

NIRLON LIMITED

Western Express Highway,
Goregaon (E), Mumbai - 400 063.
T +91-22-4028 1919 / 2685 2256 - 59,
F +91-22-4028 1940.
www.nirlonltd.com, Email:info@nirlonltd.com
CIN:L17120 MH1958PLC 011045



September 29, 2017

The Secretary,
BSE Limited,
P. J. Towers,
Dalal Street,
Mumbai - 400 001.

Security Code: - 500307

Dear Sir,

Sub: Copy of the 58th Annual Report for the Financial Year 2016-17

Ref: Regulation 34 of the SEBI (LODR) Regulation, 2015

With reference to the above subject, we are enclosing herewith the 58th Annual Report for the Financial Year 2016-17 with respect to the Company's 58th Annual General Meeting to be held on Friday, September 29, 2017 at 11.30 a.m. (IST) at the Registered Office of the Company.

The copy of the 58th Annual Report along with attendance slip is also available on the Company's website www.nirlonltd.com.

Kindly acknowledge the receipt of the same.

Thanking you,
Yours faithfully,
For Nirlon Limited



Jasmin K. Bhavsar

Company Secretary & Vice President (Legal) & Compliance Officer
Encl: a/a



NIRLON LIMITED

58th Annual Report 2016 - 2017

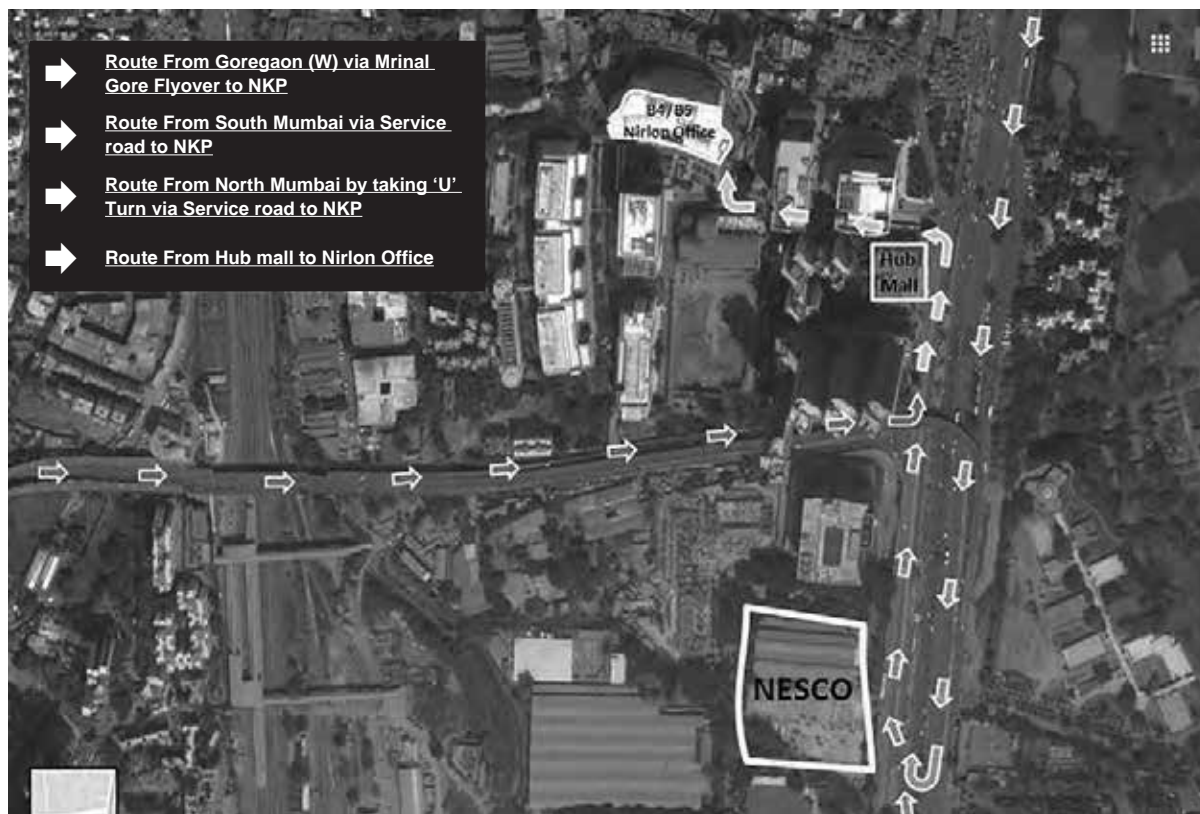




**CONTENTS**

Sr. No.	Particulars	Page No.
1.	Notice and Explanatory Statement (including Notes to the 58 th Annual Report and instructions for e-voting)	5-12
2.	Directors' Report	13-35
3.	Corporate Governance Report	36-51
4.	Management Discussion Analysis	52-54
5.	MGT-9	55-61
6.	Independent Auditor's Report	62-63
7.	Balance Sheet	65
8.	Statement of Profit and Loss	66
9.	Cash Flow Statement	67
10.	Notes to the Financial Statements	68-77
11.	Attendance Slip and Proxy Form	78

The Route Map for the venue of the 58th AGM is given below





NIRLON

Board of Directors (As on August 9, 2017)

1. Padma Bhushan Mr. Moosa Raza **(Chairman)**
2. Mr. Rama Varma
3. Mr. Arjan R. Gurbuxani
4. Mrs. Aruna Makhan
5. Mrs. Rajani M. Bhagat
6. Mr. Kunnasagaran Chinniah
7. Mr. Kunal V. Sagar
8. Mr. Rahul V. Sagar **(Executive Director)**

Key Managerial Personnel

1. Mr. Rahul V. Sagar (Executive Director)
2. Mr. Jasmin K. Bhavsar (Company Secretary, Vice President (Legal) & Compliance Officer)
3. Mr. Manish B. Parikh (Chief Financial Officer)

Legal Advisors

1. Matubhai Jamietram, Advocates & Solicitors, Mumbai
2. JSA, Advocates & Solicitors, Mumbai

Auditors

1. **Statutory**
N. M. Raiji & Co., Chartered Accountants, Mumbai, for the Financial Year 2016-17
Price Waterhouse Chartered Accountants LLP, Mumbai (recommended by the Audit Committee/Board at their Meetings held on August 9, 2017, subject to Members' approval at the 58th AGM)
2. **Internal**
KPMG, Mumbai
3. **Cost**
Vinay Mulay & Co., Cost Accountants, Mumbai
4. **Secretarial**
Alwyn Jay & Co., Company Secretaries, Mumbai

Lenders

HDFC Limited

Registered Office:

Nirlon Limited, Pahadi Village,
Off the Western Express Highway,
Goregaon (East), Mumbai 400 063.
Tele : +91 (022) 4028 1919/ 2685 2257/58/59
Fax : +91 (022) 4028 1940
CIN no. : L17120MH1958PLC011045
E-mail id : info@nirlonltd.com
Website : www.nirlonltd.com

Share Transfer Agent (STA): w.e.f. June 3, 2016

Link Intime India Pvt. Ltd.,
C 101, 247 Park,
L B S Marg, Vikhroli (West),
Mumbai 400 083.
Tele : +91 (022) 49186000
Fax : +91 (022) 49186060
CIN no. : U67190MH1999PTC118368
E-mail id : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

**NOTICE TO MEMBERS**

NOTICE is hereby given that the **58th** Annual General Meeting of Nirlon Limited will be held on **Friday, September 29, 2017 at 11.30 a.m.** (IST) at the Registered Office of the Company, Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2017, including the Statement of Profit and Loss for the year ended on that date, Audited Balance Sheet as at March 31, 2017 and the Reports of the Directors' and the Auditors' thereon.
2. To declare dividend of ₹0.75 paise per equity share of ₹10/- each (7.5%) for the Financial Year ended March 31, 2017.
3. To appoint a director in place of Mrs. Rajani M. Bhagat (DIN 00870716), who retires by rotation at this Annual General Meeting, and being eligible offers herself for reappointment.
4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

Appointment of the Statutory Auditors of the Company

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 ('Act'), if any, read with the Companies (Audit & Auditors) Rules, 2014, as amended from time to time and pursuant to the recommendation of the Audit Committee and the Board at their respective Meetings held on August 9, 2017, Price Waterhouse Chartered Accountants LLP (FRN 012754N/ N500016) having their office at 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400 028, be and are hereby appointed as the Statutory Auditors of the Company, in place of N.M.Rajji & Co. (FRN 108296W), Chartered Accountants, to hold office from the conclusion of the 58th Annual General Meeting (AGM) until the conclusion of the 63rd AGM of the Company to be held in the year 2022 (subject to ratification of their appointment by Members at every AGM, as required under the Act), at such remuneration, including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors".

SPECIAL BUSINESS:

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

Ratification of Remuneration payable to the Cost Auditor

"Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of Mr. Vinay B. Mulay, the Practicing Cost Auditor (ICAI-CMA No.8791 CP No.101159) of Vinay Mulay & Co., Mumbai, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, for a sum of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) excluding GST, travelling and other out-of-pocket expenses incurred/to be incurred by him in connection with the aforesaid audit be and is hereby ratified and confirmed;

"Resolved further that the Board of Directors of the Company 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

For Nirlon Limited

sd/-

Jasmin K. Bhavsar

Company Secretary, Vice President (Legal) & Compliance Officer

FCS 4178

Mumbai, August 9, 2017

Registered Office:

Nirlon Limited

Pahadi Village,

Off the Western Express Highway,

Goregaon (East), Mumbai 400 063.

Tele : +91 (022) 4028 1919/ 2685 2257/58/59

Fax : +91 (022) 4028 1940

CIN no. : L17120MH1958PLC011045

E-mail id: info@nirlonltd.com

Website : www.nirlonltd.com



NOTES:

1. a. **ANY MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING OF THE COMPANY IS ENTITLED TO APPOINT ANOTHER PERSON AS PROXY/PROXIES TO ATTEND AND VOTE ON A POLL AT THE MEETING INSTEAD OF HIMSELF/ HERSELF, AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
 - b. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the Meeting.
 - c. A person can act as proxy on behalf of not more than fifty (50) Members, holding in the aggregate not more than ten (10) % of the total paid up share capital of the Company. A member holding more than ten (10) % of the total paid up share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a proxy for any other person or Shareholder/ Member.
 - d. Proxies submitted on behalf of companies, corporate bodies, etc., must be supported by an appropriate resolution/authority, as applicable.
2. a. The business set out in the 58th AGM Notice will also be transacted through an electronic voting system and the Company is providing a facility for voting by electronic means through remote e-voting.
 - b. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the **cut-off date i.e. Friday, September 22, 2017** only shall be entitled to avail the facility of remote e-voting.
 - c. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **Friday, September 22, 2017**, may obtain the User ID and password in the manner as mentioned in the Notes to the Notice.
 - d. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member/ Beneficial Owner (in case of Dematerialised Form) as on the cut-off date i.e. **Friday, September 22, 2017**.
- e. An electronic copy of the 58th Annual Report for the Financial Year 2016-17 along with the Notice calling the 58th AGM of the Company (Attendance Slip & Proxy Form) is being sent to Members whose E-mail IDs are registered with the Share Transfer Agent/Depository Participant(s) for communication purposes.

For Members who have not registered their e-mail address, physical copies of the 58th Annual Report for the Financial Year 2016-17 along with the Notice calling the 58th AGM of the Company, *inter alia*, indicating the process and manner of e-voting along with Attendance Slip & Proxy Form are being sent by other permissible modes.
- f. Information and other instructions relating to remote e-voting are given in this Notice under **Note No. 12**.
3. a. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
 - b. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.
 - c. Members who hold shares in Dematerialised Form are requested to write their client ID and DPID number, and those who hold shares in Physical Form are requested to write their folio number in the attendance slip for attending the Meeting.
 - d. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote at the Meeting.
4. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to Business item nos. 4 and 5 to be transacted at the 58th AGM is annexed to the Notice.
5. a. In terms of Section 152 of the Companies Act, 2013, Mrs. Rajani M. Bhagat (DIN 00870716), director retires by rotation at the 58th AGM and being eligible, offers herself for reappointment.
 - b. A brief resume of Directors, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and Memberships/ Chairmanships of Board / Committees, Shareholding, and relationships between Directors



inter-se as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of this 58th Annual Report.

The Board of Directors of the Company recommend the reappointment of Mrs. Rajani M. Bhagat as a director liable to retire by rotation.

6. The following Registers would be available for inspection by Members at the Registered Office of the Company from 11.00 a.m. (IST) to 1.00 p.m. (IST) on any working day, excluding Saturdays, Sundays and public holidays, up to the date of the 58th AGM:
 - a. Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013;
 - b. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013;
 - c. Any other documents as referred to in this 58th Annual Report shall also be available for inspection by Members.
7.
 - a. Members may note that the Notice calling the 58th AGM and the 58th Annual Report for 2016-17 is also available on the Company's website 'www.nirlonltd.com'.
 - b. **Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including the annual report, notices, circulars, etc. from the Company electronically and support Green e-initiatives.**
8. Members are requested to note and give attention to the following:
 - a. In order to provide protection against fraudulent encashment of the dividend warrants, Members holding shares in Physical Form are requested to intimate to the Company's Share Transfer Agent, Link Intime India Pvt. Ltd. under the signature of the sole/first joint holder, the following information to be incorporated on the Dividend Warrants:
 - i. Name of the Sole/First joint holder and folio number
 - ii. Particulars of Bank Account, viz.:
 - Name of the Bank
 - Name of the Branch
 - Complete address of the Bank with Pin Code Number
 - Bank Account Number
 - E-mail ID
 - b. Members holding shares in Physical Form are requested to consider converting their holding to Dematerialized Form to eliminate all risks associated with physical shares.
 - c. Inform any change of address directly to their respective Depository Participants in case Members are holding shares in Dematerialized Form.
 - d. Send all correspondence relating to transfer and transmission of shares to the Share Transfer Agent/ the Company.
 - e. Quote their Folio no. / Client ID no. in their correspondence with the Share Transfer Agent.
 - f. Send their queries related to accounts and operations of the Company at least 10 working days in advance so that the required information can be made available at the Meeting.
 - g. Intimate the Share Transfer Agent for consolidation of folios, in case they have more than one folio.
 - h. Intimate immediately any change in their address to the Share Transfer Agent.
 - i. Members holding shares in Dematerialized Form are requested to intimate all changes pertaining to their registered e-mail id, bank details, NECS, mandates, nominations, power of attorney etc. to their Depository Participants. Changes intimated to the Depository Participants will then be automatically reflected in the Company's records which will help the Share Transfer Agent, to provide efficient and better service to Members.
 - j. Members holding shares in Physical Form are requested to advise any changes in registered e-mail id, bank details, NECS, mandates, nominations, power of attorney etc. to the Share Transfer Agent.
 - k. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address, or demise of a member as soon as possible.



- I. Non-resident Indian Members are requested to inform the Share Transfer Agent / Depository Participant(s) immediately of:
 - i. Change in their residential status on returning to India permanently.
 - ii. Particulars of their bank accounts maintained in India with complete name, branch, type of account, number and address of the bank with the pin code number, if not furnished earlier.
 - m. The Securities and Exchange Board of India (**SEBI**) has mandated the submission of the Permanent Account Number (**PAN**) by every participant in the securities market. Members holding shares in Dematerialized Form are, therefore, requested to submit their PAN to their Depository Participant(s).
 - n. Members holding shares in Physical Form are required to submit their PAN details to the Share Transfer Agent.
 - o. **SEBI** and the Reserve Bank of India (**RBI**) have advised all listed companies to use the Electronic Clearing Services (**ECS**) mandate facility wherever possible for payment of dividend to Members. In view of this stipulation, the Company has implemented the ECS facility. Members holding shares in Physical Form are requested to provide the Company with ECS details for crediting future dividend payments directly to their respective bank accounts. The Company shall be able to co-ordinate with their bankers only on receipt of necessary information. Members holding shares in Dematerialized Form may instruct their Depository Participants accordingly.
 - p. As per the provisions of Section 124(5) of the Companies Act, 2013, any money transferred by the Company to unpaid dividend accounts of the Company and which is remaining unpaid / unclaimed over a period of 7 years from the date of such transfer is to be transferred to the 'Investor Education and Protection Fund' (**IEPF**) and no claim will be entertained thereafter by the Company. Members are therefore requested to expeditiously put in their claims for unclaimed dividends.
 - q. Pursuant to the provision of Section 72 of the Companies Act 2013, Member(s) holding shares in Physical Form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders.
 - r. Member(s) holding shares in Dematerialized Form may contact their respective Depository Participants for availing this facility. The Nomination Form can be downloaded from the Company's website under the section '**General Information - forms**'.
 - s. Members who hold shares in Physical Form are requested to surrender their old share certificates to the Share Transfer Agent for new share certificates in form SH-1.
 - t. For any communications, Members may also send requests to the Company's Investor e-mail id: '**share@nirlonltd.com**'.
 - u. Entry to the Auditorium/Hall will be strictly against the entry coupon available at the counters at the venue, and against the exchange of a duly filled in, signed, and valid Attendance Slip.
 - v. Any briefcase/bags/eatables or such other articles as may be ordered by the authorities are not allowed inside the venue of the Meeting.
9. Pursuant to Section 91 of the Act, the Register of Members and the Share Transfer books of the Company will remain closed from **Friday, September 15, 2017 to Friday, September 29, 2017 (both days inclusive)** for the 58th AGM.
 10. A dividend of ₹0.75 paise per equity share (7.5%) has been recommended by the Board for the Financial Year 2016-17, and subject to the approval of Members at this ensuing 58th AGM. If the dividend as recommended by the Board is approved at this 58th AGM, payment of such dividend will be made on or before October 26, 2017 to Members as under:
 - i. To all Beneficial Owners in respect of shares held in **Dematerialized Form**, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as on the close of business hours on **Thursday, September 14, 2017**.
 - ii. To all Members in respect of shares held in **Physical Form**, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on **Thursday, September 14, 2017**.
 11. Members holding shares:
 - i. **In Dematerialized Form** are hereby informed that the bank particulars registered against their respective depository accounts will be used by the



Company for payment of dividend. The Company or its Share Transfer Agent cannot act on any request received directly from Members holding shares in Dematerialised Form for any change of bank particulars, or bank mandates. Such changes are to be advised only to the Depository Participant of Members;

- ii. **In Physical Form** and desirous of either registering bank particulars, or changing bank particulars already registered against their respective folios for payment of dividend, are requested to write to the Share Transfer Agent.

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

- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and under the relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members the facility to exercise their right to vote on resolutions proposed to be passed in the 58th AGM by electronic means. Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (**'remote e-voting'**).
- ii. The facility for voting through ballot paper/poll shall be made available at the venue of the Meeting, and Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting in a Poll.
- iii. Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- iv. The Board of Directors of the Company has appointed **Mr. Alwyn D'souza**, Practising Company Secretary (FCS No.5559 CP No.5137) of Alwyn Jay & Co., Company Secretaries, Mumbai, as Scrutinizer to the remote e-voting, as also for voting in a Poll at the Meeting, to ensure the same are conducted in a fair and transparent manner. Mr. Alwyn D'souza has communicated his willingness to be appointed, and will be available for this purpose.
- v. The Company has engaged the services of the Central Depository Services (India) Limited (**CDSL**) for remote e-voting for this Meeting.

- vi. Voting rights shall be reckoned on the paid-up value of Equity Shares registered in the name of the Member / Beneficial Owner (in case of Dematerialized Form) as on the cut-off date, i.e. **Friday, September 22, 2017.**

- vii. Only persons whose names are recorded in the Dematerialized Form Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. **Friday, September 22, 2017** shall be entitled to avail the facility of remote e-voting /participate in a poll.

However, any person who becomes a member of the Company **after** dispatch of the Notice of the 58th AGM and is holding shares as on the cut-off date, i.e. Friday, September 22, 2017, may obtain the User ID and password as per CDSL's instructions.

- viii. If the Member is already registered with CDSL's e-voting platform, then he/she can use his/her existing User ID and password for casting a vote through remote e-voting.
- ix. The Scrutinizer, after scrutinizing the votes cast in a Poll at the Meeting, and also votes cast through remote e-voting will, not later than two (2) days from the conclusion of the Meeting, make a consolidated Scrutinizer's Report and shall submit the same to the Chairman. The results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company '**www.nirlonltd.com**'. The results shall simultaneously be communicated to the BSE Limited.
- x. Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the day and date of the Meeting, i.e. Friday, September 29, 2017.

For Members (holding shares in Dematerialized Form or Physical Form) who receive Notice of the 58th AGM and desire to vote electronically (remote e-voting):

A The instructions for remote e- voting are as under:

- i. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: 9.00 a. m. (IST), Monday, September 25, 2017

End of remote e-voting: 5.00 p.m. (IST) on Thursday, September 28, 2017



Remote e-voting will not be allowed beyond the prescribed mentioned date and time, and the e-voting module shall be disabled by CDSL upon expiry of the prescribed period.

- ii. Shareholders/Members should log on to the remote e-voting website 'www.evotingindia.com'.
- iii. Click on '**Shareholders**'
- iv. Now enter your User ID
 - a. For CDSL: 16 digit beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by the 8 digit Client ID,
 - c. Members holding shares in Physical Form should enter the 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 Dematerialized Form and had logged on to 'www.evotingindia.com' and voted in an earlier 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	<p>Enter your 10 digit alpha-numeric *PAN issued by the Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on the Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>

Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter the member id / folio number in the 'Dividend Bank Details' field as mentioned in instruction iv.
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- viii. After entering these details appropriately, click on the '**SUBMIT**' tab.
- ix. Members holding shares in Physical Form will then directly reach the '**COMPANY SELECTION**' screen. However, Members holding shares in Dematerialized Form will now reach the '**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 Dematerialized Members for voting resolutions of any other company on which they are eligible to vote, provided that that Company too opts for e-voting through the CDSL platform (the Company has chosen the CDSL platform). It is strongly recommended not to share your password with any other person and take the 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 **<Company Name>** 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 option 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 voting done by you by clicking on the '**CLICK HERE TO PRINT**' option on the Voting page.
- xvii. If a Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on '**FORGOT PASSWORD**' & enter the details as prompted by the system.

xviii. Note for Non-Individual Shareholders/Members & Custodians:

- Non-Individual Shareholders/Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log onto '**www.evotingindia.com**' and register themselves as Corporates and Custodians respectively. A scanned copy of the Registration Form bearing the entity stamp and signed by the entity should be e-mailed to '**helpdesk.evoting@cdslindia.com**'.
- After receiving the login details, they should create the compliance user using the admin login and password. The compliance user would be able to link the depository account(s)/folio numbers on which they wish to vote.
- The list of accounts should be mailed to '**helpdesk.evoting@cdslindia.com**' and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution 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.

- xix. In case you have any queries or issues regarding remote e-voting you may refer to the Frequently Asked Questions ('**FAQs**') and e-voting manual available at '**www.evotingindia.com**' under the '**HELP**' section or write an e-mail to '**helpdesk.evoting@cdslindia.com**'.

B General Instructions:

- i. Once a vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- ii. In the event of a Poll at the Meeting, please note that Members who have exercised their right to vote through remote e-voting as above shall not be eligible to vote by way of a Poll at the Meeting. The Poll process shall be conducted and a report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant rules. In such an event, votes cast under the Poll, taken together with the votes cast through remote e-voting shall be counted for passing of respective resolution(s).

- iii. Subject to receipt of sufficient votes, the resolutions shall be deemed to be passed at the 58th AGM of the Company scheduled to be held on Friday, September 29, 2017.

The Chairman shall declare the results of voting on the resolutions set out in the Notice within 2 (two) days from the conclusion of the 58th AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website '**www.nirlonltd.com**', and shall also be communicated to the BSE Limited.

- 13. Information relating to Mrs. Rajani M. Bhagat, (DIN 00870716) - (Promoter & NED), seeking reappointment at the 58th AGM:

Mrs. Rajani M. Bhagat, aged 79 years, graduated with B.A. (Hons.), B.Com. and B.Sc. (Economics).

Mrs. Bhagat has been occupying the office of Director since March 2003 and was reappointed as a Director by the Board effective from October 28, 2006. Subsequently, Members at their Meeting held on August 30, 2007 confirmed the appointment of Mrs. Bhagat as a Director liable to retire by rotation. Members of the Company at their 51st, 54th, 55th & 56th AGMs held on September 14, 2010, September 27, 2013, September 23, 2014 and September 21, 2015 respectively have also reappointed Mrs. Bhagat as a Director liable to retire by rotation.

Mrs. Bhagat is not related to any Director/KMP of the Company. She attended four (4) Board Meetings during the Financial Year 2016-17.

She is also holding the position of Director on the Board of Pharma Fill Limited and the Bombay Garage (Ahmedabad) Limited.

She holds 6,73,349 equity shares of the Company.



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The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), sets out all material facts relating to the business mentioned at Item Nos. 4 and 5 of the accompanying Notice dated August 9, 2017

Item no. 4

As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act also provides a period of three years from the date of commencement of the Act to comply with this requirement.

In this context, N.M. Rajji & Co., Chartered Accountants complete their term at the conclusion of the ensuing 58th AGM of the Company and are not eligible to be reappointed as statutory auditors of the Company.

Accordingly, the Board has, as per the applicable provisions of the Act and on the recommendation of the Audit Committee, at its Meeting held on August 9, 2017 proposed the appointment of Price Waterhouse Chartered Accountants LLP (FRN 012754N/N500016) as the Statutory Auditors of the Company for a period of 5 years, commencing from the conclusion of the 58th AGM till the conclusion of the 63rd AGM, to be held in the year 2022 (subject to ratification of their appointment by Members at every AGM, as required under the Act) to conduct audits for the financial years 2017-18 to 2021-22.

