mutual Funds/UTI | 0 | 0 | 0 | 0 | 0 |
| (b) | Financial Institutions/Banks | 3 | 11400 | 0.00 | 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 |
| | Sub-Total(B)(1) | 3 | 11400 | 0.00 | 0 | 0 |
| 2 | Non-Institutions | | | | N.A. | N.A. |
| (a) | Bodies Corporate | 281 | 18906530 | 7.65 | 0 | 0 |
| (b) | Individuals- | | | | | |
| | i. Individual shareholders holding nominal share capital up to Rs. 1 lakh | 13315 | 16070842 | 6.51 | 0 | 0 |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 132 | 29837551 | 12.08 | 0 | 0 |
| (c) | Any Other (Specify) NRI | 1194 | 1514477 | 0.61 | 0 | 0 |
| | Sub-Total(B)(2) | 14922 | 66329400 | 26.85 | 0 | 0 |
| | Total Public Shareholding (B)=(B)(1)+(B)(2) | 14925 | 66340800 | 26.86 | N.A. | N.A. |
| (C) | Shares held by custodians and against which Depository Receipt have been issued | | | | | |
| 1 | Promoter & Promoter Group | 0 | 0 | 0.00 | 0 | 0 |
| 2 | Public | 1 | 59565000 | 24.12 | 0 | 0 |
| | TOTAL (C) | 1 | 59565000 | 24.12 | N.A. | N.A. |
| | Grand Total: (A)+(B)+(C) | 14942 | 247000000 | 100.00 | 30743600 | 12.45 |

12. Dematerialization and Liquidity of shares
The equity shares of the Company are traded in the B Group at the Mumbai stock Exchange. 19,43,03,620 shares being 78.67% of equity shares of the Company are dematerialized.
13. 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.
14. National Electronic Clearing Services (NECS)
Company is providing facility of "National Electronics Clearing Services" (NECS) for payment of dividend to shareholders. Shareholders holding shares in physical form are requested to provide details of their bank account for availing NECS facility. However, if the shares are held in dematerialized form, the NECS mandate has to be communicated to the respective Depository Participant (DP). Changes, if any, in the details furnished earlier may also be communicated to the company or DP, as the case may be.
15. Secretarial Audit
A Practicing Company Secretary carried out secretarial audit in each of the quarter in the financial year 2012, 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.
16. Outstanding GDRs, ADRS, Warrants or any Convertible Instruments etc.:
GDRs: Outstanding 19,85,500 GDRs as on March 31, 2012 represents 5,95,65,000 equity shares constituting 24.12% of the paid up Equity Share Capital of the Company. Each GDR represents thirty underlying equity shares in the Company. GDR is not a specific time-bound instrument and can be surrendered any time and converted into the underlying equity shares in the Company. The shares so released in favour of the investors upon surrender of GDRs can either be held by the investors concerned in their name or sold off in the Indian secondary markets for cash. To the extent of the shares so sold in Indian markets, GDRs can be reissued under the available head room.
Nakoda GDRs are listed at Luxembourg Stock Exchange.
The Bank of New York Mellon is the Depository and DBS Bank Ltd. is the Custodial of all the Equity Shares underlying the GDR issued by the Company.
WARRANTS: Your Company has issued and allotted 2,92,00,000 Warrants of Rs. 100/- each convertible into 29,20,00,000 equity shares of Rs. 5/- each at a premium of Rs. 5/- per equity share (i.e. 10 Equity Shares for each Warrant allotted) within 18 months from the date of allotment i.e. 18.01.2013 to the Promoters' Group of the Company and Non-promoter investors.
17. Address for Correspondence
- | | |
|--|--|
| Registrar & Share Transfer Agent MCS LIMITED Neelam Apartment, 88, Sampatrao Colony, B/h Federation Bldg., Alkapuri, Baroda-390007 Phone : (0265) 2339397 Fax : (0265) 2341639 Email : mcsltdbaroda@gmail.com | Nakoda Limited Secretarial Department Administrative Office A- 701, International Trade Centre, Majura Gate, Ring Road, Surat -395002 Phone : (0261) 3060200 Fax : (0261) 3060222 Email : rashmi.bhatt@nakodaltd.com |
|--|--|

DECLARATION

I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the Code of Conduct for the year ended 31st December 2012, applicable to them as laid down by the Board of Directors in terms of clause 49(1)(D) of the Listing Agreement entered into with the stock exchanges.

Place: Mumbai
Date : 11.05.2013

D. B. Jain
Joint Managing Director

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, 2012, 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 31st December, 2012 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
Registration No. 110264W

Place : Surat
Date : 11.05.2013

AUDITOR'S REPORT

To the Members of Nakoda Limited,

1. We have audited the attached Balance Sheet of **NAKODA LIMITED** as at 31st December, 2012 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 31st December, 2012 and taken on record by the Board of Directors, we report that none of the Director of the Company is disqualified as on 31st December, 2012 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 31st December, 2012;
 - (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

N. M. SINGAPURI
Partner

Membership No. 11601
Registration No. 110264W

Place : Surat
Date : 27.02.2013

ANNEXURE TO AUDITORS' REPORT
(Referred to in Paragraph 3 of our report of eventdate)

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. (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) In our opinion and according to the information and explanations made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
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 31st December 2012 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 Statute | Nature of the dues | Forum where dispute is pending | Amount |
|--------|-------------------------|--------------------|-----------------------------------|--------|
| 1 | Central Excise Act 1944 | Excise Duty | CEGATE and Commissioner of Excise | 24.18 |

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 given guarantees for loans taken by others from bank or financial institutions and we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
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 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 raised Rs.26.40 Crore through promoter's Group of Company's and strategic investors.
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

N. M. SINGAPURI
 Partner

Membership No. 11601
 Registration No. 110264W

Place : Surat
 Date :27.02.2013

BALANCE SHEET AS AT 31ST DECEMBER, 2012

(Rs. in Lacs)

| Particulars | Note No. | As At 31.12.2012 | As At 31.12.2011 |
|---|----------------|--------------------|------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 9,920.00 | 9,920.00 |
| (b) Reserves and Surplus | 2 | 34,387.29 | 29,005.05 |
| (c) Money Received Against Share Warrants | 3 | 2,640.00 | - |
| | (A) | 46,947.29 | 38,925.05 |
| (2) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 4 | 52,809.22 | 34,135.91 |
| (b) Deferred tax Liability | | 1,146.67 | 1,065.08 |
| | (B) | 53,955.89 | 35,200.99 |
| (3) Current Liabilities | | | |
| (a) Short term borrowings | 5 | 1,04,904.57 | 85,317.26 |
| (b) Trade Payables | 6 | 103.80 | 84.27 |
| (c) Other current liabilities | 7 | 847.44 | 775.64 |
| | (C) | 1,05,855.81 | 86,177.17 |
| Total | (A+B+C) | 2,06,758.99 | 1,60,303.21 |
| II. ASSETS | | | |
| (1) Non-current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 8 | 59,813.69 | 40,994.35 |
| (ii) Capital work-in-progress | | 3,643.85 | 8,398.76 |
| (b) Non-Current Investments | 9 | 2,818.37 | 1,182.40 |
| (c) Long Term Loans and Advances | 10 | 41.94 | 41.94 |
| | (A) | 66,317.85 | 50,617.45 |
| (2) Current Assets | | | |
| (a) Inventories | 11 | 43,750.72 | 24,605.15 |
| (b) Trade Receivables | 12 | 70,942.21 | 58,089.60 |
| (c) Cash and Cash Equivalents | 13 | 22,522.29 | 24,509.94 |
| (d) Short-Term Loans and Advances | 14 | 2,124.76 | 1,279.41 |
| (e) Other Current Assets | 15 | 1,101.16 | 1,201.66 |
| | (B) | 1,40,441.14 | 1,09,685.76 |
| Total | (A+B) | 2,06,758.99 | 1,60,303.21 |
| Significant Accounting Policies Notes on Financial Statement | 1 to 27 | | |

As per our attached report of even date.

For N. M. SINGAPURI & CO.
Chartered Accountants

N. M. SINGAPURI
Partner
Membership No. 11601
Registration No. 110264W
Surat, 27.02.2013

For and on Behalf of the Board

B. G. Jain Chairman & Managing Director
D. B. Jain Joint Managing Director
Rashmi Bhatt Company Secretary
Surat, 27.02.2013

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST DECEMBER, 2012

(Rs. in Lacs)

| | Particulars | Note No. | As At 31.12.2012 | As At 31.12.2011 |
|------|---|----------------|--------------------|------------------|
| I. | Revenue from Operations | 16 | 2,57,785.84 | 2,13,869.71 |
| | Less : Excise Duty / Vat | | 19,417.44 | 13,241.63 |
| | | | 2,38,368.40 | 2,00,628.08 |
| II. | Other Income | 17 | 881.99 | 700.05 |
| | Total Revenue | | 2,39,250.39 | 2,01,328.13 |
| III. | <u>Expenses :</u> | | | |
| | Cost of Materials Consumed | 18 | 1,51,318.09 | 1,08,920.13 |
| | Purchase of Stock-in-Trade | | 73,370.22 | 76,299.53 |
| | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | | (4,971.20) | (299.09) |
| | Employee Benefit Expense | 19 | 786.20 | 680.99 |
| | Financial Costs | 20 | 4,659.86 | 3,565.36 |
| | Depreciation and Amortization Expense | 21 | 2,753.50 | 2,583.60 |
| | Other Expenses | 22 | 3,783.37 | 3,399.24 |
| | Total Expenses | | 2,31,700.04 | 1,95,149.76 |
| IV. | Profit Before Exceptional and Extraordinary Items and Tax | | 7,550.35 | 6,178.37 |
| V. | Profit Before Tax | | 7,550.35 | 6,178.37 |
| VI. | Tax Expense : | | | |
| | Current Tax | | 1,510.06 | 1,236.33 |
| | Deferred Tax | | 81.59 | 78.28 |
| VII. | Profit/(Loss) for the Year | | 5,958.70 | 4,863.76 |
| | Earnings per Equity Share of face value of Rs. 5 each Basic and Diluted (in Rs.) | 26 | 3.00 | 2.45 |
| | Significant Accounting Policies Notes on Financial Statement | 1 to 27 | | |

As per our attached report of even date.

