



Annual Report

2013

NAKODA LIMITED

ANNUAL REPORT 2013

BOARD OF DIRECTORS

Mr. B. G. Jain	Chairman & Managing Director
Mr. D. B. Jain	Jt. Managing Director
Mr. Ishtiaq Ali	Director
Mr. Arvind Sinha	Director
Dr. J. A. Prem	Director
Mr. R. K. Gupta	Additional Director

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 –395002

CORPORATE OFFICE

1101, 11th Floor, Raheja Centre,
Nariman Point,
Mumbai – 400021

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
Central Bank of India
Bank of India

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of **NAKODA LIMITED** will be held on Friday 27th June 2014 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:

1. To receive, consider and adopt the Annual Audited Accounts for the year ended on 31st December 2013 together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Arvind Sinha who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Ishtiaq Ali who retires by rotation and being eligible, offers himself for re-appointment.
4. To declare dividend.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

6. As an Ordinary Resolution

"Resolved that Mr. Raj Kumar Gupta who was appointed as an additional director by the Board of Directors and holds office upto the date of Annual General Meeting of the Company, and in respect of whom the company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013, in writing proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company liable to retirement by rotation."

For and on behalf of the Board of Directors of
Nakoda Limited

Place: Mumbai

B. G. Jain

Date : 14.05.2014

Chairman & Managing Director

NOTES

1. 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.
2. Members/ Proxies should bring the Attendance Slip duly filled in for attending the meeting.
3. The Board of Directors at its meeting held on 01.03.2014 has recommended a dividend of Rs. 0.30 per equity share of Rs. 5/- each for the financial year ended 31st December 2013. Dividend, if declared, at the Annual General Meeting, will be paid by the Company on or before 22nd July 2014.

4. The Register of Members and Share transfer Books of the Company will remain closed from 20th June 2014 to 27th June 2014 (both days inclusive).
5. 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 is given in Annexure-A.
6. Members are requested:
 - a) to bring their copies of Annual Report and Attendance Slip at the time of the meeting.
 - b) to quote their Folio No.(s) in all correspondence.
 - c) 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.
 - d) to forward their queries, if any, so as to reach the Administrative Office of the Company on or before 23rd June, 2014 enabling the management to keep the information ready.
7. 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 102 of the Companies Act, 2013)

Item No. 6

In accordance with Section 161 of the Companies Act, 2013 Mr. R. K. Gupta holds office as a Director of the Company till the forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. R. K. Gupta to the office of Director under the provisions of Section 160 of the Companies Act, 2013.

Mr. R. K. Gupta is B.E. (Hons) Electrical, MBA, CAIIB, Diploma in IT, Diploma in Financial Management having 36+ years of experience in a leading nationalized bank, expertise in Credit Appraisal, Risk Management, International Banking, Foreign Exchange, General Administration, Business Development and Control functions. Retired from top management position. He is acting as lenders Independent Engineers and consultancy TEV Studies and also teaching MBA students.

Except Mr. R. K. Gupta no other Directors are interested in the proposed resolution.

For and on behalf of the Board of Directors of
Nakoda Limited

Place: Mumbai

Date : 14.05.2014

B. G. Jain

Chairman & Managing Director

Annexure-A

Details of Directors seeking appointments / re-appointments at the 29th Annual General Meeting (Pursuant to Clause 49(IV)(E) of the Listing Agreement)

1	Name of the Director	Sh. Arvind Sinha
	Date of Birth	14.05.1955
	Date of Appointment	06.08.2011
	Qualifications	B.Tech, MMS
	Expertise in specific functional area	Textile & Finance
	Directorships held in other Public companies	-
2	Name of the Director	Sh. Ishtiaq Ali
	Date of Birth	30.05.1953
	Date of Appointment	06.08.2011
	Qualifications	B.Sc., LL.M.
	Expertise in specific functional area	Corporate Legal Matters
	Directorships held in other Public companies	-
3	Name of the Director	Sh. R. K. Gupta
	Date of Birth	24.06.1950
	Date of Appointment	01.03.2014
	Qualifications	B.E. (Hons) Electrical, MBA, CAIIB, Diploma in IT, Diploma in Financial Management
	Expertise in specific functional area	Finance
	Directorships held in other Public companies	Origin Fiscal Services Ltd.