Price Waterhouse have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also furnished a declaration in terms of Section 141 of the Act that they are eligible to be appointed as auditors of the Company and that they have not incurred any disqualification under the Act.

None of the Directors/Key Managerial Personnel/their relatives is in any way concerned or interested, financially or otherwise, in the Resolution set out at **Item No. 4** of the Notice.

The Board recommends the resolution as set out at **Item No. 4** of the accompanying Notice for the approval by Members of the Company by way of an Ordinary Resolution.

Item no. 5

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Vinay B. Mulay, the Practicing Cost Auditor (ICAI-CMA No. 8791 CP No. 101159) of Vinay Mulay & Co., Mumbai, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by Members of the Company at their Meeting.

Accordingly, consent of Members is sought for passing an Ordinary Resolution as set out at **Item No. 5** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2018.

None of the Directors/Key Managerial Personnel/their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at **Item No. 5** of the Notice.

The Board recommends the Resolution set out at **Item No. 5** of the Notice for approval by Members of the Company by way of an Ordinary Resolution.

By Order of the Board of Directors

For Nirlon Limited

sd/-

Jasmin K. Bhavsar

Company Secretary, Vice President (Legal) & Compliance Officer

FCS 4178

Mumbai, August 9, 2017

Registered Office:

Nirlon Limited,

Pahadi Village,

Off the Western Express Highway,

Goregaon (East), Mumbai 400 063.

Tele : +91 (022) 4028 1919/ 2685 2257/58/59

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CIN no. : L17120MH1958PLC011045

E-mail id: info@nirlonltd.com

Website : www.nirlonltd.com



DIRECTORS' REPORT

Your Directors present their **58th** Annual Report alongwith the Audited Financial Accounts for the Financial Year ended March 31, 2017.

1. Financial Performance

The Company's Financial Performance for the Year ended March 31, 2017 is summarized below:

(₹ in Crore)		
Particulars	2016-17	2015-16
Gross Income from Operations	281.02	289.85
Gross Profit	213.17	224.39
Interest Paid	64.79	72.25
Cash Profit	148.38	152.14
Depreciation	70.65	80.48
Net Profit / (Loss) Before Exceptional Item/s	77.73	71.66
Add: Exceptional Item/s	2.40	(2.58)
Net Profit / Loss for the Year after Exceptional Item/s	80.13	69.08
Provision for Taxation:		
Current tax	14.20	(0.01)
Deferred tax	8.67	25.52
Profit / (Loss) for the Year after tax	57.26	43.57
Add : Carried forward surplus	64.86	29.43
Amount available for appropriation Reserve	122.12	73.00
Proposed dividend on Equity shares	6.76	6.76
Tax on Dividend	1.38	1.38
Balance carried to Balance Sheet	113.98	64.86

2. Financial Operations (Summary)

After receiving the required approvals, the Company has begun development/construction of Phase 5 (redevelopment of Phase 0) in NKP, Goregaon from May 2017. Licences of licensees in these old existing buildings (Phase 0) were therefore not renewed by the Company to allow for the Phase 5 development (redevelopment of

Phase 0). As a result of such non-renewal of licenses, the Company's Income from Operations, Gross Profit, as well as Cash Profit were marginally lower when compared to the last financial year.

- Gross Income from Operations** for the Financial Year 2016-17 was **₹281.02 crore** as against ₹289.85 crore for 2015-16.
- Gross Profit** for the Financial Year 2016-17 was **₹213.17 crore** as against ₹224.39 crore for 2015-16.
- Cash Profit** for the Financial Year 2016-17 was **₹148.38 crore** as against ₹152.14 crore for 2015-16.

iv. The Exceptional Items :

- for the Financial Year 2015-16 are the write back of the Property Tax liability of the earlier years on account of assessment as per the Capital Value System, payment of Excise Duty and interest thereon based on the Hon'ble Supreme Court order in relation to manufacture of Nylon Tyrecord Yarn and Fabric during the period April 1999 to June 2000, and payment of Liquidated Damages and interest thereon on delayed payment of Provident Fund dues during the period January 2000 to February 2007.
 - for the Financial Year 2016-17 are the write back of a portion of the property tax liability of earlier years on the basis of actual assessment of Phase 4 by the Municipal Corporation, as against the estimated amounts considered till then, and mesne profits received from Pfizer Limited under the Consent Terms filed before the Hon'ble Small Causes Court, Mumbai.
- Net Profit** for the Financial Year 2016-17 (after taxes and exceptional items) was **₹57.26 crore** as against a profit of ₹43.57 crore for 2015-16.

The Company is in the business of development and managing an Industrial Park, and during the year under review, there is no change in the business activity of the Company.

3. Reserves

The Board does not propose to transfer any amount to the General Reserve account in the Balance Sheet for the Financial Year 2016-17.

**4. Dividend**

For the year under review, the Board recommends a dividend of ₹0.75 paise per equity share of ₹10/- each (7.5%) amounting to ₹8.14 crore (inclusive of tax of ₹1.38 crore), subject to the approval of Members of the Company at their 58th AGM.

Dividend will be paid to Members whose names appear in the Register of Members as on Thursday, September 14, 2017. In respect of shares held in Dematerialized Form, dividend will be paid to Members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited, as Beneficial Owners as on that date.

5. Industrial Park Operations at Goregaon (East), Mumbai, India & Future Outlook

Development and management of the Industrial Park / Information Technology (IT) Park, i.e. Nirlon Knowledge Park (NKP) - Goregaon (East), Mumbai.

Nirlon is the owner of NKP, an approx. 23 acre campus in Goregaon (East), Mumbai. NKP is an Industrial Park as per the Consolidated Foreign Direct Investment (FDI) Policy of the Government of India (GOI), and is an IT Park under the Government of Maharashtra's (GOM) Policy. The current FDI Policy of the GOI permits 100% FDI in Industrial Parks.

i. Construction, Delivery of Licensed Premises, and License Fee Commencement

The planning for the development of NKP in phases began in 2006, and construction in April/May 2007. Currently, four (4) phases of development have been completed.

Phases 1, 2, 3 and 4

A total of approx. 29.46 lakh sq. ft. area has been constructed in Phases 1, 2, 3 and 4 corresponding to approx. 18.78 lakh sq. ft. of licensable area. Licence fees for Phases 1, 2, 3 and 4 continue to be received by the Company as on March 31, 2017.

Please Note The total constructed area of approx. 29.46 lakh sq.ft. for Phases 1, 2, 3 and 4 includes two levels of basements in Phases 1, 2 and 3 and one level of basement, the ground floor (part), mezzanine and four upper levels of parking in

Phase 4, as well as a ten floor multi level car parking (MLCP) (which also has two basements) housing utilities, i.e. generators, chillers, water tanks, electrical infrastructure etc. for Phases 1 and 2, in addition to visitor and occupant parking.

Phase 5 (redevelopment of Phase 0):

After receiving the required approvals, the Company has begun development/construction of Phase 5 (redevelopment of Phase 0) in NKP, Goregaon from May 2017. Further particulars are provided in **Annexure 8** to this Report, i.e. Management Discussion Analysis.

ii. License Fees

During the year under review, gross license fees from Phases 1, 2, 3 and 4 aggregated approx. ₹232.24 crore. Approx. ₹7.77 crore by way of additional license fees were also received from the remaining existing old buildings (Phase 0) and Nirlon House, Worli, Central Mumbai.

iii. Marketing

Phases 1, 2, 3 and 4 of NKP continue to be approx. 99% licensed (as on August 9, 2017) to reputed international and Indian corporates.

The Company has made a specific effort to license its development to well-regarded Corporates, and the campus is fully operational and functional in this regard.

iv. Financing

The Company's debt funding to date continues to be provided by HDFC Limited.

At the request of the Company, HDFC Limited, has granted a moratorium on payment of their principal securitized loan amounts effective from May 15, 2017, whereby the Company is required to repay only the interest amount on these outstanding securitized loans till the construction of Phase 5 (redevelopment of Phase 0) is completed. This principal moratorium has resulted in incremental cash flows being available to the Company to finance a larger part of the Phase 5 (redevelopment of Phase 0) construction from its internal accruals.

This will result in lower borrowings for the construction of Phase 5 (redevelopment of Phase 0), and consequently an overall reduction in the total debt of the Company, when compared to the option of continuing to repay principal on a monthly basis.



The outstanding loan amounts as on August 9, 2017 aggregate ₹610.86 crore (including loans used for the ongoing construction of Phase 5 (redevelopment of Phase 0)), on which the Company is presently paying a competitive rate of interest.

The Company's business plan continues to retain ownership of the NKP development, and offer office space on a leave and license basis only.

6. Nirlon House

The Company continues to co-own 75% undivided interest in approx. 45,475.00 sq.ft. of area in the Nirlon House building in a prime location on Dr. A. B. Road, Worli in Central Mumbai.

7.1 Property Management Functions, Sale of specified Movable Assets and Name User

- a. Reco Berry Private Limited (**Reco**) of Singapore, an affiliate of GIC, the Sovereign Wealth Fund of Singapore and Mr. Kunal V. Sagar, Mr. Rahul V. Sagar, Alfano Pte Limited and Deltron Pte Limited (**Promoters**) had entered into Share Purchase and Shareholders Agreements dated December 23, 2014, pursuant to which Nirlon Management Services Pvt. Ltd. (**NMSPL**) was incorporated under the provisions of the Companies Act, 2013 effective from October 7, 2015;
- b. Thereafter, the Audit Committee and the Board of Directors of the Company approved, subject to Members' approval, the proposed Related Party Transactions with NMSPL in accordance with the Related Party Transactions Policy, and the provisions of the Companies Act;
- c. The Company obtained Members' approval by way of an Ordinary Resolution on the proposed Related Party Transactions between the Company and NMSPL at its 57th AGM held on September 20, 2016 (**please note that all interested parties abstained from the voting on this item**).
- d. Post approval from Members, the following agreements were entered into by the Company and NMSPL on September 23, 2016, effective from October 1, 2016 with regard to :

- i. Management Services Agreement appointing NMSPL as a provider of lease management, property management, marketing related, project management and general management services in respect of the properties of the Company on the terms set out in the said Agreement;
- ii. Asset Sale Agreement with NMSPL recording:
 - a. the transfer of identified movable assets relating to the services to be provided from the Company to NMSPL for a consideration of ₹25.10 lakh from NMSPL;
 - b. the resignation of certain employees (save and except Key Managerial Personnel) from the Company and their employment with NMSPL on terms no less favorable than those given to them by the Company on the terms set out in the said Agreement;
 - c. Name User Agreement executed amongst NMSPL, Mr. Kunal V. Sagar, Mr. Rahul V. Sagar and the Company, under which the Company approved the use of the name and mark 'Nirlon' in the corporate name of NMSPL, on a royalty free basis, on the terms set out in the said Agreement.

7.2 Implementation / Commencement of Operations under various Agreements

Effective from October 1, 2016, under the Asset Sale Agreement:

- a. employees of the Company resigned from the services of the Company, and were employed by NMSPL at no less favorable terms; and
- b. the Company upon receipt of the agreed consideration of ₹ 25.10 lakh (being not less than the market value of the assets) transferred the specified movable assets in favour of NMSPL.

Also effective from October 1, 2016, the Company has been receiving various management services from NMSPL under the Management Services Agreement.



NIRLON

Presently, the Shareholding Pattern of NMSPL is as under:

Class A Shares

Sr. No.	Name of the Shareholder	No. of Shares held	% of Share Holding
1.	Mr. Kunal V. Sagar	5,000	33.335%
2.	Mr. Rahul V. Sagar	5,000	33.335%
3.	Reco Fortius Pte Limited	5,000	33.33%
Total		15,000	100%

Class B Shares

Sr. No.	Name of the Shareholder	No. of Shares held	% of Share Holding
1.	Mr. Kunal V. Sagar	89,100	50%
2.	Mr. Rahul V. Sagar	89,100	50%
Total		1,78,200	100%

Class C Shares

Sr. No.	Name of the Shareholder	No. of Shares held	% of Share Holding
1.	Reco Fortius Pte Limited	3,16,800	100%
Total		3,16,800	100%

8. The Board & its Committees

i. Board of Directors:

The total strength of the Board of Directors of the Company consists of 8 (eight) directors including 2 (two) women directors. Of this number, 4 (four) Independent Non-Executive directors, including 1 (one) woman director, constitute 50% of the total strength of the Board of Directors of the Company.

For more detail, please refer to the link:

<http://www.nirlonltd.com/board-committees.html>

a. Reappointment of Director at the 58th AGM

Mrs. Rajani M. Bhagat (DIN 00870716), Director, retires by rotation and being eligible, offers herself for reappointment.

The Board recommends the reappointment of Mrs. Bhagat as a Director to retire by rotation.

b. Changes in the Board during the Financial Year 2016-17

Mr. Kunal V. Sagar who retired by rotation at

the 57th AGM was reappointed by Members at their 57th AGM.

Reco Berry Pvt. Ltd., a Promoter of the Company, nominated Mr. Kunnasagaran Chinniah (DIN 01590108), on the Board w.e.f. April 28, 2016. Thereafter, Members of the Company appointed Mr. Chinniah as a Director retiring by rotation at their 57th AGM held on September 20, 2016.

A brief resume of the Directors, including Mrs. Bhagat, nature of their expertise, and the name of company/ies where they hold Chairmanships, Directorships and Memberships of Board / Committees and Shareholding if any, as stipulated under the required Regulation of the Listing Obligations & Disclosure Requirements Regulations, 2015 (LODR), is provided in this Report, and forms part of this Notice calling the 58th AGM.

ii. Various Committees of the Board of Directors and their Role and Responsibilities

a. Audit Committee (AC)

The AC of the Board played an important role during the year under review including recommending the appointment/reappointment of, and coordinating with the Statutory Auditors, Internal Auditors, Cost Auditors and other Key Managerial Personnel of the Company. The AC has also rendered guidance, *inter alia*, in the areas of corporate governance, internal audit, finance, taxation, accounts etc.

b. Stakeholders Relationship Committee (SRC)

The SRC met regularly over the course of the year. With the compulsory dematerialization of the Company's shares and electronic mode of transfers, postal dispatches / e-mail correspondence which led to frequent complaints have been minimized.

As on March 31, 2017, approx. 92.40 % of the Company's total paid up equity share capital was held in Dematerialized Form, and there were no investor grievances /complaints pending.



c. Corporate Social Responsibility Committee (CSRC)

The Board formed a Corporate Social Responsibility Committee on September 23, 2014, and based on its recommendations the Company commenced activities under its CSR policy during the year under review (which was the first year it was required to do so as per the Act).

d. Nomination & Remuneration Committee (NRC)

The NRC recommends to the Board the remuneration/compensation packages of the Executive Director, Key Managerial Personnel and other employees.

e. Risk Management Committee (RMC)

The Board formed a Risk Management Committee on September 23, 2014. During the year under review, this Committee has continued to fulfill its role in, *inter alia*, identifying, evaluating and mitigating potential risks to the Company.

For more detail, please refer to the link:

http://www.nirlonltd.com/pdf/various_committees.pdf

f. Anti Sexual Harassment Committee (SHC)

Prevention of Sexual Harassment at Workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, your Company has constituted a committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

For more detail, please refer to the link:

http://nirlonltd.com/pdf/policy_on_sexual_harassment.pdf

9. Policies & Codes

SEBI introduced the LODR effective from December 1, 2015. The LODR provides, *inter alia*, for various regulations, annexures and schedules, and hence all prescribed companies were required to comply with the LODR latest by March 31, 2016.

In view of the above and in order to meet with the requirements, the Company made suitable modifications to its existing policies, and also adopted new policies on March 29, 2016. Your Company is compliant with the LODR.

I. Policies

i. Determination of Materiality of Events/ Information (DMEI) Policy

The DMEI Policy for determination of materiality of events/ information *inter alia*, aims at:

- a. ensuring that all investors have equal access to important information that may affect their investment decisions;
- b. ensuring that adequate and timely information is provided to investors;
- c. avoiding establishment of a false market in the securities of the Company; and
- d. Communicating the principles of materiality based on which the Company shall make disclosures of events or information.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/dmei_policy_mar_16.pdf

ii. Related Party Transaction (RPT) Policy

The RPT Policy is in accordance with the requirement of Regulation 23 of the LODR, 2015 and Section 188 of the Companies Act, 2013, and is intended to ensure the proper approval and reporting of transaction/s between the Company and its Related Parties.

Aims of the RPT Policy

Inter alia, to disclose in the Financial Statements of the Company applicable transaction/s between the Company and Related Parties,



as well as policies concerning transaction/s with Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/related_party_transaction_policy_mar_16.pdf

iii. Whistle Blower (WB) Policy

The Company has a vigil mechanism system called the Whistle Blower Policy (**WBP**) to deal with instances of fraud and mismanagement, if any.

The WBP meets with the requirement of Regulation 22 of the LODR, 2015, and Section 177 of the Act, and is intended to ensure that the Directors and Employees or any other person report their genuine concerns. During the year under review, there was no case of whistle blowing reported.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/whistle_blower_policy_mar_16.pdf

iv. Corporate Social Responsibility (CSR) Policy

CSRC and CSR Policy are in compliance, and in agreement with Section 135 of the Act.

Objectives of the Policy:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act;
- b. To recommend the amount of expenditure to be incurred on CSR activities;
- c. To monitor CSR activities; and
- d. To ensure that the Company spends in every financial year, at least 2 (two) % of the average net profits of the Company made during the 3 (three) preceding financial years.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/csr_policy_mar_16.pdf

Details are give in the table overleaf:

**NIRLON****The Composition of the CSR Committee is as follows:**

The CSR Committee comprises of Mr. Moosa Raza (Chairman and Independent Director), Mr. Rama Varma, (Independent Director), Mrs. Rajani M. Bhagat, Mr. Kunal V. Sagar and Mr. Rahul V. Sagar (Promoters and Directors).

(₹ in Lakh)

1. Average Net Profit of the Company for the last three financial years						1,778.94	
2. Prescribed CSR Expenditure (two (2) % of the amount as in item 3 below)						35.58	
3. Details of CSR spent during the Financial Year							
a. Total amount to be spent for the Financial Year						38.00	
b. Amount unspent, if any						*16.80	
c. Manner in which the amount spent during the Financial Year is detailed below:							
1.	2.	3.	4.	5.	6.	7.	8.
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or a programme was undertaken	Amount outlay (budget/limit) project or programmes wise (₹ in Lakh)	Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads: (in ₹)	Cumulative expenditure upto to the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency (₹ in Lakh)
1.	The Aangan Trust	Child Protection Service / Promotion of Education	Mumbai, Maharashtra	8.00	1) 7,72,800/- 2) 27,200/-	8.00	8.00
2.	Antarang Foundation	Employment in Enhancing vocational skills / Entrepreneurship pilot / Communication	Mumbai, Maharashtra	10.00	Nil	Nil	Nil
3.	Dignity Foundation	Eradication of Hunger and Poverty / Food Ration	Mumbai, Maharashtra	10.00	1) 2,60,000/- 2) 60,000/-	3.20	3.20
4.	Jai Vakeel School, Mumbai run by Jai Vakeel Foundation & Research Centre	Special Education / Promotion of Education	Mumbai, Maharashtra	10.00	1) 9,95,357/- 2) 4,643/-	10.00	10.00
Total				38.00		21.20	21.20

The Company contributed ₹ 38 lakh to the implementing agencies towards its CSR Contribution.

*Amount unspent by the implementing agencies

Note:

The Company has allocated resources for CSR activities only after due diligence and identification of eligible Projects/ Programmes. The Company shall endeavour to identify more eligible projects for utilization of the allocated budget for CSR activities in the coming years.

Responsibility Statement

Implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

Moosa Raza**Chairman****DIN: 00145345****Mumbai, August 9, 2017****Rahul V. Sagar****Executive Director****DIN: 00388980**

**v. Nomination & Remuneration (NR) Policy**

NRC and NR Policy are in compliance with Section 178(1) of the Companies Act, 2013, and Regulation 19 read with Part D of Schedule II of the LODR.

Objectives of the NR Policy:

- a. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- b. To evaluate the performance of the Members of the Board, and to provide necessary reports to the Board for further evaluation of the Board;
- c. To recommend to the Board levels of remuneration/compensation payable to Directors, Key Managerial Personnel and other Senior Management; and
- d. ESOP and other related matters.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/nomination_and_remuneration_policy_mar_16.pdf

vi. Risk Management (RM) Policy

The Regulation 21 of the LODR provides applicability for a Risk Management Committee and Risk Management Plan for the top 100 listed companies based on market capitalization as at the end of the immediate previous financial year.

Although the Company is not required to have the RMC, the Company has instituted the RMC/RM Policy for better safeguarding of business continuity, operations and timely assessment of potential risk, as well as mitigation and minimization procedures for the same.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/risk_mgmt_policy_mar_16.pdf

vii. Preservation of Documents (POD) Policy

Under Regulation 9 of the LODR, the Company is required to adopt the POD Policy.

Aims of the POD Policy

- a. The POD Policy contains guidelines for identifying Documents that need to be maintained, the period of preservation of such Documents and the procedure for their destruction/disposal; and

- b. This Policy aims to provide an efficient and systematic control on the periodicity and destruction of business related Documents.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/pod_policy_mar_16.pdf

viii. Board Diversity Policy

The Policy sets out the approach to have diversity on the Board of the Company in terms of thought, experience, knowledge, perspective and gender, based on the applicable laws, rules and regulations for the Company.

The Company believes that a diverse Board will, amongst others:

- a. Enhance the quality of decision making and facilitate better business performance;
- b. Encourage diversity of perspective, thereby fueling creativity and innovation;
- c. Complement and expand the skills, knowledge and experience of the Board as a whole; and
- d. Provide better Corporate Governance.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/board_diversity_policy.pdf

ix. Anti Sexual Harassment Policy

The Company provides an equal employment opportunity and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity. Sexual harassment at the work place or other than work place if involving employees is a grave offence, and is therefore, punishable.

During the year under review, there was no complaint in this regard.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/policy_on_sexual_harassment.pdf



II. Codes

i. Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (ICCPIT)

The Board earlier adopted the internal Code of Conduct ('ICCPIT') for Regulating, Monitoring and Reporting of Trades under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same was effective from June 20, 2015.

Thereafter, the LODR came to force, and the existing ICCPIT was amended suitably. It is also mandatory under the LODR, that every listed entity should have a framework to avoid insider trading and abusive self-dealing.

Further, Regulation 8(1) of the PIT Regulations, 2015 mandates that listed companies formulate and display on their website a code of practices and procedures for fair disclosure of unpublished price sensitive information by adhering to the principles as set out in the Regulations. The principles of fair disclosure are also a part of ICCPIT, and the Company is compliant in this regard.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/iccpit_mar_16.pdf

ii. Code of Conduct for Board Members and Designated Employees (CCBE)

The LODR 2015 provides specific regulation with respect to the CCBE, and hence, the CCBE originally adopted by the Board on July 26, 2014 was amended suitably on March 29, 2016.

Objectives of CCBE

- a. The CCBE envisages that the Board and Designated Employees must act within the boundaries of the authority conferred upon them, and with a duty to comply with the requirements of applicable laws, while discharging their duties and responsibilities; and
- b. The principles prescribed in CCBE are general in nature, and lay down broad standards of compliance and ethics, as required by Regulation 17 (5) (a) and 26 of the LODR, 2015. The Board and Designated Employees

shall also refer to other applicable policies and procedures of the Company for specific instructions and guidelines, which are to be read in conjunction with the CCBE.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/ccbe_mar_16.pdf

iii. Code of Conduct for Independent Directors (CCID)

The Board adopted the Code of Conduct for Independent Directors (CCID) and the same was effective from November 13, 2014. As the LODR provide specific regulation with respect to the CCID. The CCID originally adopted by the Board was amended suitably.

Objectives of the CCID

To provide guidance for the professional conduct of Independent Directors (IDs) of the Company in order to adhere to desired standards by the IDs, and for fulfillment of their responsibilities in a professional and faithful manner, so as to promote confidence in the investment community, particularly stakeholders, regulators etc.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/ccid_mar_16.pdf

7. i. Formal Annual Evaluation by the Directors

Pursuant to the provisions of the Act and the relevant provisions of LODR, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Compliance Committees.

ii. Familiarization Programme for Independent Directors

The Company's Board is diversified with Independent Directors (IDs), who are highly qualified with rich experience. IDs had/ have been associated with various Government agencies and departments, and have been associated with various corporate and business organizations including the Company. They are familiar with the Company's business activities. Moreover, the Company provides



them updates by providing a regular brief on the operations as well making suitable arrangements for visits by the Independent Directors to the NKP site.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/familiarization_%20programme_ids.pdf

iii. Declaration by and Tenure of the Independent Directors

All IDs have given declarations that they meet the criteria of independence and are not disqualified to act as IDs as laid down under Section 149(6) of the Act and the relevant Regulation of LODR.

The IDs were appointed by Members of the Company at their Meeting held on September 23, 2014 to hold the office of Independent Director for a period of five consecutive years. Accordingly, the IDs shall hold office up to March 31, 2019. Letters of appointment were issued to IDs and the same were uploaded on the Company's website.