For N. M. SINGAPURI & CO.
 Chartered Accountants

N. M. SINGAPURI
 Partner
 Membership No. 11601
 Registration No. 110264W
 Surat, 27.02.2013

For and on Behalf of the Board

B. G. Jain Chairman & Managing Director
D. B. Jain Joint Managing Director
Rashmi Bhatt Company Secretary
 Surat, 27.02.2013

Notes on Financial Statement for the Period ended 31st December, 2012

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|----------|---|------------------|------------------------|------------------|------------------------|
| | | No of Shares | Rs. | No of Shares | Rs. |
| 1 | Share Capital | | | | |
| | <u>Authorised Share Capital</u> | | | | |
| | Equity Shares of Rs. 5/- each | 300000000 | 15,000.00 15,000.00 | 200000000 | 10,000.00 10,000.00 |
| | <u>Issued, subscribed & fully paid share capital</u> | | | | |
| | Equity Shares of Rs. 5/- each, fully paid up | 198400000 | 9,920.00 | 198400000 | 9,920.00 |
| | Total | | 9,920.00 | | 9,920.00 |

- 1.1 The reconciliation of the numbers of shares outstandings and at the beginning and at the end of the reporting period

| Particulars | No of Shares | Share Capital | No of Shares | Share Capital |
|--|--------------|---------------|--------------|---------------|
| <u>Equity Shares of Rs. 5/- each</u> <u>(Previous year Rs. 5/- each)</u> | | | | |
| Shares outstanding at the beginning of the year | 198400000 | 9,920.00 | 198400000 | 9,920.00 |
| Shares Issued during the year - <u>(By way of Conversion of share warrants)</u> | - | - | - | |
| Shares bought back during the year | - | | - | |
| Any other movement (please specify) | - | | - | |
| Shares outstanding at the end of the year | 198400000 | 9,920.00 | 198400000 | 9,920.00 |

Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs. 5 per Share. Each holder of Equity Share is entitled to one vote per Share. The Company declares and pays Dividend in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of Shareholders in the ensuing General Meeting.

During the year ended 31st December'2012, the amount of Dividend per Share recognised as distributions to Equity Shareholders was Rs. 0.25 per Share. (31st December 2011 : Rs. 0.25 per Share)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in the proportion to the number of Equity Shares held by the Shareholders.

- 1.2 Out of Equity shares of the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

| Particulars | | No of Shares | Face Value | No of Shares | Face Value |
|---|-------------------------------------|--------------|---------------|--------------|---------------|
| | | | (Rs. in Lacs) | | (Rs. in Lacs) |
| <u>Held by Associate Company</u> | | | | | |
| 1 | G P Shah Investment Private Limited | 7502000 | 375.10 | 7502000 | 375.10 |
| 2 | B G Jain Investment Private Limited | 7755600 | 387.78 | 7755600 | 387.78 |
| 3 | P B Jain Investment Private Limited | 34682800 | 1,734.14 | 34682800 | 1,734.14 |
| 4 | Varju Investment Private Limited | 7428800 | 371.44 | 7428800 | 371.44 |
| 5 | Nakoda Syntex Private Limited | 28272000 | 1,413.60 | 28272000 | 1,413.60 |

- 1.3 List of shares holders who are holding more than 5 % Equity Shares of the Company

| Sr. No. | Name of Shareholder | No of Shares | % | No of Shares | % |
|---|-------------------------------------|--------------|--------|--------------|--------|
| <u>Equity Shares of Rs. 5/- each</u> | | | | | |
| 1 | P B Jain Investment Private Limited | 34682800 | 17.48% | 34682800 | 17.48% |
| 2 | Nakoda Syntex Private Limited | 28272000 | 14.25% | 28272000 | 14.25% |
| 3 | The Bank of New York Mellon, DR | 59565000 | 30.02% | 59565000 | 30.02% |

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|---|--|------------------|-----------|------------------|-----------|
| 2 | Reserves and Surplus | | | | |
| | <u>Share Premium Account</u> | | | | |
| | As Per last Balance Sheet | 15,205.50 | | 8,005.50 | |
| | Add : On issue of Shares | - | 15,205.50 | 7,200.00 | 15,205.50 |
| | <u>General Reserve</u> | | | | |
| | As Per last Balance Sheet | 3,275.36 | | 2,275.36 | |
| | Add : Transferred from Profit and Loss Account | 1,000.00 | 4,275.36 | 1,000.00 | 3,275.36 |
| | <u>Investment Subsidy</u> | | | | |
| | As Per last Balance Sheet | | 45.68 | | 45.68 |
| | <u>Capital Reserve</u> | | | | |
| | As Per last Balance Sheet | | 268.00 | | 268.00 |
| | <u>Profit & Loss Account</u> | | | | |
| As Per last Balance Sheet | 10,210.51 | | 6,923.20 | | |
| Add : Profit for the Year | 5,958.70 | | 4,863.76 | | |
| | 16,169.21 | | 11,786.97 | | |
| Less : Appropriations | | | | | |
| Transfer to General Reserve | 1,000.00 | | 1,000.00 | | |
| Proposed Dividend [` 5 per Share(Previous Year ` 5)] | 496.00 | | 496.00 | | |
| Tax on Dividend | 80.46 | 14,592.74 | 80.46 | 10,210.51 | |
| Total | | 34,387.29 | | 29,005.05 | |

| 3 | Money received against Share Warrants | Nos. | Rs. | Nos. | Rs. |
|----------|--|-------------|-----------------|-------------|------------|
| | Share Warrants of Rs. 50/- each | 20320000 | 10,160.00 | - | - |
| | Uncalled Money | | (7,620.00) | - | - |
| | Share Warrants of Rs. 100/- each | 29200000 | 29,200.00 | | |
| | Uncalled Money | | (29,100.00) | | |
| | Total | | 2,640.00 | - | - |

- a During the year, the company has issued 20320000 share warrants convertible into 101600000 equity shares of Rs. 5 each at a premium of Rs. 5 per equity share (5 equity shares for each warrant allotted).
- b During the year, the company has issued 29200000 share warrants convertible into 292000000 equity shares of Rs. 5 each at a premium of Rs. 5 per equity share (10 equity shares for each warrant allotted).

| 4 | Long-Term Borrowings | Current | Non Current | Current | Non Current |
|----------|---|-----------------|--------------------|-----------------|--------------------|
| | <u>Secured</u> | | | | |
| | Term Loan From Banks (Refer Note 4.1) | 4,210.97 | 6,923.75 | 4,210.97 | 8,888.50 |
| | Corporate Loans From Banks (Refer Note 4.2) | 667.60 | 3,951.19 | 727.15 | 4,358.65 |
| | Vehicle Loan From Banks (Refer Note 4.3) | 5.93 | 29.31 | 8.18 | 66.51 |
| | Buyer's Credit From Banks | 1,527.20 | 20,592.53 | 1,627.20 | 10,156.35 |
| | | 6,411.70 | 31,496.78 | 6,573.50 | 23,470.01 |
| | <u>Unsecured</u> | | | | |
| | Agency Deposits | | 2,851.00 | | 351.00 |
| | Others | | 18,461.44 | | 10,314.90 |
| | | - | 21,312.44 | - | 10,665.90 |
| | Total | 6,411.70 | 52,809.22 | 6,573.50 | 34,135.91 |

4.1 Term Loans

- a Term loan of Rs. 250 crores (Phase I) and Term loan of Rs. 153 (Phase II) are secured by Pari Passu first charge on all existing immovable and movable assets of the company situated and proposed to be situated at Block No. 17 to 19 at Karaj and Block No. A/1, B/1, M/1 at Textile Park, Hathuran and second charge on all Current Assets of the company.
- b Term Loan of Rs. 18 crore for FDY lines are secured by Hypothecation of 6 FDY lines covered under said loans.

4.2 Corporate Loans

- a Corporate loan from Syndicate Bank is secured by EMT of Land and Hypothecation of 9 wind mills situated at Tirunelveli, Talmilnadu.
- b Corporate loan from Indian Overseas Bank is secured by Hypothecation of 7 wind mills situated at Ratlam, Madhya Pradesh.

4.3 Vehicle Loans

The loans for vehicles have been secured by specific charges on the vehicles covered under the said loan.

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|---------------------------------|---|--------------------|-----------|------------------|--|
| 5 | Short term borrowings | | | | |
| | <u>Secured</u> | | | | |
| | Term Loan From Banks (Refer Note 4.1) | 4,210.97 | | 4,210.97 | |
| | Corporate Loans From Banks (Refer Note 4.2) | 667.60 | | 727.15 | |
| | Vehicle Loan From Banks (Refer Note 4.3) | 5.93 | | 8.18 | |
| | Buyer's Credit From Banks | 1,527.20 | | 1,627.20 | |
| | Acceptance under L/c | 76,436.96 | | 62,056.36 | |
| | VSL Loan (FD) (Note b) | 671.29 | | - | |
| | Short term loan from Bank Unsecured (Note a) | - | | 2,529.20 | |
| Working Capital loans (Note a) | 21,384.62 | 1,04,904.57 | 14,158.20 | 85,317.26 | |
| Total | | 1,04,904.57 | | 85,317.26 | |

a Working Capital Facilities are secured by Hypothecation of stock of Raw Material, Finished Goods, Stores, Spares, Other Current Assets, Book Debts and Collateral Security of EMT of Block No.4,11,17 to 19 at Karanj, EMT of Land & Building situated at Texturing Unit at Karanj, Hypothecation of 7 POY Lines Situated at Karanj, Second charge by way of Mortgage and/or Hypothecation of Land, Building & Machineries situated at POY division at Karanj on which GIIC Ltd. & GSFC having First charge.

b Value Security Loan (VSL) is secured against Fixed Deposits

| | | | | | |
|--------------|--|---------------|--------|--------------|-------|
| 6 | Trade Payables | | | | |
| | <u>Sundry Creditors for Goods and Services</u> | | | | |
| | Micro and Small Scale Industrial Undertakings | 7.64 | | 4.46 | |
| | Others | 96.16 | 103.80 | 79.81 | 84.27 |
| Total | | 103.80 | | 84.27 | |

Note

a Information on Micro and Small Enterprises, to whom the company owes dues as at 31st December, 2012 as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

| | | | | | |
|--------------|----------------------------------|---------------|--------|---------------|--------|
| 7 | Other current liabilities | | | | |
| | Proposed Dividend | 496.00 | | 496.00 | |
| | Tax on Proposed Dividend | 80.46 | | 80.46 | |
| | Other liabilities | 270.97 | 847.44 | 199.18 | 775.64 |
| Total | | 847.44 | | 775.64 | |