DIRECTORS REPORT

Your Directors have pleasure in presenting their 29th Annual Report together with the Audited Accounts for the year ended 31st December 2013.

FINANCIAL HIGHLIGHTS

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

(Rs. In Cr - Standalone)

Year Ended 31 st December 2013	2013	2012
Turnover & Other Income	3036.60	2586.68
Gross Profit (before Financial Charges & Depreciation)	166.85	133.73
Interest & Financial Charges	61.66	46.60
Profit before Depreciation (Cash Profit)	105.19	87.13
Depreciation	31.03	27.54
Profit for the year	74.16	59.59

CURRENT OPERATIONS

There was a complete change in performance after the end of the financial year 2013. Excess capacity in the industry and flawed economy has dragged down the demand and profitability. Rampant expansion carried out by the Company during the past couple of years added to the problems and demand slow down, increase in the prices of raw materials, lower prices of finished goods, piling up of inventory and slow down in realization of book debts have made the Company suffer heavy losses. The plant of the company has also remained closed for over one month due to labour unrest. Your directors foresee a very heavy loss during the current financial year 2014.

DIVIDEND

Your Directors had provided for a dividend of Rs. 0.30 per equity share of Rs.5 each for the year ended 31st December, 2013 while approving the audited accounts for the year 2013.

However in view of the changed scenario, your directors recommend to make appropriate decision for declaration of the dividend.

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 5,30,00,000 equity shares of Rs. 5/- each at a premium of Rs. 5/- per equity share on conversion of 1,06,00,000 Warrants of Rs. 50/- each on 28.09.2013 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. The plant of Indo Korean Petrochem Ltd. (IKPL) the Company's subsidiary located at South Korea was closed for refurbishing since February 2013. While the refurbishing is in progress, the complete change of scenario in the Korean market has made it difficult to operate the plant.

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

Mrs. P. B. Jain, Mr. B. L. Maheshwari, Mr. S. K. Bhoan, Mr. P. J. Shah & Mr. P. P. Vora have resigned as directors of the Company. Your directors place on record their sincere appreciation for the excellent services rendered by them during their tenure as directors of your Company.

Mr. R. K. Gupta was appointed as Additional Directors of the Company on 1st March 2014 to hold office till the date of annual general meeting. His appointment as a director is proposed in the ensuing meeting.

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

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.

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.
- (v) that the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

For and on behalf of the Board of Directors of
Nakoda Limited

Place: Mumbai
Date : 14.05.2014

B. G. Jain
Chairman & Managing Director

**ANNEXURE TO THE DIRECTORS' REPORT
FORM – A
DISCLOSURES OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY**

	AS AT 31.12.2013	AS AT 31.12.2012
A. POWER AND FUEL CONSUMPTION		
Electricity (Hathuran Texturising Plant)		
Purchased Units (In 000's)	5811.40	3801.91
Total Amount (Rs. In Lacs)	383.73	224.30
Rate / Unit (Rs.) (Excluding Electricity Duty)	6.60	5.90
Own Generation		
i) Through Diesel		
Generator Units (In 000's)	283.63	346.26
Unit per liter of HSD/LDO/FO	3.70	3.41
Cost/Unit (Rs.)	10.24	9.89
ii) Through Gas		
Engine Units (In 000's)	47279.07	51264.00
Unit per scm	2.95	2.90
Cost/Unit (Rs.)	5.75	5.13
B. CONSUMPTION PER UNIT OF PRODUCTION		
	KWH/KGS	KWH/KGS
Products		
Chips, POY, FDY & Texturised Yarn	0.19	0.37

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. 826.08 Lacs
Foreign Exchange Outgo : Rs. 14.34 Lacs

For and on behalf of the Board of Directors of
Nakoda Limited

Place: Mumbai
Date : 14.05.2014

B. G. Jain
Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Industry Review

The textile industry is of significant importance to the Indian economy. Manmade Fibres contribute to 67% of global fibre basket with cotton at 31%. The shift is even more prevalent with the intensifying issues of cotton shortage and price volatility.

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

Opportunities, Threats & Future Outlook

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 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.

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 outpace demand growth in the next 1-2 years. It may lead to price instability and pressure on profit margins. While the medium to long term projections for the industry is widely expected to be growth in demand, your company's problems narrated in the report of the Directors would lead to a great setback and heavy losses during the year 2014.