For more detail, kindly refer to the links:

- a. http://www.nirlonltd.com/pdf/mr_moosa_%20raza.pdf
- b. http://www.nirlonltd.com/pdf/mr_rama_varma.pdf
- c. http://www.nirlonltd.com/pdf/mr_arjan_gurbuxani.pdf
- d. http://www.nirlonltd.com/pdf/mrs_aruna_makhan.pdf

iv. Directors' Responsibility Statement

To the best of your Directors' knowledge and belief and according to the information and explanations obtained by them, your Directors make the following Statements in terms of Section 134 (3) (c) of the Act:

- a. that in the preparation of the Annual Financial Statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- b. that the Directors have selected such accounting policies as mentioned in Notes to the Financial Statements and have 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 March 31, 2017, and of the Profit of the Company for the year ended on that date;

- c. that the Directors have 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;
- d. that the Directors have prepared the annual Financial Statements on a going concern basis;
- e. that the Directors have laid down proper internal financial controls to be followed by the Company, and that such internal financial controls are adequate and were operating effectively; and
- f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

v. Number of Board & Audit Committee Meetings

A calendar of Meetings is prepared and circulated in advance to Directors. During the year, 6 (Six) Board Meetings and 5 (five) Audit Committee Meetings were convened and held.

The details of these Meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

8. Promoters & Key Managerial Personnel

a. Promoters

1. Mr. Kunal V. Sagar
2. Mr. Rahul V. Sagar
3. Mrs. Rajani M. Bhagat
4. Reco Berry Private Limited (w.e.f. April 28, 2015)

b. Key Managerial Personnel

1. Mr. Rahul V. Sagar, Executive Director
2. Mr. Jasmin K. Bhavsar, Company Secretary & Vice President (Legal) & Compliance Officer

**3. Mr. Manish B. Parikh, Chief Financial Officer**

Except for the appointment of Mr. Kunnasagaran Chinniah as a Nominee Director of Reco Berry Pvt. Ltd. w.e.f. April 28, 2016, there was no change in the composition of the Board of the Company, nor in the Key Managerial Personnel of the Company during the Financial Year 2016-17.

9. Loan, Guarantees, Security & Investment

The Company has not made any loan, or given any guarantee, or provided security to any person, and has not made any investment that attracts the provisions of Section 186 of the Companies Act, 2013, during the Financial Year.

10. Holding, Subsidiary & Associate Company

The Company is not a holding, a subsidiary, or an associate company of any company and vice versa.

11. Fixed Deposits & Debentures

The Company has neither accepted, nor invited any fixed deposits during the Financial Year under review.

The Company has also not issued any debentures during the Financial Year under review.

12. Transfer of any amount to the Investor Education and Protection Fund (IEPF)

There is no amount lying with the Company as unpaid/unclaimed with respect to any debenture redemption amount and/or fixed deposit, and/or any outstanding interest thereon.

However, as on **July 31, 2017**, there are amounts of ₹17,46,884.25, ₹16,74,005.25 and ₹17,59,728.75 lying with HDFC Bank Limited in a special account named the 'Nirlon Limited - Dividend unpaid / unclaimed Dividend Account – '2013-14', '2014-15' and '2015-16' respectively, which pertains only to Members who hold their shares in Physical Form.

13. Authorized Share Capital, Paid up Capital & Listed Capital of the Company

The Authorized Share Capital of the Company is ₹150,00,00,000/- divided into 15,00,00,000 equity shares of ₹10/- each, and the paid up capital is ₹90,11,80,400/- divided into 9,01,18,040 equity shares of ₹10/- each.

The Company's paid up share capital is listed on the BSE Limited with the security code 500307 with ISIN INE910A01012.

Please Note:

1. The Company issued a letter dated May 29, 2017 with regard to issue of New Share Certificates in Form SH – 1 with re-organized distinctive numbers to Members who hold shares in Physical Form, and fixed June 24, 2017 as the cut off date for transacting with the old share certificates.

For more detail, kindly refer to the links:

- a. http://www.nirlonltd.com/pdf/issue_of_new%20share_certificate_2017.pdf
- b. http://www.nirlonltd.com/pdf/newspaper_24_may_2017.pdf

2. The Company successfully uploaded Distinctive Range Number (DRN) of its equity shares with NSDL & CDSL on July 13, 2017 in compliance with the SEBI circular no. CIR/MRD/DP/10/ 2015.

14. Fraud Reporting

During the year under review, there was no fraud reported.

15. Related Party Transactions

The Company has entered into the following related party transactions during the Financial Year 2016-17:

- i. The appointment and payment of Managerial remuneration to Mr. Rahul V. Sagar, Executive Director of the Company, pursuant to the special resolution passed by Members through a postal ballot on August 29, 2016;
- ii. Payment of dividend declared by Members of the Company.
- iii. Execution of the following agreements on September 23, 2016:
 - a. Management Services Agreement;
 - b. Assets Sale Agreement; and Name User Agreement.

None of the Directors of the Company has received any commission from the Company.

None of the Directors and Key Managerial Personnel, save and except as stated above, has any pecuniary relationships or transactions vis-à-vis the Company.

As required by the Companies Act, 2013, complete details of all related party transactions are provided for in Form AOC-2 attached as **Annexure 6A** to this Report.



Related Party Disclosures under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2014, are attached as **Annexure 6B** to this Report.

16. Details of Significant & Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern Status & the Company's Operations in Future

There are no material orders passed by Regulators/ Courts which would impact the going concern status of the Company and its future operations.

17. Spending on the Corporate Social Responsibility Programme

With respect to the Financial Year 2016-17, two (2)% of the average net profits of the Company made during the three (3) preceding financial year amounts to ₹35.58 lakh.

The Company spent ₹38.00 lakh during the Financial Year 2016-17 as per Section 135 of the Companies Act, 2013.

18. Intellectual Property Rights

The Company's trade mark/service mark, logo/s, and copyrights are registered and well protected under the respective statutes.

19. Auditors

i. Statutory Auditors & their Report

- a. Members of the Company at their 57th AGM held on September 20, 2016 had approved the reappointment of N. M. Raiji & Co., Chartered Accountants, as the Statutory Auditors of the Company, to hold office till the conclusion of 58th AGM of the Company to be held in the year 2017.
- b. In terms of the provisions of Section 139(2) of the Act, N. M. Raiji & Co. are not eligible to be reappointed as the statutory auditors of the Company, consequent to completion of their term. Accordingly, it is proposed to appoint Price Waterhouse Chartered Accountants LLP (FRN 012754N/ N500016), as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing AGM of the Company

till the conclusion of the 63rd AGM to be held in the year 2022, subject to ratification of their appointment at every AGM, if applicable.

- c. Price Waterhouse conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by Members, would be within the limits prescribed under the Companies Act, 2013. They have also furnished a declaration in terms of Section 141 of the Act that they are eligible to be appointed as Auditors of the Company and that they have not incurred any disqualifications under the Act.
- d. Accordingly, consent of Members is sought for passing an Ordinary Resolution as set out at **Item No. 4** of the Notice for appointment of Price Waterhouse Chartered Accountants LLP (FRN 012754N/N500016), Mumbai, as the Statutory Auditors of the Company to hold office from the conclusion of the 58th AGM till the conclusion of the 63rd AGM to conduct the audits for a period of five (5) years effective from financial years 2017-18 to 2021-22.

ii. Statutory Auditors Report

- a. The observations made by the Auditors in the Report referring to Notes forming part of the Accounts are self-explanatory, and therefore do not require any further comments under Section 134(3) (f) of the Companies Act, 2013.
- b. There is no qualification in the Audit Report and a certificate to that effect is attached to this Report as **Annexure 1**.

iii. Internal Auditors

KPMG India has been appointed as the Internal Auditors of the Company by the Board, based on the recommendation of the Audit Committee for the Financial Year 2017-18.

iv. Secretarial Auditors & Secretarial Audit Report

- a. Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed Alwyn Jay & Co., a firm of Company Secretaries in Practice to undertake



the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the Financial Year 2016-17 is annexed as **Annexure 2**.

- b. There is no qualification in the Secretarial Audit Report.

v. Cost Auditors & Cost Audit Records

The Companies (Cost Records and Audit) Rules, 2014 read along with Companies (Cost Records and Audit) Amendment Rules 2014, specifies criteria for specified industries which are required to maintain cost records and get them audited. The Company's business as an Industrial Park is covered under Clause 5(a) of Schedule VI of the Companies Act, 2013 and its turnover is also in excess of ₹100/- crore. It is, therefore, required to maintain cost records which should be audited by a practicing Cost Auditor.

- a. In view of the above provisions of the Act, the Board, based on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Vinay B. Mulay, the Practicing Cost Auditor (ICAI-CMA No. 8791 CP No. 101159) of Vinay Mulay & Co., Mumbai to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018.
- b. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by Members of the Company.
- c. Accordingly, the consent of Members is sought for passing an Ordinary Resolution as set out at **Item No.5** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2018.

20. Conservation of Energy, Technology Absorption & Foreign Exchange Earning and Outgo

As required under Section 134 (3) (m) of the Companies Act, 2013 read with read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo were as under:

- a. The Company has no manufacturing activities relating to conservation of energy.
- b. i. The Company has not made any provision for research and development expenditure as the same is not applicable.
ii. The Company has no activity relating to technology absorption and innovation.
- c. The Company has incurred travel expenses in foreign currencies aggregating to ₹0.03 crore, and the Company has no foreign earnings.

The Company has incurred professional fee expenses in foreign currency aggregating to ₹0.45 crore.

21. Details of Appointment & Remuneration of Managerial Personnel and Top 10 Employees

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Managerial Personnel and Top 10 Employees of the Company forms a part of this Report as **Annexure 3**.

22. Remuneration Ratio of the Directors/Key Managerial Personnel/ Employees

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of Managerial Personnel, Directors and Employees of the Company is furnished in **Annexure 4**.

23. Employees Stock Option Scheme (Nirlon ESOP 2012)

- i. Applicable disclosures as on March 31, 2017 are attached as **Annexure 5** and form a part of this Report. Relevant details of the schemes have also been disclosed on the website of the Company.

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/esop_scheme_2012.pdf

- ii. Under the Nirlon ESOP 2012, the Board approved 7,17,656 options out of which 7,15,000 options were granted to eligible employees and the vesting period was accelerated (options corresponding to 2,656 equity shares of the Company have not been granted till date).

Furthermore, eligible employees have exercised their rights for 7,15,000 options under the Nirlon ESOP 2012.



- iii. There have been no material changes to the Nirlon ESOP 2012 during the Financial year under review. The Nirlon ESOP complies in all respects with the applicable rules and regulations.
- iv. The Company has received a certificate from Chartered Accountants that the Scheme has been implemented in accordance with SEBI Guidelines, and the required resolution has been passed by Members. This Certificate will be available at the 58th AGM for inspection by Members.

Please note: The NRC/Board passed a resolution on August 9, 2017 authorizing Directors to take steps to wind up the Nirlon ESOP Trust and Nirlon ESOP Plan 2012 and utilize the proceeds as permitted by Statute.

24. Corporate Governance Disclosure

- i. The Company adheres to the principles of Corporate Governance mandated by SEBI under LODR (as applicable), and has complied with all mandatory requirements. The non-mandatory requirements have been complied with to the extent practical and applicable.

A separate section on Corporate Governance, **Annexure 7** to this Report, and a certificate from Alwyn Jay & Co., the Practicing Company Secretaries confirming compliance with Corporate Governance requirements as applicable, form part of this Report.

- ii. The Executive Director's declaration regarding compliance with the Code of Business Conduct and Ethics forms part of the Corporate Governance Report.
- iii. The Executive Director's and Chief Financial Officer's certification under regulation 17 (8) of LODR forms part of the Corporate Governance Report.

25. Management Discussion & Analysis

Details are provided in **Annexure 8** and form part of this Report.

26. Extract of Annual Return

The details forming part of the extract of the Company's Annual Return in form MGT 9 are provided in **Annexure 9**.

27. Share Transfer Agent (STA)

The Company appointed Link Intime India Pvt. Ltd., as its Share Transfer Agent (the '**STA**'). w.e.f. June 3, 2016, pursuant to the SEBI direction, in place of Sharepro Services India Private Limited.

The Registers of Members, Annual Returns etc. are maintained by Link Intime India Pvt. Ltd. at their Registered Office situate at C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 and/or at such other place(s) within the city of Mumbai where the STA may have their office from time to time.

28. Postal Ballot

- i. The Company passed the following Special Resolutions on August 29, 2016 through a Postal Ballot (vide Postal Ballot Notice dated **July 9, 2016**):
 - a. Authorising the Board of Directors to borrow up to ₹1,500/- Crore from Lending Agency/ies;
 - b. Authorising the Board of Directors to create charge(s)/mortgage(s)/ hypothecation(s) on the Company's movable and/or immovable properties situate at Goregaon (East), Mumbai, both present and future, in order to create security in favor of Lending Agency/ies;
 - c. Appointing of Mr. Rahul V. Sagar (DIN 00388980) as Executive Director of the Company and the proposed payment of his Managerial Remuneration for a period of 5 (five) years w.e.f. February 1, 2016 to January 31, 2021; and
 - d. Ratifying of the appointment of Link Intime India Pvt. Ltd., to act as the Share Transfer Agent (STA) of the Company, and to keep the Register of Members, Index of Members, Annual Returns etc. at the Registered Office of the STA, and to allow inspection of the same as required under the Act.



- ii. The Directors appointed Mr. Alwyn D'souza, Practising Company Secretary (FCS No.5559 CP No.5137) of Alwyn Jay & Co., Company Secretaries, Mumbai as Scrutinizer ('the Scrutinizer') for scrutinizing the voting through the Postal Ballot, including e-voting, in a fair and transparent manner.
- iii. The Postal Ballot Forms were deposited at the address given thereon. Duly completed Postal Ballot Forms which reached the Scrutinizer not later than 5.00 p.m. (IST) on Tuesday, August, 23, 2016 were considered.
- iv. The Scrutinizer submitted his report to the authorised Director after the completion of scrutiny of the Postal Ballot including e-voting. The result of the Postal Ballot including e-voting was declared on Monday, August 29, 2016 and communicated to the BSE Limited and CDSL. The same was also displayed on the Company's website at 'www.nirlonltd.com'.

The following Link is attached for the Postal Ballot:

a. http://nirlonltd.com/pdf/postal_ballot_notice_jul_16.pdf

b. http://nirlonltd.com/pdf/postal_ballot_form_jul_16.pdf

29. Enhancing Shareholders/Members Value

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the Company's productive asset and resource base and nurturing its overall corporate reputation.

Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact socio-economic dimensions and contribute to sustainable growth and development.

30. Personnel Relations & Acknowledgements

Personnel relations with employees continue to remain cordial. Your Directors record their appreciation for the services rendered by employees at all levels. They acknowledge and record their appreciation for the co-operation and assistance rendered by HDFC Limited, Banks and various Government authorities at State and Central levels. Your Directors thank all stakeholders for their continued support.

Your Directors would also like to place on record their sincere appreciation for the co-operation received from the Reserve Bank of India, SEBI, the BSE Limited and all other statutory and/or regulatory bodies.

**For and on behalf of the Board of Directors
Nirlon Limited**

**Sd/-
Moosa Raza
Chairman**

Mumbai, August 9, 2017

(DIN 00145345)



Annexure 1 to the Directors' Report

The Company has submitted a declaration to the BSE Ltd., the only Stock Exchange on which its shares are listed, that there is no audit qualification raised by the Statutory Auditors for the Audited Financial Results for the Financial Year ended March 31, 2017.

Annexure 2 to the Directors' Report

FORM NO. MR.3

Secretarial Audit Report

For the Financial Year ended March 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of Nirlon Limited,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nirlon Limited (CIN: L17120MH1958PLC011045) (hereinafter called '**the Company**').

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct and statutory compliance for the purpose of expressing our opinion thereon.

Based on our verification of the Company's statutory books, legal papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2017** complied with the statutory provisions listed hereunder, and also that the Company has proper Board processes and compliance mechanisms in place to the extent, in the manner, and subject to the reporting made hereinafter:

We have examined the above mentioned books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 ('**the Act**') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company).
- vi. Other specific business/industry related laws applicable to the Company - The Company has complied with the provisions of the Development Control Regulations for Greater Mumbai, 1991, Mumbai Municipal Corporation Act, 1888, Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975, Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013, Environment (Protection) Act, 1986, Maharashtra Shops and Establishments Act, 1948, Employees Provident Fund & Miscellaneous Provisions Act, 1952 and applicable general business laws, rules, regulations and guidelines.



We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by the Institute of Company Secretaries of India;
- b. The Listing Agreements entered into by the Company with the BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no non-compliances that have come to our knowledge.

We further Report that:

The Board of Directors of the Company is duly constituted with an Executive Director and Non-Executive Directors as well as Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

The Board decisions are recorded without recording any dissent by any member of the Board and hence we do not find any basis to believe that the Board resolutions were dissented upon by any Board member/(s).

We further Report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further Report that during the audit period, the following significant events / actions have taken place that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

- a. Special Resolution in terms of Section 180(1)(c) of the Companies Act, 2013 seeking Members' approval through a postal ballot to authorise the Board of Directors of the Company to borrow up to ₹1,500/- Crore.
- b. Special Resolution in terms of Section 180(1)(a) of the Act seeking Members' approval through postal ballot to create

charges /mortgages /hypothecations on the Company's movable and / or immovable properties situated at Village Pahadi and Goregaon, Goregaon (East), Mumbai, both present and future, up to ₹1,500/- Crore.

- c. Special Resolution seeking Members' approval through postal ballot for ratification of the appointment of M/s. Link Intime India Pvt. Ltd., to act as the Share Transfer Agent (STA) of the Company in place of Sharepro Services India Private Limited and to keep the Register of Members, Index of Members, Annual Returns etc. at the Registered Office of the STA and to allow inspection of the same as required under the Act.
- d. Special Resolution in terms Sections 196, 197 and 198 of the Act seeking Members' approval through postal ballot for Appointment of Mr. Rahul V. Sagar (DIN 00388980) as Executive Director of the Company, and payment of his Managerial Remuneration for a period of 5 (five) years w.e.f. February 1, 2016 to January 31, 2021.
- e. Ordinary Resolution in terms of Section 188(1) of the Act seeking Members' approval at the 57th AGM to enter into and execute various Related Party Agreements with Nirlon Management Services Private Limited.
- f. Effective from October 1, 2016, the Company appointed Nirlon Management Services Pvt. Ltd. (NMSPL) as a provider of lease management, property management, marketing related services, project management services and general management services to the Company.
- g. The employees of the Company involved in such services resigned from the services of the Company on September 30, 2016, and have been employed by NMSPL effective from October 1, 2016 on terms that are no less favorable than those being offered by the Company as on their date of resignation. Post this occurrence, the Company employed at a minimum, those persons as are required for a public limited company under the relevant statute, and the total number of permanent employees of the Company as at March 31, 2017 is three (3).

For ALWYN JAY & CO.,
Company Secretaries

Vijay Sonone
FCS - 7301
Partner

Certificate of Practice No.7991

Mumbai, August 9, 2017

Office Address :

Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai- 400101.

**NIRLON****Annexure 3 to the Directors' Report**

[Statement pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended)]

Salary paid to Managerial Personnel and Top 10 Employees of the Company during the F.Y. 2016-17

Sr. No.	Name of Employee	Gross Salary (in ₹)	Net Salary (in ₹)	Age (in years)	Designation	Qualification	Experience (in years)	Date of commencement of Employment	Last Employment held prior to the joining of the Company
1.	Mr. Rahul V. Sagar	2,33,67,972	1,40,60,050	46	Executive Director	BA (Economics)	23	01-Jul-09	Sempertrans Nirlon Pvt. Ltd.
**2.	Mr. Jasmin K. Bhavsar	1,21,45,011	69,46,356	45	Company Secretary, Vice President (Legal), & Compliance Officer	B.Com, M.Com, LL.B, LL.M, FCS, MBA and Diploma in Real Estate Management.	25	06-Mar-06	Enercon (India) Limited
3.	Mr. Manish B. Parikh	39,76,441	23,45,513	55	Chief Financial Officer	B. Com	33	01-Sep-04	Nirlon Limited
*4.	Mr. Dileep Pandya	57,56,571	38,75,155	57	Vice President (Projects)	Diploma in Civil Engineering	35	01-Sep-04	Nirlon Limited
*5.	Mr. Vikas Rawat	51,51,013	36,24,600	48	Vice President (Operations)	BA	26	02-Mar-09	Capgemini India Pvt. Ltd.
*6.	Mr. Suresh Loni	34,91,136	26,10,193	49	Sr. DGM (Projects)	Diploma in Construction Technology, Diploma in Interior Designing and Decoration	22	03-Dec-07	JP Parekh & Son
*7.	Mr. Sanjay Gupta	27,67,898	21,53,300	48	Sr. DGM (Contracts)	B. Sc. MA (economics) M Phil (Economics) & Post Graduate Diploma in Management	23	11-Oct-10	GTL Limited
*8.	Ms. Shikha Dhreshawar	27,43,570	22,00,591	42	DGM - Projects & Property Management & Executive Assistant	BA. Dip. in Personnel Management, Dip. in Interior Designing, PG in Labour Laws, MBA in Project and Construction Management	19	14-May-07	EPSILON
*9.	Mr. Nitin Salunkhe	26,70,034	21,24,923	43	Manager - Projects	Diploma in Electrical Power	17	01-Sep-07	Ashish Enterprises
*10.	Mr. Mahesh Thakare	26,50,645	21,21,863	49	DGM - IT	Diploma in Information Technology	22	01-Sep-04	Nirlon Limited
*11.	Mr. Sunil B. Patil	25,70,406	20,77,085	54	DGM - Liaisoning & Finance	B. com	32	01-Sep-04	Nirlon Limited

Notes :

1. Salaries include Exgratia / variable performance linked pay, and the Company's contribution to Provident Fund & **perquisite value of ESOP shares

2* Includes Gratuity paid on resignation on September 30, 2016

3. None of the Employees is a relative of any Directors of the Company except Mr. Rahul V. Sagar, who is the brother of Mr. Kunal V. Sagar, Director

4. Employees were employed on a permanent basis

5. None of the Employees held any shares of the Company except Mr. Rahul V. Sagar who holds 13,29,750 shares, Mr. Jasmin K. Bhavsar who holds 28,000 shares (ESOP) and Mr. Manish Parikh who holds 50 shares



Annexure 4 to the Directors' Report

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2016-17:

Executive Director	Ratio to Median (No. of times)
Mr. Rahul V. Sagar	32.82
Non-Executive Directors	Ratio to Median (No. of times)
Mr. Moosa Raza	0.79
Mr. Rama Varma	0.79
Mr. Arjan R. Gurbuxani	0.79
Mrs. Rajani M. Bhagat	0.22
Mrs. Aruna Makhan	0.79
Mr. Kunnasagaran Chinniah	0.18
Mr. Kunal V. Sagar	0.35

Notes:

- All employees of the Company, other than Key Managerial Personnel, have ceased to be employees of the Company on September 30, 2016. Accordingly, for computing median, the remuneration for employees other than Key Managerial Personnel, is for a period of six months only and that of Key Managerial Personnel and other Directors is for the full year.
 - Payment of gratuity of the above mentioned employees is not considered for computing median.
 - The remuneration to Non-Executive Directors consists of Sitting Fees only. The Sitting Fees increased from ₹ 20,000/- to ₹ 50,000/- per Meeting effective from February 3, 2017.
2. The percentage increase in remuneration of each Director, Chief Financial Officer and the Company Secretary in the Financial Year 2016-17 was as under :

Name	Designation	Percentage (%) Increase / (Decrease)
Mr. Rahul V. Sagar	Executive Director	0.86
Mr. Kunal V. Sagar	Non-Executive Director	(97.81)
Mr. Moosa Raza	Non-Executive Director	47.37
Mr. Rama Varma	Non-Executive Director	55.56
Mr. Arjan Gurbuxani	Non-Executive Director	47.37
Mrs. Rajani Bhagat	Non-Executive Director	60.00
Mrs. Aruna Makhan	Non-Executive Director	47.37

Mr. Kunnasagaran Chinniah	Non-Executive Director (Appointed w.e.f. 28.4.2016)	N.A.
Mr. Manish B. Parikh	Chief Financial Officer	15.03
Mr. Jasmin K. Bhavsar	Company Secretary	15.13

Notes:

- The remuneration to Non-Executive Directors consists of Sitting Fees only.
 - The remuneration to Mr. Kunal V. Sagar for the previous year consists of remuneration as an executive director up to September 25, 2015 and thereafter sitting fees as a non- executive director.
3. The percentage decrease in the median remuneration of employees in the financial year was 56.91%.

Note:

All employees of the Company, other than Key Managerial Personnel, have ceased to be employees of the Company on September 30, 2016. Accordingly, for computing median the remuneration for employees other than Key Managerial Personnel is for a period of six months and that of Key Managerial Personnel is for the full year. Therefore, the change in median is not strictly comparable.

- There are 3 (three) permanent employees (i.e. Key Managerial Personnel) on the payroll of Company as on March 31, 2107.
- The average percentile decrease in salaries of employees other than the key managerial personnel in the last financial year was 53.49%. The same was on account of cessation of employment of all employees of the Company other than Key Managerial Personnel w.e.f October 1, 2016. Percentile decrease in the key managerial remuneration was 20.51%. The same is due to the fact that the key managerial remuneration of the previous financial year included remuneration to Mr. Kunal V. Sagar as Executive Vice Chairman up to September 25, 2015.
- Affirmation that remuneration is as per the Remuneration Policy of the Company :

Remuneration is as per the practice followed by the Company.