8 (i) Tangible Assets

| Sr. No. | Particulars | Gross Block | | | Depreciation | | | Net Block | | | |
|---------|--------------------------|------------------|--------------------------|---------------------------|------------------|-----------------|--------------------------|---------------------------|------------------|------------------|------------------|
| | | As On 01.01.12 | Addition During the Year | Deduction During the Year | As On 31.12.12 | As On 01.01.12 | Addition During the Year | Deduction During the Year | As On 31.12.12 | As On 31.12.12 | As On 31.12.11 |
| 1 | Land | 212.09 | 25.00 | - | 237.09 | - | - | - | - | 237.09 | 212.09 |
| 2 | Building & Godown | 4,058.13 | 1,255.08 | - | 5,313.21 | 370.04 | 126.76 | - | 496.80 | 4,816.41 | 3,688.09 |
| 3 | Plant & Machinery | 42,814.96 | 19,948.83 | - | 62,763.79 | 6,613.53 | 2,436.18 | - | 9,049.71 | 53,714.08 | 36,201.43 |
| 4 | Electric Installation | 355.08 | 208.17 | - | 563.25 | 186.33 | 19.66 | - | 205.99 | 357.26 | 168.76 |
| 5 | Office Equipment | 501.82 | - | - | 501.82 | 48.90 | 26.51 | - | 75.41 | 426.41 | 452.91 |
| 6 | Furniture & Fixtures | 92.04 | 35.26 | - | 127.30 | 54.11 | 6.01 | - | 60.12 | 67.18 | 37.93 |
| 7 | Vehicles | 398.68 | - | - | 398.68 | 165.54 | 37.88 | - | 203.42 | 195.26 | 233.14 |
| | TOTAL... | 48,432.80 | 21,472.34 | - | 69,905.14 | 7,438.45 | 2,653.00 | - | 10,091.45 | 59,813.69 | 40,994.35 |
| | Previous Year... | 44,725.16 | 3,707.64 | - | 48,432.80 | 4,955.35 | 2,483.10 | - | 7,438.45 | | |
| | Capital Work in Progress | | | | | | | | | 3,643.85 | 8,398.76 |

| | | | | | |
|---|--|----------------------|--------|----------------------|--------|
| 9 | Non-Current Investments | No. of Shares | | No. of Shares | |
| | <u>Non Trade UnQuoted Investment</u> | | | | |
| | (At Cost unless otherwise stated) | | | | |
| | Equity shares of Nakoda Green Power Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 2249994 | 225.00 | 999994 | 100.00 |
| | Equity shares of koncept inoftenment Pvt. Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 5000 | 0.50 | 5000 | 0.50 |
| Equity shares of Nakoda Realities Pvt. Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 0 | - | 5000 | 0.50 | |

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|----------|--|------------------|-----------------|------------------|-----------------|
| | | No. of Shares | | No. of Shares | |
| | Equity shares of Nakoda Financial Services Pvt. Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 5000 | 0.50 | 5000 | 0.50 |
| | Equity shares of Nakoda Shipyard Pvt. Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 0 | - | 4000 | 0.40 |
| | Equity shares of Nakoda Syntex Pvt. Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 50 | 0.05 | 50 | 0.05 |
| | Equity shares of Surat Super Park Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 216000 | 314.00 | 216000 | 314.00 |
| | Equity shares of Surat Super Filament Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 27000 | 2.70 | | - |
| | Other Investments | | | | |
| | Equity shares of Indo Korean Petrochem Ltd. of 5000 KRW each (PY 5000 KRW each) fully paid up | 840876 | 1,815.62 | 158480 | 306.45 |
| | Equity shares of Nakoda Holdings Mauritius Ltd. of 100 USD each (PY 100 USD each) fully paid up | 10000 | 450.00 | 10000 | 450.00 |
| | Mutual Funds | | | | |
| | Canara bank Robeco Mutual Fund | | 10.00 | | 10.00 |
| | Total | | 2,818.37 | | 1,182.40 |

The company has not provided for Diminution in value of Investment as the company believes that the diminution in value is temporary in nature.

| | | | | | |
|-----------|---|-----------|------------------|-----------|------------------|
| 10 | Long Term Loans and Advances(unsecured & considered goods) | | | | |
| | Security Deposit with Government Authorities | 41.94 | | 41.94 | |
| | Total | | 41.94 | | 41.94 |
| 11 | Inventories (As valued and Certified by the management) | | | | |
| | Raw Material | 29,752.36 | | 16,047.53 | |
| | Work in Progress | 4,006.52 | | 1,837.32 | |
| | Finished Goods | 8,957.74 | | 6,155.74 | |
| | Others(Packing material, Oil & Chem., Fuel and Stores & Mach. spares) | 1,034.10 | 43,750.72 | 564.56 | 24,605.15 |
| | Total | | 43,750.72 | | 24,605.15 |
| 12 | Trade Receivables | | | | |
| | (Unsecured Considered Good) | | | | |
| | Outstanding for a period exceeding six months | 22.11 | | 6.53 | |
| | Others | 70,920.10 | 70,942.21 | 58,083.07 | 58,089.60 |
| | Total | | 70,942.21 | | 58,089.60 |
| 13 | Cash and Cash Equivalents | | | | |
| | Cash & Cheques on hand | 255.26 | | 17.75 | |
| | Balances with Banks in Current Account | 235.19 | | 32.37 | |
| | Balances with Banks in Fixed Deposit Account | 22,031.84 | | 24,459.82 | |
| | Total | | 22,522.29 | | 24,509.94 |
| 14 | Short-Term Loans and Advances | | | | |
| | Advances recoverable in Cash or kind (Unsecured Considered Good) | 2,124.76 | | 1,279.41 | |
| | Total | | 2,124.76 | | 1,279.41 |
| 15 | Other Current Assets | | | | |
| | Share Application Money | 799.65 | | 799.65 | |
| | GDR Issue Expenses | 301.51 | | 402.01 | |
| | Total | | 1,101.16 | | 1,201.66 |

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|----------|------------------------------------|------------------|--------------------|------------------|--------------------|
| 16 | Revenue from Operation | | | | |
| | Sale of Products (Refer Note 16.1) | | | | |
| | Manufacturing | 1,82,768.85 | | 1,34,066.82 | |
| | Trading | 75,016.99 | 2,57,785.84 | 79,802.90 | 2,13,869.71 |
| | Total | | 2,57,785.84 | | 2,13,869.71 |

| 16.1 | Sale of Products | | | | |
|------|---------------------------|--|--------------------|--|--------------------|
| | Chips | | 77,318.13 | | 44,144.90 |
| | POY | | 30,024.63 | | 28,819.62 |
| | FDY | | 50,572.83 | | 38,417.99 |
| | Texturise | | 23,442.21 | | 21,391.82 |
| | Polyester Yarn | | 21,475.89 | | 12,446.29 |
| | Chips Trading | | 4,896.24 | | 3,343.45 |
| | Fancy Shirting | | 48,644.86 | | 59,176.37 |
| | Salt | | - | | 666.85 |
| | Soyabean Meal | | - | | 356.85 |
| | Sale of Indian Raw Cotton | | - | | 1,692.26 |
| | Sale of Power (Wind) | | 1,411.05 | | 1,292.48 |
| | Sale of PTA | | - | | 2,120.83 |
| | Total | | 2,57,785.84 | | 2,13,869.71 |

| 17 | Other Income | | | | |
|----|-------------------------------------|--|---------------|--|---------------|
| | Insurance Claim received | | 48.52 | | 30.81 |
| | Interest on Fixed Deposit with Bank | | 371.21 | | 290.39 |
| | Other Income | | 462.26 | | 378.85 |
| | Total | | 881.99 | | 700.05 |

| 18 | CONSUMPTION OF RAW MATERIALS | % of consumption | | % of consumption | |
|----|-------------------------------------|------------------|-------------|------------------|-------------|
| | Imported | 28% | 43,053.65 | 46% | 49,818.43 |
| | Indigenous | 72% | 1,08,264.44 | 54% | 59,101.70 |
| | Total | 100% | 1,51,318.09 | 100% | 1,08,920.13 |

| 18.1 | Raw Material | | | | |
|------|----------------------|-------------|--------------------|-----------|--------------------|
| | Opening Stock | | | | |
| | Imported | - | | - | |
| | Indigenous | 16,047.53 | 16,047.53 | 4,547.76 | 4,547.76 |
| | Purchases Indigenous | | | | |
| | Imported | 42,423.73 | | 49,253.06 | |
| | Indigenous | 1,16,643.50 | 1,59,067.23 | 66,167.90 | 1,15,420.96 |
| | Closing Stock | | | | |
| | Imported | - | | - | |
| | Indigenous | 29,752.36 | 29,752.36 | 16,047.53 | 16,047.53 |
| | Total | | 1,45,362.40 | | 1,03,921.19 |

| 18.2 | Consumption of Fuel | | | | |
|------|----------------------------|----------|-----------------|----------|-----------------|
| | Opening Stock | | | | |
| | Indigenous | 47.68 | 47.68 | 24.18 | 24.18 |
| | Purchases Indigenous | | | | |
| | Indigenous | 2,996.37 | 2,996.37 | 2,182.33 | 2,182.33 |
| | Closing Stock | | | | |
| | Indigenous | 158.67 | 158.67 | 47.68 | 47.68 |
| | Total | | 2,885.38 | | 2,158.83 |

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|-------------|---|------------------|-----------------|------------------|-----------------|
| 18.3 | Consumption of Oil, Chemicals & Packing Material | | | | |
| | Opening Stock | | | | |
| | Indigenous | 319.09 | 319.09 | 205.58 | 205.58 |
| | Purchases Indigenous | | | | |
| | Imported | 532.97 | | 483.48 | |
| | Indigenous | 1,685.25 | 2,218.22 | 1,542.97 | 2,026.44 |
| | Closing Stock | | | | |
| | Indigenous | 529.16 | 529.16 | 319.09 | 319.09 |
| | Total | | 2,008.15 | | 1,912.93 |
| 18.4 | Consumption of Stores and Spares | | | | |
| | Opening Stock | | | | |
| | Indigenous | 197.79 | 197.79 | 229.81 | 229.81 |
| | Purchases Indigenous | | | | |
| | Imported | 96.95 | | 81.89 | |
| | Indigenous | 1,113.69 | 1,210.64 | 813.27 | 895.16 |
| | Closing Stock | | | | |
| | Imported | | | | |
| | Indigenous | 346.27 | 346.27 | 197.79 | 197.79 |
| | Total | | 1,062.16 | | 927.18 |
| 19 | Employee Benefit Expense | | | | |
| | Salaries, Wages and Other Employee Benefits | 684.42 | | 589.28 | |
| | Contribution to PF and Other Funds | 85.15 | | 76.55 | |
| | Staff Welfare expense | 16.63 | 786.20 | 15.16 | 680.99 |
| | Total | | 786.20 | | 680.99 |
| 20 | Financial Costs | | | | |
| | Interest on Fixed Loans | 4,230.27 | | 3,182.90 | |
| | Interest on Other Loans | 429.59 | 4,659.86 | 382.46 | 3,565.36 |
| | Total | | 4,659.86 | | 3,565.36 |
| 21 | Depreciation and Amortization Expense | | | | |
| | Depreciation and Amortization Expense | 2,653.00 | | 2,483.10 | |
| | GDR Issue Expenses written off for the year | 100.50 | 2,753.50 | 100.50 | 2,583.60 |
| | Total | | 2,753.50 | | 2,583.60 |
| 22 | Other Expenses | | | | |
| | Repairs & Maintenance to Building | 148.44 | | 124.36 | |
| | Insurance Premium | 102.24 | | 88.17 | |
| | Transportation & Octroi | 741.33 | | 659.56 | |
| | Factory Expenses | 67.61 | | 61.24 | |
| | Customs Clearing Expenses | 366.97 | | 352.44 | |
| | Lease Rental Charges | 1,592.23 | | 1,561.02 | |
| | Printing & Stationery | 13.85 | | 12.42 | |
| | Traveling Expenses | 94.44 | | 68.06 | |
| | Other Repairs & Maintenance | 19.65 | | 17.36 | |
| | Postage & Telephone Expenses | 43.17 | | 37.09 | |
| | Office Expenses | 18.96 | | 15.74 | |
| | Rent | 243.91 | | 131.23 | |
| | Legal & Professional Expenses | 69.68 | | 64.03 | |
| | Directors Sitting Fees | 3.85 | | 3.29 | |
| | Subscription & Membership Fees | 4.77 | | 4.48 | |
| | Rates & Taxes | 4.69 | | 4.27 | |
| | Donations | 53.12 | | 36.47 | |