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 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. Slow down in realization of book debts and piling of inventory would pose great risk on performance of the Company.

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.

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.

2. BOARD OF DIRECTORS

A. Composition of the Board

The present strength of the Board of Directors is 6 inclusive of Chairman and Managing Director, Joint Managing Director. Five Board Meetings were held during the year 2013 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	5	5	2	1
2	Sh. D. B. Jain	PD	ED	5	5	2	3
3	Sh. Arvind Sinha	NPD	NED-ID	5	5	1	—
4	Sh. Ishtiaq Ali	NPD	NED-ID	5	3	—	—
5	Dr. J. A. Prem	NPD	NED-ID	5	4	—	—
6	Sh. R. K. Gupta ++	NPD	NED-ID	0	0	2	1
7	Smt. P. B. Jain ±	PD	NED	5	5	1	1
8	Sh. B. L. Maheshwari ±	NPD	NED-ID	5	4	1	1
9	Sh. P. P. Vora ±	NPD	NED-ID	5	5	9	10
10	Sh. S. K. Bhoan +	NPD	NED-ID	5	4	1	1
11	Sh. P. J. Shah +	NPD	NED-ID	5	2	—	1

* 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

+ Resigned w.e.f. 20.12.2013 & 27.12.2013 respectively

± Resigned w.e.f.02.03.2014, 28.03.2014 & 28.04.2014 respectively

++ Appointed as Additional Director w.e.f. 01.03.2014

B. Board Meetings held during the year 2013.

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 2013, the Board met five (5) times. Details of these meetings are as follows: -

Sr. no.	Date of Meeting	Board Strength	No. of Directors Present
1	02.02.13	10	8
2	27.02.13	10	7
3	11.05.13	10	9
4	10.08.13	10	9
5	26.10.13	10	9

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. Arvind Sinha

Mr. Arvind Sinha is B. Tech and Master of Management Studies having 34 years working experience with various companies nationally and internationally. He has worked on various assignments in India and abroad. He is actively engaged with World Bank & IMF for their various projects and receiving appreciation certificate for last four years. He is dealing in camouflage fabrics for last many years with various armed forces, presented many papers and articles on defense textiles, business with China, economics and environment studies. He has been a certified food safety management systems auditor for international managements.

(2) Mr. Ishtiaq Ali

Mr. Ishtiaq Ali is B.Sc., LL.M. is a Senior Partner of Classis Law, a leading international Law firm. He is having more than 30 years of rich experience in handling diverse Legal matters including 17 years with IFCI Ltd. He is associated with various international forums and has presented papers at number of seminars in India and abroad. He is an internationally acclaimed Project Finance Lawyer. He is also associate with the promotion of Islamic Banking in India.

(3) Mr. R. K. Gupta

Mr. R. K. Gupta is B.E. (Hons) Electrical, MBA, CAIIB, Diploma in IT, Diploma in Financial Management having 36+ years of experience in a leading nationalized bank, expertise in Credit Appraisal, Risk Management, International Banking, Foreign Exchange, General Administration, Business Development and Control functions. Retired from top management position. He is acting as lenders Independent Engineers and consultancy TEV Studies and also teaching MBA students.

3. COMMITTEES OF THE BOARD

(A) AUDIT COMMITTEE

The composition of the Audit Committee as on 31st December, 2013 was as follows:

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

*The Board on 01.03.2014 has appointed Sh. R. K. Gupta in place of Sh. P. J. Shah who had resigned on 27.12.2013.

** Sh. B. L. Maheshwari had resigned on 28.03.2014.

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 also reviews with the management annual and quarterly financial statements before submission to the Board for approval. The Committee also reviews the adequacy of internal control systems, internal audit functions and discuss any significant findings.

During the year 2013, the Audit Committee met Five (5) times. Details of these meetings are as follows:

Sr. No.	Date of Meeting
1	02.02.13
2	27.02.13
3	11.05.13
4	10.08.13
5	26.10.13

The Attendance of the Members at the Audit Committee Meeting during 2013 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	5	4
2	Sh. D. B. Jain	5	5
3	Sh. P. J. Shah	5	2

(B) MANAGEMENT COMMITTEE

The composition of the Management Committee as on 31st December, 2013 was as follows:

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

*Sh. S. K. Bhoan had resigned on 20.12.2013.