NIRLON

Annexure 5 to the Directors' Report

Disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 as on 31.3.2017

Sr. No.	Particulars	Details
i.	Employee Stock Option Scheme / Plan	NIRLON ESOP 2012
	a. Date of shareholder's approval	23.5.2012
	b. Total number of options approved	7,17,656
	c. Total number of options granted	7,15,000
	d. Vesting Requirements	Refer Note 1
	e. Exercise Price	₹ 41.30
	f. Maximum Term of options granted	6.25 years revised to 4.33 years
	g. Source of Shares	Primary (Issuance by the Company)
	h. Variation of terms of options	Refer Note 1
ii.	Method used to account for ESOS	Intrinsic Value
iii.	The difference between employee compensation cost using intrinsic value method and fair value of options	NIL
	The impact of this difference on:	
	* Profits of the company	NIL
	* Basic EPS of the company	NIL
	* Diluted EPS of the company	NIL
iv.	Option movement during the year	
	* Number of options outstanding at the beginning of the year	35,000
	* Number of options granted during the year	NIL
	* Number of options forfeited / lapsed during the year	NIL
	* Number of options vested during the year	NIL
	* Number of options exercised during the year	28,000
	* Number of shares arising as a result of exercise of options	NIL (Issued by Trust)
	* Money realised by exercise of options, if scheme implemented directly by Company	Not Applicable
	* Loan repaid by the Trust from exercise price received	₹ 11,56,400
	* Number of options outstanding at the end of the year	7,000
	* Number of options exercisable at the end of the year	7,000
v.	a. Weighted-average exercise prices for options:	
	* whose exercise price equals the market price of the stock on grant date	₹ 41.30
	* whose exercise price exceeds the market price of the stock on grant date	Not Applicable
	* whose exercise price is less than the market price of the stock on grant date	Not Applicable
	b. Weighted-average fair value of options	
	* whose exercise price equals the market price of the stock on grant date	₹ 24.00
	* whose exercise price exceeds the market price of the stock on grant date	Not Applicable
	* whose exercise price is less than the market price of the stock on grant date	Not Applicable
vi.	Employee wise details of options granted to:	
	i. Senior Managerial Personnel	Refer Note 2
	ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NIL
	iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding options and conversions) of the company at the time of grant	NIL



vii.	A description of the method and significant assumptions used during the year to estimate the fair value of options:	
	a. * The price of the underlying share in market at the time of option grant * Exercise price * Expected volatility * Expected life * Expected dividends * Risk-free interest rate b. Method used for calculating the fair value of options c. Determination of expected volatility d. Any other feature of option grant incorporated in measurement of fair value	₹ 41.30 ₹ 41.30 0.5874 3.75 Years to 5.38 Years NIL 8.32% - 8.37% Black-Scholes model The volatility is estimated considering the daily volatility of the stock prices on the BSE over a period prior to the grant, corresponding with the expected life of the option. None
viii.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	₹ 6.35
Note 1.	The weighted average contractual life for the stock options was 5 years and they vested at the rate of 15%, 20%, 25%, 40% at the end of 15 months, 30 months, 42 months, 54 months respectively from the date of grant. During the year 2014-15, the Nomination and Remuneration Committee had vide its resolution dated February 9, 2015, accelerated the vesting period for all the unvested options to February 15, 2015 and accelerated the exercise period for all options up to September 30, 2016. Accordingly all the options granted have been already vested. Further the Board of Directors vide its circular resolution dated October 10, 2016 extended the exercise period of 35,000 outstanding options upto September 30, 2017, retrospectively.	
Note 2.	Employee wise details of options granted to Senior Managerial Personnel	
Sr. No.	Name & Designation	No. of Options Granted *
1.	Mr. Dileep A. Pandya - Vice President - Projects#	1,70,000
2.	Mr. Jasmin K. Bhavsar - Company Secretary & Vice President - Legal	1,45,000
3.	Mr. Vikas Rawat - Vice President - Operations#	1,45,000
4.	Mr. Manish B. Parikh - Chief Financial Officer	1,05,000
5.	Mr. Sanjay K. Gupta - Sr. General Managerial - Contracts & Commercials#	95,000
6.	Mr. Sunil B. Patil - Dy General Manager - Finance#	55,000
* No options are granted during the year. The exercise price of the options granted is ₹ 41.30. # Ceased to employee of the Company w.e.f September 30, 2016.		
Details Related to Trust		
i.	General Information	
Sr. No.	Particulars	Details
1.	Name of the Trust	Nirlon Employees Stock Option Trust
2.	Details of Trustees	Mr. Mahendra Doshi & Mr. N.R.Mohan
3.	Amount of loan disbursed by the Company during the year	NIL
4.	Amount of loan outstanding (repayable to the Company) at the end of the year	₹ 3,93,793
5.	Amount of loan, if any, taken from any other source for which the Company has provided any security or guarantee	NIL
6.	Any other contribution made to the Trust during the year	NIL
ii.	Brief details of transactions in shares by the Trust	
a.	Number of shares held at the beginning of the year	37,656
b.	Number of shares acquired during the year through primary issuance / secondary acquisition	NIL
c.	Number of shares transferred to the employees / sold	28,000
d.	Number of shares held at the end of the year	9,656



NIRLON

Annexure 6A to the Directors' Report FORM NO. AOC -2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: **NIL**

2. Details of material contracts or arrangement or transactions at arm's length basis:

a.	Name(s) of the related party and nature of relationship	Nirlon Management Services Pvt. Ltd., a related party of the Company	Nirlon Management Services Pvt. Ltd., a related party of the Company	Nirlon Management Services Pvt. Ltd., a related party of the Company
b.	Nature of contracts/arrangements/transactions	Management Services Agreement	Asset Sale Agreement	Name User Agreement
c.	Duration of the contracts / arrangements/transactions	October 1, 2016 to September 30, 2020	October 1, 2016 (one time)	Until the Name User Agreement terminates in accordance with its terms.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> Services: NMSPL will provide lease management, property management, marketing, project management and general management services in respect of the properties of the Company ("Services"). Properties: The Services will be provided by NMSPL in relation to the properties owned by the Company on the date of the Management Services Agreement, including Nirlon Knowledge Park and Nirlon House. Fees : Fees will be paid to NMSPL by the Company in the following manner: For lease management services – a monthly fee equal to 1% (one percent) of the gross revenue of the property for such month; For property management services – a monthly fee equal to 2% (two percent) of the gross revenue of the property for such month; For marketing services – a percentage based commission based on the term of the lease / license and the license fee / lease rent payable for the first month thereof (including commission for additional space taken up by a licensee / lessee). Commission is also payable on renewal of an existing lease/ license; For project management services – ₹60/-crore (Rupees Sixty Crore) payable in 48 (forty eight) equal monthly installments, as construction / project management fees for Phase 5 of Nirlon Knowledge Park. Of this amount, an advance of ₹6/- crore (Rupees Six Crore) is paid on the execution of the agreement, which advance is to be adjusted against the 42nd (forty second) to the 48th (forty eighth) monthly installments referred to above. 	<ul style="list-style-type: none"> Assets: Movable assets (furniture, fixtures, computers, software, cars, two wheelers, etc.) were transferred to NMSPL by the Company to enable NMSPL to better provide the Services under the Management Services Agreement. Consideration: A consideration of ₹25.10 lakh (Rupees Twenty Five Lakh and ten thousand only) was paid by NMSPL to the Company as and by way of consideration for the asset transfer. The consideration was paid on the basis of the book value of the assets. Employees: Identified employees who were involved in the provision of Services to the Company were offered employment by NMSPL on terms no less favorable than those on which they were engaged in the Company. Employees were provided by the Company with no-dues letters at the time of their resignation. End-of-service gratuity was paid by the Company to those employees who have completed service of 5 (five) years or more with the Company. Ex-gratia payments were made by the Company to those employees who have not completed 5 (five) years' service with the Company. The transaction was completed post approval of the shareholders at their Meeting held on September 20, 2016, simultaneously with the Management Services Agreement becoming effective (i.e., on October 1, 2016 	<ul style="list-style-type: none"> License: A royalty free, non-assignable and non-transferable license is granted to NMSPL to use the Name 'Nirlon'. Subject to the terms of the Name User Agreement, NMSPL can promote the Name through advertisements, branding and sports initiatives. Owner: The Company remains the sole and exclusive owner of the Name including the trademark and copyrights in the Name. The Company can continue to use the Name as the owner in any manner it deems appropriate. Restrictions on Use: NMSPL will stop using the name under various circumstances (including if such use brings disrepute to the Company or jeopardizes the rights of the Company to the Name, if such use is in breach of any contractual obligations of NMSPL, etc.). NMSPL is not permitted to register any trademark, or other intellectual property using the Name. Termination: Either party can terminate the agreement after giving a prior written notice if the Sagar Brothers cease to remain in control/ majority ownership interest of NMSPL, or if Reco / its affiliates cease to have control / majority ownership interest over the Company. Right to Injunctive Relief: The Company can claim injunctive and other reliefs available to it under law in the event NMSPL or the Sagar Brothers are in breach of the Name Use Agreement.



		<ul style="list-style-type: none"> • All fees are exclusive of applicable service tax, which will be borne by the Company. • <i>Term:</i> Subject to the Asset Sale Agreement being in full force and effect and the Name User Agreement between the Company, the Sagar Brothers and NMSPL being in full force and effect, the Management Services Agreement has commenced on October 1, 2016 and terminates automatically on September 30, 2020, unless terminated earlier or mutually extended. • <i>Indemnity:</i> NMSPL has agreed to indemnify and hold the Company harmless for any loss suffered by reason of NMSPL's, or if applicable NMSPL's employees', fraud or willful misconduct. • <i>Leave and license agreement:</i> NMSPL and the Company have entered into an agreement in terms of which the Company proposes to license office space to NMSPL for its use during the provision of Services. • <i>Termination rights:</i> Termination rights under the Management Services Agreement include breaches by a party of the Management Services Agreement, change in control of the Company, or a party becoming the subject of any insolvency proceedings and other matters. • The fees agreed to be paid to NMSPL under the Management Services Agreement are in consonance with current industry rates and practice. Furthermore, by outsourcing the project/property and other management services to NMSPL, it is expected that the operational costs of the Company in respect of its current projects are likely to be limited in accordance with the terms of the Management Services Agreement. 		
e.	Date(s) of approval by the Board, if any:	August 10, 2016		
f.	Amount paid as advances, if any:	₹6/- crore	NIL	NIL

Annexure 6B to the Directors' Report

A. Disclosures in compliance with the Accounting Standard on 'Related Party Disclosures'- Please refer to Note no. 37 of the Financial Audited Accounts

B. Additional disclosure requirements

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	<ul style="list-style-type: none"> • Loans and advances in the nature of loans to subsidiaries by name and amount: NIL • Loans and advances in the nature of loans to associates by name and amount: NIL • Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL
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: NIL



Annexure 7 to the Directors' Report Corporate Governance Report

[Information given in this Report relates to the Financial Year ended March 31, 2017]

1. The Company's Philosophy on Code of Governance

The Company believes that transparency through Corporate Governance is a key element in achieving high standards of corporate behavior, in improving efficiency, and in enhancing the confidence of investors.

To this end, the Company adopts best practices, processes and policies of governance in order to ensure professionalism and accountability without compromising ethical standards.

The Company's policy of adequate and timely compliance disclosures are based on proper systems of internal control and risk management to ensure professionalism, accountability and compliance with statutes, so that there is timely and correct flow of information to the Board, and to all Stakeholders including Members.

2. Board of Directors

A. Directors

1. Padma Bhushan Mr. Moosa Raza (Chairman – ID* & NED*)
2. Mr. Rama Varma (ID* & NED*)
3. Mr. Arjan R. Gurbuxani (ID* & NED*)
4. Mrs. Aruna Makhan (ID* & NED*)
5. Mrs. Rajani M. Bhagat (Promoter & NED*)#
6. Mr. Kunnasagaran Chinniah (NED* - Director Nominated by Reco Berry Pvt. Ltd. - Promoter) w.e.f. April 28, 2016
7. Mr. Kunal V. Sagar (Continuing as a Promoter & NED* w.e.f. September 26, 2015)
8. Mr. Rahul V. Sagar (Promoter & Executive Director)

* ID: Independent Director & *NED: Non Executive Director

Director seeking reappointment at the 58th AGM

A brief resume of Directors, including Mrs. Rajani M. Bhagat, nature of their expertise in specific functional areas, company names in which they hold Chairmanships, Directorships and Memberships of Boards / Committees, and Shareholding in the Company are provided in this Report.

B. Brief Resume of Directors

1. **Padma Bhushan Mr. Moosa Raza (DIN 00145345) Chairman – ID & NED**

Mr. Moosa Raza, aged 80 years, has been a civil servant for 35 years and is a recipient of Padma Bhushan awarded by the Hon'ble President of India for his distinguished civil service to the Nation.

Mr. Raza has served the Governments of Gujarat, Jammu & Kashmir, Uttar Pradesh and the Government of India in various capacities as Secretary (Health), the Secretary in Cabinet Secretariat, Secretary of Steel, and Governor's Advisor. He was the President of the Indian Steel Alliance. He runs several NGOs dealing with Education and is associated with Central Universities.

Mr. Raza also headed as CEO more than 10 public and private sector Industrial and Commercial organizations, such as the National Textile Corporation, Gujarat State Fertilizers & Chemicals, the India Trade Promotion Organization, the Calico Group of Companies, etc. He was elected Chairman of the Standing Committee of Public Enterprises, and was a Member / Director of several organizations dealing with management and administration such as the International Management Institute, IMI-A, SMG, etc.

Mr. Raza has been a Director of the Company since July 1996 and was re-appointed as an Independent Director and Chairman by the Board effective from October 28, 2006. Subsequently, Members at their Meeting held on August 30, 2007 confirmed the appointment of Mr. Raza as an Independent Director liable to retire by rotation.

Members of the Company at their 55th AGM held on September 23, 2014 appointed Mr. Raza as an Independent Director to hold office upto March 31, 2019, and not liable to retire by rotation.

Mr. Raza confirms that he meets with the criteria for an Independent Director as required.

He is also holding the position of Director on the Board of the National Waqf Development Corporation Limited.

He does not hold any Equity Shares in the Company.

**2. Mr. Rama Varma (DIN 00031890) - ID & NED**

Mr. Rama Varma, aged 68 years, graduated with a B.Sc. Mr. Varma has been occupying the office of Director of the Company since March 1978 and was re-appointed as an Independent Director by the Board effective from June 24, 2006.

Subsequently, Members at their Meeting held on September 28, 2006 confirmed the appointment of Mr. Varma as an Independent Director liable to retire by rotation.

Members of the Company at their 55th AGM held on September 23, 2014 appointed Mr. Varma as an Independent Director to hold office up to March 31, 2019, and not liable to retire by rotation.

He is also holding the position of Managing Director of Aspinwall & Co. Limited.

Mr. Varma confirms that he meets with the criteria for an Independent Director as required.

He holds 1,925 Equity Shares in the Company.

3. Mr. Arjan R. Gurbuxani (DIN 00425885) - ID & NED

Mr. Arjan R. Gurbuxani, aged 83 years, graduated with B.A. (Hons.), and LL.B., both from Bombay University and completed C.A.I.I.B.

Mr. Gurbuxani has served Multinational Banks for 42 years in senior positions both in India and abroad.

Mr. Gurbuxani has been a Director of the Company since 1994 and was re-appointed as an Independent Director by the Board effective June 24, 2006. Subsequently, Members at their Meeting held on September 28, 2006 confirmed the appointment of Mr. Gurbuxani as an Independent Director liable to retire by rotation.

Members of the Company at their 55th AGM held on September 23, 2014 appointed Mr. Gurbuxani as an Independent Director to hold office up to March 31, 2019, and not liable to retire by rotation.

Mr. Gurbuxani since 2006 is the CEO of a Public Charitable Trust established 1903. The Trust manages in Rishikesh (Uttarakhand) two CBSE affiliated Public Schools with more than 3,200 students. The Trust also manages two Hospitals with more than 280 Beds. One of the Hospitals is dedicated to Eye Care only and has performed more than 1,02,000 free Eye Surgeries since 2007.

Mr. Gurbuxani confirms that he meets the criteria for an independent Director as required.

Mr. Gurbuxani holds 724 Equity Shares in the Company.

4. Mrs. Aruna Makhan (DIN 00025727) - ID & NED

Mrs. Aruna Makhan, aged 73 years, joined the IA&AS in 1967 and opted for the ICAS in 1976.

Mrs. Makhan acquired 37 years of experience in handling public financial management at the apex level, and retired as Controller General of Accounts, Government of India. She has also been the Director of the National Institute of Finance Management under the aegis of the Ministry of Finance. She was a member of the Board of Directors of Oriental Bank of Commerce, TTCL, PEC and Prasar Bharati (Broadcasting Corporation of India), besides having held several directorial posts in various Government Undertakings and Autonomous Bodies.

Mrs. Makhan has been a Director of the Company since July 2004 and was re-appointed as an Independent Director by the Board effective from October 28, 2006.

Subsequently, Members at their Meeting held on August 30, 2007 confirmed the appointment of Mrs. Makhan as an Independent Director liable to retire by rotation.

Members of the Company at their 55th AGM held on September 23, 2014 appointed Mrs. Makhan as an Independent Director to hold office upto March 31, 2019 and not liable to retire by rotation.

She is currently an Independent Director on the Board of Mangalam Cements Limited.

Mrs. Makhan confirms that she meets with the criteria for an Independent Director as required.

She does not hold any Equity Shares in the Company.

5. Mrs. Rajani M. Bhagat (DIN 00870716) - Promoter & NED

Mrs. Rajani M. Bhagat, aged 79 years, graduated with B.A. (Hons.), B.Com, B.Sc. (Economics).

Mrs. Bhagat has been occupying the office of Director since March 2003 and was reappointed as a Director by the Board effective from October 28, 2006.



Subsequently, Members at their Meeting held on August 30, 2007 confirmed the appointment of Mrs. Bhagat as a Director liable to retire by rotation and Members of the Company at their 51st, 54th, 55th & 56th AGMs held on September 14, 2010, September 27, 2013, September 23, 2014 and September 21, 2015 respectively have re-appointed Mrs. Bhagat as a Director liable to retire by rotation.

She is also holding the position of Director on the Board of Pharma Fill Ltd. and the Bombay Garage (Ahmedabad) Ltd.

She holds 6,73,349 Equity Shares in the Company.

6. Mr. Kunnasagaran Chinniah (DIN 01590108) - NED - Director nominated by Reco Berry Pvt. Ltd. - Promoter - w.e.f. April 28, 2016

Mr. Kunnasagaran Chinniah, aged 60 years, is a Chartered Financial Analyst and his other academic qualifications include a Bachelor's Degree in Electrical Engineering from the National University of Singapore and an MBA from the University of California, Berkeley.

Mr. Chinniah retired in 2013 as the Managing Director / Global Head of Portfolio, Strategy & Risk Group with GIC Special Investments (GIC SI), the Private Equity arm of the Government of Singapore Investment Corporation (GIC). He joined GIC in 1989 and had held various positions with the Special Investments Department of GIC in their North American, European and Asian regions.

Mr. Chinniah serves on the Boards of various companies including Indian companies such as Edelweiss Financial Services Ltd., Edelweiss Commodities Services Ltd. and Edelweiss Agri Value Chain Ltd.

He does not hold any equity shares in the Company.

7. Mr. Kunal V. Sagar (DIN 00388877) - (continuing as a Promoter & NED w.e.f. September 26, 2015)

Mr. Kunal V. Sagar, aged 49 years, graduated with a B.A. in Economics.

Mr. Kunal V. Sagar has been occupying the office of Director since December 1995. Subsequently, Members at their Meeting held on September 24, 1997 confirmed the appointment of Mr. Kunal V. Sagar as joint Executive Vice Chairman of the Company, not liable to retire by rotation. Mr. Kunal V. Sagar resigned from the office of Executive Vice Chairman

on September 25, 2015 and continues to hold the position of Promoter and Director of the Company.

Prior to joining Nirlon Limited, Mr. Kunal V. Sagar worked with the Republic National Bank of New York in the United States from 1990 to 1994.

He is the brother of Mr. Rahul V. Sagar, one of the Directors of the Company.

He holds 13,29,750 Equity Shares in the Company.

8. Mr. Rahul V. Sagar (DIN 00388980) - Promoter & Executive Director

Mr. Rahul V. Sagar, aged 46 years, graduated with a B.A. in Economics.

Mr. Rahul V. Sagar has been occupying the office of Director since June, 2006. Subsequently, Members at their Meeting held on September 28, 2006 confirmed the appointment of Mr. Rahul V. Sagar as a Director liable to retire by rotation.

Prior to joining Nirlon Limited, Mr. Rahul V. Sagar worked as the Chief Operating Officer of Sempertrans Nirlon Private Limited.

Mr. Rahul V. Sagar has been occupying the office of the Executive Director since July 1, 2009. Mr. Rahul V. Sagar is re-appointed w.e.f. February 1, 2016 for a period of five years by Members through the Postal Ballot result declared on August 29, 2016, and is not liable to retire by rotation.

He is the brother of Mr. Kunal V. Sagar, one of the Directors of the Company.

He holds 13,29,750 Equity Shares in the Company.

Notes:

- a. Other than as disclosed here, there are no inter-se relationships between the Board Members.
- b. Based on the respective disclosures made by the Directors, none of the Directors on the Company were Members of more than 10 Committees or acted as Chairperson of more than 5 Committees, across all the companies in which he / she was a Director. The necessary disclosures regarding Committee positions have been made by the Directors.
- c. None of the Directors held Directorships in more than 20 Indian companies including 10 public limited companies.



- d. None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies.
- e. None of the Independent Directors is a Whole - Time Director in any other company.
- f. All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013.
- g. Formal letters of appointment have been issued to the Independent Directors.

C. Particulars of Directors' attendance at Board Meetings during the Financial Year 2016-17, at the last Annual General Meeting, the number of Directorships, Chairmanships / Memberships of Committees held by Directors on the Board of various other companies, and the Shareholding of Directors in the Company as on March 31, 2017:

Sr. No.	Name of the Director	Category	Relationship with other Directors	Meeting Attendance Particulars		Directorships in other Public Ltd. Company / ies	Audit and Stakeholders Relationship Committee Memberships in other Companies		Shareholding
				Board	Last AGM		Chairman	Member	
1.	Mr. Moosa Raza	ID & C*	None	6	Y	-	-	-	Nil
2.	Mr. Rama Varma	ID & NED*	None	6	Y	1	-	-	1,925
3.	Mr. Arjan R. Gurbuxani	ID & NED*	None	6	Y	-	-	-	724
4.	Mrs. Aruna Makhan	ID & NED*	None	6	Y	1	-	2	Nil
5.	Mrs. Rajani M. Bhagat	NED* & P*	None	4	Y	2	-	-	6,73,349
6.	Mr. Kunal V. Sagar	NED* & P*	Brother of Mr. Rahul V. Sagar	6	Y	-	-	-	13,29,750
7.	Mr. Rahul V. Sagar	ED* & P*	Brother of Mr. Kunal V. Sagar	6	Y	-	-	-	13,29,750
8.	Mr. Kunnasagaran Chinniah	NED*	None	5	Y	3	-	1	Nil

* **C:** Chairman, **ED:** Executive Director, **NED:** Non-executive Director, **ID:** Independent Director & **P:** Promoter

- i. Mr. Moosa Raza is the Chairman of the Board. One (1) Board Meeting dated November 11, 2016 attended by Video conference.
- ii. Mr. Kunal V. Sagar held the position of Promoter & Executive Vice Chairman up to September 25, 2015, and thereafter he continues as a Promoter and NED.
- iii. Mr. Rahul V. Sagar is the Executive Director of the Company.
- iv. Mr. Kunnasagaran Chinniah was inducted by Reco Berry Pvt. Ltd., one of the Promoters of the Company, w.e.f. April 28, 2016.
- v. All Directors, except Mr. Kunal V. Sagar, Mr. Rahul V. Sagar, Mrs. Rajani M. Bhagat and Mr. Kunnasagaran Chinniah are Independent and Non-Executive Directors.
- vi. Based on the respective disclosures made by the Directors, none of the Directors is a member in more than 10 (ten) committees and acts as a Chairman in more than 5 (five) committees across all companies in which he / she is a Director.



During the Financial Year 2016-17, the Board met 6 (six) times on the following dates:

Sr. No.	Date of Board Meeting
1.	April 28, 2016
2.	July 29, 2016
3.	August 10, 2016
4.	September 20, 2016
5.	November 11, 2016
6.	February 3, 2017

The maximum time gap between any two Meetings was not more than 120 days.

The Company has provided video / tele-conferencing facilities to those Directors who wish to avail the facility so that they can participate in Meeting/s.

The web link where details of familiarization programmes imparted to independent Directors are disclosed and displayed on the website of the Company is given below :

http://www.nirlonltd.com/pdf/familiarization_%20programme_ids.pdf

D. Training of Board Members

All Non-Executive Directors are associated with the Company for several years. Additionally, regular presentations are made to all Non-Executive Independent Directors to give them updates and details of the Company's operations, including new activities undertaken and proposed activities.

E. Mechanism for Evaluating Board Members

One of the key functions of the Board is to monitor and review the Board evaluation framework. Discussions and feedback are a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying areas for possible improvements.

Each Board Member is requested to evaluate the effectiveness of Board dynamics and relationships, information flow, decision making of Directors, relationship to stakeholders, Company performance, Company strategy, and the effectiveness of the whole Board and its various committees.

Independent Directors have three key roles i.e. Governance, Control and Guidance. The performance indicators on which the independent Directors are evaluated include:

- a. Ability to contribute to and monitor corporate governance practices;
- b. Ability to contribute by introducing international best practices to address senior management issues;
- c. Active participation in long term strategic planning; and
- d. Commitment to the fulfillment of Directors' obligations and fiduciary responsibilities, which include to attend and participate in Board, Committee and separate Independent Directors' Meetings as well to attend the Annual General Meeting.