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|-----------|--|------------------|------------------|------------------|------------------|
| | Audit Fee | 4.49 | | 2.76 | |
| | Electricity Expenses | 30.91 | | 30.19 | |
| | Advertisement & Recruitment Exp. | 31.41 | | 31.24 | |
| | Listing Fee | 2.68 | | 2.66 | |
| | Sales Commission | 94.29 | | 62.14 | |
| | Secretarial Exp. | 6.63 | | 6.15 | |
| | Vehicle Maintenance | 24.05 | 3,783.37 | 22.87 | 3,399.24 |
| | Total | | 3,783.37 | | 3,399.24 |
| 23 | Consumption of Imported Raw Material | | | | |
| | Raw Materials | 42,423.73 | | 49,253.06 | |
| | Oil and Chemicals | 532.97 | | 483.48 | |
| | Stores and Spares | 96.95 | | 81.89 | |
| | Total | | 43,053.65 | | 49,818.43 |
| 24 | Transactions in Foreign Currency | | | | |
| | <i>Expenditure in Foreign Currency</i> | | | | |
| | Foreign Travelling | 16.28 | | 154.42 | |
| | Annual Maintenance Fee (GDR) | 3.49 | 19.78 | 3.49 | 157.92 |
| | Total | | 19.78 | | 157.92 |
| 25 | Earnings in Foreign Exchange | | | | |
| | Interest | 120.80 | | 141.20 | |
| | Sales of FDY | 136.66 | | - | |
| | Sales of Machinery | - | 257.46 | 18.00 | 159.20 |
| | Total | | 257.46 | | 159.20 |
| 26 | Earning Per Share | | | | |
| | Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders | | 59,58,69,936 | | 48,63,76,360 |
| | Weighted Average number of equity shares used as denominator for calculating EPS | | 198400000 | | 198400000 |
| | Basic Earning per share | | 3.00 | | 2.45 |
| 27 | Contingent Liabilities and Commitments | | | | |
| | a Estimated amount of contracts remaining to be executed on Capital Account and not provided for | | NIL | | NIL |
| | b Counter guarantees given to banks | | 708.44 | | 909.74 |

As per our attached report of even date.

For N. M. SINGAPURI & CO.
 Chartered Accountants

N. M. SINGAPURI
 Partner
 Membership No. 11601
 Registration No. 110264W
 Surat, 27.02.2013

For and on Behalf of the Board

B. G. Jain Chairman & Managing Director
D. B. Jain Joint Managing Director
Rashmi Bhatt Company Secretary
 Surat, 27.02.2013

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS.
1. 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:

- Sales is net of Salestax/ VAT, Excise duty, Sales return, Rate difference, damage goods Compensation etc.
- 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

- 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. | - Nakoda Holdings Mauritius Ltd.-Mauritius |
| - Indo Korean Petrochem Ltd.-South Korea | - Gerback Holdings Pte. Ltd.-Singapore |
| - Nakoda Green Power Ltd. | |

(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 | |
|--------------------------|--------------------------------------|-----------------------|----------|-------------------|---------------|
| | | 2012 | 2011 | 31st Dec 2012 | 31st Dec 2011 |
| Where control Exists | Warrant issued | 10160.00 | NIL | NIL | NIL |
| | Share Issued | NIL | 10800.00 | NIL | NIL |
| | Investments & Loans | NIL | 938.36 | 1249.72 | 1249.72 |
| Key management Personnel | Remuneration etc. | 84.00 | 76.00 | 7.00 | 5.09 |

2. Contingent Liabilities :

- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Pre. Year Rs. Nil)
 - Outstanding guarantee furnished by Company's bankers Rs. 708.44 lacs (Pre. Year Rs. 909.74 lacs).
 - Claim against the Company not acknowledged as debt : Rs. NIL
 - Uncalled Liabilities : Rs. NIL
 - Corporate Guarantee given : USD 650 Lacs.
3. Salary and wages Rs. 684.42/- Lacs- (Pre. year Rs. 589.28/- Lacs) includes remuneration paid to Directors Rs. 84 Lacs (Pre. year Rs. 76 Lacs)
4. The balances of debtors, creditors, deposits, loans & advances are subject to confirmation.

5. Auditor's Remuneration

| | Current Year Rs. in Lacs | Previous Year Rs. In Lacs : |
|--|--------------------------|-----------------------------|
| (a) As Auditor's : (including tax audit) | 4.49 | 4.46 |
| (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 | 4.18 | 2.91 |

6. Segment Information as per Accounting Standard 17:

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

(Rs.in Lacs)

| 2012 | | Manufacturing | Trading | Total |
|--|---------------------------------------|----------------|---------------|----------------|
| | Segment Revenue | | | |
| 1 | Income from Sales | 182768.85 | 75016.99 | 257785.84 |
| 2 | Segment Result | | | |
| | Profit Before Interest & Tax | 11027.39 | 1182.82 | 12210.21 |
| | Less : Interest | 3908.32 | 751.54 | 4659.86 |
| | Total Profit/(Loss) before Tax | 7119.07 | 431.28 | 7550.35 |
| | Exceptional items | | | |
| | Profit/(Loss) after Exceptional items | 7119.07 | 431.28 | 7550.35 |
| | Provision for Taxation | 1437.43 | 154.22 | 1591.65 |
| | Net Profit | 5681.64 | 277.06 | 5958.70 |
| 3 | Capital Employed | - | - | 46645.78 |
| 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 :

| | | |
|---|-------------------------|-------------------------|
| <u>Deferred Tax Liability</u> | <u>31.12.2012</u> | <u>31.12.2011</u> |
| Related to Fixed Asset | 111963298 | 103993170 |
| Deferred Tax Assets | | |
| Disallowances Under Income Tax Act 1961 | <u>2703469</u> | <u>2514204</u> |
| Total | <u>114666767</u> | <u>106507643</u> |

8. 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
9. Small Scale industries to whom the company owes a sum which is outstanding for more than 30 days are Rs. NIL
10. 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
Registration No. 110264W
Surat, 27.02.2013

For and on Behalf of the Board

B. G. Jain Chairman & Managing Director
D. B. Jain Joint Managing Director
Rashmi Bhatt Company Secretary
Surat, 27.02.2013

CASH FLOW STATEMENT FOR THE 12 MONTHS ENDED ON 31ST DECEMBER, 2012

| | AS AT 31.12.2012 | (Rs. In Lacs) AS AT 31.12.2011 |
|--|---------------------|--------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit After Tax and Extraordinary items | 6,040.29 | 4,942.04 |
| Add : Depreciation | <u>2,753.50</u> | <u>2,483.10</u> |
| Interest | 4,659.86 | 3,565.36 |
| Operating Profit before Working Capital Charges | 13,453.65 | 10,990.50 |
| Add / (Less) : (Increase) / Decrease in Current Assets | | |
| Debtors | (12,852.61) | (22,414.87) |
| Inventories | (19,145.58) | (13,741.17) |
| Loans & Advances | <u>(845.34)</u> | <u>(560.09)</u> |
| Add / Less : Increase / Decrease in Current Liabilities & Provisions | (19,389.88) | (25,725.63) |
| Cash Generated From Operations | <u>350.09</u> | <u>10,313.78</u> |
| Misc. Expenditure (Not written off) | 100.49 | 100.49 |
| Interest Paid | <u>(4,659.86)</u> | <u>(3,565.34)</u> |
| Net Cash Flow From Operating Activities | (4,209.28) | 6,848.93 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase Of Fixed Assets | (21,472.34) | (3,707.64) |
| Capital Work In Progress | 4,754.91 | (5,153.45) |
| Purchase of Investments | (1,635.97) | (367.20) |
| Sales of Investments | - | - |
| Profit on Sale of Fixed Assets | - | - |
| Net Cash Flow From Investing Activities | <u>(18,353.40)</u> | <u>(9,228.29)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increasing in Share Capital | - | 3,600.00 |
| Increasing in Share Premium | - | 7,200.00 |
| Share Application Money | 2,640.00 | (2,700.00) |
| Proceeds From Borrowings | 9,829.71 | (745.31) |
| Increase in Capital Reserve | - | - |
| Proceeds From Unsecured Loans | 8,681.79 | 1,320.20 |
| Dividend & Dividend Tax Paid | <u>(576.46)</u> | <u>(576.46)</u> |
| Net Cash Flow From Financing Activities | 20,575.03 | 8,098.43 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | (1,987.65) | 5,719.07 |
| CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 24,509.94 | 18,790.87 |
| CASH & CASH EQUIVALENTS AT THE END OF THE YEAR | 22,522.29 | 24,509.94 |

As per our attached report of even date.

For N. M. SINGAPURI & CO.
Chartered Accountants

N. M. SINGAPURI
Partner
Membership No. 11601
Registration No. 110264W
Surat, 27.02.2013

For and on Behalf of the Board

B. G. Jain Chairman & Managing Director
D. B. Jain Joint Managing Director
Rashmi Bhatt Company Secretary
Surat, 27.02.2013

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 subsidiaries as 31st December 2012, 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.

