Nakoda
LIMITED

# Annual Report
2016

# NAKODA LIMITED
## ANNUAL REPORT 2016

**BOARD OF DIRECTORS**

| | |
|---|---|
| Mr. B. G. Jain | Chairman & Managing Director |
| Mr. D. B. Jain | Jt. Managing Director & CFO |
| Mr. R. K. Gupta | Director |
| Mr. A.K. Jain | Additional Director |
| Smt. Poonam Khandelwal | Additional Director |

**AUDITORS**

Kanunga And Jain
Chartered Accountants
Surat

**REGISTERED OFFICE & MANUFACTURING FACILITY**

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

**ADMINISTRATIVE OFFICE**

401, Union Trade Center,
Udhna Darwaja, Ring Road,
Surat - 395 002.

**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 31[st] Annual General Meeting of NAKODA LIMITED (CIN: L17111GJ1984PLC045995) will be held at Block No 1 & 12 to 16 Village-Karanj, Tal Mandvi, Dist-Surat 394110 on Monday, 26[th] September, 2016 at 03.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To consider and adopt the audited standalone/consolidated financial statements of the company for the financial year ended 31[st] March, 2016 and the reports of the board of Directors and the auditors' thereon.

2. Re-appointment of director

To appoint a Director in place of Shri Devendra Babulal Jain (DIN:00016872), who retires by rotation and, being eligible, offers himself for re - appointment

3. Appointment of Statutory Auditors

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of section 139, 142 of the Companies Act, 2013 and rules made thereunder, M/s Kanunga and Jain, Chartered Accountants, Surat having ICAI Firm Registration No. 106467W be and are hereby appointed as Statutory Auditors of the company from the conclusion of this Annual General until the conclusion of the Annual General Meeting of the company to be held in 2021 on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors, plus service tax and out -of-pocket expenses incurred by them for the purpose of audit of the accounts of the company.

Resolved further that the m embers approves appointment of M/s Kanunga and Jain made by Board of Directors as statutory auditors for the financial year ended 31.03.2016 to fill up causal vacancy on accourt of Resignation of the auditors appointed at last Annual General meeting.

SPECIAL BUSINESS

4. Appointment of Mr. Babulal Gumanmal Jain as Managing Director:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

RESOLVED THAT in accordance with the provisions of S ections 196 and 197 read with Schedule V and all other applicable provisions of Companies Act, 2013, the members of the Company hereby re-appoint Mr. Babulal Gumanmal Jain (whose term of appointment as Managing Director expires on 31/08/2016) as Managing Director with effect from 01/09/2016 for five years at a Remuneration within the limits set out in Part -II of Schedule V of The Companies Act, 2013 and perquisites within the limits set out in section IV of Part - II of Schedule V of The Companies Act, 2013.

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of the Managing Director the Company has no profits or its profits are inadequate, Mr. Babulal Gumanmal Jain shall be entitled to receive above remuneration including perqu isites as minimum remuneration in accordance with the provision of Section 197 read with Schedule V to Companies Act, 2013 or as may be applica ble from time to time.

RESOLVED FURTHER THAT the terms and conditions of the appointment may be altered and vari ed from time to time by the Committee approved by the Board as it may in its discretion deem fit within the maximum amount payable to the Managing Director in acco rdance with Schedule V to the Companies Act 2013, other relevant provision of the Companies A ct, 2013 as may be applicable form time to time.

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

By Order of the Board of Directors
For Nakoda Limited

Place: Surat
Date: 06/05/2016

Sd/-
Babulal Gumanmal Jain(DIN: 00695644)
Chairman and Managing Director

Notes:

1. The relative Explanatory Statements, pursuant to Section 102 of the Compan ies Act, 2013, in respect of the business under item no. 4 of the accompanying notice is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the registered o ffice of the company not later than forty-eight hours before the commencement of the meeting.

3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A Member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Me mber.

4. Corporate Members intending to send their authorized representatives to attend the Annual Ge neral Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant board resolution together wit h the representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.

5. In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.

6. Relevant documents referred to in the accompanying Notice and in the Explanatory Statemen ts are open for inspection by the members at the Company's registered office on all working days of the Company, during business hours up to the date of the meeting.

7. The Register of Members and Share Transfer Books of the company will be closed from 17/09/2016 to 26/09/2016, both days inclusive.