3. Audit Committee (AC)

- i. Role of the Audit Committee is as under:
 1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that Financial Statements are correct, sufficient and credible;
 2. Recommending to the Board the appointment, remuneration and terms for Auditors of the Company;
 3. Approval of payment to the Statutory Auditors for any other services rendered by the Statutory Auditors;
 4. Reviewing with the Management the Annual Financial Statements and the Auditors Report before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134 (3) (c) of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies, practices, and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by the Management;
 - d. Significant adjustments made in the Financial Statements arising out of audit findings;
 - e. Compliance with the SEBI LODR, 2015 and other legal requirements relating to the Financial Statements;



- f. Disclosure of any related party transactions;
 - g. Draft audit report;
 5. Reviewing with the Management the Quarterly Financial Statements before submission to the Board for approval;
 6. Reviewing with the Management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in the matter as may be required;
 7. Review and monitor the Auditors' independence and performance, and effectiveness of the audit process;
 8. Approval or any subsequent modification of transactions of the Company with related parties;
 9. Scrutiny of inter corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing with the Management the performance of the Statutory and the Internal Auditors, and adequacy of the internal control systems;
 13. Reviewing the adequacy of the internal audit function including the structure of the appointment of the Internal Auditor, remuneration, internal audit department, reporting structure, coverage and frequency of the internal audit;
 14. Discussion with the Internal Auditors on any significant findings and follow up thereon;
 15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board;
 16. Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any areas of concern;
 17. To look into reasons for substantial defaults in the payment to lenders, depositors, debenture holders, Shareholders / Members (in case of non-payment of declared dividends) and creditors, if any;
 18. To review the functioning of the Whistle Blower Mechanism;
 19. Approval of appointment of the CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- ii. The Audit Committee constituted by the Board of Directors of the Company consists of 4 (four) Independent Non-Executive Directors, viz. Mr. Moosa Raza (Chairman), Mr. Rama Varma, Mr. Arjan R. Gurbuxani and Mrs. Aruna Makhan.
 - iii. The constitution of this Audit Committee meets with the requirement of the Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as applicable. The terms of reference for the Audit Committee and frequency of Meetings meet the requirements of law.
 - iv. Mr. Jasmin K. Bhavsar, Company Secretary, Vice President (Legal) & Compliance Officer of the Company is the Secretary of the Audit Committee.



- v. During the Financial Year 2016-17, the Audit Committee met 5 (Five) times on the following dates and the details of the Directors' attendance are as stated below:

Sr. No.	Name of the Members	28/4/ 2016	29/07/ 2016	10/8/ 2016	11/11/ 16	3/2/ 2017	Total
1.	Mr. Moosa Raza (Chairman)	Yes	Yes	Yes	Yes (Video conference)	Yes	5
2.	Mr. Rama Varma	Yes	Yes	Yes	Yes	Yes	5
3.	Mr. Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	Yes	5
4.	Mrs. Aruna Makhan	Yes	Yes	Yes	Yes	Yes	5

4. Stakeholders Relationship Committee (SRC)

- The Stakeholders Relationship Committee constituted by the Board of Directors of the Company consists of 4 (four) Independent Non Executive Directors, viz. Mr. Moosa Raza (Chairman), Mr. Rama Varma, Mr. Arjan R. Gurbuxani and Mrs. Aruna Makhan.
- The Committee specifically looks into redressing of Members complaints like transfer of shares, non-receipt of balance sheet, etc. The Committee ensures that the grievances of investors are attended to promptly, besides taking pro-active action for a high level of investor service. The Committee aims to focus the attention of the Company on Members' grievances and helps the Management in the redressal of their grievances.
- The Committee also looks after redressal of investors' grievances and performance of the Share Transfer Agent of the Company.

As on March 31, 2017 the number of pending share transfer requests / complaints were nil, and pending requests for dematerialization were also nil.
- The Board has designated Mr. Jasmin K. Bhavsar, Company Secretary & Vice President (Legal) as the Compliance Officer.

- v. During the Financial Year 2016-17, the Stakeholders Relationship Committee met 4 (Four) times on the following dates and the details of the Directors' attendance are as stated below:-

Sr. No.	Name of the Members	28/4/ 2016	29/7/ 2016	11/11/ 2016	3/2/ 2017	Total
1.	Mr. Moosa Raza (Chairman)	Yes	Yes	Yes (Video conference)	Yes	4
2.	Mr. Rama Varma	Yes	Yes	Yes	Yes	4
3.	Mr. Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	4
4.	Mrs. Aruna Makhan	Yes	Yes	Yes	Yes	4

- Mr. Jasmin K. Bhavsar, Company Secretary, Vice President (Legal) & Compliance Officer of the Company is the Secretary of the Stakeholders' Relationship Committee.
- The Company has designated an e-mail address: 'share@nirlonltd.com' for registering complaints by Members. The Company's details are displayed at the Company's website 'www.nirlonltd.com'.
- Investors Grievance Redressal

As on March 31, 2017 the number of pending share transfer requests / complaints were nil, and pending requests for dematerialization were also nil.

5. Nomination and Remuneration Committee (NRC)

Role of the NRC is as under:-

- To formulate a criteria for determining qualifications, the positive attributes and independence of a Director;
- To recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees;
- To recommend to the Board the appointment and removal of Key Managerial Personnel and Senior Management;
- To identify persons who are qualified to become Directors and who may be appointed to senior management in accordance with the criteria laid down, and recommending to the Board their appointment and / or removal;



- v. To recommend extending or continuing the term of appointment of the Independent Directors, on the basis of the report on performance evaluation of Independent Directors;
- vi. To carry out evaluation of a Director's performance and recommend to the Board appointment / removal based on his / her performance;
- vii. To recommend to the Board :
- the policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management; and
 - the Executive Director / s remuneration and incentive;
- viii. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of law and the service contract;
- ix. To ensure that the level and composition of remuneration is reasonable and sufficient, and meets appropriate benchmarks;
- x. To devise a policy on Board diversity;
- xi. To develop a succession plan for the Board and to regularly review the plan;
- xii. To monitor the Company's ESOP Plan;
- xiii. To ensure that there is an appropriate induction and training programme in place for new Directors and Members of Senior Management and reviewing its effectiveness;
- xiv. To ensure that on appointment to the Board, Non- Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- xv. To identify and recommend Directors who are to be put forward for retirement by rotation;
- xvi. To determine the appropriate size, diversity and composition of the Board;
- xvii. To set a formal and transparent procedure for selecting new Directors for appointment to the Board;
- xviii. To evaluate the performance of the Board Members and Senior Management in the context of the Company's performance from a business and compliance perspective;
- xix. To delegate any of its powers to one or more of its Members or to the Secretary of the NRC;
- xx. To recommend any necessary changes to the Board;
- xxi. To review Professional Indemnity and liability insurance taken by the Company for Directors, Key Managerial Personnel and Senior Management; and
- xxii. To consider any other matters as may be requested by the Board.
- The NRC constituted by the Board of Directors of the Company consists of 4 Independent Directors, viz. Mr. Arjan R. Gurbuxani (Chairman), Mr. Moosa Raza, Mr. Rama Varma, and Mrs. Aruna Makhan.
- The Chairman of the NRC may be present at the Annual General Meeting to answer Shareholders' / Members' queries. The Chairman of the Meeting will decide who should answer Members' queries.
- Mr. Jasmin K. Bhavsar, Company Secretary, Vice President (Legal) & Compliance Officer of the Company is the Secretary of the Nomination & Remuneration Committee.
- xxiii. During the Financial Year 2016-2017, the Nomination & Remuneration Committee met 2 (two) times on the following dates and the details of the Directors' attendance are as stated below:-**

Sr. No.	Name of the Members	28/4/2016	3/2/2017	Total
1.	Mr. Arjan R. Gurbuxani (Chairman)	Yes	Yes	2
2.	Mr. Moosa Raza	Yes	Yes	2
3.	Mr. Rama Varma	Yes	Yes	2
4.	Mrs. Aruna Makhan	Yes	Yes	2



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xxiv. Details of Remuneration paid to all Directors for the Financial Year ended March 31, 2017 are as follows:

(₹ in Lakh)

Sr. No.	Name of the Director	Salary	PF*	VC*	Sitting fees**	Total	Service contract / Notice period / severance fees
1.	Mr. Moosa Raza	0	0	0	5.60	5.60	N.A.
2.	Mr. Rama Varma	0	0	0	5.60	5.60	N.A.
3.	Mr. Arjan R. Gurbuxani	0	0	0	5.60	5.60	N.A.
4.	Mrs. Rajani M. Bhagat	0	0	0	1.60	1.60	N.A.
5.	Mrs. Aruna Makhan	0	0	0	5.60	5.60	N.A.
6.	Mr. Rahul V. Sagar	98.00	7.68	128.00	N.A.	233.68	Agreement for a period of five years w.e.f. February 1, 2016 - Three month notice.
7.	Mr. Kunal V. Sagar	0	0	0	2.50	2.50	N.A.
8.	Mr. Kunnasagaran Chinniah	0	0	0	1.30	1.30	N.A.

* **PF:** Provident Fund & **VC:** Variable Compensation

** Inclusive of Board Meetings, Meetings of the Audit Committee, the Stakeholders Relationship Committee, the Nomination & Remuneration Committee, the Corporate Social Responsibility Committee, the Independent Directors Meeting and the Risk Management Committee

None of the Non-Executive Directors of the Company draws any remuneration except Sitting Fees.

6. Anti Sexual Harassment Committee (SHC)

The Anti Sexual Harassment Committee is comprised of:

1.	Mr. Moosa Raza	Chairman
2.	Mr. Arjan Gurbuxani	Member
3.	Mrs. Aruna Makhan	Member
4.	Advocate Mrs. Madhvi Deshpande Ravuri	Member
5.	Concerned Ethics Officer / Head HR at location	Member

There was no complaint pertaining to sexual harassment during the year under review.

7. General Body Meetings

A. Annual General Meetings (AGMs)

i. Location and time where the last 3 (three) AGMs were held:

AGMs	Financial Year	Day and Date	Venue of the Meeting	Time
55 th	2013-2014	Tuesday, September 23, 2014	Pama Thadhani Auditorium, Jai Hind College Building, A Road, Churchgate, Mumbai 400020.	10.30 a.m. (IST)
56 th	2014-2015	Monday, September 21, 2015		11:00 a.m. (IST)
57 th	2015-2016	Tuesday, September 20, 2016	Registered Office of the Company	11.30 a.m. (IST)

ii. No Special Resolution was passed in the previous three (3) AGMs.

B. Postal Ballot

Postal Ballot conducted during the Financial Year 2016 - 2017:

The Company issued Postal Ballot Notice dated July 9, 2016 seeking Members approval by way of Special Resolutions for the following business:

1. Authorization in favour of the Board of Directors to borrow up to ₹1,500/- Crore from Lending Agency/ies;
2. Authorization in favour of the Board of Directors to create charge(s)/mortgage(s)/ hypothecation(s) on the Company's movable and/or immovable properties situate at Goregaon (East), Mumbai, both present and future, in order to create security in favor of Lending Agency/ies;
3. Appointment of Mr. Rahul V Sagar (DIN 00388980) as Executive Director of the Company and the proposed payment of his Managerial Remuneration for a period of 5 (five) years w.e.f. February 1, 2016 to January 31, 2021; and
4. Ratification of the appointment of Link Intime India Pvt. Ltd., to act as the Share Transfer Agent (STA) of the Company, and to keep the Register of Members, Index of Members, Annual Returns etc. at the Registered Office of the STA, and to allow inspection of the same as required under the Act.



Mr. Alwyn D'souza, Practising Company Secretary appointed as Scrutinizer by the Board of Directors of Nirlon Limited for conducting the Postal Ballot process for seeking Members assent or dissent for the following items of business specified in the notice dated July 9, 2016 gave his report dated August 25, 2016, and accordingly, the following results on the above business items were declared on August 29, 2016 as each resolution has been carried with the requisite majority.

Details of the same are given below:

Item No.1: Special Resolution

Authorization in favour of the Board of Directors to borrow up to ₹1,500/- Crore from Lending Agency/ies

i. Voted in favour of the resolution:

Particulars of Postal Ballot Voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	408	47,79,056	-
E-voting	39	5,76,70,854	-
TOTAL	447	6,24,49,910	99.93

ii. Voted against the resolution:

Particulars of Postal Ballot Voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	31	18,984	-
E-voting	4	24,056	-
TOTAL	35	43,040	0.07

iii. Invalid/ Abstain votes:

Particulars of Postal Ballot Voting	Total number of Members whose votes were declared invalid/ who abstained	Total number of votes cast by them
Physical	91	35,197
E-voting	Nil	Nil
TOTAL	91	35,197

Item No.2: Special Resolution

Authorization in favour of the Board of Directors to create charge(s)/mortgage(s)/ hypothecation(s) on the Company's movable and/or immovable properties situate at Goregaon (East), Mumbai, both present and future, in order to create security in favor of Lending Agency/ies

i. Voted in favour of the resolution:

Particulars of Postal Ballot Voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	431	46,55,647	-
E-voting	39	5,76,70,854	-
TOTAL	470	6,23,26,501	99.95

ii. Voted against the resolution:

Particulars of Postal Ballot Voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	30	5,286	-
E-voting	4	24,056	-
TOTAL	34	29,342	0.05

iii. Invalid/ Abstain votes:

Particulars of Postal Ballot Voting	Total number of Members whose votes were declared invalid/ who abstained	Total number of votes cast by them
Physical	69	1,72,304
E-voting	Nil	Nil
TOTAL	69	1,72,304

Item No.3: Special Resolution

Appointment of Mr. Rahul V Sagar (DIN 00388980) as Executive Director of the Company and the proposed payment of his Managerial Remuneration for a period of 5 (five) years w.e.f. February 1, 2016 to January 31, 2021

i. Voted in favour of the resolution:

Particulars of Postal Ballot Voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	428	46,48,511	-
E-voting	38	5,76,91,702	-
TOTAL	466	62,340,213	99.98

ii. Voted against the resolution:

Particulars of Postal Ballot Voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	31	12,351	-
E-voting	3	2,708	-
TOTAL	34	15,059	0.02

iii. Invalid/ Abstain votes:

Particulars of Postal Ballot Voting	Total number of Members whose votes were declared invalid/ who abstained	Total number of votes cast by them
Physical	72	1,72,580
E-voting	2	500
TOTAL	74	1,73,080



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Item No.4: Special Resolution

Ratification of the appointment of Link Intime India Pvt. Ltd., to act as the Share Transfer Agent (STA) of the Company, and to keep the Register of Members, Index of Members, Annual Returns etc. at the Registered Office of the STA, and to allow inspection of the same as required under the Act.

i. Voted **in favour** of the resolution:

Particulars of Postal Ballot Voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	452	46,51,541	-
E-voting	42	5,76,94,903	-
TOTAL	494	6,23,46,444	99.98

ii. Voted **against** the resolution:

Particulars of Postal Ballot Voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	8	9,357	-
E-voting	1	7	-
TOTAL	9	9,364	0.02

iii. **Invalid/ Abstain** votes:

Particulars of Postal Ballot Voting	Total number of Members whose votes were declared invalid/ who abstained	Total number of votes cast by them
Physical	72	1,72,542
E-voting	Nil	Nil
TOTAL	72	1,72,542

8. Means of Communication:

i. **Financial Results (Quarterly Unaudited and Audited Financial Results)**

- Quarterly Unaudited and Yearly Audited financial results of the Company are sent to the BSE Limited within the prescribed period after they are approved by the Board.
- They are also published as required in the prescribed pro-forma within 48 hours of the conclusion of the Meeting of the Board in which they are considered, and displayed at the Company's website.

ii. **Newspapers in which results are published**

Business Standard (English daily), Navakal (Marathi daily)

iii. **Website where displayed**

www.nirlonltd.com

iv. **Official News released**

Whenever applicable, the Company also displays official news releases

v. **Presentations made to institutional investors / analysts**

None

9. General Shareholder Information

i. **58th Annual General Meeting :**

Day & Date : Friday, September 29, 2017
Time : 11.30 a.m.(IST)
Venue : Nirlon Limited, Pahadi Village,
Off the Western Express
Highway, Goregaon (East),
Mumbai: 400 063.

ii. **59th Annual General Meeting :** on or before September 30, 2018 (tentative)

iii. **Financial Year:** April 1, 2017 to March 31, 2018

iv. **Board Meetings (tentative*)**

- 1st Quarter of 2017-18 : April – June 2017 quarter results – Meeting already held on Wednesday , August 9, 2017;
- *2nd Quarter of 2017-18 : July – September 2017 quarter results – on or before Wednesday, November 8, 2017;
- *3rd Quarter of 2017-18: October – December 2017 quarter results – on or before Tuesday , February 6, 2018; and
- *4th Quarter of 2017-18 (also full financial year 2017-18): Audited results for the year ended March 31, 2018 – on or before Thursday, May 10, 2018.

v. **Date of Book closure for the 58th AGM**

Friday, September 15, 2017 to Friday, September 29, 2017 (both days inclusive)

vi. **Dividend Recommendation and Payment Date**

- ₹0.75 paise (7.5%) per share of ₹10 / - each
- Payment Date (tentative) :** The Dividend warrants will be posted / dividend



amounts will be remitted / paid into Members accounts on or before Thursday , October 26, 2017.

vii. **Listing on Stock Exchange**

The Company's paid up equity shares (9,01,18,040 equity shares of ₹10/- each) are listed on the BSE Limited (**BSE**), Mumbai. The Company has paid the annual listing fee for the Financial Year to the BSE Ltd. as applicable.

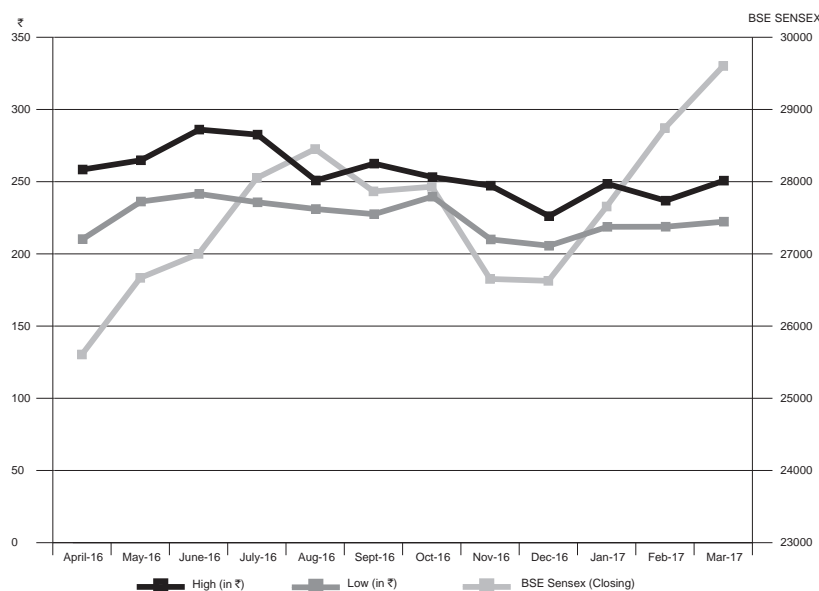
x. *** Stock Market Data: April 1, 2016 to March 31, 2017**

The BSE Limited, Mumbai

Month	Low (in ₹)	High (in ₹)	*BSE SENSEX (closing)
April-16	180.20	221.50	25606.62
May-16	202.50	227.00	26667.96
June-16	207.00	245.20	26999.72
July-16	202.05	242.20	28051.86
August-16	198.05	215.00	28452.17
September-16	195.00	225.00	27865.96
October-16	205.40	217.00	27930.21
November-16	180.00	211.90	26652.81
December-16	176.25	193.80	26626.46
January-17	187.50	213.00	27655.96
February-17	187.55	203.00	28743.32
March-17	190.55	214.90	29602.50

* Data are sourced from the BSE Limited

xi. *** Share Price Performance in Comparison to Board Based Indices**



* Based on closing of BSE Sensex and Share Price



xii. **Suspension of securities from trading during the year**

No

xiii. **Share Transfer System**

The shares of the Company, being in the compulsory demat list, are transferable through the depository system. In terms of SEBI Guidelines, share transfers in Physical Form have also been shifted to the Share Transfer Agent.

xiv. **Share Transfer Agent (STA) - Effective From June 3, 2016**

Link Intime India Pvt. Ltd.

C 101, 247 Park,

L B S Marg, Vikhroli (West),

Mumbai 400 083.

Tele : +91 (022) 49186000

Fax : +91 (022) 49186060

CIN no. : U67190MH1999PTC118368

E-mail id : rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

xv. **Distribution of Shareholding (As on March 31, 2017)**

Range of equity Shares	No. of Share-holders	Percent-age of Share-holders to total (%)	No. of Equity Shares	Percent-age of Shares amount to total (%)
Up to 500	37,000	93.01	39,38,669	4.37
501-1,000	1,563	3.93	12,45,085	1.38
1,001-2,000	651	1.64	9,88,091	1.10
2,001-3,000	174	0.44	4,43,761	0.49
3,001-4,000	81	0.20	2,89,027	0.32
4,001-5,000	63	0.16	2,97,152	0.33
5,001-10,000	123	0.31	8,89,720	0.99
10,001 and above	124	0.31	8,20,26,535	91.02
Total	39,779	100	9,01,18,040	100

xvi. **Dematerialization of Shares**

As per notification issued by SEBI, the shares of the Company are traded in Dematerialized Form. As on March 31, 2017, approx. **92.40%** of the paid-up Equity Share Capital of the Company has been dematerialized.

xvii. **Outstanding GDRs, ADRs, Warrants or any convertible instruments, conversion data and likely impact on equity**

Not Applicable

xviii. **Commodity price risk or foreign exchange risk and hedging activities**

Derivative instruments :		
The Company uses foreign exchange, forward contracts to hedge its exposure to movements in foreign exchange rates		
Derivative instruments have been acquired to hedge buyers credit facilities		
	2016-17	2015-16
a. Hedged		
Amount in USD (in lakh)	7.75	7.75
Amount in ₹ (in lakh)	531.17	540.82
b. Un-hedged foreign currency exposure :		
• Buyers credit		
Amount in USD (in lakh)	15.19	15.19
Amount in ₹ (in lakh)	985.06	1,007.85
• Vendors		
Amount in USD (in lakh)	0.94	0.92
Amount in ₹ (in lakh)	61.20	60.94

xix. **Industrial Park / IT Park Location and NIC code**

a. Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.

b. NIC code: 42901

xx. **Address for Communication**

Mr. Jasmin K. Bhavsar, Company Secretary, Vice President (Legal) and Compliance Officer Nirlon Limited, Share Dept., Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.

Tel : + 91 (022) 4028 1919/
2685 2257/58/59

Fax No. : + 91 (022) 4028 1940

CIN No. : L17120MH1958PLC011045

E-mail : share@nirlonltd.com

Website : www.nirlonltd.com

xxi. **Shareholding Pattern (As on March 31, 2017)**

A.	Promoters and Promoter Group	No. of Equity Shares	Percentage (%)
	a. Indian	37,30,749	4.14
	b. Foreign	6,07,82,426	67.45
	Sub-total A = (a+b)	6,45,13,175	71.59
*B.	Public Shareholding		
	a. Bank/MFs/Insurance Cos.	30,804	0.03
	b. Foreign Portfolio Investors/FIIs	86,61,429	9.61
	c*. Others	1,69,12,632	18.77
	Sub- total : *B = (a+b+*c)	2,56,04,865	28.41
Grand Total A+*B		9,01,18,040	100
Total no. of Members: 39,779			

* Public Shareholding includes person/s acting in concert with the Promoters / Promoter Group

xxii. **Reconciliation of the Share Capital Audit**

A qualified Practicing Company Secretary carried out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued capital. These audits confirm that the total issued/paid-up capital of the Company is in agreement with the total number of shares in Physical Form and the total number of the Dematerialized Shares held with NSDL and CDSL. The same is also placed before the Board of Directors.

xxiii. **Other Disclosures:**

- a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the listed entity at large;

A summary statement of transactions, if any, with Related Party/ies in the ordinary course of business is placed periodically before the Audit Committee / Board.

*Attention of Members is drawn to the disclosure of transactions with related parties set out in **Note 2.37** of the Audited Financial Statements, and **Annexure 6** hereof forming part of this Annual Report. The said transactions were fully disclosed at the concerned Meeting of the Board of Directors, which were subsequently approved by Members of the Company by way of Special and Ordinary Resolution/s as applicable.*

- b. As certified by the Management, the Company has complied with the requirements of regulatory authorities of the capital markets and no penalties/strictures have been imposed against it during the last three years.

- c. The Company has laid down a Vigil Mechanism and Whistle Blower Policy, and no person has been denied access to the Audit Committee.

- d. Web link where the policy for determining 'material' subsidiaries is disclosed:

Not Applicable

- e. Web link where policy on dealing with related party transactions is disclosed:

http://www.nirlonltd.com/pdf/related_party_transaction_policy_mar_16.pdf

- f. Disclosure of commodity price risks and commodity hedging activities.-

*Attention of Members is drawn to the disclosure of transactions with regard to derivative instruments as set out in **Note 2.41** of the Audited Financial Statements, forming part of this Annual Report, and the said transactions were fully disclosed at the Meeting of the Board of Directors.*

xxiv. **Discretionary Requirements**

The extent to which the discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been adopted:

a. **Qualification (s) in Audit Report**

There is no qualification in the Audit Report.

b. **Separate posts of Chairperson and Chief Executive Officer**

Separate persons are holding these positions in the Company with the regard to the above.

c. **Reporting of the Internal Auditor**

The Internal Auditor may report directly to the Audit Committee.