We did not audit the financial statements of Three subsidiaries reflects total assets of Rs. 59584.48 lacs as at 31st Dec.2011, total revenue of Rs. 31568.89 and net cash flow amounting to Rs. 1736.53 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 31st December 2012.
- (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

N. M. SINGAPURI
Partner

Membership No. 11601
Registration No. 110264W

Place : Surat
Date : 27.02.2013

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 2012

(Rs. in Lacs)

| Particulars | Note No. | As At 31.12.2012 | As At 31.12.2011 |
|--|----------------|---|--------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 9,920.00 | 9,920.00 |
| (b) Reserves and Surplus | 2 | 33,775.27 | 28,962.96 |
| (c) Money Received Against Share Warrants | 3 | 2,640.00 | - |
| | (A) | 46,335.27 | 38,882.96 |
| Minority Interest | | 516.76 | 494.56 |
| (2) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 4 | 84,047.66 | 47,295.80 |
| (b) Deferred tax Liability | | 1,146.67 | 1,065.08 |
| | (B) | 85,194.33 | 48,360.88 |
| (3) Current Liabilities | | | |
| (a) Short term borrowings | 5 | 1,18,091.74 | 94,065.20 |
| (b) Trade Payables | 6 | 5,024.45 | 5,730.85 |
| (c) Other current liabilities | 7 | 2,570.03 | 5,207.48 |
| | (C) | 1,25,686.22 | 1,05,003.53 |
| Total | (A+B+C) | 2,57,732.58 | 1,92,741.93 |
| II. ASSETS | | | |
| (1) Non-current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 8 | 85,663.49 | 54,035.43 |
| (ii) Capital work-in-progress | | 3,968.57 | 10,980.22 |
| (b) Non-Current Investments | 9 | 327.75 | 325.95 |
| (c) Long Term Loans and Advances | 10 | 1,485.45 | 1,316.44 |
| | (A) | 91,445.26 | 66,658.04 |
| (2) Current Assets | | | |
| (a) Inventories | 11 | 62,351.79 | 35,873.08 |
| (b) Trade Receivables | 12 | 71,536.86 | 58,089.60 |
| (c) Cash and Cash Equivalents | 13 | 24,258.82 | 24,858.68 |
| (d) Short-Term Loans and Advances | 14 | 7,788.69 | 6,800.64 |
| (e) Other Current Assets | 15 | 351.16 | 461.89 |
| | (B) | 1,66,287.32 | 1,26,083.89 |
| Total | (A+B) | 2,57,732.58 | 1,92,741.93 |
| Significant Accounting Policies Notes on Financial Statement | 1 to 27 | | |
| 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 Registration No. 110264W Surat, 27.02.2013 | | B. G. Jain Chairman & Managing Director D. B. Jain Joint Managing Director Rashmi Bhatt Company Secretary Surat, 27.02.2013 | |

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST DECEMBER, 2012

(Rs. in Lacs)

| | Particulars | Note No. | As At 31.12.2012 | As At 31.12.2011 |
|-------|--|----------------|--------------------|------------------|
| I. | Revenue from Operations | 16 | 2,89,282.69 | 2,43,229.21 |
| | Less : Excise Duty / Vat | | 19,417.44 | 13,241.63 |
| | | | 2,69,865.25 | 2,29,987.57 |
| II. | Other Income | 17 | 954.03 | 2,657.89 |
| | Total Revenue | | 2,70,819.28 | 2,32,645.46 |
| III. | <u>Expenses :</u> | | | |
| | Cost of Materials Consumed | 18 | 1,77,842.85 | 1,32,061.38 |
| | Purchase of Stock-in-Trade | | 73,370.22 | 76,299.53 |
| | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | | (9,026.72) | 234.64 |
| | Employee Benefit Expense | 19 | 3,016.61 | 2,686.00 |
| | Financial Costs | 20 | 6,046.00 | 4,615.64 |
| | Depreciation and Amortization Expense | 21 | 3,836.28 | 3,259.21 |
| | Other Expenses | 22 | 8,426.38 | 7,536.67 |
| | Total Expenses | | 2,63,511.62 | 2,26,693.07 |
| IV. | Profit Before Exceptional and Extraordinary Items and Tax | | 7,307.66 | 5,952.39 |
| V. | Profit Before Tax | | 7,307.66 | 5,952.39 |
| VI. | Tax Expense : | | | |
| | Current Tax | | 1,510.06 | 1,236.33 |
| | Deferred Tax | | 81.59 | 78.28 |
| VII. | Profit/(Loss) After Tax for the Period from Continuing Operations | | 5,716.01 | 4,637.78 |
| VIII. | Share of (Profit)/Loss transferred to Minority Interest | | 24.92 | 51.25 |
| IX. | Profit/(Loss) for the Year | | 5,740.93 | 4,689.03 |
| | Earnings per Equity Share of face value of Rs. 5 each | | | |
| | Basic and Diluted (in Rs.) | 26 | 2.89 | 2.36 |
| | Significant Accounting Policies Notes on Financial Statement | 1 to 27 | | |

As per our attached report of even date.

For N. M. SINGAPURI & CO.
 Chartered Accountants

N. M. SINGAPURI
 Partner
 Membership No. 11601
 Registration No. 110264W
 Surat, 27.02.2013

For and on Behalf of the Board

B. G. Jain Chairman & Managing Director
D. B. Jain Joint Managing Director
Rashmi Bhatt Company Secretary
 Surat, 27.02.2013

Notes on Financial Statement for the Period ended 31st December, 2012

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|----------|---|------------------|------------------------|------------------|------------------------|
| | | No of Shares | Rs. | No of Shares | Rs. |
| 1 | Share Capital | | | | |
| | <u>Authorised Share Capital</u> | | | | |
| | Equity Shares of Rs. 5/- each | 300000000 | 15,000.00 15,000.00 | 200000000 | 10,000.00 10,000.00 |
| | <u>Issued, subscribed & fully paid share capital</u> | | | | |
| | Equity Shares of Rs. 5/- each, fully paid up | 198400000 | 9,920.00 | 198400000 | 9,920.00 |
| | Total | | 9,920.00 | | 9,920.00 |

- 1.1 The reconciliation of the numbers of shares outstandings and at the beginning and at the end of the reporting period**

| Particulars | No of Shares | Share Capital | No of Shares | Share Capital |
|--|--------------|---------------|--------------|---------------|
| <u>Equity Shares of Rs. 5/- each</u> <u>(Previous year Rs. 5/- each)</u> | | | | |
| Shares outstanding at the beginning of the year | 198400000 | 9,920.00 | 198400000 | 9,920.00 |
| Shares Issued during the year - <u>(By way of Conversion of share warrants)</u> | - | - | - | |
| Shares bought back during the year | - | | - | |
| Any other movement (please specify) | - | | - | |
| Shares outstanding at the end of the year | 198400000 | 9920.00 | 198400000 | 9,920.00 |

Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs. 5 per Share. Each holder of Equity Share is entitled to one vote per Share. The Company declares and pays Dividend in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of Shareholders in the ensuing General Meeting.

During the year ended 31st December'2012, the amount of Dividend per Share recognised as distributions to Equity Shareholders was Rs. 0.25 per Share. (31st December'2011 : Rs. 0.25 per Share)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in the proportion to the number of Equity Shares held by the Shareholders.

- 1.2 Out of Equity shares of the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:**

| Particulars | | No of Shares | Face Value | No of Shares | Face Value |
|---|-------------------------------------|--------------|---------------|--------------|---------------|
| | | | (Rs. in Lacs) | | (Rs. in Lacs) |
| <u>Held by Associate Company</u> | | | | | |
| 1 | G P Shah Investment Private Limited | 7502000 | 375.10 | 7502000 | 375.10 |
| 2 | B G Jain Investment Private Limited | 7755600 | 387.78 | 7755600 | 387.78 |
| 3 | P B Jain Investment Private Limited | 34682800 | 1,734.14 | 34682800 | 1,734.14 |
| 4 | Varju Investment Private Limited | 7428800 | 371.44 | 7428800 | 371.44 |
| 5 | Nakoda Syntex Private Limited | 28272000 | 1,413.60 | 28272000 | 1,413.60 |

- 1.3 List of shares holders who are holding more than 5 % Equity Shares of the Company**

| Sr. No. | Name of Shareholder | No of Shares | % | No of Shares | % |
|---|-------------------------------------|--------------|--------|--------------|--------|
| <u>Equity Shares of Rs. 5/- each</u> | | | | | |
| 1 | P B Jain Investment Private Limited | 34682800 | 17.48% | 34682800 | 17.48% |
| 2 | Nakoda Syntex Private Limited | 28272000 | 14.25% | 28272000 | 14.25% |
| 3 | The Bank of New York Mellon, DR | 59565000 | 30.02% | 59565000 | 30.02% |

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|--------------------------------------|--|------------------|-----------|------------------|-----------|
| 2 | Reserves and Surplus | | | | |
| | <u>Share Premium Account</u> | | | | |
| | As Per last Balance Sheet | 15,205.50 | | 8,005.50 | |
| | Add : On issue of Shares | - | 15,205.50 | 7,200.00 | 15,205.50 |
| | <u>General Reserve</u> | | | | |
| | As Per last Balance Sheet | 3,275.36 | | 2,275.36 | |
| | Add : Transferred from Profit and Loss Account | 1,000.00 | 4,275.36 | 1,000.00 | 3,275.36 |
| | <u>Investment Subsidy</u> | | | | |
| | As Per last Balance Sheet | | 45.68 | | 45.68 |
| | <u>Capital Reserve</u> | | | | |
| | As Per last Balance Sheet | | 268.00 | | 268.00 |
| | <u>Profit & Loss Account</u> | | | | |
| As Per last Balance Sheet | 10,320.75 | | 7,208.18 | | |
| Add : Profit for the Year | 5,740.93 | | 4,689.03 | | |
| | 16,061.68 | | 11,897.21 | | |
| Less : Appropriations | | | | | |
| Transfer to General Reserve | 1,000.00 | | 1,000.00 | | |
| Proposed Dividend | 496.00 | | 496.00 | | |
| Tax on Dividend | 80.46 | 14,485.22 | 80.46 | 10,320.75 | |
| Foreign Currency Translation Reserve | | (504.49) | | (152.33) | |
| | | 33,775.27 | | 28,962.96 | |

| 3 | Money received against Share Warrants | Nos. | Rs. | Nos. | Rs. |
|---|---------------------------------------|----------|-----------------|----------|----------|
| | Share Warrants of Rs. 50/- each | 20320000 | 10,160.00 | - | - |
| | Uncalled Money | | (7,620.00) | - | - |
| | Share Warrants of Rs. 100/- each | 29200000 | 29,200.00 | | |
| | Uncalled Money | | (29,100.00) | | |
| | Total | | 2,640.00 | - | - |

- a During the year, the company has issued 20320000 share warrants convertible into 101600000 equity shares of Rs. 5 each at a premium of Rs. 5 per equity share (5 equity shares for each warrant allotted).

| 4 | Long-Term Borrowings | Current | Non Current | Current | Non Current |
|---|---|-----------------|------------------|----------|------------------|
| | <u>Secured</u> | | | | |
| | Term Loan From Banks (Refer Note 4.1) | 4,210.97 | 16,021.20 | 4,210.97 | 15,921.58 |
| | Corporate Loans From Banks (Refer Note 4.2) | 667.60 | 3,951.19 | 727.15 | 4,358.65 |
| | Vehicle Loan From Banks (Refer Note 4.3) | 5.93 | 29.31 | 8.18 | 66.51 |
| | Buyer's Credit From Banks | 1,527.20 | 20,592.53 | 1,627.20 | 10,156.35 |
| | | 6,411.70 | 31,594.23 | | 30,503.09 |
| | <u>Unsecured</u> | | | | |
| | Agency Deposits | | 2,851.00 | | 351.00 |
| | Others | | 40,602.43 | | 16,441.71 |
| | | - | 43,453.43 | - | 16,792.71 |
| | Total | 6,411.70 | 84,047.66 | - | 47,295.80 |

4.1 Term Loans

- a Term loan of Rs. 250 crores (Phase I) and Term loan of Rs. 153 (Phase II) are secured by Pari Passu first charge on all existing immovable and movable assets of the company situated and proposed to be situated at Block No. 17 to 19 at Karaj and Block No. A/1, B/1, M/1 at Textile Park, Hathuran and second charge on all Current Assets of the company.
- b Term Loan of Rs. 18 crore for FDY lines are secured by Hypothecation of 6 FDY lines covered under said loans.