8. Members are requested to send all communications relating to shares to the Registrar & Share Transfer Agent of the Company at the following address:

MCS Share Transfer Agent Limited
10, Aaram Apartment, 12, Sampatrao Colony, Alkapuri, Vadodara 390007

If the shares are held in electronic form, then change of address and change in the Bank Accounts, etc. should be furnished t o the respective Depository Participants (DPs).

9. Members who have not registered their e -mail addresses so far, are requested to register their e -mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

10. Information and instructions relating to e -voting are as under:

a. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended from time to time and sub clause (1) & (2) of clause 44 SEBI (LODR) Regulations, 2015, the Company is pleased to prov ide members' facility to exercise their right to vote at the 31 st Annual General Meeting ("AGM") by electronic means and the business may be transacted through e -voting services provided by CDSL. It may be noted that this e -voting facility is optional. In order to fac ilitate those Members, who do not wish to use the e -voting facility, the company is enclosing a Ballot form, resolution passed by members through e -voting or ballot forms are deemed to have been passed as if they have been passed at Annual General Meeting (AGM). The e -voting facility will be available at the link https://www.evotingindia.com during the following voting period: Commencement of e -voting: From 9.00 a.m. on Friday, 23 rd September, 2016 to 5.00 p.m. on Sunday, 25th September, 2016.

b. E-voting sha ll not be allowed beyond 5.00 p.m. on Sunday, 25th September, 2016. During the e -voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Monday, 19th September, 2016 may cast their vote electronically.

c. Members can opt for only one mode of voting i.e. either by Ballot Form or e -voting. In case members cast their votes through both modes, voting done by e-voting shall prevail and vote casted through Ballot Form shall be treated as invalid.

d. In case a member is desirous of obtaining a duplicate Ballot Form, he/she may send an e -mail to secretarial@nakodaltd.com by mentioning their Folio No. / DP ID and Client ID No. However the duly completed Ballot Form Should reaches the scrutinizer, Mr. Kunjal D alal C/o Nakoda Limited, Block No 1 & 12 to 16 Village-Karanj, Tal Mandvi, Dist-Surat 394110 not later than (5.00 p.m.) on Sunday, 25th September, 2016. Ballot Forms received after this date will be treated as invalid.

e. The members who have casted their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

f. The Company has appointed Mr. Kunjal Dalal, Proprietor K. Dalal & Co., Practicing Company Secretaries, as Scrutinizer for con ducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

11. Shareholder Instructions For E -Voting

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 23/09/2016 at 09.00 a.m. and ends on 2 5/09/2016 at 05. 00 p.m. During this period shareholders ' of the Company, holding shares either in physical form or in dematerialized form, as on the cut -off date (record date) of 19/09/2016 may cast their vote electronically. The e -voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com .

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an e arlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha -numeric PAN issued by Income T ax Department (Applicable for both demat shareholders as well as physical shareholders)<br><br>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>If both the details are n ot recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physic al form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation ' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e -voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e -voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Nako da Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and opt ion NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click o n Forgot Password & enter the details as prompted by th e system.

(xviii) Shareholders can also cast their vote using CDSL 's mobile app m -Voting available for android based mobiles. The m -Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on y our mobile.

(xix) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia .com and register themselves as Corporates.
A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts t hey would be able to cast their vote.
A scanned copy of the Board Resolu tion and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
In case you have any queries or issues regarding e -voting, you may refer the Frequently Asked Questions ( "FAQs") and e -voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board of Directors
For Nakoda Limited

Place: Surat
Date: 06/05/2016

Sd/-
Babulal Gumanmal Jain(DIN: 00695644)
Chairman and Managing Director

Explanatory Statement pursuant to section 102(1) of The Companies Act, 2013: -

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, s etting out all material facts relating to the business at Item Nos. 4 of the accompanying notice dated May 06th, 2016.

For Item No. 4

Item no. 4 deals with re-appointment of Mr. Babulal Gumanmal Jain as Man aging Directors of the Company.

The remuneration and perquisites payable to them shall be within limits set out under provision of section 196, 197 and Schedul e V of The Companies Act, 2013.

The board of directors recommends the Resolutions set out in Item No. 4 of the accompanying notice for approval by the members.