- xxv. **The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations**

Regulation	Particulars of Regulation of SEBI LODR , 2015	Compliance Status (Yes / No / N.A.)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the Company	N.A.
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

- xxvi. **Disclosures with respect to Demat suspense account / unclaimed suspense account**

NIL

- xxvii. **Certificate pursuant to the Regulation 17(8) of the LODR,2015**

We, Rahul V. Sagar, Executive Director, and Manish B. Parikh, Chief Financial Officer, hereby certify for the Financial Year ended March 31, 2017 that :

- a. We have reviewed the Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

- b. There were, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
 - i. That there are no significant changes in internal control over financial reporting during the year;
 - ii. That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. That there are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Nirlon Limited
sd/-**

Rahul V. Sagar
**Executive Director
(DIN 00388980)**

Mumbai, April 27, 2017

Manish B. Parikh
Chief Financial Officer



NIRLON

xxviii. **Declaration – Code of Conduct**

All Board Members and Senior Management personnel have, for the Financial Year ended March 31, 2017, affirmed compliance with the Code of Conduct laid down by the Board of Directors pursuant to the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

xxix. Compliance certificate of Alwyn Jay & Co., Practicing Company Secretaries regarding compliance with conditions of Corporate Governance for the Financial Year 2016-17 is attached with the Directors Report.

For Nirlon Limited

sd /-

Rahul V. Sagar

Executive Director

(DIN 00388980)

Mumbai, August 9, 2017

**Alwyn Jay & Co.
Company Secretaries**

Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East), Mumbai 400101.

Branch Office: B-002, Gr. Floor, Shreepati-2, Royal Complex, Behind Olympia Tower, Mira Road (E), Thane-401107 ;

Tel:022-28125781 ; **Mob:** 09820465195; 09819334743

Email : alwyn.co@gmail.com Website:www.alwynjay.com

To,

The Members of **NIRLON LIMITED**,

1. We have examined the compliance of the conditions of Corporate Governance by Nirlon Limited ('the Company') for the Financial Year ended March 31, 2017, as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations').
2. The compliance of the 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For ALWYN JAY & Co.,
Company Secretaries

Sd/-

Alwyn P D'Souza FCS.5559

Partner

Certificate of Practice No. 5137

Mumbai, August 9, 2017

Office Address :

Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.



Annexure 8 to the Directors' Report Management Discussion Analysis

Overview

During the year under review, the Company has continued to successfully license and manage the four completed phases of NKP, comprising approx. 29.46 lakh sq. ft. of newly constructed area, which corresponds to approx. 18.78 lakh sq. ft. of licensable area. This licensable area continues to be approx. 99% occupied.

As mentioned in the Company's previous Annual Report, the Company has, after a comprehensive evaluation, decided to redevelop Phase 0 into the proposed Phase 5. The same will be developed under the new 2015 IT Policy of the GOM (which allows higher FSI for IT Parks, subject to payment of premiums), and is estimated to comprise approx. 10.90 lakh sq. ft. of licensable area corresponding to approx. 16.74 lakh sq. ft. of constructed area. However, the Company will only be able to utilize part of the potential extra FSI available to it under the new IT Policy.

Construction for Phase 5 (redevelopment of Phase 0) has commenced in May 2017.

The various related party agreements between the Company and Nirlon Management Services Pvt. Ltd. (NMSPL) approved by Members in the last AGM held on September 20, 2016 were given effect to from October 1, 2016. In accordance with the relevant agreement, all employees of the Company (except the 3 Key Managerial Personnel as required under the Act) resigned from the Company effective September 30, 2016 against payment of their dues. The Company is receiving the services as contemplated under the relevant agreement/s executed with NMSPL and summarized hereinabove since October 1, 2016.

Operations Summary: Industrial Park / Information Technology Park – Goregaon, Mumbai

a. Occupancy & License Fee Escalations

During the year under review, the Company has been successful in ensuring that approx. 99% of licensable area in Phases 1, 2, 3 & 4 of NKP has remained licensed to corporate occupants. Accordingly, license fees for all four phases are regularly received by the Company. Approx 20,000 people work every day at NKP.

Escalations of licence fees (approx. 15% every three years) took effect as contracted during the year under review. These escalations contributed to ensuring that despite the temporary loss in revenue from the

demolishing of a majority of the existing old buildings in Phase 0, the Company's financial performance continued to be strong.

b. Loan Repayments

As mentioned in the Director' Report, at the request of the Company, the Lender, HDFC Limited, has granted a moratorium on principal payment effective from May 15, 2017. Hence, the Company is required to repay only the interest amount on these outstanding securitized loans till the construction of Phase 5 (redevelopment of Phase 0) is completed. The principal moratorium will result in incremental cash flows being available to the Company to finance a larger part of the Phase 5 (redevelopment of Phase 0) construction from its internal accruals.

This will result in overall reduction in the total debt of the Company, when compared to the option of continuing to repay principal on a monthly basis. The outstanding loan amounts as on August 9, 2017 aggregate ₹610.86 crore, on which the Company is presently paying a competitive rate of interest.

c. Profitability and Cash Flow

As a result of almost 100% occupancy in NKP and contracted escalations coming into effect on schedule, license fee income from Phases 1 - 4 continued to increase in the year under review. The Company's profitability after accounting for taxes and income from exceptional items during the year under review increased by approximately 31.4 % when compared to the previous year. This was due to a combination of the increased license fee income from Phases 1 - 4 substantially offsetting the reduced license fee income from Phase 0, reduced interest and depreciation outgo, and income from exceptional items.

The Company continued to generate strong free cash flows during the year under review after accounting for all expenses including payment of principal and interest to its lender.

In the context of the available free cash flows, and substantial construction expenses to be incurred for Phase 5 going forward, after suitable deliberation, the Board of Directors have decided, in the interests of financial prudence, to recommend continuation of the dividend of ₹0.75 paise per share (7.5%) for the year under review.

**d. Priorities**

Key priorities for the Company during the Financial Year 2017 – 18 are as follows:

- i. To closely monitor the development of Phase 5 (redevelopment of Phase 0), such that it is on budget and on schedule.
- ii. To ensure the continued satisfaction of its licensees by maintaining and operating NKP to the highest possible standards, such that the existing four phases remain fully occupied;
- iii. To ensure the ongoing scheduled interest servicing of its loans;
- iv. To proactively evaluate increasing competition and trends in the IT industry in so far as the same would have an impact on the Company's business and to implement mitigation strategies for the same.

Risks and Concerns**i. Macro-Economic Environment**

As mentioned during earlier years in this analysis, continued demand for commercial real estate in Mumbai remains directly linked to the city continuing to be an investment destination of choice for Indian as well as multinational corporates. Mumbai's pre- eminence has been challenged over the past decade and a half by other destinations in India which have offered a more business / investment friendly climate, as well as lower salaries and real estate costs.

The present State Government's continuing efforts to simplify the regulatory frame work is a much needed and welcome development. A successful implementation of this initiative, combined with improving governance and the now visual evidence of improving transport infrastructure, should help Mumbai move toward re-establishing its pre-eminent position as a preferred business / investment destination in India. The traditional strengths of Mumbai, including its business ethos and a large, cosmopolitan, and educated work force should also continue to enhance the City's desirability as a dynamic and competitive international investment destination.

At the Central Government level too, investors and entrepreneurs are carefully evaluating the business friendly policies/ reforms / legislation intended to accelerate growth, investment and entrepreneurship.

The introduction of GST from July 1, 2017, is certainly a most promising development, and has the potential to appreciably accelerate the Country's growth. In this context, it is vital that growth and investment achieve better traction in the next few months, so that demand at the pan India level is sustained and enhanced. From the point of view of real estate, the continuing constructive amendments to the FDI policy and to the Real Estate Investment Trust (REIT) legislation would be a significant step forward, and should continue to lead to the broadening and deepening of the real estate capital markets in India.

As always, the global economic scenario will also continue to increasingly have a bearing on real estate demand in India, and consequently Mumbai. The inflow of investments into India, and specifically Indian real estate will, *inter alia*, be driven by economic conditions in the developed world. In the United States, the increasingly uncertain political landscape, and the extent and timing of interest rate increases will be closely monitored across the world in the coming months. In the European Union, progress towards a genuinely sustainable and cohesive economic policy post Brexit will also be keenly anticipated. The economic performance of the major Asian economies, especially China, Japan, South Korea, Singapore, Hong Kong, and Taiwan will continue be of much significance.

Finally, and perhaps most relevant in an increasingly unpredictable and complex world, geopolitics has the ability to rapidly set back hard won economic and social progress.

ii. Demand for Commercial Real Estate in Suburban Mumbai

Demand for commercial real estate in suburban Mumbai continues to be driven by the Information Technology (IT) and Financial sectors. This trend is likely to continue for the foreseeable future. However, as is evident for some time now, the IT industry globally, as well as in India, is going through a significant transition, *inter alia*, due to automation and artificial intelligence. As a result, the business paradigm for the IT industry in India is also at a crossroads. Existing business models are themselves under threat as never before, and will need to urgently evolve and transition if they are to remain relevant in the medium to long term. Your Company, as a provider of high quality office space to this industry, will need to anticipate and prepare for the effects of these coming changes.



NIRLON

Additionally, though demand is strong, the business model for these sectors continues to require inexpensive commercial real estate, available beyond Borivali in the west and beyond Mulund in the east. These micro markets could keep commercial rates under pressure in the Company's micro market.

However, as in earlier years, the supply of good quality and well planned commercial development in your Company's micro market remains limited. The micro market itself is well located on the Western Express Highway and is in close proximity to the commuter rail network and airport.

Material developments in Human Resources / Industrial Relations, including number of people employed by the Company

Effective from October 1, 2016, the Company appointed Nirlon Management Services Pvt. Ltd. (NMSPL) as a provider of lease and property management, marketing related services, project management services and general management services to the Company.

As per statutory requirements, the Company has three permanent employees as on March 31, 2017.

Cautionary Statement

Statements in the Annual Report including the Directors' Report and its annexures describing the Company's objectives, projections, estimates, expectations, etc. may be 'forward looking statements' within the meaning of applicable laws and regulations. Important factors that could make a difference to the Company's operations / development include macro economic conditions affecting demand / supply, price conditions in the domestic and overseas markets, changes in Government regulations, policy, tax laws, other statutes and incidental factors.

**NIRLON**

Annexure 9 to the Directors' Report
Form No. MGT 9
Extract of Annual Return of Nirlon Limited
As on Financial Year ended on 31.3.2017

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L17120MH1958PLC011045
2.	Registration Date	12.3.1958
3.	Name of the Company	NIRLON LIMITED
4.	Category / Sub-category of the Company	Company limited by shares / Indian Non-Government
5.	Address of the Registered Office & contact details	Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063. Tele : +91 (022) 4028 1919, 2685 2257 Fax : +91 (022) 4028 1940 E-mail id : info@nirlonltd.com Website : www.nirlonltd.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Share Transfer Agent, if any.	Link Intime India Pvt. Ltd., C 101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai, Maharashtra, 400083. Tele : +91 (022) 49186000 Fax : +91 (022) 49186060 CIN no. : U67190MH1999PTC118368 E-mail id : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Industrial Park	42901	98.81%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]:

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i. Categorywise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual / HUF	29,13,135	0	29,13,135	3.23	29,13,185	0	29,13,185	3.23	0
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt(s).	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	8,17,564	0	8,17,564	0.91	8,17,564	0	8,17,564	0.91	0
e. Banks / FI	0	0	0	0	0	0	0	0	0
f. Any other	0	0	0	0	0	0	0	0	0
Sub-total A1:	37,30,699	0	37,30,699	4.14	37,30,749	0	37,30,749	4.14	



NIRLON

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Foreign									
a. NRIs-Individuals	13,29,750	0	13,29,750	1.48	13,29,750	0	13,29,750	1.48	0
b. other- Individuals	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	5,94,52,676	0	5,94,52,676	65.97	5,94,52,676	0	5,94,52,676	65.97	0
d. Banks / FI	0	0	0	0	0	0	0	0	0
e. Any other	0	0	0	0	0	0	0	0	0
Sub-total A2:	6,07,82,426	0	6,07,82,426	67.45	6,07,82,426	0	6,07,82,426	67.45	0
Total Shareholding of Promoter A=A 1+ A2	6,45,13,125	0	6,45,13,125	71.59	6,45,13,175	0	6,45,13,175	71.59	0
B. Public Shareholding									
1. Institutions									
a. Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b. Financial institutions/Banks	1,91,087	13,475	2,04,562	0.23	5,846	16,308	22,154	0.02	(0.21)
c. Central Government/ State Government / President of India	0	0	0	0	824	0	824	0.00	0.00
d. Venture Capital Funds	0	0	0	0	0	0	0	0	0
e. Insurance Companies	0	8,650	8,650	0.009	0	8,650	8,650	0.009	0
f. Foreign Portfolio investors (FII/FPI)	67,26,800	0	67,26,800	7.46	86,61,429	0	86,61,429	9.61	2.15
Sub-total B1:	69,17,887	22,125	69,40,012	7.70	86,68,099	24,958	86,93,057	9.65	1.95
2. Non-Institutions									
a. Bodies Corporate	43,49,282	9,62,091	53,11,373	5.89	33,20,130	0	33,20,130	3.68	(2.21)
i. Indian	0	0	0	0	0	0	0	0	0
ii. Overseas	0	0	0	0	0	0	0	0	0
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹1 lakh	48,26,788	31,90,812	80,17,600	8.90	47,01,178	3,15,422	78,55,400	8.72	(0.18)
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	20,78,011	36,832	21,14,843	2.35	19,04,744	9,01,796	28,06,540	3.11	0.76
c. Others (specify)									
i. Non Resident Individual	4,10,856	26,81,422	30,92,278	3.43	1,42,307	26,81,422	28,23,729	3.13	(0.30)
ii. Overseas Bodies Corporates	0	89,600	89,600	0.099	5,650	89,600	95,250	0.11	0.02
iii. Foreign Nationals	262	0	262	0.00	262	0	262	0.00	0.00
iv. Trusts	38,947	0	38,947	0.043	10,497	0	10,497	0.012	(0.031)
Sub-total B2:	1,17,04,146	69,60,757	1,86,64,903	20.71	1,00,84,768	68,27,040	16,911,808	18.77	(1.94)
Total Public Shareholding B= B1 + B2	1,86,22,033	69,82,882	2,56,04,915	28.41	1,87,52,867	68,51,998	2,56,04,865	28.41	(0.00)
C. Shares held by Custodian for GDRs and ADRs									
Promoter and Promoter group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Grand Total A+B+C	8,31,35,158	69,82,882	9,01,18,040	100.00	8,32,66,042	68,51,998	9,01,18,040	100.00	0.00



ii. Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Reco Berry Pvt. Ltd.	5,76,06,274	63.92	0	5,76,06,274	63.92	0	0
2.	Mr. Kunal V. Sagar	13,29,750	1.48	0	13,29,750	1.48	0	0
3.	Mr. Rahul V. Sagar	13,29,750	1.48	0	13,29,750	1.48	0	0
4.	Mrs. Rajani M. Bhagat	6,73,299	0.75	0	6,73,349	0.75	0	0

iii. Change in Promoters Shareholding (please specify, if there is no change):

Sr. No.	Particulars No. of Shares	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
For Each Promoter At the beginning of the year					
1.	Reco Berry Pvt. Ltd.	5,76,06,274	63.92	#	#
2.	Mr. Kunal V. Sagar	13,29,750	1.48	#	#
3.	Mr. Rahul V. Sagar	13,29,750	1.48	#	#
4.	Mrs. Rajani M. Bhagat	6,73,299	0.75	#	#
Total		6,09,39,073	67.63	#	#
Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): Mrs. Rajani M. Bhagat - On 18/11/2016 (purchase of 50 shares – 0.00%)					
				Shareholding at the end of the year	
				No. of Shares	% of total shares of the Company
#1.	Reco Berry Pvt. Ltd.	0	0	5,76,06,274	63.92
#2.	Mr. Kunal V. Sagar	0	0	13,29,750	1.48
#3.	Mr. Rahul V. Sagar	0	0	13,29,750	1.48
#4.	Mrs. Rajani M. Bhagat	50	0	6,73,349	0.75
Total		0	0	6,09,39,123	67.63
At the end of the year		50	0	6,09,39,123	67.63

iv. Shareholding Pattern of Top Ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders no. of shares/ % of total Shares of the Company	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year				
1.	Gulu C.Waney	26,70,247	2.96	#	#
2.	Albula Investment Fund Limited	17,82,165	1.98	#	#
3.	Ares Diversified	11,57,630	1.28	#	#
4.	New Leaina Investments Ltd.	8,44,731	0.94	#	#
5.	TVF fund limited	8,42,335	0.93	#	#
6.	Sadafuli Finvest Pvt. Ltd.	7,88,436	0.87	#	#
7.	Arial Holdings 1	7,13,355	0.79	#	#
8.	Chatterjee Management Services Pvt. Ltd.	7,11,761	0.79	#	#
9.	Rajasthan Global Securities Pvt. Ltd.	5,50,580	0.61	#	#
10.	ITF Mauritius	5,44,546	0.60	#	#



Date wise Increase / (Decrease) in Top Ten Shareholders Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)

		Movement in the shareholding during the F.Y. 2016-17		At the End of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
#1.	Gulu C.Waney (NIL MOVEMENT)	0	0	26,70,247	2.96
#2.	Albula Investment Fund Limited i. On 30/06/2016 – Purchase of 3,45,545 shares ii. On 15/07/2016 Purchase of 2,458 shares iii. On 22/07/2016 Purchase of 57,000 shares iv. On 29/07/2016 Purchase of 62,000 shares v. On 19/08/2016 Purchase of 64,370 shares vi. On 16/09/2016 Purchase of 5,355 shares vii. On 23/09/2016 Purchase of 1,29,703 shares viii. On 30/09/2016 Purchase of 86,974 shares ix. On 07/10/2016 Purchase of 1,54,868 shares x. On 14/10/2016 Purchase of 38,132 shares xi. On 21/10/2016 Purchase of 36,727 shares xii. On 28/10/2016 Purchase of 72,268 shares xiii. On 04/11/2016 Purchase of 38,046 shares xiv. On 11/11/2016 Purchase of 1,09,673 shares xv. On 18/11/2016 Purchase of 61,245 shares xvi. On 25/11/2016 Purchase of 10,798 shares xvii. On 2/12/2016 Purchase of 25,800 shares xviii. On 09/12/2016 Purchase of 27,339 shares xix. On 16/12/2016 Purchase of 14,504 shares xx. On 23/12/2016 Purchase of 22,212 shares xxi. On 30/12/2016 Purchase of 10,036 shares xxii. On 06/01/2017 Purchase of 2,929 shares xxiii. On 13/01/2017 Purchase of 14,219 shares xxiv. On 20/01/2017 Purchase of 7,444 shares xxv. On 27/01/2017 Purchase of 6,446 shares xxvi. On 03/02/2017 Purchase of 11,368 shares xxvii. On 10/02/2017 Purchase of 3,792 shares xxviii. On 17/02/2017 Purchase of 33,016 shares xxix. On 24/02/2017 Purchase of 7,750 shares xxx. On 03/03/2017 Purchase of 65,346 shares xxxi. On 10/03/2017 Purchase of 41,561 shares xxxii. On 17/03/2017 Purchase of 74,753 shares xxxiii. On 24/03/2017 Purchase of 50,584 shares xxxiv. On 31/03/2017 Purchase of 59,769 shares	17,54,030	1.94	35,36,195	3.92
#3.	Ares Diversified (NIL MOVEMENT)	0	0	11,57,630	1.28
#4.	New Leaina Investments Ltd. (NIL MOVEMENT)	0	0	8,44,731	0.94
#5.	TVF Fund Limited i. On 05/08/2016 Purchase of 24,352 shares ii. On 12/08/2016 Purchase of 33,258 shares iii. On 19/08/2016 Purchase of 41,923 shares iv. On 02/09/2016 Purchase of 60,933 shares v. On 09/09/2016 Purchase of 13,736 shares vi. On 16/09/2016 Purchase of 22,861 shares vii. On 11/09/2016 Purchase of 7,130 shares	2,04,193	0.23	10,46,528	1.16
#6.	Sadafuli Finvest Pvt. Ltd. i. On 30/06/2016 Purchase of 1,60,882 shares ii. On 23/09/2016 Purchase of 36,275 shares iii. On 30/09/2016 Purchase of 13,856 shares iv. On 07/10/2016 Purchase of 8,606 shares v. On 11/11/2016 Purchase of 25,000 shares vi. On 09/12/2016 Purchase of 142 shares	2,44,761	0.28	10,33,197	1.15



#7.	Arial Holdings 1 (NIL MOVEMENT)	0	0	7,13,355	0.79
#8.	Chatterjee Management Services Pvt. Ltd. (NIL MOVEMENT)	0	0	7,11,761	0.79
#9.	Rajasthan Global Securities Pvt. Ltd. i. On 30/06/2016 transfer of (4,24,499) shares ii. On 08/07/2016 transfer of (1,538) shares iii. On 15/07/2016 transfer of (25,367) shares iv. On 29/07/2016 transfer of (34,100) shares v. On 05/08/2016 transfer of (12,169) shares vi. On 02/09/2016 transfer of (50,000) shares vii. On 18/11/2016 transfer of (2,907) shares	(5,50,580)	(0.61)	0	0
#10.	ITF Mauritius (NIL MOVEMENT)	0	0	5,44,546	0.60

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year Directors:				
1.	Padma Bhushan Mr. Moosa Raza	0	0.00	0	0.00
2.	Mr. Rama Varma	1,925	0.002	1,925	0.002
3.	Mr. Arjan R. Gurbuxani	724	0.00	724	0.00
4.	Mrs. Rajani M. Bhagat	6,73,299	0.75	6,73,349	0.75
5.	Mrs. Aruna Makhan	0	0.00	0	0.00
6.	Mr. Kunnasagaran Chinniah	0	0	0	0.00
7.	Mr. Kunal V. Sagar	13,29,750	1.48	13,29,750	1.48
8.	Mr. Rahul V. Sagar	13,29,750	1.48	13,29,750	1.48
	Key Managerial Personnel:				
1.	Mr. Jasmin K. Bhavsar	0	0.00	28,000	0.03
2.	Mr. Manish B. Parikh	50	0.00	50	0.00
	At the end of the year Directors:				
1.	Padma Bhushan Mr. Moosa Raza			0	0.00
2.	Mr. Rama Varma			1,925	0.002
3.	Mr. Arjan R. Gurbuxani			724	0.00
4.	Mrs. Rajani M. Bhagat			6,73,349	0.75
5.	Mrs. Aruna Makhan			0	0.00
6.	Mr. Kunnasagaran Chinniah			0	0.00
7.	Mr. Kunal V. Sagar			13,29,750	1.48
8.	Mr. Rahul V. Sagar			13,29,750	1.48
	Key Managerial Personnel:				
1.	Mr. Jasmin K. Bhavsar Exercised ESOP shares : 25/11/2016 – 24,000 30/12/2016 – 2,500 9/3/2017- 1,500			28,000	0.03
2.	Mr. Manish B. Parikh			50	0.00



NIRLON

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

(₹ in lakh)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	64,773.60	0	0	64,773.60
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	275.22	0	0	275.22
Total i+ii+iii	65,048.82	0	0	65,048.82
Change in Indebtedness during the Financial Year				
Addition	1,300.00	0	0	1,300.00
Reduction	6,716.80	0	0	6,716.80
Net Change	(5,416.80)	0	0	(5,416.80)
Indebtedness at the end of the Financial Year				
i. Principal Amount	59,356.80	0	0	59,356.80
ii. Interest due but not paid	0.0	0	0	0.0
iii. Interest accrued but not due	272.90	0		272.90
Total i+ii+iii	59,629.70	0	0	59,629.70

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Mr. Rahul V. Sagar (Executive Director) (In ₹)
1.	Gross salary	
	Basic* + HRA + LTA	98,00,000
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	b. Value of perquisites u / s 17(2) Income-tax Act, 1961	
	c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2.	Stock Option	0
3.	Sweat Equity	0
4.	Commission as% of profit others, specify...	0
5.	Others, please specify	
5.i.	Bonus / Variable Compensation	1,27,99,972
5.ii.	Provident Fund	7,68,000
	Total A	2,33,67,972

B. Remuneration to other Directors:

1. Independent Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
		Mr. Moosa Raza	Mr. Arjan R. Gurbuxani	Mr. Rama Varma	Mrs. Aruna Makhan	
1.	Fee for attending Board /Committee Meetings	5,60,000	5,60,000	5,60,000	5,60,000	22,40,000
2.	Commission	0	0	0	0	0
3.	Others (please specify)	0	0	0	0	0
Total B1		5,60,000	5,60,000	5,60,000	5,60,000	22,40,000



2. Other Non-Executive Directors

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount (in ₹)
		Mrs. Rajani M. Bhagat	Mr. Kunal V. Sagar	Mr. Kunnasagar Chinniah	
1.	Fee for attending Board / Committee Meetings	1,60,000	2,50,000	1,30,000	5,40,000
2.	Commission	0	0	0	0
3.	Others (please specify)	0	0	0	0
Total B2		1,60,000	2,50,000	1,30,000	5,40,000
Total B = B1+B2					27,80,000

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Jasmin K. Bhavsar (Company Secretary V.P. (legal) & Compliance Officer)	Mr. Manish Parikh (Chief Financial Officer)	Total Amount (in ₹)
1.	Basic Salary + HRA + Medical Allowance + Conveyance + Lunch Allowance	63,12,999	30,73,293	93,86,292
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	b. Value of perquisites u / s 17(2) Income-tax Act, 1961			
	c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as% of profit Others (specify) Perquisite / value of ESOP shares	0 39,67,213	0 0	0 39,67,213
5.	Others (please specify)	0	0	0
5.i.	Exgratia	11,59,725	5,59,450	17,19,175
5.ii.	Provident Fund	7,05,074	3,43,698	10,48,772
Total C		1,21,45,011	39,76,441	1,61,21,452