4.2 Corporate Loans

- a Corporate loan from Syndicate Bank is secured by EMT of Land and Hypothecation of 9 wind mills situated at Tirunelveli,
- b Corporate loan from Indian Overseas Bank is secured by Hypothecation of 7 wind mills situated at Ratlam, Madhya Pradesh.

4.3 Vehicle Loans

The loans for vehicles have been secured by specific charges on the vehicles covered under the said loan.

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|--------------------------------|--|--------------------|-----------|------------------|--|
| 5 | Short term borrowings | | | | |
| | Secured | | | | |
| | Term Loan From Banks (Refer Note 4.1) | 4,210.97 | | 4,210.97 | |
| | Corporate Loans From Banks (Refer Note 4.2) | 667.60 | | 727.15 | |
| | Vehicle Loan From Banks (Refer Note 4.3) | 5.93 | | 8.18 | |
| | Buyer's Credit From Banks | 1,527.20 | | 1,627.20 | |
| | Acceptance under L/c | 76,436.97 | | 62,056.36 | |
| | VSL Loan (FD) (Note b) | 671.29 | | - | |
| | Short term loan from Bank Unsecured (Note a) | - | | 2,529.20 | |
| Working Capital loans (Note a) | 34,571.78 | 1,18,091.74 | 22,906.14 | 94,065.20 | |
| Total | | 1,18,091.74 | | 94,065.20 | |

a Working Capital Facilities are secured by Hypothecation of stock of Raw Material, Finished Goods, Stores, Spares, Other Current Assets, Book Debts and Collateral Security of EMT of Block No.4,11,17 to 19 at Karanj, EMT of Land & Building situated at Texturising Unit at Karanj, Hypothecation of 7 POY Lines Situated at Karanj, Second charge by way of Mortgage and/or Hypothecation of Land, Building & Machineries situated at POY division at Karanj on which GIIC Ltd. & GSFC having First charge.

b Value Security Loan (VSL) is secured against Fixed Deposits

| 6 | Trade Payables | | | | |
|---|--|----------|-----------------|----------|-----------------|
| | <i>Sundry Creditors for Goods and Services</i> | | | | |
| | Micro and Small Scale Industrial Undertakings | 7.64 | | 4.46 | |
| | Others | 5,016.81 | 5,024.45 | 5,726.39 | 5,730.85 |
| | Total | | 5,024.45 | | 5,730.85 |

Note

a Information on Micro and Small Enterprises, to whom the company owes dues as at 31st December, 2012 as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

| 7 | Other current liabilities | | | | |
|---|----------------------------------|----------|-----------------|----------|-----------------|
| | Unpaid Dividend | 576.46 | | 576.46 | |
| | Other liabilities | 1,993.57 | 2,570.03 | 4,631.02 | 5,207.48 |
| | Total | | 2,570.03 | | 5,207.48 |

8 (i) Tangible Assets

| Sr. No. | Particulars | Gross Block | | | Depreciation | | | Net Block | | |
|---------|--------------------------|------------------|--------------------------|-----------------|------------------|-----------------|--------------------------|--------------|------------------|------------------|
| | | As On 01.01.12 | Addition During the Year | Adjustment | As On 31.12.12 | As On 01.01.12 | Addition During the Year | Adjustment | As On 31.12.12 | As On 31.12.11 |
| 1 | Land | 212.09 | 25.00 | - | 237.09 | - | - | - | 237.09 | 212.09 |
| 2 | Building & Godown | 4,812.69 | 1,260.08 | 57.77 | 6,130.54 | 420.54 | 171.63 | 3.87 | 596.04 | 4,392.15 |
| 3 | Plant & Machinery | 55,910.61 | 32,749.91 | 1,002.65 | 89,663.17 | 7,637.21 | 3,389.85 | 78.38 | 11,105.44 | 48,273.40 |
| 4 | Electric Installation | 355.08 | 208.17 | - | 563.25 | 186.32 | 19.66 | - | 205.98 | 168.76 |
| 5 | Office Equipment | 832.48 | - | - | 832.48 | 117.89 | 26.51 | - | 144.40 | 714.59 |
| 6 | Furniture & Fixtures | 92.04 | 122.21 | 25.32 | 239.57 | 54.11 | 88.17 | 5.28 | 147.56 | 37.93 |
| 7 | Vehicles | 408.33 | - | 0.74 | 409.07 | 171.82 | 39.96 | 0.48 | 212.26 | 236.51 |
| | TOTAL... | 62,623.33 | 34,365.37 | 1,086.48 | 98,075.17 | 8,587.89 | 3,735.78 | 88.01 | 12,411.68 | 54,035.43 |
| | Previous Year... | 53,573.64 | 6,711.93 | 2,337.75 | 62,623.32 | 5,275.51 | 3,158.71 | 153.67 | 8,587.89 | |
| | Capital Work in Progress | | | | | | | | 3,968.57 | 10,980.22 |

| 9 | Non-Current Investments | No. of Shares | | No. of Shares | |
|---|--|----------------------|------|----------------------|------|
| | Non Trade UnQuoted Investment | | | | |
| | (At Cost unless otherwise stated) | | | | |
| | Equity shares of koncept inoftenment Pvt. Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 5000 | 0.50 | 5000 | 0.50 |
| | Equity shares of Nakoda Realities Pvt. Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 0 | - | 5000 | 0.50 |

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|----------|--|------------------|---------------|------------------|---------------|
| | | No. of Shares | | No. of Shares | |
| | Equity shares of Nakoda Financial Services Pvt. Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 5000 | 0.50 | 5000 | 0.50 |
| | Equity shares of Nakoda Shipyard Pvt. Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 0 | - | 4000 | 0.40 |
| | Equity shares of Nakoda Syntex Pvt. Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 50 | 0.05 | 50 | 0.05 |
| | Equity shares of Surat Super Park Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | 216000 | 314.00 | 216000 | 314.00 |
| | Equity shares of Surat Super Filament Ltd. of Rs. 10 each (PY Rs. 10 each) fully paid up | | 2.70 | | - |
| | Mutual Funds | | | | |
| | Canara bank Robeco Mutual Fund | | 10.00 | | 10.00 |
| | Total | | 327.75 | | 325.95 |

The company has not provided for Diminution in value of Investment as the company believes that the diminution in value is temporary in nature.

| | | | | | |
|-----------|---|-------------|--------------------|-------------|--------------------|
| 10 | Long Term Loans and Advances | | | | |
| | Security Deposit with Government Authorities | 1,485.45 | | 1,316.44 | |
| | Total | | 1,485.45 | | 1,316.44 |
| 11 | Inventories (As valued and Certified by the management) | | | | |
| | Raw Material | 41,379.33 | | 26,329.50 | |
| | Work in Progress | 4,006.52 | | 1,837.32 | |
| | Finished Goods | 13,447.15 | | 6,589.63 | |
| | Others(Packing material, Oil & Chem., Fuel and Stores & Mach. spares) | 3,518.79 | 62,351.79 | 1,116.63 | 35,873.08 |
| | Total | | 62,351.79 | | 35,873.08 |
| 12 | Trade Receivables | | | | |
| | (Unsecured Considered Good) | | | | |
| | Outstanding for a period exceeding six months | 22.11 | | 6.53 | |
| | Others | 71,514.75 | 71,536.86 | 58,083.07 | 58,089.60 |
| | Total | | 71,536.86 | | 58,089.60 |
| 13 | Cash and Cash Equivalents | | | | |
| | Cash on hand | 256.27 | | 19.78 | |
| | Balances with Banks in Current Account | 587.58 | | 39.24 | |
| | Balances with Banks in Fixed Deposit Account | 23,414.97 | | 24,799.66 | |
| | Total | | 24,258.82 | | 24,858.68 |
| 14 | Short-Term Loans and Advances | | | | |
| | Advances recoverable in Cash or kind (Unsecured Considered Good) | 7,789.69 | | 6,800.64 | |
| | Total | | 7,788.69 | | 6,800.64 |
| 15 | Other Current Assets | | | | |
| | Share Application Money | 49.65 | | 59.88 | |
| | GDR Issue Expenses | 301.51 | | 402.01 | |
| | Total | | 351.16 | | 461.89 |
| 16 | Revenue from Operation | | | | |
| | Sale of Products (Refer Note 16.1) | | | | |
| | Manufacturing | 2,14,238.70 | | 1,63,426.31 | |
| | Trading | 75,043.99 | 2,89,282.69 | 79,802.90 | 2,43,229.21 |
| | Total | | 2,89,282.69 | | 2,43,229.21 |