None of the Directors or Key Managerial Personnel and their relatives except the appointee directors, are in any way concerne d or interested in the Resolution.

By Order of the Board of Directors
For Nakoda Limited

Place: Surat
Date: 06/05/2016

Sd/-
Babulal Gumanmal Jain(DIN: 00695644)
Chairman and Managing Director

| Information in respect of appointment/re -appointment of directors at Annual General Meeting Pursuant to Regulation 36(3) of Securities and Exchange Board of In dia (Listing Obligations and Disclosure Requirements) Regulations, 2015 | |
|---|---|
| Name of director | Mr. Devendra Babulal Jain |
| Age | 38 years |
| Qualifications | MBA Finance |
| Experience | 16 yrs |
| Nature of Expertise | Textile Manufacturing |
| Inter-se Relationship | Mr. Devendra Babulal Jain is son of Mr. Babulal Jain, Managing Director of the company. |
| Name of the listed entity in which person holds directorship and membership of committee of board | Nil |
| Shareholding of non- executive directors | Not Applicable since the appointee is executive director |

BOARD OF DIRECTOR'S REPORT

To
The Members,
Nakoda Limited

Your directors present Annual report on the business and operations of the company to gather with Audited Statement of Accounts of the company for the year ending 31st March 2016.

The particulars pursuant to sub section 3 of section 134 of the companies act, 2013 are given below.

a) The extract of annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013:
The extract of Annual return is in format MGT-9 for the financial year ended 31/03/2016 is enclosed as "Annexure A" with this report.

b) Number of meetings of the Board:

During the year 2015-16, 4 meetings of Board of Directors were held on 30/05/2015, 14/08/2015, 13/11/2015 & 15/02/2016.

c) Directors' Responsibility Statements:
The directors' state that
i) In the preparation of annual accounts for the financial year ended 31st March 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
ii) 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 as at 31st March and of the profit / loss of the company for that period;
iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
iv) The director had prepared the annual accounts on a going concern basis;
v) The director 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) The director had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ca) Details of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the central government.
Auditor has not reported any fraud under sub-section (12) of section 143 of The Companies Act, 2013.

d) A Statement on Declaration given by Independent Directors under sub-section (6) of section 149.
The independent Directors have submitted declaration pursuant to Section 149(7) confirming that he meets the criteria of independence pursuant to section 149(6). The statement has been noted by Board of Directors.

e) If Company covered under sub-section (1) of section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and other matter provided under sub-section (3) of section 178.
The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of director and key managerial personal and their remuneration. The policy is disclosed at "Annexure B" in pursuance of provision to section 178(3) of the companies Act 2013.
The Company does not pay any remuneration to the Non-Executive/Independent Directors of the company other than sitting fees for attending the meeting of the Board/Committee. Remuneration to the Whole Time Director/Managing Director is governed by the relevant provisions of the Companies Act, 2013.

f) Explanations or comments by the board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report / by the company secretary in practice in his secretarial audit report.
The statutory auditors have not made any qualifications, reservations or adverse remarks or disclaimer in the report and no explanation or comments by the board is required.
The Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 in prescribed Form MR-3 is attached to as "Annexure C" to this report. The Company has taken note of Qualification, Reservation etc in the said report and shall make arrangement for necessary compliance in future.

g) Particulars of loans, guarantees or investments under section 186 of Companies act, 2013
Company has not during the year under review (a) given any loan to any person or other body corporate (b) Given any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) Acquired by way of subscription, purchase or otherwise, the securities of any other body corporate. Exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more and hence the particulars are not required to be included in this report.

h) Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form (Form AOC-2)
The company has entered into transactions referred to in section 188(1) of The Companies Act, 2013 with related party and as such particulars in form AOC-2 are attached to this report.