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 11.01.13, 18.01.13, 25.01.13, 11.02.13, 18.02.13, 28.03.13, 30.03.13, 02.05.13, 27.05.13, 26.06.13, 22.08.13, 28.09.13, 17.10.13, 30.10.13 & 05.12.13 during the year under review.

(C) INVESTOR GRIEVANCE COMMITTEE

The composition of the Investor Grievance Committee as on 31st December, 2013 was as follows:

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

*Smt. P. B. Jain and Sh. P. P. Vora have resigned from 02.03.2014 & 28.04.2014 respectively.

*The Board on 14.05.2014 has appointed Sh. R. K. Gupta in place of Sh. P. P. Vora.

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

The status of Shareholders Complaints as on 31st December 2013 is as follows:

Particulars	Opening as on 1 st January 2013	Received during the Year	Disposed during the Year	Balance as on 31 st December 2013
No. of Complaints	Nil	14	14	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 2013 are as detailed below:

Name of the Non- Executive Director	Sitting Fee	Commission	Total
Smt. P. B. Jain	60000	600000	660000
Sh. B. L. Maheshwari	60000	600000	660000
Sh. S. K. Bhoan	40000	0	40000
Sh. P. J. Shah	30000	600000	630000
Sh. P. P. Vora	60000	600000	660000
Sh. Arvind Sinha	50000	600000	650000
Sh. Ishtiaq Ali	30000	600000	630000
Dr. J. A. Prem	40000	600000	640000
Total	370000	4200000	4570000

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
Sh. D. B. Jain	3,50,000/- P.M.	the annual salary

* 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

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
2010 AGM	Block No. 1&12 to 16, Village - Karanj, Taluka - Mandvi, Dist.- Surat.	27.06.11	11.30 A.M.	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.	1. Resolution for Issue of Warrants on preferential basis.
2011 AGM	Block No. 1&12 to 16, Village - Karanj, Taluka - Mandvi, Dist.- Surat.	23.06.12	4.00 P.M.	1. Alteration of MOA for enhancement in Authorised share capital. 2. Alteration of AOA for enhancement in Authorised share capital.
EGM	Block No. 1&12 to 16, Village - Karanj, Taluka - Mandvi, Dist.- Surat.	03.01.13	12.30 P.M.	1. Resolution for Issue of Equity Shares under ESOP Scheme. 2. Resolution for Issue of Warrants on preferential basis.
2012 AGM	Block No. 1&12 to 16, Village - Karanj, Taluka - Mandvi, Dist.- Surat.	25.06.13	11.30 A.M.	No Special Resolution
Adjourned 28 th AGM 2012	Block No. 1&12 to 16, Village - Karanj, Taluka - Mandvi, Dist.- Surat.	13.09.13	11.30 A.M.	No Special Resolution

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, 2013, the company has no such material non-listed subsidiary.

7. DISCLOSURE

- A. 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.
- B. 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.
- C. No personnel have been denied access to the audit committee.
- D. 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) and National Stock Exchange of India Ltd. (www.nseindia.com)

10. GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting Day, date, time & venue	: Friday, the 27 th June, 2014 at 11.30 A. M. at Block No. 1 & 12 to 16, Village - Karanj, Taluka -Mandvi, Dist.- Surat – 394110.
2.	Financial calendar December 2014 (Tentative) Annual General Meeting Results For the Quarter ended 31.03.2014 Results For the Quarter ended 30.06.2014 Results For the Quarter ended 30.09.2014 Results For the Quarter ended 31.12.2014	: May – June 2015 : Second Week of May 2014 : Second Week of August 2014 : Second Week of November 2014 : Second Week of February 2015
3.	Date of Book Closure	20 th June 2014 to 27 th June 2014 (both days inclusive)
4.	Dividend Payment Date (if declared)	On or before 22 nd July 2014
5.	Registered office	Block No. 1 & 12 to 16, Village – Karanj, Taluka-Mandvi, Dist.- Surat - 394110.
6.	Listing on Stock Exchanges	Equity Shares 1. Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code : 521030 2. National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Compleax, Bandra (E), Mumbai - 400 051 Symbol: NAKODA ISIN: INE559B01023 GDRs Luxembourg Stock Exchange, Luxembourg. Annual Listing fee for the year has been paid to the exchange. As on 31 st March 2014, there were 13992 Shareholders of the Company.