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. Directors					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					



INDEPENDENT AUDITOR'S REPORT

To,
The Members of Nirlon Limited,

Report on the Financial Statements

We have audited the accompanying Financial Statements of Nirlon Limited (**'the Company'**) which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Companies Act, 2013 (**'the Act'**) with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under sub-section (10) of section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due

to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, of its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (**'the Order'**), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section (3) of section 143 of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. 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.
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of written representations received from the Directors, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2017 from being appointed as a Director in terms of sub-section (2) of section 164 of the Act.
- f. The Company has adequate internal financial controls system in place and the same are generally operating effectively.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer note no. 2.26 forming part of Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. The disclosures are in accordance with books of account maintained by the Company.

for **N. M. RAIJI & CO.**
Chartered Accountants
Firm Registration No: 108296W

CA. Y. N. THAKKAR
Partner
Membership No: 33329

Mumbai, April 27, 2017



NIRLON

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report)

- | | |
|---|---|
| <p>i. a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;</p> <p>b. The fixed assets of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification;</p> <p>c. The title deeds of immovable properties are held in the name of the Company;</p> <p>ii. The Company does not have any inventory. Thus paragraph 3(ii) of the Order is not applicable to the Company;</p> <p>iii. The Company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, sub clauses (a), (b) and (c), are not applicable;</p> <p>iv. The Company has neither granted any loans or made any investments nor has it given any guarantee or provided security in connection with loan to others;</p> <p>v. The Company has not accepted any deposits from the public;</p> <p>vi. In relation to the activity of the Company, the Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. The Company has made and maintained such accounts and records;</p> <p>vii. a. The Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authority;</p> <p>b. Particulars of disputed dues on account of statutory matters that have not been deposited are disclosed in the Annexure A;</p> | <p>viii. The Company has not defaulted in repayment of loans or borrowing to any financial institution, banks, Government or debenture holders;</p> <p>ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. Further money raised by way of term loans during the year were applied for the purpose for which they were raised;</p> <p>x. During the year, no fraud by the Company or on the Company by its officers or employees has been noticed or reported;</p> <p>xi. The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013</p> <p>xii. The Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.</p> <p>xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.</p> <p>xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.</p> <p>xv. The Company has not entered into non-cash transactions with Directors or persons connected with them.</p> <p>xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.</p> |
|---|---|

for **N. M. RAIJI & CO.**
Chartered Accountants
Firm Registration No: 108296W

CA. Y. N. THAKKAR
Partner

Mumbai, April 27, 2017

Membership No: 33329

Annexure - A **STATEMENT FORMING PART OF THE AUDIT REPORT** **(Details of Statutory dues that have not been deposited on account of disputes)**

Name of the Statue	Nature of Dues	₹ (in Lakh)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty and Penalty thereon	135.10	CESTAT
Finance Act, 1994	Service Tax and Penalty thereon	821.88	CESTAT
Income Tax Act ,1961	Penalty	45.33	Income Tax Appellate Tribunal
Maharashtra Value Added Tax Act, 2002	Vat, Interest and Penalty thereon	35.40	Asst. Commissioner of Sales Tax



NIRLON

BALANCE SHEET

(₹ in Lakh)

	Note	As at 31-Mar-17	As at 31-Mar-16
EQUITY & LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	9,011.80	9,011.80
Reserves & Surplus	2.2	1,41,474.75	1,36,563.04
		1,50,486.55	1,45,574.84
NON CURRENT LIABILITIES			
Long term borrowings	2.3	51,400.09	58,056.80
Deferred Tax liabilities (net)	2.4	4,350.62	3,483.01
Other long-term liabilities	2.5	1,999.75	4,573.75
Long term provisions	2.6	22.83	142.17
		57,773.29	66,255.73
CURRENT LIABILITIES			
Short term borrowings	2.7	1,487.70	1,521.91
Trade Payables	2.8	672.65	936.59
Other current liabilities	2.9	22,922.71	18,801.34
Short term provisions	2.10	5,054.27	4,033.99
		30,137.33	25,293.83
		2,38,397.17	2,37,124.40
ASSETS / NON CURRENT ASSETS			
Fixed assets			
Tangible assets	2.11	2,19,108.54	2,25,054.22
Intangible Assets	2.11	0.91	2.05
Capital work in progress		6,929.56	2,620.11
		2,26,039.01	2,27,676.38
Long term loans & advances	2.12	4,509.67	3,942.89
Other non current assets	2.13	245.07	467.80
		4,754.74	4,410.69
CURRENT ASSETS			
Trade receivables	2.14	384.21	409.98
Cash & cash equivalents	2.15	1,729.72	351.35
Short term loans & advances	2.16	5,056.55	3,866.63
Other current assets	2.17	432.94	409.37
		7,603.42	5,037.33
		2,38,397.17	2,37,124.40

Notes forming part of the Financial Statements

1 & 2

As per our Report attached

FOR AND ON BEHALF OF THE BOARD

For **N.M. RAIJI & CO.**
Chartered Accountants
(firm registration no 108296 W)

MOOSA RAZA
Chairman

RAHUL V. SAGAR
Executive Director

CA Y.N. THAKKAR
Partner
Membership No. 33329

JASMIN K. BHAVSAR
Company Secretary & Vice President (Legal)

Directors
KUNAL V. SAGAR
RAMA VARMA
ARJAN R. GURBUXANI
RAJANI M. BHAGAT
ARUNA MAKHAN
KUNNASAGARAN CHINNIAH

MANISH B. PARIKH
Chief Financial Officer

Mumbai, April 27, 2017



NIRLON

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakh)

Particulars	Note	2016-17	2015-16
I. Revenue from operations	2.18	27,899.40	28,885.63
II. Other Income	2.19	203.24	99.85
III. Total Revenue (I + II)		28,102.64	28,985.48
IV. Expenses			
Employee benefits expense	2.20	689.85	767.49
Finance costs	2.21	6,478.89	7,225.33
Depreciation and amortization expense		7,065.53	8,048.83
Other operating expenses	2.22	6,096.07	5,778.22
Total expenses		20,330.34	21,819.87
V. Profit /(Loss) before exceptional and extra ordinary items and tax (III - IV)		7,772.30	7,165.61
VI. Add / (Less) : Exceptional items	2.23	240.24	(257.94)
VII. Profit /(Loss) before tax (V+VI)		8,012.54	6,907.67
VIII. Less : Tax Expense			
Current Tax	2.24	1,419.72	(0.78)
Deferred Tax		867.61	2,551.81
IX. Profit / (Loss) for the year after Tax (VII - VIII)		5,725.21	4,356.64
X. a. Basic earning per share in ₹ (on Face value of ₹10/- per share)		6.35	4.84
b. Diluted earning per share in ₹ (on Face value of ₹10/- per share)		6.35	4.83
Notes forming part of the Financial Statements	1 & 2		

As per our Report attached

FOR AND ON BEHALF OF THE BOARD

For **N.M. RAIJI & CO.**
Chartered Accountants
(firm registration no 108296 W)

MOOSA RAZA
Chairman

RAHUL V. SAGAR
Executive Director

CA Y.N. THAKKAR
Partner
Membership No. 33329

JASMIN K. BHAVSAR
Company Secretary & Vice President (Legal)

MANISH B. PARIKH
Chief Financial Officer

Directors
KUNAL V. SAGAR
RAMA VARMA
ARJAN R. GURBUXANI
RAJANI M. BHAGAT
ARUNA MAKHAN
KUNNASAGARAN CHINNIH

Mumbai, April 27, 2017

**NIRLON****CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in Lakh)

	2016-17	2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and after exceptional and extra ordinary items	8,012.54	6,907.67
ADJUSTED FOR :		
Depreciation & amortization	7,065.53	8,048.83
Interest Income	(114.41)	(51.82)
Finance cost	6,478.89	7,225.33
Marketing fees debited to profit & loss statement	398.40	473.32
Marketing fees paid	(113.63)	(218.45)
Foreign exchange (gain) / loss	(18.95)	18.99
Loss on sale of assets	-	1.31
Exceptional item - Property tax written back	(106.74)	(107.98)
Liability written back	(11.57)	(14.19)
	13,577.52	15,375.34
Operating Profit/(Loss) before Working Capital changes	21,590.06	22,283.01
CHANGES IN :		
Trade receivables / loans & advances & other assets	7.12	222.92
Trade payables / current and non current liabilities	219.32	(442.47)
	226.44	(219.55)
Cash generated from Operations		
Direct taxes (paid)/refund	(1,524.49)	(1,533.75)
Cash generated from Operating Activities	(1,524.49)	(1,533.75)
Net Cash from Operating Activities	20,292.01	20,529.71
B. CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets (including intangible assets, CWIP & capital advances)	(6,361.18)	(7,562.08)
Sale of fixed assets	25.01	0.39
Interest received	114.87	68.45
Net Cash from Investing Activities	(6,221.30)	(7,493.24)
C. CASHFLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) of buyers credit (net)	-	(1,728.80)
Increase/(decrease) of borrowings (net)	(5,416.80)	(3,568.80)
Dividend paid (including Dividend Distribution Tax)	(794.32)	(798.81)
Finance cost	(6,481.22)	(7,534.82)
Net Cash from Financing Activities	(12,692.34)	(13,631.23)
Net increase/(decrease) in Cash & Cash Equivalent (A+B+C)	1,378.37	(594.76)
Cash & Cash Equivalent at the commencement of the year	351.35	946.11
Cash & Cash Equivalent at the end of the year	1,729.72	351.35

Notes :

1. Closing Cash & Cash equivalents includes all items under note 2.15 forming part of Financial Statements
2. Undrawn borrowing facility as on 31st March 2017 - ₹11,425.11 lakh (Previous year ₹12,690.90 lakh)
3. All figures in bracket are outflows
4. Previous years figures have been regrouped / rearranged wherever necessary

As per our Report attached

FOR AND ON BEHALF OF THE BOARD

For **N.M. RAIJI & CO.**
Chartered Accountants
(firm registration no 108296 W)

MOOSA RAZA
Chairman

RAHUL V. SAGAR
Executive Director

CA Y.N. THAKKAR
Partner
Membership No. 33329

JASMIN K. BHAVSAR
Company Secretary & Vice President (Legal)

MANISH B. PARIKH
Chief Financial Officer

Directors
KUNAL V. SAGAR
RAMA VARMA
ARJAN R. GURBUXANI
RAJANI M. BHAGAT
ARUNA MAKHAN
KUNNASAGARAN CHINNIAH

Mumbai, April 27, 2017



NOTES FORMING PART OF FINANCIAL STATEMENTS

1.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS :

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles ('GAAP') in India under the historical cost convention on accrual basis except if specifically stated otherwise. These Financial Statements have been prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rules 7 of Companies (Accounts) Rules, 2014.

1.2 ACCOUNTING POLICIES :

a. Fixed Assets :

Fixed Assets are stated at cost or revalued amount wherever applicable. Cost comprises of cost of acquisition, cost of improvements, borrowing costs and any other cost attributable in bringing the assets to the condition required for their intended use.

b. Depreciation and Amortization :

- i. Depreciation on fixed assets has been provided on written down value method based on the useful life specified in Schedule II of the Companies Act, 2013.
- ii. Intangible Assets are amortised over the estimated useful life of the asset.

c. Borrowing Cost :

Borrowing costs include interest and other charges incurred in connection with the borrowing of funds and is recognised as an expense for the year in which it is incurred, except for borrowing costs attributable to the acquisition/construction of qualifying assets, and incurred till all the activities necessary to prepare the qualifying asset for its intended use are complete, which are capitalised as the cost of that asset

d. Forward Contracts:

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates: In relation to forward contracts entered into to hedge the underlying liability pertaining to capital projects till the time all the activities necessary to prepare the qualifying asset for its intended use, the premium or discount arising at the inception of such contracts are adjusted towards the cost of the project. For forward contracts taken thereafter, the premium or discount arising at the inception of such contracts is amortised as expense or income over the life of the contract.

e. Taxes on Income :

Current Tax

Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on accounting for Credit Available in respect of Minimum Alternative TAX under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'.

Deferred Tax

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted on the balance sheet date.

Deferred tax assets in a situation where unabsorbed

depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in a situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized.

f. Employee Stock Compensation Cost :

The Company measures the compensation cost relating to employee stock options in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share Based Payment. The cost of equity settled transactions is measured using the intrinsic value method. The compensation cost, if any is amortised over the vesting period.

g. Foreign Currency Transactions :

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

h. Employee Benefits :

i. Defined Benefit Plan :

The Company provides' for gratuity liability based on the actuarial valuation by an independent actuary which is determined using the projected unit credit method.

ii. Defined Contribution Plans :

Company's contribution paid/payable for Provident Fund, ESIC and Pension Fund for the year is recognised in the statement of Profit and Loss.

iii. Long Term Employee benefits :

Long term compensated absences are provided as per the actuarial valuation by an independent actuary which is determined using the projected unit credit method.

iv. Short Term Employee benefits :

Short term benefits are recognised as an expense in the statement of profit and loss of the year in which the related services are rendered.

v. Actuarial gains/losses :

Actuarial gains/losses are immediately recognised in the statement of profit and loss and are not deferred.

i. Revenue Recognition:

- i. License fee income and income incidental to it, are accounted for on an accrual basis.
- ii. Insurance claims and scrap sales are accounted for in the books on an accrual basis.
- iii. Interest income is accounted on an accrual basis.

j. Leave & License :

Leave & License payments are recognised as an expense in the statement of profit and loss.

Leave & License income is recognised based on the terms of the agreement.

Initial direct costs incurred specifically to earn revenue from Leave & License agreements are amortised over the lock in period of respective licensees.



(₹ in Lakh)

	As at 31st March 2017	As at 31st March 2016
2.1 SHARE CAPITAL		
Authorised		
15,00,00,000 equity shares of ₹10/- each (previous year 15,00,00,000 equity shares of ₹10/- each)	15,000.00	15,000.00
Issued		
9,01,32,062 equity shares of ₹10/- each (previous year 9,01,32,062 equity shares of ₹10/- each)	9,013.21	9,013.21
Subscribed & fully paid		
9,01,18,040 equity shares of ₹10/- each (previous year 9,01,18,040 equity shares of ₹10/- each)	9,011.80	9,011.80
	<u>9,011.80</u>	<u>9,011.80</u>

a. The reconciliation of the equity shares outstanding as at March 31, 2017 and March 31, 2016 is set out below:

Particulars	2016-17		2015-16	
	nos.	₹ in Lakh	nos.	₹ in Lakh
At the Beginning of the year	9,01,18,040	9,011.80	9,01,18,040	9,011.80
Addition / deduction during the year	-	-	-	-
Outstanding at the end of the year	9,01,18,040	9,011.80	9,01,18,040	9,011.80

b. Rights, Preferences and Restrictions attached to the shares Equity Shares

- i. The Company has only one class of equity share having a par value of ₹10/-.

Each holder of equity shares is entitled to one vote per share. The Shareholders have the right to receive interim dividends declared by the Board of Directors and final dividends proposed by the Board of Directors and approved by the Shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

The Shareholders have all other rights as available to equity Shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association & Articles of Association of the Company, as applicable.

- ii. During the financial year 2013-14, the Company had allotted 1,76,34,798 equity shares of ₹10/- each @ premium of ₹33.76 per share to Promoters and Others on a preferential basis in compliance with SEBI (ICDR) Regulations.

Of the above, details of shares under lock in are as stated below.

Shareholder	As at 31st March 2017		As at 31st March 2016	
	No of Equity Shares	Lock in period	No of Equity Shares	Lock in period
Promoters	-	-	18,66,974	upto 28th February 2017
Non Promoters	-	-	-	-
Total	-	-	18,66,974	

c. Details of Shareholders holding more than 5% shares (as certified by the Management)

Name of the Shareholders	As at 31st March 2017		As at 31st March 2016	
	No. of shares	% of Holding	No. of shares	% of Holding
Reco Berry Pvt. Ltd.	5,76,06,274	63.92	5,76,06,274	63.92

d. Share Issued to Nirlon Employees Stock Option Trust

In accordance with Nirlon ESOP 2012, during the financial year 2013-14 the Company had issued 7,17,656 shares of ₹10/- each at a premium of ₹31.30 per share to Nirlon Employees Stock Option Trust. As on March 31, 2017, 7,08,000 (previous year 6,80,000) options have been exercised equal to 7,08,000 number of shares.

Nirlon ESOP Plan 2012

Pursuant to the Resolution passed by the Shareholders of the Company by way of postal ballot on May 23, 2012, the Company granted 7,15,000 stock options to its employees at an issue price of ₹41.30 per share on May 30, 2012 in accordance with Nirlon ESOP 2012. Each option entitles the holder to purchase one Equity Share of the Company at the issue price.

The weighted average contractual life for the stock options was 5 years and they vested at the rate of 15%, 20%, 25%, 40% at the end of 15 months, 30 months, 42 months, 54 months respectively from the date of grant. During the year 2014-15, the Nomination and Remuneration committee has vide its Resolution dated February 9, 2015, accelerated the vesting period for all the unvested options to February 15, 2015 and accelerated the exercise period for all the options upto September 30, 2016. Accordingly all the options granted have been already vested. Further, the Board of Directors vide their circular Resolution dated October 8, 2016 extended the exercise period for all the options granted upto September 30, 2017.

Details regarding the number of stock options are as follows :

Particulars	2016-17	2015-16
i) Outstanding options, beginning of the period	35,000	35,000
ii) Granted during the year	0	0
iii) Forfeited during the period	0	0
iv) Exercised during the period	28,000	0
v) Expired during the period	0	0
v) Outstanding at the end of the period	7,000	35,000
v) Exercisable, Vested at the end of the period	7,000	35,000



NIRLON

No Options were granted during the current & previous financial year.

The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the extent of the amounts indicated below:

(₹ in Lakh)		
Particulars	2016-17	2015-16
Profits after tax as reported	5,725.21	4,356.64
Add: ESOP cost using the intrinsic value method	-	-
Less: ESOP cost using the fair value method	-	-
Proforma Profit after tax	5,725.21	4,356.64
Earnings per share	2016-17	2015-16
Basic		
As reported	6.36	4.84
Proforma	6.36	4.84
Diluted		
As reported	6.36	4.83
Proforma	6.36	4.83

(₹ in lakh)		
	As at 31-Mar-17	As at 31-Mar-16
2.2 RESERVES & SURPLUS		
Securities premium reserve	12,540.17	12,540.17
Revaluation reserve	1,17,537.12	1,17,537.12
Surplus		
Opening Balance	6,485.75	2,942.61
Add: Net profit / (loss) after tax transferred from Statement of Profit and Loss	5,725.21	4,356.64
Amount available for appropriation	12,210.96	7,299.25
Appropriations : (Refer note a)		
Dividend	675.88	675.88
Dividend Tax	137.62	137.62
Surplus- Closing Balance	11,397.46	6,485.75
	1,41,474.75	1,36,563.04

a. The Board of Directors, at their Meeting held on April 27, 2017 have proposed a dividend of 7.50 % i.e ₹ 0.75 per equity share on the face value of ₹ 10/- (previous year ₹ 0.75 per equity share of ₹ 10/- each). The proposal is subject to the approval of Shareholders at the ensuing Annual General Meeting. Dividend amounting to ₹ 675.88 lakh (previous year ₹ 675.88 lakh) and dividend distribution tax thereon amounting to ₹ 137.62 lakh (previous year ₹137.62 lakh) is appropriated during the year.

(₹ in Lakh)		
	As at 31-Mar-17	As at 31-Mar-16
2.3 LONG-TERM BORROWINGS		
Term Loans		
Loan from HDFC Ltd (Refer note below)	51,400.09	58,056.80
	51,400.09	58,056.80

Note :

Details	Loan 1 : Ph-0,1,2 & 3 amount- ing to ₹27,910.04 lakh	Loan 2 : Ph-3 & 4 amount- ing to ₹21,846.76 lakh	Loan 3 : Ph- 4 amount- ing to ₹9,600.00 lakh
Date of Maturity	Jun-21	May-24	*
Rate of Interest (floating) with effect from 1st April 2017	9.00%	9.00%	9.00%
Balance No. of Installments (Monthly)	51	86	*
Amount of each Installment (including interest) ₹ in Lakh #	665.34	346.50	*

The loan from HDFC Ltd is secured by a charge in the nature of an equitable mortgage by deposit of title deeds of land situated at Goregaon, Mumbai together with buildings and structures standing thereon, both present and future, and right, title and interest in the license fee receivables.

The amount of each installment is subject to change based on changes in Interest rates & other factors.

* The terms of repayment for Loan 3 will be finalised once the same is securitised, as done for Loans 1 & 2.

(₹ in Lakh)		
	As at 31-Mar-17	As at 31-Mar-16
2.4 DEFERRED TAX ASSETS/ LIABILITIES (NET)		
Deferred Tax adjustments for the year amounting to ₹867.61 Lakh (Previous year ₹2,551.81 Lakh) have been recognised in the statement of Profit & Loss.		
Deferred tax liabilities		
Depreciation	4,361.03	4,056.42
Deferred tax assets		
Unabsorbed depreciation	-	(425.80)
Others	(10.41)	(147.61)
	(10.41)	(573.41)
	4,350.62	3,483.01

In respect of Deferred tax assets on unabsorbed depreciation, the same has been recognised based on the current tax laws entailing the benefit over the lifetime of the Company, against any taxable source of income.



2.5 OTHER LONG TERM LIABILITIES

Security deposits received from licencees	1,999.75	4,573.75
	1,999.75	4,573.75

(₹ in Lakh)

	As at 31-Mar-17	As at 31-Mar-16
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2.6 LONG TERM PROVISIONS

Provision for employee benefits		
Provision for gratuity	15.24	121.08
Provision for compensated absences	7.59	21.09
	22.83	142.17

2.7 SHORT TERM BORROWINGS

Buyers credit from HDFC Bank	1,487.70	1,521.91
	1,487.70	1,521.91

The Buyers Credit facility provided by HDFC Bank is repayable on demand. The amount is secured by way of earmarking, facilities to this extent, (vide a letter of undertaking from HDFC Ltd to HDFC Bank) out of the total facility granted by HDFC Ltd to the Company. Refer Note 2.3 for security provided to HDFC Ltd.