FORM AOC-2

Material related party Transactions
I. Details of contract or arrangements or transactions not at arm's length basis:
There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2016 which were not at arm's length basis
II. Details of material contracts or arrangements or transactions at arm's length basis:
The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2016 are as follows.

| Sr. No. | Name of the Related Party & Relationship | Nature of Transaction | Duration | Salient Terms | Amount (Rs. in lacs) |
|---|---|---|---|---|---|
| 01 | Babulal G. Jain - Managing Director | Remuneration | Ongoing | On arm's length basis in ordinary course of business | 3.00 |
| 02 | Devendra B. Jain - Managing Director | Remuneration | | | 3.00 |

i) The state of Company's affairs
There is no Material change in the state of affairs of the company particularly nature of business being carried out except that Banks have taken symbolic possession of units u/s 13(4) of SARFAESI Act. The income has been decreased from Rs. 147712.93 Lacs in the year

2014-15 to Rs. 3443.77 Lacs in the year 2015-16. There has been Loss of Rs. 71668.68 Lacs in the year 2014-15 and loss of Rs. 13904.31 Lacs in the year 2015-16.
The Company has not issued any share capital or Debentures during the year. There is no change in the status of the company or the accounting year.
The Company got registered with BIFR. Banks have taken symbolic possession of units u/s 13 (4) of SARFAESI Act. Company has filed stay application in Debt Recovery Tribunal against the same. Banks have also filed original application in Debt Recovery Tribunal. Production activities are resumed by the Company.

j) The amount, if any, which it proposes to carry to any reserves
The Directors do not propose to carry any amount to reserves.

k) The amount, if any, which it recommends should be paid by way of dividend
The Directors do not recommend any amount to be paid by way of dividend.

l) Material Changes and commitments, if any, Affecting the Financial Position of the Company which have occurred between the Ends of the financial year of the company to which the financial statements relate and the date of the report.
There are no material changes and/or commitments affecting financial position of the Company occurred after end of financial year till date of this report.

m) The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in such manner as may be prescribed.

Information and details pursuant to Rule 8(3) of the companies (Accounts) Rules, 2014 with respect to above is given below :

(A) CONSERVATION OF ENERGY -
i) The steps taken or impact on conservation of energy: NIL
ii) The steps taken by the company for utilizing alternate sources of energy: NIL
iii) The capital investment on energy conservation equipments : NIL

(B) TECHNOLOGY ABSORPTION-
i) The efforts made towards technology absorption: Not Applicable
ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable
iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -
a. The details of technology imported: Not Applicable
b. The year of import: Not Applicable
c. Whether the technology been fully absorbed: Not Applicable
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable and
iv) The expenditure incurred on Research and Development: NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO-
Foreign Exchange earned (actual inflows during the year): NIL
Foreign Exchange outgo (actual outflows): NIL

n) A statement including development and implementation of a Risk Management Policy for the company including identification therein of elements of risk, if any, which in the opinion of the board may threaten the existence of the company ;
The Directors do not foresee any risk that may threaten the existence of the company in normal course. The Directors proposes to develop and implement specific Risk Management Policy on identification of any risk.

o) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;
Since the Net Worth of the company is below Five Hundred crores, Turnover of the company is below One thousand crores, Net Profit of the company is below Five crores. The provision of Section 135 of The Companies Act, 2013 are not applicable to the company and hence the company is not required undertake any corporate Social Responsibility (CSR) initiatives.

p) In case of a listed company and every other public company having such paid -up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors :
Pursuant to provision of the Companies Act, 2013 the board has carried out the annual performance evaluation of its own performance as well as the evaluation of the Audit, Nomination & Remuneration Committee.
The chairman of Board of directors and the chairman of Nomination & remuneration Committee met all the directors individually to get an overview of the functioning of the board and its constituents inter alia on the following board criteria i.e. attendance and level of participation, independence of judgment exercised by independent directors, interpersonal relationship etc.
Based on the valuable inputs received the directors are encouraged for effective role in company management.

q) Such other matters as may be prescribed.
(Pursuant to rule 8(5) of The Companies (Accounts) Rules, 2014)

i) The Financial summary or highlights
The summary of financial Results (standalone) for the year under review is as under:

| Particulars | As on 31/03/2016 | As on 31/03/2015 |
|---|---|---|
| | | (Amount in Lacs) |
| Turnover and other income | 4687.15 | 149775.62 |
| Gross profit/Loss (-) before Financial Charges & depreciation | (16018.79) | (39379.00) |
| Interest and Financial Charges | 28.26 | 27604.64 |
| Profit/Loss(-) before depreciation | (16047.05) | (69190.74) |
| Depreciation | 8458.19 | 4685.04 |
| Profit /Loss(-) After Tax for the year | (13904.31) | (71668.68) |

ii) The Change in the nature of business, if any:
There is no Material change in nature of business of the company.