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|-------------|---|------------------|--------------------|------------------|--------------------|
| 16.1 | Sale of Products | | | | |
| | Chips | | 89,922.03 | | 51,828.08 |
| | POY | | 48,890.58 | | 50,495.94 |
| | FDY | | 50,572.83 | | 38,417.99 |
| | Texturise | | 23,442.21 | | 21,391.82 |
| | Polyester Yarn | | 21,475.89 | | 12,446.29 |
| | Chips Trading | | 4,896.24 | | 3,343.45 |
| | Fancy Shirting | | 48,671.86 | | 59,176.37 |
| | Salt | | - | | 666.85 |
| | Soyabean Meal | | - | | 356.85 |
| | Sale of Indian Raw Cotton | | - | | 1,692.26 |
| | Sale of Power (Wind) | | 1,411.05 | | 1,292.48 |
| | Sale of PTA | | - | | 2,120.83 |
| | Total | | 2,89,282.69 | | 2,43,229.21 |
| 17 | Other Income | | | | |
| | Insurance Claim received | | 48.52 | | 1,737.40 |
| | Interest on Fixed Deposit with Bank | | 414.73 | | 336.08 |
| | Other Income | | 490.78 | | 584.41 |
| | Total | | 954.03 | | 2,657.89 |
| 18 | CONSUMPTION OF RAW MATERIALS | % of consumption | | % of consumption | |
| | Imported | 22% | 3,826.05 | 38% | 49,818.00 |
| | Indigenous | 78% | 1,38,842.85 | 62% | 82,243.00 |
| | Total | 100% | 1,77,842.85 | 100% | 1,32,061.00 |
| 18.1 | Raw Material | | | | |
| | Opening Stock | | | | |
| | Imported | 11,272.79 | | - | |
| | Indigenous | 16,047.53 | 27,320.32 | 5,974.60 | 5,974.60 |
| | Purchases Indigenous | | | | |
| | Imported | 69,248.62 | | 49,253.06 | |
| | Indigenous | 1,16,643.50 | 1,85,892.12 | 1,00,190.71 | 1,49,443.77 |
| | Closing Stock | | | | |
| | Imported | 41,325.28 | | - | |
| | Indigenous | - | 41,325.28 | 28,355.93 | 28,355.93 |
| | Total | | 1,71,887.16 | | 1,27,062.44 |
| 18.2 | Consumption of Fuel | | | | |
| | Opening Stock | | | | |
| | Indigenous | 47.68 | 47.68 | 24.18 | 24.18 |
| | Purchases Indigenous | | | | |
| | Indigenous | 2,996.37 | 2,996.37 | 2,182.33 | 2,182.33 |
| | Closing Stock | | | | |
| | Indigenous | 158.67 | 158.67 | 47.68 | 47.68 |
| | Total | | 2,885.38 | | 2,158.83 |
| 18.3 | Consumption of Oil, Chemicals & Packing Material | | | | |
| | Opening Stock | | | | |
| | Indigenous | 197.79 | 197.79 | 229.81 | 229.81 |
| | Purchases Indigenous | | | | |
| | Imported | 96.95 | | 81.89 | |
| | Indigenous | 1,113.69 | 1,210.64 | 813.27 | 895.16 |
| | Closing Stock | | | | |
| | Imported | | | | |
| | Indigenous | 346.27 | 346.27 | 197.79 | 197.79 |
| | Total | | 1,062.16 | | 927.18 |

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|-------------|--|------------------|-----------------|------------------|-----------------|
| 18.4 | Consumption of Stores and Spares | | | | |
| | Opening Stock | | | | |
| | Indigenous | 197.79 | 197.79 | 229.81 | 229.81 |
| | Purchases Indigenous | | | | |
| | Imported | 96.95 | | 81.89 | |
| | Indigenous | 1,113.69 | 1,210.64 | 813.27 | 895.16 |
| | Closing Stock | | | | |
| | Imported | | | | |
| | Indigenous | 346.27 | 346.27 | 197.79 | 197.79 |
| | Total | | 1,062.16 | | 927.18 |
| 19 | Employee Benefit Expense | | | | |
| | Salaries, Wages and Other Employee Benefits | 2,914.83 | | 2,594.30 | |
| | Contribution to PF and Other Funds | 85.15 | | 76.55 | |
| | Staff Welfare expense | 16.63 | 3,016.61 | 15.16 | 2,686.00 |
| | Total | | 3,016.61 | | 2,686.00 |
| 20 | Financial Costs | | | | |
| | Interest on Fixed Loans | 5,616.38 | | 4,233.16 | |
| | Interest on Other Loans | 429.62 | 6,046.00 | 382.48 | 4,615.64 |
| | Total | | 6,046.00 | | 4,615.64 |
| 21 | Depreciation and Amortization Expense | | | | |
| | Depreciation and Amortization Expense | 3,735.78 | | 3,158.71 | |
| | GDR Issue Expenses written off for the year | 100.50 | 3,836.28 | 100.50 | 3,259.21 |
| | Total | | 3,836.28 | | 3,259.21 |
| 22 | Other Expenses | | | | |
| | Repairs & Maintenance to Building | 148.44 | | 167.85 | |
| | Insurance Premium | 229.84 | | 133.88 | |
| | Transportation & Octroi | 960.79 | | 902.21 | |
| | Factory Expenses | 94.11 | | 814.46 | |
| | Customs Clearing Expenses | 366.97 | | 352.44 | |
| | Lease Rental Charges | 2,380.42 | | 2,296.96 | |
| | Printing & Stationery | 13.85 | | 12.42 | |
| | Traveling Expenses | 111.82 | | 77.69 | |
| | Other Repairs & Maintenance | 66.54 | | 18.25 | |
| | Postage & Telephone Expenses | 51.99 | | 37.21 | |
| | Office Expenses | 36.96 | | 38.28 | |
| | Rent | 243.91 | | 131.23 | |
| | Legal & Professional Expenses | 70.78 | | 66.93 | |
| | Directors Sitting Fees | 3.85 | | 3.29 | |
| | Subscription & Membership Fees | 5.24 | | 5.50 | |
| | Rates & Taxes | 21.79 | | 7.38 | |
| | Donations | 53.14 | | 36.47 | |
| | Audit Fee | 6.80 | | 5.65 | |
| | Electricity Expenses | 1,114.28 | | 1,210.05 | |
| | Advertisement & Recruitment Exp. | 34.21 | | 31.24 | |
| | Listing Fee | 2.68 | | 2.66 | |
| | Sales Commission | 250.77 | | 124.58 | |
| | Secretarial Exp. | 8.44 | | 6.94 | |
| | Water & Gas | 1,008.36 | | 1,027.36 | |
| | Vehicle Maintenance | 28.16 | | 25.74 | |
| | Service Fees | 598.26 | | - | |
| | Packing Expenses | 372.40 | | - | |
| | Other Expenses | 141.58 | 8,426.38 | - | 7,536.67 |
| | Total | | 8,426.38 | | 7,536.67 |

(Rs. in Lacs)

| Note No. | | As At 31.12.2012 | | As At 31.12.2011 | |
|----------|--|------------------|------------------|------------------|------------------|
| 23 | Consumption of Imported Raw Material | | | | |
| | Raw Materials | 69,248.62 | | 49,253.06 | |
| | Oil and Chemicals | 532.97 | | 483.48 | |
| | Stores and Spares | 96.95 | | 81.89 | |
| | Total | | 69,878.54 | | 49,818.43 |
| 24 | Transactions in Foreign Currency | | | | |
| | <i>Expenditure in Foreign Currency</i> | | | | |
| | Foreign Travelling | 16.28 | | 154.42 | |
| | Annual Maintenance Fee (GDR) | 3.49 | 19.77 | 3.49 | 157.91 |
| | Total | | 19.77 | | 157.91 |
| 25 | Earnings in Foreign Exchange | | | | |
| | Interest | 120.80 | | 141.20 | |
| | Sales of FDY | 136.66 | | - | |
| | Sales of Machinery | - | 257.46 | 18.00 | 159.20 |
| | Total | | 257.46 | | 159.20 |
| 26 | Earning Per Share | | | | |
| | Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders | | 57,40,92,932 | | 48,89,03,343 |
| | Weighted Average number of equity shares used as denominator for calculating EPS | | 198400000 | | 198400000 |
| | Basic Earning per share | | 2.89 | | 2.36 |
| 27 | Contingent Liabilities and Commitments | | | | |
| | a Estimated amount of contracts remaining to be executed on Capital Account and not provided for | | NIL | | NIL |
| | b Counter guarantees given to banks | | 708.44 | | 909.74 |

As per our attached report of even date.

For N. M. SINGAPURI & CO.

Chartered Accountants

N. M. SINGAPURI

Partner

Membership No. 11601

Registration No. 110264W

Surat, 27.02.2013

For and on Behalf of the Board

B. G. Jain

Chairman & Managing Director

D. B. Jain

Joint Managing Director

Rashmi Bhatt

Company Secretary

Surat, 27.02.2013

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 Ltd. 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% |
| Indo Korean Petrochem Limited | Subsidiary | South Korea | 90.25% |
| Gerback Holdings Pte. Ltd. | Subsidiary | Singapore | 66.67% |
| Nakoda Green Power Ltd. | Subsidiary | India | 100% |

3. Related Party disclosure as per accounting standard 18

- Where control exists
 - Nakoda Syntex Pvt. Ltd.
 - B. G. Jain Investment Pvt. Ltd.
 - G. P. Shah Investment Pvt. Ltd.
 - P. B. Jain Investment Pvt. Ltd.
 - Varju Investment Pvt. Ltd.
 - Nakoda Shipyard Pvt. Ltd.
 - Indo Korean Petrochem Ltd.-South Korea
 - Nakoda Green Power Ltd.
 - Konzept Infotainment Pvt. Ltd.
 - Nakoda Realities Pvt. Ltd.
 - Nakoda Energy Pvt. Ltd.
 - Nakoda Financial Services Pvt. Ltd.
 - Nakoda Infrastructure & Leasing Pvt. Ltd.
 - Nakoda Holdings Mauritius Ltd.-Mauritius
 - Gerback Holdings Pte. Ltd.-Singapore

(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 Part | Description of Nature of Transaction | Volume of Transaction | | Outstanding as on | |
|--------------------------|--------------------------------------|-----------------------|----------|-------------------|---------------|
| | | 2012 | 2011 | 31st Dec 2012 | 31st Dec 2011 |
| Where control Exists | Share warrant issued | 10160.00 | NIL | NIL | NIL |
| | Share Issued | NIL | 10800.00 | NIL | NIL |
| | Investments & Loans | NIL | 938.36 | 1249.72 | 1249.72 |
| Key management Personnel | Remuneration etc. | 84.00 | 76.00 | 7.00 | 5.09 |

4. Contingent Liabilities :

- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Pre. Year Rs. Nil)
 - Outstanding guarantee furnished by Company's bankers Rs. 708.44 lacs (Pre. Year Rs. 909.74 lacs).
 - Claim against the Company not acknowledged as debt : Rs. NIL
 - Uncalled Liabilities : Rs. NIL
 - Corporate Guarantee given : USD 650 Lacs
5. Salary and wages Rs. 2914.83/- Lacs (Pre. year Rs. 2594.30/- Lacs) includes remuneration paid to Directors Rs. Lacs (Pre year Rs. 76 Lacs)
6. The balances of debtors, creditors, deposits, loans & advances are subject to confirmation.