2.8 TRADE PAYABLES

Trade payables (refer note 2.27)	672.65	936.59
	672.65	936.59

2.9 OTHER CURRENT LIABILITIES

Current maturity of long term debts	7,956.71	6,716.80
Interest accrued but not due on borrowings	272.90	275.23
Capital Vendors	595.03	812.35
Security deposits received from licencees	13,586.95	10,552.67
Advance received from licensees	2.86	1.95
Employees related liabilities	153.87	217.80
Statutory liabilities	50.19	67.16
Unpaid dividend	51.88	32.69
Provision for expenses	219.59	93.87
Other payables	32.73	30.82
	22,922.71	18,801.34

(₹ in Lakh)

	As at 31-Mar-17	As at 31-Mar-16
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2.10 SHORT TERM PROVISIONS

Provision for employee benefits		
provision for gratuity	0.93	11.62
provision for compensated absences	6.32	10.70
Provision for taxes		
Provision for income tax	4,233.52	3,198.17
Others		
Proposed Dividend	675.88	675.88
Tax on Dividend	137.62	137.62
	5,054.27	4,033.99



NIRLON

2.11 FIXED ASSETS

(₹ In Lakh)

TANGIBLE ASSETS	GROSS BLOCK			AS ON 31-Mar-17	DEPRECIATION & AMORTIZATION				NET BLOCK	
	AS ON 01-Apr-16	ADDITIONS DURING 2016-17	DEDUCTIONS/ ADJUSTMENTS DURING 2016-17		UP TO 01-Apr-16	PROVIDED DURING 2016-17	DEDUCTIONS/ ADJUSTMENTS DURING 2016-17	UP TO 31-Mar-17	AS ON 31-Mar-17	
LAND (FREEHOLD)	1,29,900.00 (1,29,900.00)	- (-)	- (-)	1,29,900.00 (1,29,900.00)	- (-)	- (-)	- (-)	- (-)	1,29,900.00 (1,29,900.00)	
LAND (LEASE HOLD)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
BUILDINGS	91,580.81 (88,919.17)	1,950.89 (2,661.64)	2,450.11 (-)	91,081.59 (91,580.81)	16,450.37 (12,102.50)	3,937.30 (4,347.87)	1,007.66 (-)	19,380.01 (16,450.37)	71,701.58 (75,130.44)	
PLANT & EQUIPMENT	25,680.73 (25,575.03)	447.84 (105.70)	- (-)	26,128.57 (25,680.73)	10,238.44 (8,001.43)	1,979.21 (2,237.01)	- (-)	12,217.65 (10,238.44)	13,910.92 (15,442.29)	
FURN., FIX & APPLIANCE	13,219.69 (12,833.61)	183.84 (386.08)	30.52 (-)	13,373.01 (13,219.69)	8,775.15 (7,348.71)	1,119.65 (1,426.44)	21.43 (-)	9,873.37 (8,775.15)	3,499.64 (4,444.54)	
OFFICE EQUIPMENT	317.21 (317.21)	3.60 (-)	- (-)	320.81 (317.21)	198.94 (167.69)	25.47 (31.25)	- (-)	224.41 (198.94)	96.40 (118.27)	
VEHICLES	73.39 (69.62)	- (11.03)	73.39 (7.26)	- (73.39)	54.71 (54.95)	2.76 (5.32)	57.47 (5.56)	- (54.71)	- (18.68)	
TOTAL TANGIBLE ASSETS	2,60,771.83 (2,57,614.64)	2,586.17 (3,164.45)	2,554.02 (7.26)	2,60,803.98 (2,60,771.83)	35,717.61 (27,675.28)	7,064.39 (8,047.89)	1,086.56 (5.56)	41,695.44 (35,717.61)	2,19,108.54 (2,25,054.22)	
INTANGIBLE ASSETS										
SOFTWARE & LICENSEES	6.05 (3.06)	- (2.99)	- (-)	6.05 (6.05)	4.00 (3.06)	1.14 (0.94)	- (-)	5.14 (4.00)	0.91 (2.05)	
TOTAL INTANGIBLE ASSETS	6.05 (3.06)	- (2.99)	- (-)	6.05 (6.05)	4.00 (3.06)	1.14 (0.94)	- (-)	5.14 (4.00)	0.91 (2.05)	

Notes :

1. Previous year's figures are given in brackets
2. The above assets do not include the assets, the value of which are recoverable from the licencees as common area maintenance charges
3. Of the above, a certain portion of the assets have been given on Leave & License. The details of major assets are as under :

(₹ In Lakh)

	Gross Block	Accumulated Depreciation	Net Block
Land	503.75 (503.75)	- (-)	503.75 (503.75)
Buildings	63,089.54 (64,710.31)	14,157.59 (12,559.41)	48,931.95 (52,150.90)
Furniture & Fixtures	2,324.40 (2,311.21)	1,740.18 (1,529.78)	584.22 (781.43)
Plant & Machinery	46.24 (46.24)	19.02 (19.02)	27.22 (27.22)
Total	65,963.93 (67,571.51)	15,916.79 (14,108.21)	50,047.14 (53,463.30)

4. Buildings include building constructed on Leasehold Land at Worli, Mumbai having a written down value of ₹ 47.60 lakh (Previous year ₹56.62 lakh), being the share of the Company in the property which is jointly owned with Nirlon Foundation Trust
5. Based on valuation reports submitted by I.H. Shah & Associates, Approved Valuers, the land at Goregaon had been revalued on April 1, 1984, June 30, 2006 and March 31, 2012 on the basis of assessment of their market value
6. Amount written up on revaluation of freehold land (including FSI purchased) as on March 31, 2017 ₹1,17,537.12 lakh (previous year ₹1,17,537.12 lakh)



	(₹ in Lakh)	
	As at 31-Mar-17	As at 31-Mar-16
2.12 LONG TERM LOANS & ADVANCES		
(Unsecured - considered good, unless other wise stated)		
Security deposit placed	218.63	222.75
Deposits / advance with Excise / Income Tax	21.15	21.15
Prepaid expenses	96.72	38.21
Loan to officers of the company	-	2.00
Capital Advance	690.00	-
MAT credit entitlement	3,483.17	3,658.78
	4,509.67	3,942.89
2.13 OTHER NON CURRENT ASSETS		
Unamortized expenses - marketing fees	230.25	467.80
Income receivable	14.82	-
	245.07	467.80
2.14 TRADE RECEIVABLES		
(Unsecured - considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months from the date they are due for payment.	23.51	3.58
Other Debts	360.70	406.40
	384.21	409.98
Of the above Trade Receivables ₹348.14 lakh (previous year ₹398.55 lakh) are secured.		
2.15 CASH & CASH EQUIVALENTS		
Balances with Bank in current account	761.40	104.18
Balance with Bank in deposit account	900.00	200.00
Balance with Bank in margin money	16.44	14.48
Balances with Bank in unpaid dividend account	51.88	32.69
	1,729.72	351.35
2.16 SHORT TERM LOANS & ADVANCES		
(Unsecured - considered good, unless other wise stated)		
Advance Income Tax	4,328.20	3,523.43
Loan given to Nirlon Employees Stock Option Trust	3.99	15.56
Service Tax / Cenvat available	37.88	198.61
Other advances	64.05	3.23
Prepaid expenses	117.43	125.80
MAT credit entitlement	505.00	-
	5,056.55	3,866.63

	(₹ in Lakh)	
	As at 31-Mar-17	As at 31-Mar-16
2.17 OTHER CURRENT ASSETS		
Unamortized expenses - marketing fees	342.14	389.36
Income receivable	88.69	14.77
Deferred premium on forward contract	2.11	5.24
	432.94	409.37
	(₹ in Lakh)	
	2016-17	2015-16
2.18 REVENUE FROM OPERATIONS		
Licence fees	24,002.40	25,184.43
Common Area Maintenance charges	3,237.64	3,255.65
Other operating income	659.36	445.55
	27,899.40	28,885.63
2.19 OTHER INCOME		
Interest income	114.41	51.82
Excess provision / liability no longer required written back (Net)	11.57	14.19
Miscellaneous receipts	52.19	12.64
Insurance claim received	0.08	-
Scrap sales	24.99	21.20
	203.24	99.85
2.20 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	399.10	506.79
Contribution to Provident Fund and other funds	261.68	215.61
Staff Welfare expenses	29.07	45.09
	689.85	767.49
2.21 FINANCE COST		
Interest expenses	6,374.01	6,942.26
Other Borrowing cost	104.88	197.26
Foreign exchange loss (net)	-	85.81
	6,478.89	7,225.33



NIRLON

	(₹ in Lakh)	
	2016-17	2015-16
2.22 OTHER OPERATING EXPENSES		
Stores and spares consumed	0.93	2.04
Power, fuel and water charges	86.20	79.25
Rent	1.02	1.58
Insurance	97.22	84.60
Rates and taxes	939.54	1,005.71
Directors' sitting fees	27.80	16.80
Legal and Professional expenses	443.35	460.97
Telephone expenses	4.63	6.31
Repairs and Maintenance expenses	304.67	132.12
Travelling expenses	27.71	12.74
Property Management Expenses	3,091.38	3,219.79
Marketing fees	398.40	473.32
Security expenses	24.23	36.51
Lease & Property Management fees (Refer note 2.37)	378.08	-
Loss on sale of assets	-	1.31
Corporate Social Responsibility expenses	38.00	-
Miscellaneous Expenses	232.91	245.17
	6,096.07	5,778.22
2.23 EXCEPTIONAL ITEMS		
Exceptional income		
Property tax write back (Refer note a)	106.74	107.98
Mesne profit received (Refer note b)	133.50	-
	240.24	107.98
Less : Exceptional expenses		
Excise duty & interest thereon (Refer note c)	-	347.12
Liquidated damages & interest thereon (Refer note d)	-	18.80
	-	365.92
	240.24	(257.94)
a. Property tax write back is on account of the earlier years on account of assessment as per Capital Value system.		
b. Mesne profit received from Pfizer Ltd. under the consent terms filed before the Small Causes Court ₹163.70 lakh less expenses incurred thereon of ₹30.20 lakh.		
c. Excise duty of ₹110.53 lakh and interest thereon of ₹236.59 lakh based on the Supreme Court order received during the year 2015-16 in relation to manufacture of Nylon Tyrecord Yarn and Fabrics for the period April 1999 to June 2000.		
d. Liquidated damages of ₹13.45 lakh and interest thereon of ₹5.35 lakh on delayed payment of Provident Fund dues for the period January 2000 to February 2007.		
2.24 CURRENT TAX		
MAT provision	1,750.00	1,475.00
MAT credit entitlement	(330.00)	(1,475.00)
Income tax adjustment of earlier years	(0.28)	(0.78)
	1,419.72	(0.78)

2.25 COMMITMENTS (As certified by the Management)

a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹31,369.77 lakh (previous year ₹2,301.00 lakh)		
b. Other commitments: #	(₹ in Lakh)	
Forward Contracts outstanding as at	31-Mar-17	31-Mar-16
In USD	7.75	7.75
In ₹	531.17	540.82
# Excludes Commitment given to ex-employees.		

2.26 CONTINGENT LIABILITIES

i. Claims against the Company not acknowledged as debts ₹12.81 lakh (previous year ₹12.81 lakh) - as certified by the Management.		
ii. Contingent liabilities not provided for :	(₹ In Lakh)	
	As at 31-Mar-17	As at 31-Mar-16
Excise Duty	146.25	146.25
Service Tax	821.88	821.88
Income Tax	55.33	55.33
Value Added Tax	35.40	35.40

2.27 The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regard could not be provided.

2.28 Balances of sundry debtors, creditors, loans and advances and deposits are subject to confirmation.

2.29 REMUNERATION TO AUDITORS (included under Miscellaneous Expenses in Note 2.22) :

	(₹ in Lakh)	
	2016-17	2015-16
Audit Fees	7.00	7.00
Taxation matters	7.70	4.00
Management and other services	11.70	9.88
Reimbursement of expenses including cess	0.57	0.51
	26.97	21.39

2.30 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF :

	(₹ in Lakh)	
	2016-17	2015-16
Capital	-	28.75
Stores	1.67	-
	1.67	28.75



2.31 a. EXPENDITURE IN FOREIGN CURRENCY :

	(₹ in Lakh)	
	2016-17	2015-16
Professional fees *	45.39	36.96
Sitting fees	0.90	-
Travelling expenses *	3.13	-
Buyers Credit interest	26.08	28.27
	75.50	65.23

* of the above, professional fees capitalized ₹45.39 lakh (previous year ₹32.52 lakh), and travelling expenses capitalized ₹0.67 lakh (previous year ₹ Nil).

b. REMITTANCE OF DIVIDEND IN FOREIGN CURRENCY :

	2016-17	2015-16
Total number of non resident shareholders	2	4
Total number of shares held by them	18,46,402	36,92,804
Dividend remitted for the year	2015-16	2014-15
Amount of dividend remitted ₹ in lakh	13.85	27.69

2.32 VALUE OF STORES AND SPARES CONSUMED:

(₹ in Lakh)				
	2016-17		2015-16	
	Value	%	Value	%
Stores & Spare parts :				
Imported	-	0.00%	-	0.00%
Indigenous	0.93	100.00%	2.04	100.00%
	0.93	100.00%	2.04	100.00%

2.33 EARNINGS PER SHARE :

Particulars	2016-17	2015-16
1. Profit/(Loss) net of tax (₹in lakh)	5,725.21	4,356.64
2. Weighted Average number of Equity Shares		
Weighted average number of equity shares for calculating Basic EPS	9,01,23,119	9,00,83,040
Add: Effect of Dilution - stock options granted under ESOP	5,544	26,973
Weighted average number of equity shares for calculating Diluted EPS	9,01,28,663	9,01,10,013
3. Earning per share before extra ordinary items (Basic)	6.35	4.84
4. Earning per share before extra ordinary items (Diluted)	6.35	4.83

2.34 SEGMENT REPORTING :

There are no other reportable segments as per AS 17 (Segment Reporting), except licencing of immovable property for the year.

2.35 DISCLOSURE IN RESPECT OF LEAVE & LICENSE (AS PER AS19)

1. Assets given on leave & license

- General description of leave & license arrangements
 - Licensed assets : Licensing of commercial premises
 - Future license fees are determined on the basis of agreed terms.
- Future minimum license fee payments receivable under non-cancellable leave & license agreements:

	(₹ in Lakh)	
	31st March 2017	31st March 2016
The total of minimum license fee payments :		
Not more than one year	5,866.97	9,067.44
Not less than one year and not more than five years	11,040.23	11,723.29
More than five years	-	-

2. Assets taken on leave & license

The total amount (net of recovery) recognised in the Statement of Profit and Loss is ₹1.02 lakh (previous year ₹1.58 lakh).

2.36 EMPLOYEE BENEFITS

a. Gratuity

Defined benefits plan

	2016-17	2015-16
I. Change in Obligation during the year		
1. Present Value of Defined Benefit Obligation at beginning of the year	132.70	129.37
2. Current Service Cost	5.54	6.85
3. Past Service Cost	-	-
4. Interest Cost	2.71	10.35
5. Actuarial (Gains) / Losses	68.44	(13.87)
6. Benefits Paid	(193.22)	-
7. Present value of Defined Benefit Obligation at the end of the year.	16.17	132.70
II. Change in Assets during the year		
1. Plan assets at the beginning of the year	-	-
2. Settlements	-	-
3. Expected return on plan assets	-	-
4. Contribution by Employer	-	-
5. Actual benefits paid	-	-
6. Actuarial Gains / (Losses)	-	-
7. Plan Assets at the end of the year	-	-
III. Net Asset / (Liability) recognized in the Balance Sheet at the end of the year.		



NIRLON

1. Present Value of Defined Benefits Obligation as at March	16.17	132.70
2. Fair value of plan assets	-	-
3. Fund status (Surplus / (Deficit))	(16.17)	(132.70)
4. Net Assets / (Liability) as at end of the year	(16.17)	(132.70)
IV. Expenses recognized in the statement of Profit & Loss for the year		
1. Current Service Cost	5.54	6.85
2. Interest Cost	2.71	10.35
3. Expected return on plan assets	-	-
4. Past Service Cost	-	-
5. Net Actuarial (Gains) / Losses	68.44	(13.87)
6. Total Expenses	76.69	3.33
Amount recognised as an expense and included in Note 2.20 under 'Contribution to provident fund and other funds'.		
V. The major categories of plan assets as a percentage of total plan	Not Applicable	Not Applicable
VI. Actuarial Assumptions:		
1. Discount Rate	7.51%	7.51%
2. Expected rate of return on plan assets	7.50%	7.50%
3. Mortality Table	IALM (2006-08) Ultimate Officers 60; Others 60	IALM (2006-08) Ultimate Officers 60; Others 60
4. Retirement Age		

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority and other relevant factors.

Details of Current Annual period and Previous Annual periods	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of Defined Benefits Obligation as at end of the year	16.17	132.70	129.37	112.82	97.58
Fair value of plan assets as at end of the year	-	-	-	-	-
Fund status (Surplus / (Deficit))	(16.17)	(132.70)	(129.37)	(112.82)	(97.58)
Net Assets / (Liability) as at end of the year	(16.17)	(132.70)	(129.37)	(112.82)	(97.58)

b. Contribution to Provident Fund and Other Funds charged to Statement of Profit & Loss stated under Defined Contribution Plans is ₹172.93 lakh (previous year ₹194.17 lakh).

2.37 DISCLOSURE OF RELATED PARTIES/RELATED PARTY TRANSACTIONS :

The list of related parties are as stated below :

Name	Nature of relation
Mr. Rahul V. Sagar, Executive Director	Key Managerial Personnel
Mr. Kunal V. Sagar, Director	Key Managerial Personnel upto 25.9.2015 & Brother of Mr. Rahul V. Sagar
Nirlon Management Services Pvt. Ltd.	Mr. Kunal V. Sagar & Mr. Rahul V. Sagar are both Directors in that Company and together hold a majority of voting rights.
Reco Berry Pvt. Ltd.	Holds 63.92% Shares in the Company
Manisha Trading & Investments Pvt. Ltd.	Mr. Kunal V. Sagar & Mr. Rahul V. Sagar are both Directors in that Company and Mr. Rahul V. Sagar holds a majority of voting rights.

Related party transactions :

	(₹ in Lakh)	
	2016-17	2015-16
Mr. Kunal V. Sagar		
- Remuneration	-	113.59
- Gratuity	-	10.00
- Sitting fees	2.50	0.80
- Dividend paid	9.97	9.97
Mr. Rahul V. Sagar		
- Remuneration	233.68	231.68
- Dividend paid	9.97	9.97
Nirlon Management Services Pvt. Ltd.		
- Security deposit received	22.70	-
- Licence fees received	45.55	-
- Project Management fees paid	862.50	-
- Advance for Project Management	690.00	-
- Lease & Property Management fees paid	378.08	-
- Marketing fees paid	16.38	-
- Administrative expenses recovery	175.50	-
- Amounts received for sale of fixed assets	25.01	-
- Recovery of utility cost	4.34	-
- Amount payable at the end of the year - Deposit	22.70	-
- Amount receivable at the end of the year - Advance	690.00	-
Reco Berry Pvt. Ltd.		
- Dividend paid	432.05	418.20
Manisha Trading & Investments Pvt. Ltd.		
- Common Area Maintenance charges received	0.80	-
- Amount outstanding at the end of the year	0.44	-

**2.38 DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD NOVEMBER 8, 2016 TO DECEMBER 30, 2016:**

	(₹ in Lakh)		
	SBNs	Other Denomination notes	Total
Closing Cash in hand as on 8.11.2016	0.30	1.32	1.62
Add: Permitted Receipts	-	6.34	6.34
Less: Permitted payments	0.30	5.96	6.26
Less : Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	1.69	1.69

2.39 Miscellaneous receipts under Note No 2.19 includes Foreign Exchange gain amounting to ₹24.05 lakh (previous year loss of ₹28.16 lakh included in the Miscellaneous Expenses).

2.40 Property Management expenses include expenses which are recoverable as Common Area Maintenance from licensees.

2.41 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE :**a. Derivative instruments :**

The Company uses foreign exchange, forward contracts to hedge its exposure to movements in the foreign exchange rates.

Derivative instruments have been acquired to hedge buyers credit.

	2016-17	2015-16
Hedged		
Amount in USD in Lakh	7.75	7.75
Amount in ₹ in Lakh	531.17	540.82

b. Unhedged foreign currency exposure :

	2016-17	2015-16
Buyers credit		
Amount in USD in Lakh	15.19	15.19
Amount in ₹ in Lakh	985.06	1007.85
Vendors		
Amount in USD in Lakh	0.94	0.92
Amount in ₹ in Lakh	61.20	60.94

2.42 Previous year's figures have been re-arranged and re-grouped wherever necessary to confirm to the classification adopted for the current year.

Signature to Notes 1 to 2.42

As per our Report attached

FOR AND ON BEHALF OF THE BOARD

For **N.M. RAIJI & CO.**
Chartered Accountants
(firm registration no 108296 W)

MOOSA RAZA
Chairman

RAHUL V. SAGAR
Executive Director

CA Y.N. THAKKAR
Partner
Membership No. 33329

JASMIN K. BHAVSAR
Company Secretary & Vice President (Legal)

Directors
KUNAL V. SAGAR
RAMA VARMA
ARJAN R. GURBUXANI
RAJANI M. BHAGAT
ARUNA MAKHAN
KUNNASAGARAN CHINNIAH

MANISH B. PARIKH
Chief Financial Officer

Mumbai, April 27, 2017



NIRLON

NIRLON LIMITED

CIN No.: L17120MH1958PLC011045

Regd Office: Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai: 400 063.
Tel. No.: + 91 (022) 4028 1919 / 2685 2257/58/59 • E-mail id: info@nirlonltd.com • Website: www.nirlonltd.com.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Folio No./Client ID :

I/We hereby record my/our presence at the 58th Annual General Meeting of Nirlon Limited to be held on Friday, September 29, 2017 at 11.30 a.m. (IST) at the Registered Office of the Company, Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.

Member's/Proxy Full Name

Member's/Proxy's Signature

NIRLON LIMITED

CIN No.: L17120MH1958PLC011045

Regd Office: Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai: 400 063.
Tel. No.: + 91 (022) 4028 1919 / 2685 2257/58/59 • E-mail id: info@nirlonltd.com • Website: www.nirlonltd.com.

PROXY FORM

Name of the Member(s)			
Registered Address			
E-mail ID			
Folio No./Client ID		DP ID:	

I/We, being the Member (s) of shares of the above named company, hereby appoint:

1.	Name:	Address:
	E-mail ID	Signature:
	Or failing him/her	
2.	Name:	Address:
	E-mail ID	Signature:
	Or failing him/her	
3.	Name:	Address:
	E-mail ID	Signature:
	Or failing him/her	

as my/our proxy to attend and vote (in a poll) for me/us and on my/our behalf on the 58th Annual General Meeting of the Company to be held on Friday, September 29, 2017 at 11.30 a.m. (IST) at the Registered Office of the Company situate at Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063, and at any adjournment thereof in respect of such resolutions as are indicated below:

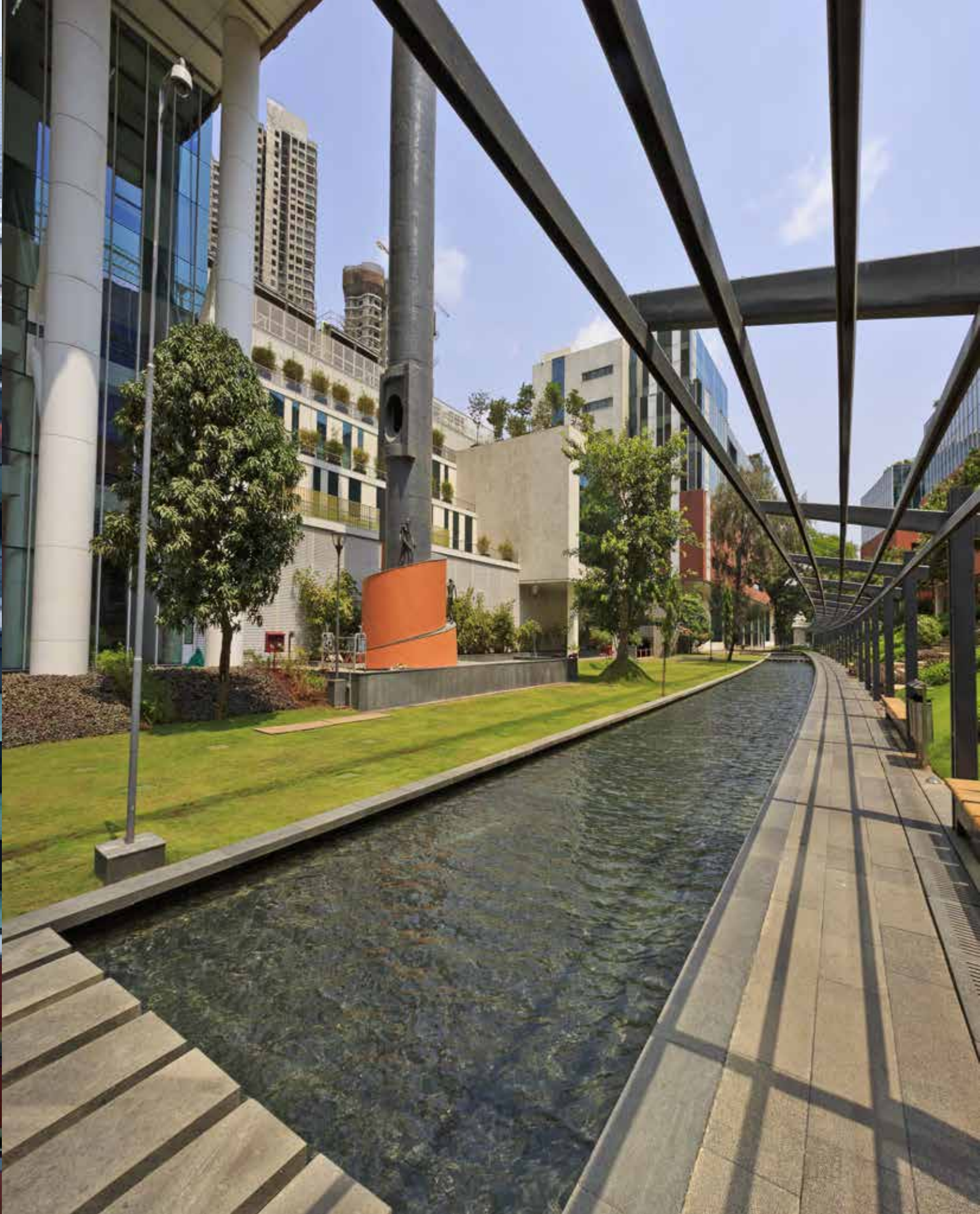
Sr. No.	Description of Resolution	Vote (Please mention No. of Share/s)	
		For	Against
Ordinary Business:			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2017, including the Statement of Profit and Loss for the year ended on that date, Audited Balance Sheet as at March 31, 2017 and the Reports of the Directors' and the Auditors' thereon.		
2.	To declare dividend of ₹0.75 paise per equity share of ₹10/- each (7.5%) for the Financial Year ended March 31, 2017.		
3.	To appoint a director in place of Mrs. Rajani M. Bhagat (DIN 00870716), who retires by rotation at this Annual General Meeting, and being eligible offers herself for reappointment.		
4.	Appointment of the Statutory Auditors of the Company 'RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 ('Act'), if any, read with the Companies (Audit & Auditors) Rules, 2014, as amended from time to time and pursuant to the recommendation of the Audit Committee and the Board at their respective Meetings held on August 9, 2017, Price Waterhouse Chartered Accountants LLP (FRN 012754N/ N500016) having their office at 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400 028, be and are hereby appointed as the Statutory Auditors of the Company, in place of N.M.Rajji & Co. (FRN 108296W), Chartered Accountants, to hold office from the conclusion of the 58 th Annual General Meeting (AGM) until the conclusion of the 63 rd AGM of the Company to be held in the year 2022 (subject to ratification of their appointment by the Members at every AGM, as required under the Act), at such remuneration, including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors.'		
Special Business:			
5.	Ratification of remuneration payable to M/s. Vinay Mulay & Co., Cost Auditor of the Company, (ICAI-CMA No. 8791, CP No. 101159) appointed by the Board of Directors of the Company to conduct the Audit of the Cost records of the Company for the Financial Year ending March 31, 2018		

Signed this _____ day of _____ 2017

Signature of the Member _____ Signature of Proxy holder(s) _____

Affix
Revenue
Stamp
of ₹ 1/-

Note: This Form of Proxy, in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.





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NIRLON LIMITED

CIN No. L17120MH1958PLC011045

Registered Office :

Pahadi Village, Off The Western Express Highway, Goregaon (E), Mumbai - 400 063.

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