iii) The Details of Directors or key managerial personnel who were appointed or have resigned during the year:
The details of Directors and key managerial persons as on date of report are as under:

| Name of Director/KMP | Designation | Date of Appointment |
|---|---|---|
| Devendra Babulal Jain | Managing director | 05/05/2005 |
| Babulal Gumanmal Jain | Managing director | 05/05/2005 |

| | | |
|---|---|---|
| Raj Kumar Gupta | Non-Executive Independent Director | 01/03/2014 |
| Ashok Kumar Jain | Non-Executive Independent Director | 12/08/2014 |
| Poonam Nandkishor Khandelwal | Non-Executive Independent Director | 31/03/2015 |
| Devendra Babulal Jain | CFO | 31/03/2015 |

During the year there is no change in director during the year.
The company is in process of appointment of other key managerial persons.

iv) The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year:
No company has become or ceases to be subsidiary, joint venture or associate company during the year.

v) The details relating to deposits, covered under Chapter V of the Act,
(a) Accepted during the year: NIL
(b) Remained unpaid or unclaimed as at the end of the year: NIL
(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved -
(i) At the beginning of the year: Not Applicable
(ii) Maximum during the year: Not Applicable
(iii) At the end of the year: Not Applicable

vi) The details of deposits which are not in compliance with the requirements of Chapter V of the Act: NIL

vii) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company 's operations in future: NIL

viii) The details in respect of adequacy of internal financial controls with reference to the Financial Statements.
The company has in place adequate internal financial controls with reference to financial statements. Periodic audits are undertaken on continuous basis covering all major operation. During the year no Reportable Material weakness in the operation was observed.

Disclosures under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Sr. No. | Requirement under Rule 5(1) | Details |
|---|---|---|
| (i) | The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year. | 0.65 : 1.00 |
| (ii) | The percentage increase in remuneration of each director, chief financial officer, Chief Executive officer, company secretary or manager, in the financial year. | There is no increase in remuneration of any Director |
| (iii) | The percentage increase in the median remuneration of employees in the financial year | Nil |
| (iv) | Number of permanent employees on the rolls of the company as on 31 st March, 2016. | 49 |
| (v) | The explanation on the relationship between average increase in remuneration and company performance | Not Applicable Since there is no increase in remuneration |
| (vi) | Comparison of remuneration of key managerial personnel against performance of the company. | N.A |
| (vii) | Variations in the market capitalization of the company, price earnings ratio as at the date of the current financial year and the previous financial year and percentage increase over decrease in the market quotation of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of a listed company, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year. | Market Capitalization as on 31.03.16 Rs. 9.00 Crores 31.03.15 Rs. 42.90 Crores |
| (viii) | Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Not Applicable |
| (ix) | Comparison of the remuneration of each key managerial personnel against the performance of the company | Not applicable |
| (x) | The key parameters for any variable components of remuneration availed by the directors. | There is no variable component in remuneration of directors |
| (xi) | The ratio of remuneration highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year. | No employee has been paid remuneration in excess of highest remuneration paid to any director |
| (xii) | Affirmation that the remuneration is as per the remuneration policy of the company. | The company affirms remuneration is a per the remuneration policy of the company |

No Employee of the company has been paid Remuneration in excess of limits laid down in rule 5(2) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence statement showing details thereof is not applicable.

Audit Committee
An Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit committee comprises of 3 directors namely Mr. Raj Kumar Gupta, Mr. Devendra Babulal Jain and Mr. Ashok Kumar Jain. Mr. Raj Kumar Gupta is the Chairman of the Audit Committee. During the year there was no instance where the board had not accepted the Recommendation of Audit Committee.

Vigil Mechanism / Whistle Blower Policy
Pursuant to section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Power) Rules, 2014, the Board of Director has adopted vigil mechanism in the form of Whistle Blower Policy through which, its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviors, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

It is the Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company. The practice of the Whistleblower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The said policy provides for adequate safeguards against victimization and also direct access to the higher levels of supervisors.

Mr. Raj Kumar Gupta, the Chairman of the Audit Committee can be contacted to report any suspected/confirmed incident of fraud/misconduct on:

Email id.: secretanal@nakodaltd.com
Contact no.: 9327321234

Your Company hereby affirms that no Director/Employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The Board of Directors place on records the services of all stakeholders and associates who have co -operated in the working of the Company.