| | | |
|--|-------------------------|---------------------------|
| 7. Auditor's Remuneration | Current Year Rs in Lacs | Previous Year Rs. In Lacs |
| (a) As Auditor's : (including tax audit) | 5.99 | 5.91 |
| (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 | 4.18 | 2.91 |

8. Segment Information as per Accounting Standard 17:

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

(Rs.in Lacs)

| | 2012 | Manufacturing | Trading | Total |
|--|--|----------------|---------------|----------------|
| | Segment Revenue | | | |
| 1 | Income from Sales | 214238.70 | 75043.99 | 289282.69 |
| 2 | Segment Result | | | |
| | Profit Before Interest & Tax | 12170.84 | 1182.82 | 13353.66 |
| | Less : Interest | 5294.46 | 751.54 | 6046.00 |
| | Total Profit/(Loss) before Tax | 6876.38 | 431.28 | 7307.66 |
| | Exceptional items | | | |
| | Profit/(Loss) after Exceptional items | 6876.38 | 431.28 | 7307.66 |
| | Provision for Taxation | 1437.43 | 154.22 | 1591.65 |
| | Add: Share of (Profit)/Loss transferred to Minority Interest | 24.92 | 0.00 | 24.92 |
| | Net Profit | 5463.87 | 277.06 | 5740.93 |
| 3 | Capital Employed | - | - | 46033.76 |
| 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. | | | | |

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

| | | |
|---|-------------------------|-------------------------|
| <u>Deferred Tax Liability</u> | <u>31.12.2012</u> | <u>31.12.2011</u> |
| Related to Fixed Asset | 111963298 | 103993170 |
| Deferred Tax Assets | | |
| Disallowances Under Income Tax Act 1961 | <u>2703469</u> | <u>2514204</u> |
| Total | <u>114666767</u> | <u>106507643</u> |

10. 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

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

12. 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
Registration No. 110264W
Surat, 27.02.2013

For and on Behalf of the Board

B. G. Jain Chairman & Managing Director
D. B. Jain Joint Managing Director
Rashmi Bhatt Company Secretary
Surat, 27.02.2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE 12 MONTHS ENDED ON 31ST DECEMBER, 2012

| | (Rs. In Lacs) | |
|---|---------------------|---------------------|
| | AS AT 31.12.2012 | AS AT 31.12.2011 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit After Tax and Extraordinary items | 5,797.60 | 4,716.06 |
| Add : Depreciation | 3,836.28 | 3,158.71 |
| Interest | 6,046.00 | 4,615.64 |
| Operating Profit before Working Capital Charges | <u>15,679.88</u> | <u>12,490.41</u> |
| Add / (Less) : (Increase) / Decrease in Current Assets | | |
| Debtors | (13,447.26) | (22,100.08) |
| Inventories | (26,478.71) | (23,391.17) |
| Loans & Advances | (988.05) | (5,617.21) |
| Add / Less : Increase / Decrease in | (25,234.15) | (38618.06) |
| Current Liabilities & Provisions | <u>7,519.67</u> | <u>51,512.93</u> |
| Cash Generated From Operations | (17,714.48) | 12,894.87 |
| Misc. Expenditure (Not written off) | 100.50 | (123.54) |
| Minority Interest | 22.20 | 209.47 |
| Interest Paid | 6,046.00 | (3928.54) |
| Net Cash Flow From Operating Activities | <u>(11,545.78)</u> | <u>9,052.26</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase Of Fixed Assets | (34,365.37) | (6,711.93) |
| Capital Work In Progress | 7,011.65 | (7,510.88) |
| Purchase of Investments | (1.80) | (267.20) |
| Sales of Investments | - | - |
| Profit on Sale of Fixed Assets | - | - |
| Net Cash Flow From Investing Activities | <u>(27,355.52)</u> | <u>(14,490.01)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increasing in Share Capital | - | 3,600.00 |
| Increasing in Share Premium | - | 7,200.00 |
| Share Application Money | 2,640.00 | (2,700.00) |
| Proceeds From Borrowings | 9,929.34 | (4,880.24) |
| Increase in Capital Reserve | - | - |
| Foreign Currency Translation Reserve | (352.16) | (91.19) |
| Proceeds From Unsecured Loans | 26,660.72 | 8,938.61 |
| Dividend & Dividend Tax Paid | (576.46) | (576.46) |
| Net Cash Flow From Financing Activities | <u>38,301.44</u> | <u>11,490.72</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | (599.86) | 6,052.97 |
| CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 24,858.68 | 18,805.71 |
| CASH & CASH EQUIVALENTS AT THE END OF THE YEAR | 24,258.82 | 24,858.68 |

As per our attached report of even date.

For N. M. SINGAPURI & CO.
Chartered Accountants

N. M. SINGAPURI
Partner
Membership No. 11601
Registration No. 110264W
Surat, 27.02.2013

For and on Behalf of the Board

B. G. Jain Chairman & Managing Director
D. B. Jain Joint Managing Director
Rashmi Bhatt Company Secretary
Surat, 27.02.2013

**DETAILS OF SUBSIDIARY COMPANIES PURSUANT TO (No:5/12/2007-CL-III) MCA,
GOVERNMENT OF INDIA GENERAL CERCULAR NO: 2/2011
UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956**

(Amount in INR Lacs)

| Name of Subsidiary | % holding of Group as on December 31, 2012 | Country of Incorporation | Reporting Currency | Exchange rate as on December 31,2012 | Capital | Reserves | Total Asset | Total Liabilities | Investments (Other than investments in subsidiaries) | Turnover/ Total Income | Profit Before Taxation | Provision For Taxation | Profit After Taxation | Proposed Dividend |
|--------------------------------|--|--------------------------|--------------------|--------------------------------------|---------|----------|-------------|-------------------|--|------------------------|------------------------|------------------------|-----------------------|-------------------|
| Indo Korean Petrochem Ltd. | 90.25% | South Korea | KRW | 0.047 | 6990.61 | 130.53 | 27783.44 | 27783.44 | - | 30773.39 | (220.90) | 0.00 | (220.90) | - |
| Nakoda Holdings Mauritius Ltd. | 100.00% | Mauritius | USD | 50.000 | 500.00 | (10.39) | 496.89 | 496.89 | - | - | (3.00) | 0.00 | (3.00) | - |
| Gerback Holdings Pte. Ltd. | 66.67% | Singapore | USD | 50.000 | 749.95 | (15.20) | 734.75 | 734.75 | - | 10.23 | (2.07) | 0.00 | (2.07) | - |
| Nakoda Green Power Ltd. | 100.00 | India | INR | - | 225.00 | 0.00 | 220.22 | 220.22 | - | - | 0.00 | 0.00 | 0.00 | - |

Place: Mumbai
Date : 27.02.2013

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

**Statement Pursuant to Section 212 (1) (e) of the
Companies Act, 1956, relating to subsidiary Companies.**

| | | |
|-----|---|-------------------|
| 1 | The Financial Year of subsidiary Company the ended on | 31/12/2012 |
| 2 | Extent of interest of Holding Company at the end of the Financial year of the subsidiary | |
| a) | Extent of interest of Nakoda Ltd. (Holding Company) at the end of financial year of the subsidiaries: | |
| | Nakoda Holdings Mauritius Ltd. | 100.00% |
| | Indo Korean Petrochem Ltd. | 70.76% |
| | Nakoda Green Power Ltd. | 100.00% |
| b) | Extent of interest of Nakoda Holding Mauritius Ltd. (Subsidiary Company) in Gerback Holding Pte. Ltd., Singapore. | 66.67% |
| c) | Extent of interest of Gerback Holding Pte. Ltd., Singapore in Indo-Korean Petrochem Ltd., Korea. | 29.24% |
| 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, 2011 | 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, 2011 | Rs. (275.91) Lacs |
| ii) | For the previous financial of the subsidiary since it became the Holding Company's subsidiary. | Rs. (225.97) Lacs |

NAKODA LIMITED

Registered Office: Block No. 1&12 to 16, Village - Karanj, Taluka -Mandvi, Dist.- Surat-394 110.

Electronic Clearing Services (ECS)

Folio no.

Telephone No.

M/s. MCS Ltd.

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

Dear Sir,

I request you to register ECS mandate against my account as under:

1. Name of the Sole/First Shareholder

2. Name of the Bank

3. Address of the Bank

4. Account Type

5. Account No. as appearing on the
Cheque issued by the Bank

6. 9 Digit Code No. of the Bank
as appearing on the MICR Cheque
issued by the Bank

I hereby declare that the particulars given are correct and complete. If the payment transaction through NECS is delayed or not affected at all due to incomplete or incorrect information or for any reasons, I would not hold the Company or the Registrars & Share Transfer Agents responsible

Place: _____

Date: _____

Signature of the Sole/First Shareholder

Encl: A photo copy of the Cheque / a blank cheque duly cancelled

(TEAR HERE)

NAKODA LIMITED

Registered Office: Block No. 1&12 to 16, Village - Karanj, Taluka -Mandvi, Dist.- Surat-394 110.

PROXY FORM

Folio No. / Client ID _____

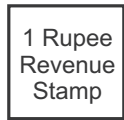
I/We _____ of _____ being a member/members of the

above named Company, hereby appoint _____ of _____

or failing him _____ of _____

as my/our proxy to vote for me/our behalf at the 28th Annual General Meeting of the Company, to be held at _____ and at adjournment thereof.

Signed this _____ day of _____ 2013.



Signature:

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

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

NAKODA LIMITED

Registered Office: Block No. 1&12 to 16, Village - Karanj, Taluka -Mandvi, Dist.- Surat-394 110

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 28th Annual General Meeting of the Company held on Tuesday 25th June 2013 at 11.30A. M. at Block No. 1 & 12 to 16, Village - Karanj, Taluka -Mandvi, Dist.- Surat – 394110.

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

(TEAR HERE)

BOOK-POST

If undelivered, Please return to :


NAKODA LIMITED
A-701, International Trade Centre,
Majura Gate, Ring Road, Surat 395 002



Nakoda LIMITED

Regd. Off. & Unit I : Block No. 1 & 12 -16, Village Karanj, Tal. Mandvi, Dist. Surat 394110, Gujarat, India
Tel.: +91 02621 329332 • Fax : +91 02621 235430 • Website : www.nakodaltd.com

FORM A

| | | |
|---|--|--|
| 1 | Name of the company | Nakoda Limited |
| 2 | Annual financial statements for the year ended | 31 st December 2012 |
| 3 | Type of Audit observation | Un-qualified |
| 4 | Frequency of observation | Nil |
| 5 | To be signed by- Shri D. B. Jain Joint Managing Director | For NAKODA LIMITED  Director |