By Order of the Board of Directors
For Nakoda Limited

Place: Surat
Date: 06/05/2016

Sd/-
Babulal Gumanmal Jain(DIN: 00695644)
Chairman and Managing Director

Disclosures pursuant to Regulation 34(3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

A. Related Party Disclosure

| Sr. No. | In the accounts of | Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year. |
|---|---|---|
| 1 | Holding Company | o Loans and advances in the nature of loans to subsidiaries by name and amount:<br>Gerback Holdings Pte Ltd-1965788.00<br>Indokorean Petrochem Ltd-239927264.06<br>Nakoda Holding Mauritius Ltd.-1618917.00<br>Nakoda Green Power Ltd.-9831060.00<br>o Loans and advances in the nature of loans to associates by name and amount: Not Applicable<br>o Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:<br>Koncept Infotenment Pvt.Ltd.-14697459.00<br>Nakoda Energy Pvt.Ltd.-203788.00<br>Nakoda Financial Services Pvt.Ltd.-12239480.00<br>Nakoda Infra & Leasing Pvt.Ltd.-195676.00<br>Nakoda Realities Pvt.Ltd.-44922.00<br>Nakoda Shipyard Pvt.Ltd.-108052.00<br>Varju Investment Pvt.Ltd.-2710755.27 |
| 2 | Subsidiary | Same disclosures as applicable to the parent company in the accounts of subsidiary company: NIL |
| 3 | Holding Company | Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan: Varju Investment Pvt. Ltd. |

B. Management Discussion And Analysis Report

(1) This section shall include discussion on the following matters within the limits set by the listed entity 's competitive position:

1. Industry structure and developments :
The Textile industry is of significant importance to the Indian economy. Manmade Fibers contribute to major share of global fiber basket along with share of cotton declining steadily. The shit is even more prevalent with the intensifying issues of cotton shortage and price volatility coupled with decrease in crude oil prices being main feed stock for petroleum products like polyesters etc.
As in the past both demand and supply is expected to grow steadily.

2. Opportunities and Threats :
Polyester has overtaken cotton as the dominant fiber, but the cost and availability still plays major role in inter fiber substitution. Declining crude oil prices will significantly help polyester industry to grow at faster rate in near future.

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

3. Segment –wise or product -wise performance:

Segment Information:
Primary segment Reporting (by Activity Segment)–
The two identical Segments are (1) Manufacturing (2) Trading

(Rs. in Lakhs)

| Particulars | Manufacturing | Trading | Total |
|---|---|---|---|
| Segment Revenue | | | |
| Income from Sales | 611.76 | 2832.01 | 3443.77 |
| Segment Results | | | |
| Profit Before Interest and Tax | (7319.21) | (14896.07) | (22215.28) |
| Less: Interest | 28.26 | 0.00 | 28.26 |
| Total Profit/ (Loss) before Tax | (7347.47) | (14896.07) | (22243.54) |
| Less: Exceptional Items | 2261.69 | 0.00 | 2261.69 |
| Loss After Exceptional Items | (9609.16) | (14896.07) | (24505.23) |
| Add: Provision for Tax | | | 10600.93 |
| Net Profit / (Loss) | | | 13904.31 |

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

4. Outlook:
Polyester filament fabric owing to its low -cost, versatility of characteristics, durability and wrinkle –resistance as well as very low per - capita consumption holds outstanding potential in India. However increase in the installed capacity 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 oriented, your company's operations have suffered adversely during the year under review due to problems narrated in the Directors ' Report. Your directors are making efforts to reduce the cost raw materials by using recycled materials in place of virgin materials to improve capacity utilization.

5. Risks and concerns:
The company like any other business concern is subject business risks arising from interest rate fluctuations, raw material price fluctuations and global economic condition. Decline in crude oil prices resulting in reduction in key raw materials like PTA and MEG put pressure on margins of recycled materials and also results in slow down of demand. However this phase is considered temporary and in long run it will lead to increase in demand.

6. Internal control systems and their adequacy:

The company has adequate internal control systems and is in process of further strengthening the existing internal control systems. The financial statements are reviewed periodically by the management. The company has set up an internal Audit trail whereby deviations, if any, can be brought to the notice of the management quickly and remedial actions are initiated immediately.

7. Discussion on financial performance with respect to operational performance:

| Particulars | As on 31/03/2016 | As on 31/03/2015 |
|---|---|---|
| | | (Amount in Lacs) |
| Turnover and other income | 4687.15 | 149775.62 |
| Gross profit/Loss (-) before Financial Charges & depreciation. | (16018.79) | (39379.00) |
| Interest and Financial Charges | 28.26 | 27804.64 |
| Profit/Loss(-) before depreciation | (16047.05) | (69190.74) |
| Depreciation | 8458.19 | 4685.04 |
| Profit /Loss(-) After Tax for the year | (13904.31) | (71666.68) |

8. Material developments in Human Resources / Industrial Relations front, including number of people employed:
The industrial relations remained cordial throughout the year. The employees of the company have extended a very productive co-operation in the efforts of the management to carry the company to greater heights. Continuous training down the line is a normal feature in the company to upgrade the skills and knowledge of the employees and workmen of the company.

(2) Disclosure of Accounting Treatment:

Financial statements have been prepared in accordance with applicable Accounting Standards, hence Para B (2) of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the company.

C. Corporate Governance Report

(1) A brief statement on listed entity's philosophy on code of governance:

**The Company firmly believes that business is built on ethical values and principles of transparency. Good Governance is an essential ingredient of any business, a way of life rather than a mere legal compulsion. The Company's philosophy of Corporate Governance aims at establishing a system which will assist the management to fulfill its corporate objectives as we to serve the best interest of the stakeholders at large viz. Shareholders, Customers, Employees, Society, Suppliers, and Lenders etc.**

(2) Board of directors:

(a) Composition and Category of Directors (e.g. promoter, executive, non-executive, independent non-executive, nominee director - institution represented and whether as lender or as equity investor):

| Category of Director | Name of Director |
|---|---|
| Promoter/Executive Director | 1. Babulal Gumanmal Jain<br>2. Devendra Babulal Jain |
| Independent & Non-Executive including Woman Director | 1. Ashok Kumar Jain<br>2. Raj Kumar Gupta<br>3. Poonam Nandkishor Khandelwal |

(b) Attendance of each director at the meeting of the board of directors and the last annual general meeting:

| Sr. No. | Name of Directors | Attendance at the Board Meetings: Number of Meetings which director was entitled to attend | Attendance at the Board Meetings: Number of Meetings attended | Attendance at Previous AGM held on 30/09/2015 (Y/N/NA.) |
|---|---|---|---|---|
| 01 | Devendra Babulal Jain | 04 | 04 | Y |
| 02 | Babulal Gumanmal Jain | 04 | 04 | Y |
| 03 | Raj Kumar Gupta | 04 | 04 | Y |
| 04 | Ashok Kumar Jain | 04 | 03 | Y |
| 05 | Poonam Nandkishor Khandelwal | 04 | 04 | N |

(c) Number of other board of directors or committees in which a directors is a member or chairperson;

| Sr. No. | Name of Directors | In other Board of Director: Number of Membership | In other Board of Director: Number of Chairpersonship | In other Committees: Number of Membership | In other Committees: Number of Chairpersonship |
|---|---|---|---|---|---|
| 01 | Devendra Babulal Jain | 0 | 0 | 0 | 0 |
| 02 | Babulal Gumanmal Jain | 0 | 0 | 0 | 0 |
| 03 | Raj Kumar Gupta | 0 | 0 | 0 | 0 |
| 04 | Ashok Kumar Jain | 0 | 0 | 0 | 0 |
| 05 | Poonam Nandkishor Khandelwal | 01 | 0 | 02 | 0 |

(d) Number of meetings of the board of directors held and dates on which held:

Board Meeting Met 4(Four) times in the year ended on 31.03.2016, the details are as follows:

| Sr. No. | Date of Board Meeting | Total Number of directors as on the date of meeting | Number of directors attended |
|---|---|---|---|
| 01 | 30.05.2015 | 5 | 5 |
| 02 | 14.08.2015 | 5 | 4 |
| 03 | 13.11.2015 | 5 | 5 |
| 04 | 15.02.2016 | 5 | 5 |

(e) Disclosure of relationships between directors inter-se:

Shri Babulal Jain is father of Shri Devendra Jain , except this none of the other directors have any inter-se relation.

(f) Number of shares and convertible instruments held by non-executive directors: