



Nirlon Limited

CIN:L17120MH1958PLC011045

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 : L17120MH1958PLC011045

E-mail id: info@nirlonltd.com

Website: www.nirlonltd.com

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September 5, 2020

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

Security Code: 500307

Dear Sir,

Sub: 61st Annual Report of the Company – F.Y. 2019-2020

Ref: Regulation 34 of the SEBI LODR, 2015

Further to our letter of even dated, we are sending the 61st Annual Report for the F.Y. 2019-2020 to the Members of the Company through electronic mode to those Members whose e-mail addresses are registered with the Company/Share Transfer Agent/Depositories.

The Annual Report is available on the website of the Company at http://www.nirlonltd.com/pdf/nirlon_annual_report_2019_20.pdf

The filing is done under pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and records.

Kindly acknowledge receipt of the letter.

Thanking you,

Yours faithfully,

For Nirlon Limited

Sd/-

Jasmin K. Bhavsar

Company Secretary, V. P. (Legal) & Compliance Officer

FCS 4178

Encl: a.a



NIRLON LIMITED

61st Annual Report 2019-20





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NIRLON

Board of Directors:

(As on August 31, 2020)

1. Padma Bhushan Mr. Moosa Raza (**Chairman**)
2. Mr. Arjan R. Gurbuxani
3. Mr. Rajinder Pal Singh (w.e.f. May 13, 2019)
4. Ms. Anjali Seth (w.e.f. May 13, 2019)
5. Mr. Kunnasagaran Chinniah
6. Mr. Kunal V. Sagar
7. Mr. Rahul V. Sagar (**Executive Director & C.E.O**)

Key Managerial Personnel:

1. Mr. Rahul V. Sagar (Executive Director & C.E.O)
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**
 - S R B C & Co. LLP, Chartered Accountants, Mumbai (FRN 324982E/E300003)
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 : <http://www.nirlonltd.com/>

Share Transfer Agent (STA):

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 61st Annual General Meeting (**AGM**) of Nirlon Limited will be held on **Tuesday, September 29, 2020 at 12:00 noon (IST)** through Video Conferencing (**"VC"**) / Other Audio Visual Means (**"OAVM"**) 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, 2020, including the Statement of Profit and Loss for the Year ended on that date, Audited Balance Sheet as at March 31, 2020 and Reports of the Directors' and Auditors' thereon.
2. To declare a dividend of ₹ 0.75 paise per equity share of ₹10/- each (@7.5%) for the Financial Year ended on March 31, 2020.
3. To appoint a Director in place of Mr. Kunnasagaran Chinniah (**DIN 01590108**), aged 63 years, who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and, if thought fit to pass 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 remuneration of ₹1,50,000/- (Rupees One lakh Fifty Thousand only) payable to Vinay Mulay & Co., Mumbai, (FRN 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, 2021, excluding GST, travelling and other out-of-pocket expenses incurred / to be incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed".

5. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

Approval for the proposed Related Party Transaction

"Resolved that pursuant to the provisions of Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013 read with rules issued thereunder including Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014, (including any statutory modifications or re-enactment(s) thereof, for

the time being in force), Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and in accordance with the provisions of the Memorandum and Articles of Association of the Company, and pursuant to the approval of the Audit Committee of the Board of Directors and of the Board of Directors (**"Board"**), the approval of the Members be and is hereby accorded to the Company to enter into, execute, perform and deliver its obligations under a management services agreement (**"New Management Services Agreement"**) with Nirlon Management Services Private Limited (**"NMSPL"**), under which NMSPL shall provide lease management, property management, marketing, project management and general management services in respect of the properties of the Company;

"Resolved further that any of Directors of the Company, Chief Financial Officer and the Company Secretary / Compliance Officer be and are hereby jointly and severally authorised to take all steps necessary for the implementation of the above resolution including but not limited to providing intimations to appropriate statutory bodies and contractual counterparties and by undertaking such other acts, deeds and things from time to time, to do all such acts, matters, deeds and things as may be necessary, expedient or desirable in order to give effect to the New Management Services Agreement and the transactions contemplated thereunder, appointing consultants, valuers, legal advisors and all such agencies as may be required for the purposes of the transactions contemplated under the New Management Services Agreement and on such terms as they deem appropriate and necessary for the implementation of the above resolution including making the necessary filings and applications, if any, with any regulatory authorities including the Registrar of Companies and undertake all such actions in connection with the foregoing, without being required to seek further clarification, consent or approval of Members and that Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

"Resolved further that the Board of Directors of the Company be and is hereby authorized to take all steps necessary to finalise, execute, amend, novate, supplement, extend, restate or make any other modifications to the New Management Services Agreement as may be required, from time to time, to give effect to any transactions contemplated under the New Management Services Agreement, or otherwise as they may deem fit and expedient in the best interests of the Company;



“Resolved further that consent of the Members of the Company be and is hereby accorded to the Board to delegate all or any of its powers conferred by the above resolution to any Director or Directors or to any Committee of Directors or any other Officer or Officers of the Company to give effect to the aforesaid resolutions;

“Resolved further that the Company Secretary and/ or any Director of the Company be and is hereby authorized to provide a certified copy of this resolution to any person, entity and/or authority as may be required for giving effect to the above resolutions”.

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 31, 2020

Registered Office:

Nirlon Limited,

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

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NOTES:

1. a. In view of the global outbreak of COVID-19, the Ministry of Corporate Affairs (**MCA**), the Government of India, has vide its General Circular No. 14/ 2020 dated 8th April 2020, General Circular No. 17/ 2020 dated April 13, 2020 in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, and General Circular No. 20/ 2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (**AGM**) through video conferencing (**VC**) or other audio visual means (**OAVM**)” (collectively referred to as “**MCA Circulars**”) and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Covid-19 pandemic” (“**SEBI Circular**”) have permitted the holding of the Annual General Meeting

(“**AGM**”) through Video Conferencing (“**VC**”)/Other Audio Visual Means (“**OAVM**”), without the physical presence of Members at a common venue.

- b. In compliance with the applicable provisions of the Companies Act, 2013 (**the “Act”**) (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (**the “Rules”**), as amended from time to time, read with the MCA Circulars, SEBI Circular and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) the 61st Annual General Meeting (“**AGM**”) of the Company is scheduled to be held on **Tuesday, September 29, 2020, at 12:00 noon (IST)** through VC/OAVM and the voting for items to be transacted as set out in the Notice calling the 61st AGM only through remote electronic voting process (“**e-Voting**”).
- c. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS AND THE SEBI CIRCULAR REFERRED TO IN ‘1a’ ABOVE, THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH.

ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

- d. As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at **Item Nos. 4 to 5** of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
- e. The business set out in the 61st AGM Notice will be transacted through an electronic voting system (**e-voting**) only, and the Company is providing a facility for voting by electronic means through remote e-voting.
- f. Further, due to non-availability of postal and courier services, on account of the threat posed



- by COVID-19 and in terms of the referred **MCA Circulars** and the **SEBI Circular**, the Company is sending the 61st AGM Notice along with the 61st Annual Report for the F.Y. 2019-2020 in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 61st AGM and the Annual Report for the F.Y.2019-2020 has been uploaded on the website of the Company at <https://www.nirlonltd.com> and may also be accessed from the relevant section of the websites of the Stock Exchange i.e. BSE Limited ("BSE") at www.bseindia.com. The AGM Notice is also available on the website of Link Intime India Pvt. Ltd. ("LIPL") at <https://instavote.linkintime.co.in/>
2. a. Members of the Company holding shares either in Physical Form or Dematerialized Form as on the cut-off date i.e. **Tuesday, September 22, 2020**, may cast their vote by remote e-Voting. The remote e-Voting period commences on **Saturday, September 26, 2020 at 9:00 a.m. (IST)** and **ends on Monday, September 28, 2020 at 5:00 p.m. (IST)**. The remote e-Voting module shall be disabled by LIPL for voting thereafter.
 - b. 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. Tuesday, September 22, 2020**.
 - c. In case of joint holders attending the 61st AGM, only such joint holder who is higher in the order of names will be entitled to vote.
 - d. The attendance of Members attending the 61st AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 - e. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
 - f. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 61st AGM through VC/OAVM facility. Corporate Members intending to appoint their authorized representatives to attend the 61st AGM through VC or OAVM and to vote thereat through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by an e-mail at alwyn.co@gmail.com with a copy marked to enotices@linkintime.co.in and share@nirlonltd.com.
 3. The respective Explanatory Statements pursuant to Section 102 of the Act, in regard to the business as set out in **Item Nos. 4 to 5** to be transacted at the 61st AGM are annexed to the Notice.
 4. a. In terms of Section 152 and all other applicable provisions of the Companies Act, 2013, **Mr. Kunnasagaran Chinniah (DIN 01590108)**, aged 63 years, Director retires by rotation at the 61st AGM and being eligible, offers himself for re-appointment;
 - 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, and the Secretarial Standard-2 are provided in the Corporate Governance Report forming part of this 61st Annual Report.
 - c. The Board of Directors of the Company recommends the re-appointment of Mr. Kunnasagaran Chinniah (DIN 01590108) aged 63 years, as a Director liable to retire by rotation. Mr. Chinniah is a Nominee Director of Reco Berry Pvt. Ltd., one of the Promoters of the Company.
 5. a. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to share@nirlonltd.com up to the date of the 61st AGM.
 - b. Members desiring inspection of statutory registers during the 61st AGM may send their request in writing to the Company at share@nirlonltd.com and <https://linkintime.co.in/>.
 6. a. 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.
 - b. Members can join the 61st AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. Members will be able to view the proceedings on LIPL's e-Voting website at <https://instameet.linkintime.co.in/>. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.
 7. a. Pursuant to Section 91 of the Act, the Register of Members of the Company will remain closed from **Thursday, September 17, 2020 to Tuesday, September 29, 2020**, both days inclusive, for the purpose of 61st AGM.



- b. A dividend of ₹ 0.75 paise per equity share (@7.5%) has been recommended by the Board of Directors for the F.Y. 2019-2020, subject to TDS and to the approval of Members at the 61st AGM. If the dividend, as recommended by the Board of Directors, is approved at the 61st AGM, payment of such dividend, subject to deduction of tax at source ("TDS"), will be made on or after Saturday, October 3, 2020, as under:

- i. To all Beneficial Owners in respect of shares held in **Dematerialized Form** as per the data as may be made available by National Security Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") (both collectively referred to as "**Depositories**") as of the close of business hours on **Wednesday, September 16, 2020 ("Record Date")**;
- ii. To all Members in respect of shares held in **Physical Form** after giving effect to valid transmission and transposition requests lodged with the Company on or before the close of business hours on **Wednesday, September 16, 2020 ("Record Date")**.

8. Members are requested to note and give attention to the following:

- a. Members who hold shares in Physical Form are requested to surrender their old share certificates along with the required self certified KYC documents to the STA for new share certificates in form SH- 1. For any communication, Members may also send requests to the Company's Investor e-mail id: share@nirlonltd.com.
- b. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of Members w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend to be paid to Members at rates prescribed in the Income-tax Act, 1961 (the "**IT Act**"). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ("**PAN**"), Category as per the IT Act with their Depository Participants ("**DPs**"), or in case shares are held in Physical Form, with the Company by sending documents on e-mail id nirlonlimitedtaxexemption@linkintime.co.in on or before 6.00 p.m. (IST), **Wednesday, September 16, 2020**.

For all Members (i.e. holding shares either in Dematerialized Form and/ or Physical Form):

The forms for tax exemption can be downloaded from Link Intime's website. The URL for the same is as under:

<https://www.linkintime.co.in/client-downloads.html> - On this page select the General tab. All forms are available in under the head "Form 15G/15H/10F"

The aforementioned documents (duly completed and signed) are required to be uploaded on the **URL** mentioned below:

<https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

On this page, the user shall be prompted to select / share the following information to register their request.

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document)

Please Note : that the upload of documents (duly completed and signed) on the website of Link Intime India Private Ltd. should be done on or before **Record date for the dividend, i.e. Wednesday, September 16, 2020** in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination / deduction shall be considered after **Record date for the dividend, i.e. Wednesday, September 16, 2020**.

Members may note that in case the tax on said interim / final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, an option is available to Members to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

All communications/ queries in this respect should be addressed to our STA, Link Intime India Private Limited to its email address nirlonlimitedtaxexemption@linkintime.co.in.

- c. Further, in order to receive the dividend in a timely manner, Members holding shares in **Physical Form**, who have not updated their mandate for receiving dividends directly in their bank accounts through Electronic Clearing Service ("**ECS**") or any other means, are requested to send hard copies of



the following details / documents to the Company's Registrar and Share Transfer Agent ("STA"), Link Intime India Pvt. Ltd. (LIPL) at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 on or before **September 14, 2020**:

- a signed request letter mentioning your Name, Folio Number, complete address and following details relating to the Bank Account in which the dividend is to be received:
- Name and Branch of Bank and Bank Account type;
- Bank Account Number and type allotted by your bank after implementation of Core Banking Solutions; and
- 11 digit IFSC Code.
- Self-attested copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- Self-attested copy of the PAN Card; and
- Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the STA.

Registration of Bank Details for Members holding shares in Physical Form:

- i. Members of the Company holding Equity Shares of the Company in Physical Form, and who **have not** registered their Bank details can get the same registered with Link Intime India Pvt. Ltd., by clicking the link:

https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail/ Bank Registration heading and follow the registration process as guided therein.

- ii. Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e-mail id along with the copy of the cheque leaf with the first named Members name imprinted in the face of the cheque leaf containing the bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format.

It is very important for the Member to submit the request letter duly signed.

Link Intime will verify the documents uploaded, and will only take on record all valid cases.

On submission of details by a Member as stated above, an OTP will be received by a Member which needs to be entered in the link for verification.

- d. Members holding shares in **Dematerialized Form** may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change / deletion in such bank details. Further, instructions, if any, already given by them in respect of shares held in Physical Form, will not be automatically applicable to the dividend paid on shares held in Dematerialized Form. Members may, therefore, give instructions to their DP regarding bank accounts in which they wish to receive dividend.
- e. For Members who are unable to receive the dividend directly in their bank accounts through ECS or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant / Bankers' cheque / demand draft to such Members upon normalization of the postal services.
- f. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in Dematerialised Form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in Physical Form are requested to consider converting their holdings to Dematerialised Form.
- g. Transmission, Name Deletion and Transposition of Physical Shares are still permitted to be carried out in Physical Form without any restrictions even after April 1, 2019.
- h. Un-encashed dividend amounts are now to be directly credited into the Investor's bank account only. Investors holding shares in Physical Form are requested to submit a duly signed request letter of the Member with original cancelled cheque leaf having their name printed on it along with copy of a recent utility bill for address verification and PAN.



- i. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in Dematerialized Form, and to the STA in case the shares are held in Physical Form.
 - j. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
 - k. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website <http://www.nirlonltd.com/> (under Investor section). Members are requested to submit the said form to their DP in case the shares are held in Dematerialized Form and to the STA in case the shares are held in Physical Form.
 - l. The format of the Register of Members prescribed by the MCA under the Act, requires the Company/STA to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is available on the Company's website <http://www.nirlonltd.com/> (under Investor section). Members holding shares in Physical Form are requested to submit the filled in form to the Company/ STA in Physical Mode, after restoration of normalcy, or in electronic mode as per instructions mentioned in the form. Members holding shares in Dematerialized Form are requested to submit the details to their respective DP only and not to the Company, or STA.
 - m. Members holding shares in **Physical Form**, in identical order of names, in more than one folio, are requested to send to the Company, or STA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
9. Members are requested to note that dividends, if not encashed by them, may contact the Company's Share Transfer Agent immediately to encash the same. In case dividends are un-encashed for a consecutive period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, such amounts are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members / Claimants are requested to claim their dividends from the Company within the stipulated timeline.
10. **Information and other instructions relating e- mail registration and e-voting are as under:**
 - a. 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 61st 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').
 - b. The Company has appointed Link Intime India Pvt. Ltd. (LIPL) to provide e-voting facility to Members to cast their votes on Resolutions as set out in the 61st AGM Notice.
 - i. Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the VC Meeting.
 - ii. Members who have cast their vote by remote e-voting may also attend the Meeting through VC but shall not be entitled to cast their vote again.
 - iii. 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 to scrutinize the voting at the AGM and remote e-voting for the 61st AGM 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.



- iv. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / Beneficial Owner (in case of Dematerialized Form) as on the cut-off date, i.e. **Tuesday, September 22, 2020.**
- v. Only persons whose names are recorded in the Register of Members and in the Register of Beneficial Owners maintained by the depositories as on the **cut-off date i.e. Tuesday, September 22, 2020** shall be entitled to avail the facility of remote e-voting / participate in a poll.
- vi. However, the 61st AGM Notice is being sent by e-mail only to those eligible Members who have already registered their e-mail address with the Depositories / the DP/the Company's STA / the Company or who will register their e-mail address with Link Intime India Pvt. Ltd. (LIPL) , on or before **5:00 p.m. (IST) on Monday, September 21, 2020.**
- vii. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made a special arrangement with LIPL for registration of e-mail addresses in terms of the MCA Circulars. Eligible Members, who have not submitted their e-mail address to LIPL, are required to provide their e-mail address to the STA, on or before **5:00 p.m. (IST) on Monday, September 21, 2020** pursuant to which, any Member may receive on the e-mail address provided by the Member the 61st Annual Report and the procedure for remote e-Voting along with the login ID and password for remote e-Voting. The process for registration of an e-mail address is as under:
 - I. Registration of e-mail id for Members holding shares in **Physical Form**:
 - a. Members of the Company holding shares of the Company in Physical Form, and who have **not registered** their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt. Ltd., by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail / Bank Registration heading and follow the registration process as guided therein.
 - b. Members are requested to provide details such as Name, Folio Number, Certificate

number, PAN, mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format (upto 1 MB).

On submission of details by a Member as stated above, an OTP will be received by a Member which needs to be entered in the link for verification.

- II. For **Permanent Registration** of e-mail id for Members holding shares in **Dematerialized Form**:

It is clarified that for permanent registration of an e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (**DP**) by following the procedure prescribed by the Depository Participant.

- III. For **Temporary Registration** of e-mail id for Members holding shares in **Dematerialized Form**:

Members of the Company holding Equity Shares of the Company in Dematerialized Form, and who **have not** registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt. Ltd. by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail Registration heading and follow the registration process as guided therein. Members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id.

On submission of details by a Member as stated above, an OTP will be received by a Member which needs to be entered in the link for verification.

- viii. After successful submission of the e-mail address, LIPL will e-mail a copy of the 61st Annual along with the remote e-Voting user ID and password, within 48 hours of successful registration of the e-mail address by the Member. In case of any queries, Members may write to enotices@linkintime.co.in.
- ix. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their DP / LIPL to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.



Remote e-Voting Instructions for Members:

1. Open the internet browser and launch the URL:
<https://instavote.linkintime.co.in>

Those who are first time users of LIPL's e-voting platform or holding shares in Physical Mode have to mandatorily generate their own Password, as under:

Click on **"Sign Up"** under the **'SHAREHOLDER'** tab and register with your following details:

A. User ID: Enter your User ID

- i. Member/s holding shares in **CDSL demat account** shall provide 16 Digit Beneficiary ID
- ii. Member/s holding shares in **NSDL demat account** shall provide 8 Character DP ID followed by 8 Digit Client ID
- iii. Member/s holding shares in **Physical Form** shall provide Event No. + Folio Number registered with the Company/STA.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ STA shall use the sequence number provided to you, if applicable).

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/STA.

Please Note:

- i. Member/s holding shares in **CDSL demat account** shall provide either **"C"** or **"D"**, above
 - ii. Member/s holding shares in **NSDL demat account** shall provide **"D"**, above
 - iii. Member/s holding shares in **Physical Form** but have not recorded **'C'** and **'D'**, shall provide their Folio number in **'D'** above
2. Set the password of your choice {the password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter}.
 3. Click **"confirm"** (Your password is now generated).

Please Note:

1. If Members are holding shares in Dematerialized Form and have registered on to the e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and / or voted on an earlier event of any company then they can use their existing password to login.
2. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **"Submit"**.
3. After successful login, you will be able to see the notification for e-voting. Select the **"View"** icon.
4. The E-voting page will appear.
5. Refer to the Resolution description and cast your vote by selecting your desired option **"Favour / Against"** (If you wish to view the entire Resolution details, click on the **"View Resolution"** file link).
6. After selecting the desired option i.e. Favour / Against, click on **"Submit"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"Yes"**, else to change your vote, click on **"No"** and accordingly modify your vote.
7. Institutional Member (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

If you have forgotten the password:

1. Click on **"Login"** under **'SHARE HOLDER'** tab and further Click **"forgot password?"**
2. Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'**.
3. In case the Member/s is having a valid email address, the Password will be sent to his / her registered e-mail address.
4. Member/s can set the password of his / her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB / DOI, Bank Account Number (last four digits) etc. as mentioned above.



5. The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
6. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For Member/s holding shares in Physical Form, the details can be used only for voting on the resolutions contained in this Notice

During the voting period, Member/s can login any number of times till they have voted on the resolution(s) for a particular “Event”.

Member/s holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.

In case Members have any queries regarding e-voting, they may refer to the **Frequently Asked Questions (‘FAQs’)** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under the “Help” section or send an e-mail to enotices@linkintime.co.in, or contact: Tele: +091 (022) 4918 6000.

11. Information and other instructions relating to attending the 61st AGM of the Company through Video Conferencing (VC) are as under:

- i. Due to the Covid 19 pandemic, the **MCA and SEBI** have permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of Members at a common venue.
- ii. The Company has appointed Link Intime India Pvt. Ltd. (“LIPL”) to provide Video Conferencing facility through their “InstaMeet” for Members to attend the 61st AGM.

Section I: Process and manner for attending the 61st Annual General Meeting of Nirlon Limited through **InstaMeet**, a platform provided by Link Intime India Pvt. Ltd. (the STA/LIPL):

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

Select the “Company” and ‘Event Date’ and register with your following details:

E. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. , or Folio No.

- i. Member/s holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

ii. Member/s holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

iii. Member/s holding shares in **Physical Form** shall provide the Folio Number registered with the Company

F. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ STA shall use the sequence number provided to you, if applicable.

G. Mobile No.: Enter your mobile number.

H. Email ID: Enter your email id, as recorded with your DP / STA.

- 2 Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer to the instructions (annexure) for the software requirements and kindly ensure installation of the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Section II: Instructions for Members to Speak during the 61st Annual General Meeting through InstaMeet:

1. Member/s who would like to speak during the meeting must register his/her/ their request 3 (three) days in advance with the STA / the Company on the specific email id i.e. nirlonagm@linkintime.co.in created for the 61st AGM.
2. Member/s will get a confirmation on a first come first serve basis depending upon the provision made by the Company.
3. Member/s will receive a “speaking serial number” once they mark attendance for the Meeting.
4. Other Members may ask questions to the panelists, via the active chat-board during the Meeting.
5. Please remember your speaking serial number and start your conversation with the panelists by switching on the video mode and audio of your device.



Members are requested to speak only when the moderator of the Meeting/ Management will announce the name and the serial number for speaking.

Section III: Instructions for Member/s to Vote during the 61st Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer / moderator during the Meeting, Members who have not exercised their vote through the remote e-voting can cast their vote as under:

1. On the Shareholders VC page, click on the link for e-Voting **"Cast your vote"**.
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email ID received during registration for InstaMEET and click on **"Submit"**.
3. After successful login, you will see **"Resolution Description"** and against the same the option **"Favour / Against"** for voting.
4. Cast your vote by selecting an appropriate option i.e. **"Favour / Against"** as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under **"Favour /Against"**.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on **"Save"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"Confirm"**, else to change your vote, click on **"Back"** and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Please Note:

1. Members, who will be present in the 61st Annual General Meeting through the InstaMeet facility and have not cast their vote on the Resolutions through remote e-Voting, and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Members who have voted through Remote e-Voting prior to the 61st Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the Meeting.
2. Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for a better experience.

3. Members are required to use an Internet connection with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the Meeting.

Please Note: Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is, therefore, recommended to use a stable Wi-Fi, or LAN connection to mitigate any kind of the aforesaid glitches.

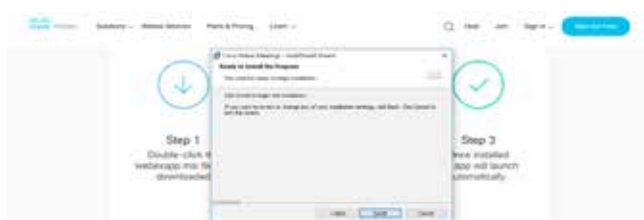
In case Members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in, or contact Tele: +091 (022) 49186175.

Guidelines to attend the 61st AGM proceedings through "InstaMEET"

For a smooth experience of viewing the 61st AGM proceedings of the Company through **"InstaMEET"**, Members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a. Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>





OR

- b. If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1: Enter your First Name, Last Name and Email ID and click on Join Now

1A: If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1B: If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.

Click on Run a temporary application, and an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on 'Join Now'.



12. The Chairman shall, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of the remote e-Voting system for all those Members who are present during the AGM through VC/OAVM, but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the 61st AGM shall be disabled by LIPL for voting 15 minutes after the conclusion of the Meeting.

13. 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, e-voting voting done at the AGM, taken together with the votes cast through remote e-voting shall be counted for passing of respective resolution/s.

14. The Scrutinizer shall, after the conclusion of voting at the 61st AGM, first count the votes cast during the AGM and, thereafter, unblock the votes cast through remote e-Voting and shall make, not later than 48 hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, for the Chairman or the Company Secretary, who shall countersign the same and declare the result of the voting forthwith.

15. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website <http://www.nirlonltd.com/> and on the website of <https://instavote.linkintime.co.in>, immediately after the declaration of the result by the Chairman, or the Company Secretary authorised by him. The results shall also be immediately forwarded to the BSE Ltd.

16. Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the day and date of the Meeting, i.e. **Tuesday, September 29, 2020**.

17. Information relating to Director seeking re-appointment at the 61st AGM is given as follows:

Mr. Kunnasagaran Chinniah (DIN 01590108), aged 63 years, was nominated as Director, by Reco Berry Pvt. Ltd., a Promoter of the Company, 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.

Mr. Chinniah is a qualified Chartered Financial Analyst (CFA) 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, USA.

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 held various positions with the Special Investments Department of GIC in their North American, European and Asian regions.

Mr. Chinniah also serves on the Boards of various companies including the following Indian companies:

1. Edelweiss Financial Services Ltd. a listed Company, (he is also a Member of the Audit, Risk Management, Stakeholders Relationship, Nomination & Remuneration and IT Committees).
2. Edelweiss Rural & Corporate Services Ltd., (he is also Chairman of the Audit and Member of Nomination & Remuneration Committees).



3. Edelweiss Securities Ltd., (he is also a Member of the Audit, Nomination & Remuneration and Corporate Social Responsibility Committees).
4. ECL Finance Ltd., (he is also a Member of the Risk Management and Corporate Social Responsibility Committees).
5. Edelweiss Tokio Life Insurance Co. Ltd., (he is also a Member of the Audit Committee).

6. Edelweiss Finance and Investments Ltd., (he is also a Member of the Audit, Stakeholders Relationship and Nomination & Remuneration Committees).

Mr. Chinniah is not related to any Director / KMP of the Company, and has confirmed that he is not dis-qualified to act a Director of the Company.

He attended Five (5) Board Meetings during the F.Y. 2019-2020.

Mr. Chinniah and his immediate relatives do not hold any equity shares in Nirlon Limited.

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 to 5 of the accompanying Notice dated August 31, 2020

Item No. 4: Ratification of Remuneration payable to the Cost Auditor

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of Vinay Mulay & Co., Mumbai, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.

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. 4** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2021.

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 Ordinary Resolution set out at **Item No. 4** of the Notice for approval by Members of the Company by way of an Ordinary Resolution.

Item No.5 - Approval for the proposed Related Party Transaction

In terms of the approval of the Members of the Company granted at the 57th AGM held on September 20, 2016, the Company had entered into a Management Services Agreement dated September 23, 2016 ("**MSA**") with Nirlon Management Services Pvt. Ltd., ("**Management Services Company**" / "**NMSPL**") being a related party of the Company as such term is defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**"). In terms of the MSA, the Management Services Company has been providing project / property and other management services to the Company.

The MSA was entered into for a period of four years and its term will be expiring on September 30, 2020. Accordingly, it is proposed that the services of NMSPL should be continued for a further period of 3.5 years in respect of the properties and projects of the Company on the terms and conditions which will be set out in a revised management services agreement proposed to be executed between the Company and NMSPL ("**New Management Services Agreement**"). For the convenience of the Members, please find below some of the salient terms/ features of the proposed New Management Services Agreement for ease of reference.

Salient features of the proposed New Management Services Agreement are as follows:

- **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 New Management Services Agreement, including Nirlon Knowledge Park and Nirlon House.
- **Fees:** Fees will be paid to NMSPL by the Company in the following manner:
 - o For lease management services – a monthly fee equal to 1% (one percent) of the gross revenue of the property for such month;
 - o For property management services – a monthly fee equal to 2% (two percent) of the gross revenue of the property for such month;
 - o For marketing services – commission based on rent payable for a certain number of days including commission for additional space taken-up by a tenant. Commission is also payable on renewal of existing lease/ license;
 - o For project management services – ₹ 13,12,50,000/- (Rupees Thirteen Crore Twelve Lakh and



Fifty Thousand only) as construction / project management fees for Phase 5 of Nirlon Knowledge Park over and above the ₹ 60,00,00,000/- (Rupees Sixty Crore only) agreed and paid as per the MSA. This is the total amount of project management fees (capped) to be paid for completion and handover of Phase 5 of Nirlon Knowledge Park.

- o All fees are exclusive of applicable GST, which will be borne by the Company.
- **Term:** The New Management Services Agreement is proposed to commence on October 1, 2020 (or such other date mutually agreed) and shall remain in effect for a period of 3.5 years unless terminated earlier or mutually extended.
- **Indemnity:** 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.
- **Termination rights:** Termination rights under the New Management Services Agreement will include breaches by a party of the terms of the New Management Services Agreement, change in control of the Company, or a party becoming the subject of any insolvency proceedings and other matters.
- Pursuant to the existing MSA, the Company and NMSPL have entered into a Leave and License Agreement dated December 20, 2016 effective from October 1, 2016 from for a period of 9 years which shall continue.

The fees agreed to be paid to NMSPL under the New Management Services Agreement are in consonance with current industry rates and practices.

Upon expiry of the New Management Services Agreement, the Company will be at liberty to enter into similar management services arrangements with any persons as it may deem fit at desirable levels, both as to quality of services and costs to the Company.

The proposed New Management Services Agreement is expected to be beneficial to the Company and is in keeping with industry practices. The proposed related party transaction is on an "Arm's Length" basis.

Consequently, the Audit Committee at its meeting held on August 31, 2020 and the Board of Directors of the Company

at their meeting held on August 31, 2020, have approved, in terms of Section 177(4)(iv) of the Companies Act, 2013 and Regulation 23(2) of the SEBI LODR and Section 188(1)(d) of the Companies Act, 2013 respectively, the entering into of the New Management Services Agreement and the transactions contemplated therein by the Company.

Since Mr. Kunal Sagar and Mr. Rahul Sagar ("**Sagar Brothers**") are Directors and Members of the Company and also members and directors of NMSPL, NMSPL would constitute a related party of the Company in terms of Section 2(76)(iv) of the Companies Act, 2013. Further, Reco Berry Private Limited, a company incorporated in Singapore, the Sagar Brothers, Alfano Pte Limited and Deltron Pte Limited (collectively referred to as the "**Promoters**") and persons acting in concert with the Promoters, being related parties in terms of Regulation 2(1)(zb) of the SEBI LODR, shall not vote to approve these resolutions in accordance with Regulations 23(4) and 23(7) of the SEBI LODR.

Approval of Members is being hereby sought by way of an Ordinary Resolution for the aforementioned agreements and transactions pursuant to Section 188(1) of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI LODR.

The Board recommends the Ordinary Resolution set out at **Item No. 5** of the notice for approval by Members.

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 31, 2020

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 : L17120MH1958PLC011045

E-mail id : info@nirlonltd.com

Website : <http://www.nirlonltd.com/>



NIRLON





NIRLON





DIRECTORS' REPORT

Your Directors present their 61st Annual Report along with the Audited Financial Accounts for the Financial Year (F.Y.) ended March 31, 2020.

1. *Financial Performance

The Company's Financial Performance for the F.Y. ended March 31, 2020 is summarized below:

(₹ in Crore)

Particulars	2019-2020	2018-19
Gross Income from Operations	310.99	299.97
Gross Profit	231.86	227.38
Interest Paid	32.12	69.71
Cash Profit	199.74	157.67
Depreciation	53.25	58.88
Net Profit for the Year before Tax	146.49	98.79
Current tax	27.73	23.95
Deferred tax	6.29	11.56
Income tax adjustments for the earlier years	2.99	(0.40)
Net Profit for the Year after tax	109.48	63.68
Proposed dividend on Equity shares	6.76	6.76
Tax on Dividend	-	1.38

*The Statement of Standalone Financial Results has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

Your Company has been ranked by the BSE Limited at Sr. No. 398 out of the top 500 listed companies based on Market Capitalization as on March 31, 2020.

2. Financial Operations (Summary)

- Gross Income from Operations** for the F.Y. 2019-2020 was ₹ **310.99 Crore** as against ₹ 299.97 Crore for the F.Y. 2018-19.
- Gross Profit** for the F.Y. 2019-2020 was ₹ **231.86 Crore** as against ₹ 227.38 Crore for the F.Y. 2018-19.
- Cash Profit** for the F.Y. 2019-2020 was ₹ **199.74 Crore** as against ₹ 157.67 Crore for the F.Y. 2018-19.
- Net Profit** for the F.Y. 2019-2020 (after taxes) was ₹ **109.48 Crore** as against a profit of ₹ 63.68 Crore for the F.Y. 2018-19.

Please Note:

During the F.Y. ended March 31, 2020, pursuant to the amendment in Ind AS-23 "Borrowing Costs", the Company has considered the specific borrowings obtained for completed phases as a part of general borrowings. Accordingly, the finance cost amounting to ₹ 39.86 Crore for the F.Y. 2019-2020 related to such borrowings has been capitalised as a part of Capital Work in Progress. This has resulted in increase in Profits.

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 F.Y. 2019-2020.

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 ₹6.76 Crore, subject to the approval of Members of the Company at their 61st AGM.

Dividend will be paid to Members whose names appear in the Register of Members as on **Wednesday, September 16, 2020**.

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. Covid 19 Impact, Industrial Park Operations at Goregaon (East), Mumbai, India & Future Outlook

The Covid 19 Pandemic has had a profound impact on, amongst many other aspects, global health and the economy. It is no surprise therefore that the pandemic has the potential to have an impact on the Company's financial performance during the F.Y. 20-21 and beyond. The nature and quantum of the potential impact on the Company is regularly assessed based on available data. Every possible effort is being, and will continue to be made, to mitigate possible negative events as a result of this crisis.

The Company will continue to update developments quarterly, through its regular Financials, Investor Relations and other filings with the BSE Ltd. and on its website.



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. License fees for Phases 1, 2, 3 and 4 continue to be received by the Company as on March 31, 2020.

Please Note: The total constructed area of approx. 29.46 lakh sq.ft. for Phases 1, 2, 3 and 4 includes two (2) levels of basements in Phases 1, 2 and 3 and one (1) level of basement, the ground floor (part), mezzanine and four (4) upper levels of parking in Phase 4, as well as a ten (10) floors (G+9) multi level car parking (**MLCP**) (which also has two (2) 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 (re-development of Phase 0):

After receiving the required approvals, in May 2017, the Company has begun and continues to develop/construct Phase 5 (re-development of Phase 0) in NKP, Goregaon.

Further particulars are provided in **Annexure 7** to this Report, i.e. Management Discussion Analysis.

ii. License Fees

During the Year under review, gross license fees aggregated approx. ₹266.47 Crore (**as per Ind AS**) including license fees from Nirlon House, Worli, Central Mumbai.

iii. Marketing

Phases 1, 2, 3 and 4 of NKP continue to be approx. 99% licensed (as on June 30, 2020) to reputed international and Indian corporates.

The Company has signed an Agreement to License (ATL) with JP Morgan Chase Bank for 11,59,442.99

sq.ft. of licensed area in the ongoing Phase 5 (re-development of Phase 5) development.

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 (re-development of Phase 0) is completed. This principal moratorium has resulted in incremental cash flows being available to the Company to finance a large part of the Phase 5 (re-development of Phase 0) construction from its internal accruals.

This will result in lower borrowings for the construction of Phase 5 (re-development 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 March 31, 2020 aggregate ₹990.46 Crore (**as per IGAAP**) (including loans / buyers credit used for the ongoing construction of Phase 5 (re-development of Phase 0)). The Company is presently paying a competitive rate of interest @ 8.80 p.a. to HDFC Limited (reduction of 1.35% p.a. as compared to rate of interest as on March 31, 2019).

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

6. Nirlon House

The Company continues to co-own 75% undivided interest in approx. 45,475 sq.ft. of area in the Nirlon House building in a prime location on Dr. A. B. Road, Worli in Central Mumbai.

7. A. 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: 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 favourable 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.

Please Note:

The MSA was entered in to for a period of four years and its term will be expiring on September 30, 2020. Accordingly, it was proposed and approved by the Company (in line with the Related Party Transaction Policy of the Company) at its Audit Committee / Board meeting held on August 31, 2020 that the services of NMSPL should be continued for a further period of 3.5 years on the terms and conditions set out in a new management services agreement proposed to be executed between the Company and NMSPL ("**New Management Services Agreement**"). **(For more details please refer Item No. 5 of the Notice calling 61st AGM)**

Please Note: All related parties shall not vote to approve this item.

7. B. 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 favourable 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.

The shareholding pattern of NMSPL is given below:

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:**

As on date, the total strength of the Board of Directors of the Company consists of 7 (seven) Directors including 1 (one) Independent woman Director. Of this number, 4 (four) Independent Non-Executive Directors, including 1(one) woman Director, constitute more than 50% of the total strength of the Board of Directors of the Company.

For more detail, please refer to the link:

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

a. Re-appointment of Directors at the 61st AGM

A brief resume of Mr. Kunnasagaran Chinniah, aged 63 years, a Director who retires by rotation, seeking re-appointment at the 61st AGM is given in the Notice at **Point No. 17.**

The Board recommends:

- Re-appointment of Mr. Kunnasagaran Chinniah as a Director to retire by rotation.

b. Changes in the Board during the F.Y. 2019-20

Mr. Rajinder Pal Singh and Ms. Anjali Seth were appointed as Non Executive Independent Directors w.e.f. May 13, 2019 for a period of five (5) years.

- c.** The terms of Mr. Moosa Raza and Mr. Arjan Gurbuxani, Independent Directors, will be expiring on September 30, 2020 on the completion of their existing term of 18 months.

The nature of each Director's 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, as well as the justification for re- appointment of Mr. Kunnasagaran Chinniah, Director, who retires by rotation at the ensuing AGM, , is provided in this Report, and forms part of this Notice calling the 61st AGM.

ii. Re-constitution of Various Committees of the Board of Directors

The Board of Directors at their meetings held on June 30, 2020 have re-constituted various Committees.

Details of the same are given below:

a. Audit Committee

Mr. Moosa Raza, Chairman & NE & ID
Mr. Arjan Gurbuxani, NE & ID
Mr. Rajinder Pal Singh, NE & ID
Mr. Anjali Seth, NE& ID (w.e.f. June 30, 2020)

b. Stakeholders Relationship Committee

Mr. Moosa Raza, Chairman & NE & ID
Mr. Arjan Gurbuxani, NE & ID
Mr. Rajinder Pal Singh, NE & ID
Mr. Anjali Seth, NE& ID (w.e.f. June 30, 2020)

c. Nomination & Remuneration Committee

Mr. Arjan Gurbuxani, Chairman & NE & ID
Mr. Moosa Raza, NE & ID
Mr. Rajinder Pal Singh, NE & ID
Mr. Anjali Seth, NE& ID (w.e.f. June 30, 2020)

d. Corporate Social Responsibility Committee

Mr. Moosa Raza, Chairman & NE & ID
Mr. Kunal V. Sagar, Promoter Director
Mr. Rahul V. Sagar, Executive Director & C.E.O.

e. Risk Management Committee

Mr. Arjan Gurbuxani, Chairman & NE & ID
Mr. Rajinder Pal Singh, NE & ID
Mr. Kunal V. Sagar, Promoter Director
Mr. Rahul V. Sagar, Executive Director & C.E.O.
Ms. Anjali Seth, NE&ID (w.e.f. June 30, 2020)
*NE & ID means Non –Executive Independent Director
** C.E.O. means Chief Executive Officer

iii. 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 / re-appointment of, and co-ordinating 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 to attend various aspects for the interest of Members. 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, 2020, approx. 95.83 % 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 implemented activities under its CSR policy during the Year under review as per the Act.

d. Nomination & Remuneration Committee (NRC)

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

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.

The Risk Management Committee met once on February 5, 2020.

For more detail on various Committees, please refer to the link/s:

- a. <http://nirlonltd.com/pdf/audit.pdf>
- b. http://nirlonltd.com/pdf/stackholders_relationship.pdf
- c. <http://nirlonltd.com/pdf/csr.pdf>
- d. http://nirlonltd.com/pdf/nomination_remuneration.pdf
- e. http://nirlonltd.com/pdf/risk_management.pdf
- f. **Prevention of Sexual Harassment (POSH) Committee**

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 was no complaint pertaining to sexual harassment received.

For more detail, please refer to the link:

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

9. Policies & Codes

SEBI introduced the SEBI LODR effective from December 1, 2015. The SEBI LODR provides, inter alia, for various regulations, annexures and schedules, and hence all prescribed companies were required to comply with the SEBI 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 reviewed the same from time to time. Your Company is compliant with the SEBI LODR.

I. Policies**i. Determination of Materiality of Events/ Information (DMEI) Policy****Aims of the DMEI Policy**

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

- a. Ensure that all investors have equal access to important information that may affect their investment decisions;
- b. Ensure that adequate and timely information is provided to investors;
- c. Avoid establishment of a false market in the securities of the Company; and
- d. Communicate 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 SEBI LODR 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 to deal with instances of fraud and mis-management, if any.

Aims of the WB Policy

The WB Policy meets with the requirement of Regulation 22 of the SEBI LODR 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_nov_18_v2.pdf

iv. Corporate Social Responsibility (CSR) Policy

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

Aims of the CSR Policy:

- 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;
- To recommend the amount of expenditure to be incurred on CSR activities;
- To monitor CSR activities; and
- To ensure that the Company spends in every financial year, at least two (2) % of the average net profits of the Company made during the three (3) preceding financial years.

Details are given in the table overleaf: For more detail, kindly refer to the link:

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

The Composition of the CSR Committee during the F.Y. 2019-20 was as follows:

The CSR Committee comprised of Mr. Moosa Raza (Chairman and Non Executive Independent Director), 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							8806.16
2. Prescribed CSR Expenditure @ two (2) % of the amount as in item 3 below:							176.12
3. Details of CSR spent during the F.Y.							
a. Total amount to be spent for the F.Y.							193.72
b. Amount unspent, if any							Nil
c. Manner in which the amount was spent during the F.Y. is detailed below:							
1. Sr. No.	2. CSR project or activity identified	3. Sector in which the Project is covered	4. Projects or programmes (1) Local area or other (2) Specify the State and district where projects or a programme was undertaken	5. Amount outlay (budget/ limit) project or programmes wise (₹ in Lakh)	6. Amount spent on the projects or programmes Sub-heads: Direct expenditure on projects or programmes Overheads: (₹ in Lakh)	7. Cumulative expenditure up to to the reporting period (₹ in Lakh)	8. Amount spent: Direct or through implemen- ting agency (₹ in Lakh)
1.	Venus Cultural Association	Medical (Dialysis unit)	Mumbai	15.00	15.00	15.00	15.00
2.	Maharashtra Chief Minister Relief Fund	General Relief	GOM	100.00	100.00	100.00	100.00



NIRLON

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: Direct expenditure on projects or programmes Overheads: (₹ in Lakh)	Cumulative expenditure up to to the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency (₹ in Lakh)
3.	Chennai Liver Foundation	Medical (Liver ailments)	Chennai	10.00	10.00	10.00	10.00
4.	Cheshire Homes India	Special education to Disabled children & residential care services to persons with disabilities	Mumbai	5.00	5.00	5.00	5.00
5.	Jai Vakeel Foundation and Research Centre	Special education / promoting of education	Mumbai	11.00	11.00	11.00	11.00
6.	Muktangan Education Trust	Promoting education	Mumbai	5.00	5.00	5.00	5.00
7.	Society for the Rehabilitation of Crippled Children	Helping children with learning disorders and developmental disabilities by providing therapy services	Mumbai	5.00	5.00	5.00	5.00
8.	Saraswati Vidyak Trust	Education to under privileged children	New Delhi	5.00	5.00	5.00	5.00
9.	Rotary & Blood Bank Society Resource Centre	100% voluntary blood donation by means of either indoor or outdoor blood donation camps	Chandigarh	6.00	6.00	6.00	6.00
10.	Konark Cancer Foundation	Logistical, emotional and financial support to underprivileged cancer patients	Mumbai	10.00	10.00	10.00	10.00
11.	EmancipAction, India Foundation	Providing counselors to government and private care homes to test a holistic, trauma informed model of care to help children transform their lives. Core modules include, wellness vocational planning and job placement	Mumbai	10.00	10.00	10.00	10.00
12.	Sion Hospital	Supply of ventilator (COVID 19 related)	Mumbai	11.72	11.72	11.72	11.72
Total					193.72	193.72	193.72

The Company contributed ₹193.72 lakh to the implementing agencies towards its CSR Contribution during the Financial Year 2019-2020.

Note:

The Company has allocated resources for CSR activities only after due diligence and identification of eligible projects / programs. The Company shall endeavor 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.

For Nirlon Limited

Sd/-

Kunal V. Sagar
Director
DIN: 00388877

Rahul V. Sagar
Executive Director & C.E.O.
DIN: 00388980



August 31, 2020

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 SEBI LODR.

Aims of the NR Policy:

- a. To guide the Board in relation to appointment and removal of Directors and Key Managerial Personnel;
- 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 and Key Managerial Personnel 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 SEBI LODR provides applicability for a Risk Management Committee and Risk Management Plan for the top 500 listed companies based on market capitalization as at the end of the immediate previous financial year.

Aims of the RM Policy

The Company has instituted the RMC / RM Policy for better safeguarding 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 SEBI 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;
- 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 (BD) 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.

Aims of the BD Policy

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

- 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. Prevention of Sexual Harassment (POSH) Policy

Aims of the POSH 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. All employees of the Company are covered under the Policy. Sexual harassment at the work place or other than work place if involving employees is a grave offence, and is therefore, punishable. The Company has constituted a POSH Committee.

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

x. Succession Policy (SP)

The Company is not required to have a SP for the following reasons:

- a. A specific arrangement exists under the Management Services Agreement executed by and between the Company and Nirlon Management Services Pvt. Ltd. (NMSPL) wherein all services are required to be provided by NMSPL;
- b. The Company has senior management to the extent required for statutory compliance only.



Should any potential vacancy arise in (b) above, appropriate replacements will be identified by the NRC and the Board.

xi. Dividend Distribution (DD) Policy

Regulation 43 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Regulations**") require the top 500 listed companies (by market capitalisation) to disclose a dividend distribution policy in the annual report and on the corporate website.

The Company has its Board meeting held on June 30, 2020 adopted a DD Policy and uploaded the same on its website. Kindly refer to the link:

http://www.nirlonltd.com/pdf/dividend%20distribution%20policy_jun_2020.pdf

Aims of the DD Policy

The Company is committed to value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium and long term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

Nirlon Limited Dividend Distribution Policy

1. Background and applicability

Regulation 43 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Regulations**") require the top 500 listed companies (by market capitalisation) to disclose a dividend distribution policy in the annual report and on the corporate website.

Nirlon Limited was ranked at 398 out of the top 500 companies based on the market capitalisation as on March 31, 2020 by the BSE.

The Board of Directors ("**Board**") of Nirlon Limited ("**Company**"), at its meeting held on June 30, 2020, has adopted this Dividend Distribution Policy ("**Policy**") in order to comply with the above requirement as well as to establish the parameters to be considered by the Board before declaring or recommending any dividend keeping in view the Company's long term growth objectives from internal cash accruals.

The Company currently has only one class of shares, viz. equity, for which this Policy is applicable.

2. Dividend distribution philosophy

The Company is committed to value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium and long term value creation. Accordingly, the Board would continue to

adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

3. Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes interim dividend.

The dividend for any financial year shall normally be paid out of the Company's profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 and the rules thereunder ("**Act**"). If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

4. Interim and Final Dividend

The Board may also declare interim dividends during a financial year. Additionally, the Board may recommend final dividend for the approval of the shareholders at the annual general meeting of the Company. The date of the Board meeting in which the dividend proposal will be considered will be provided to the stock exchange/s as required by the Regulations.

5. Circumstances under which shareholders may or may not expect Dividend

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors, and declare dividend in any financial year after taking these into account. Further, the Board shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

Notwithstanding the above, the Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board such as the following circumstances:

- Whenever the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- Whenever there is a need for significantly higher working capital requirements adversely impacting free cash flow;



- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital; and
- In the event of inadequacy of profit or whenever the Company has incurred losses.

6. Some financial parameters and other internal and external factors that could be considered for declaration of Dividend:

- Distributable surplus available as per the Act and Regulations;
- The Company's liquidity position and future cash flow needs;
- Track record of dividends distributed by the Company;
- Payout ratios of comparable companies;
- Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Stipulations/ covenants of loan and other financing agreements;
- Macroeconomic and business conditions in general;
- Providing for unforeseen events and contingencies with financial implications; and
- Any other relevant factors that the Board may deem fit to consider before declaring dividend.

7. Utilization of retained earnings

The Company shall endeavor to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders. Subject to applicable law, the Company's retained earnings shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.;
- Buyback of shares subject to applicable limits;
- Payment of dividend in future years;
- Issue of bonus shares; or
- Any other permissible purpose.

8. Modification of the Policy

The Board is authorised to change/amend this Policy from time to time at its sole discretion taking into account the national or global economic conditions, Company's growth, financial position and investment plans and / or in pursuance of any amendments made to the Act the Regulations or any other applicable law.

9. Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

10. Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. equity shares. The parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable law and will be determined, if and when the Company decides to issue such other classes of shares.

11. Conflict in Policy

In the event of any conflict between this Policy and the provisions contained in the Act and/or the Regulations, the Act and / or the Regulations shall prevail.

II. Codes

i. Code for fair disclosure of unpublished price sensitive information and Policy for determination of legitimate purposes

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 (PIT) and the same was effective from June 20, 2015.

Thereafter, the PIT Regulations were amended, and the existing ICCPIT was amended suitably. It is also mandatory under the SEBI 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_jun_20.pdf

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

The SEBI LODR 2015 provides specific regulation with respect to the CCBE. The CCBE originally adopted by the Board was amended suitably.

Aims of CCBE

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. The principles prescribed in the 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 SEBI 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_nov_18_v1.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 SEBI LODR provides specific regulation with respect to the CCID, the CCID originally adopted by the Board was amended suitably.

Aims 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

10. i. Formal Annual Evaluation by the Directors

Pursuant to the provisions of the Act and the relevant provisions of SEBI 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.

A structured questionnaire was prepared on the Board evaluation based on inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its shareholders etc.

The performance evaluation of each Independent Director was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

ii. Familiarization Programme for Independent Directors

The Company's Board is diverse 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 (IDs)

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 this SEBI LODR.

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/appt_letter_mr_moosa_raza_apr_2019.pdf
- b. http://www.nirlonltd.com/pdf/appt_letter_mr_arjan_gurbuxani_apr_2019.pdf
- c. http://www.nirlonltd.com/pdf/appt_letter_mr_rajinder_pal_singh_may_2019.pdf
- d. http://www.nirlonltd.com/pdf/appt_letter_ms_anjali_seth_may_2019.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) and 134 (5) of the Act:

- a. that in the preparation of the Annual Financial Statements for the Year ended March 31, 2020 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, 2020, 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, five (5) Board

Meetings and four (4) 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.

11. Promoters & Key Managerial Personnel

a. Promoters

- i. Mr. Kunal V. Sagar
- ii. Mr. Rahul V. Sagar
- iii. Mrs. Rajani M. Bhagat
- iv. Reco Berry Private Limited (w.e.f. April 28, 2015)

b. Key Managerial Personnel

- i. Mr. Rahul V. Sagar, Executive Director & C.E.O.
- ii. Mr. Jasmin K. Bhavsar, Company Secretary & Vice President (Legal) & Compliance Officer
- iii. Mr. Manish B. Parikh, Chief Financial Officer

Mr. Rajinder Pal Singh and Ms. Anjali Seth were appointed at the Board meeting held on May 13, 2019 and their appointments were approved by Members of the Company at their 60th AGM held on September 3, 2019.

There was no change in the Key Managerial Personnel of the Company during the F.Y. 2019-20.

12. 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 F.Y..

13. Holding, Subsidiary & Associate Company

By virtue of the notification of the relevant provisions of the Companies (Amendment) Act 2017 on February 9, 2018, it has now been clarified that for the purpose of the definition of the term 'holding company', the expression 'company' will also include a 'body corporate'.

The term 'body corporate' includes a company incorporated outside India. Accordingly, the purview of the definition of the term 'holding company' has now been extended to companies incorporated outside India as well.

In view of the above amendment, Reco Berry Pvt. Ltd. would now be considered the holding company of Nirlon Limited for the purposes of the Act.

Save and except the above, the Company is not a holding, a subsidiary, or an associate company of any company and vice versa.



14. Fixed Deposits & Debentures

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

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

15. 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.

As on **March 31, 2020**, there are amounts of ₹ 17.39 lakh, ₹ 16.64 lakh, ₹ 17.43 lakh, ₹16.27 lakh, ₹16.24 and ₹ 16.78 lakh lying with HDFC Bank Limited in a special account named the 'Nirlon Limited - Dividend unpaid / unclaimed Dividend Account – '2013-14', '2014-15', '2015-16', '2016-17' '2017-18' and '2018-19' respectively, which pertains only to Members who hold their shares in Physical Form.

16. 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.

17. Fraud Reporting

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

18. Related Party Transactions

The Company had the following related party transactions during the F.Y. 2019-20:

- i. The payment of Managerial remuneration to Mr. Rahul V. Sagar, Executive Director & C.E.O. and KMPs of the Company;
- ii. Recovery of CAM from Manisha Trading and Investment Pvt. Ltd.;
- iii. Payment of dividend declared by Members of the Company; and
- iv. Obligations under Management Services Agreement (MSA), leave and license agreement and fees payable to Nirlon Management Services Pvt. Ltd. (NMSPL).

Please Note: these transactions were already approved by Shareholders of the Company i.e. at the 57th AGM held on September 20, 2016, effective from October 1, 2016 to September 30, 2020).

- 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 a pecuniary relationship 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 are attached as **Annexure 5A** to this Report.
- Related Party Disclosures under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2014, are attached as **Annexure 5B** to this Report.
- The Audit Committee and Board of Directors of the Company have approved, subject to Members approval at 61st AGM of the Company, related party transaction between the Company and Nirlon Management Services Pvt. Ltd. by proposing to enter into a New Management Service Agreement for a further period of 3.5 years effective from October 1, 2020.



19. 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.

20. Spending on the Corporate Social Responsibility Programme

With respect to the F.Y. 2019-20, two (2) % of the average net profits of the Company made during the three (3) preceding financial year amounts to ₹ 176.12 lakh.

The Company spent ₹193.72 lakh during the F.Y. 2019-20 as per Section 135 of the Companies Act, 2013.

21. Intellectual Property Rights

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

22. Auditors

i. Statutory Auditors & their Report

Members of the Company at their 59th AGM held on September 26, 2018 appointed S R B C & Co LLP, Chartered Accountants, Mumbai (registration number 324982E / E300003) as the Statutory Auditors of the Company to hold office from the conclusion of the 59th AGM till the conclusion of the 64th AGM to conduct the audits from the F.Y. 2018-19.

Members are requested to fix the remuneration of the Statutory Auditors for the F.Y. 2020-2021.

ii. Statutory 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. During the F.Y. 2019-20, the Company paid ₹42.76 lakh (being the total fees paid for all services on a consolidated basis to the Statutory Auditors of the Company including out of pocket expenses).

iv. It is proposed to pay the total professional fees of ₹ 46.00 lakh (excluding out of pocket expenses) to the Statutory Auditors of the Company for the F.Y. 2020-2021 i.e. ₹ 22.00 lakh towards Statutory Audit fees, ₹ 18.00 lakh towards Quarterly Limited Review, and ₹ 6.00 lakh towards Tax Audit.

v. 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 F.Y. 2020-2021.

vi. 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 2020-2021.

The Secretarial Audit Report for the F.Y. 2019-2020 is annexed as **Annexure 2**.

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

vii. 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 ₹100.00 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 Vinay Mulay & Co., Mumbai to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.
- 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.4** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2021.



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

As required under Section 134 (3) (m) of the Companies Act, 2013 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 ₹ **0.18 lakh** towards travel expenses in foreign currencies, and the Company has no foreign earnings.
- d. The Company has incurred professional fee expenses in foreign currency aggregating to ₹ **133.43 lakh**.

24. 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**.

Please Note: The Company has only three (3) employees, being the KMPs.

25. 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**.

26. Corporate Governance Disclosure

The Company adheres to the principles of Corporate Governance mandated by the SEBI under SEBI 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 6** to this Report, and a certificate from Alwyn Jay & Co., the Practicing Company Secretaries confirming

compliance with Corporate Governance requirements as applicable, form a part of this **Annexure 6**.

27. Management Discussion & Analysis

Details are provided in **Annexure 7** and form part of this Report.

28. 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 8** to this Report.

29. Share Transfer Agent (STA)

The Company appointed Link Intime India Pvt. Ltd., as its Share Transfer Agent (the '**STA**'). 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.

30. 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 factors and contribute to sustainable growth and development.

31. Secretarial Standards

The Directors state that applicable Secretarial Standards, SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

32. Amendment to Regulation 40 of the SEBI LODR and an Important Update

- i. Amendment to Regulation 40 of the SEBI LODR with respect to mandatory dematerialization of physical shares for transfers after December 5, 2018 was extended up to March 31, 2019. **In other words, from April 1, 2019 onwards, transfer of shares can only take place in Dematerialised mode.**

Please Note: This requirement shall not apply in case of transmission or transposition of securities.



- ii. Members of the Company, who have not updated their various details as required by the SEBI in accordance with the SEBI Circular, are requested to update the same immediately by furnishing the details to the Company's Share Transfer Agent.

A copy of the Form and letter are attached in this Report. Please refer to link 'http://nirlonltd.com/pdf/updating_http://www.nirlonltd.com/pdf/updating_kyc_details_aug_2018.pdf' attached with the KYC updation form.

33. Business Responsibility Report (BRR)

The BRR is provided in **Annexure 9** to this Report.

34. Appreciation for Mr. Moosa Raza, Chairman and Independent Director and Mr. Arjan Gurbuxani, Independent Director retiring on September 30, 2020

The Board of Directors places on record its heartfelt appreciation for the contribution and services rendered to the Company by Mr. Moosa Raza and Mr. Arjan Gurbuxani during their more than twenty five years as Directors of the Company. Mr. Raza and Mr. Gurbuxani commenced their Directorships at a time when Nirlon's fortunes were at their lowest ebb and the survival of the Company in doubt. Their wisdom, leadership and encouragement have been instrumental in initially extricating the Company from Bankruptcy and then placing it firmly on the path

of revival, sustained profitability and the creation of significant shareholder value. The Board gratefully thanks them for their advice, support and efforts during their long and successful association with the Company, and wishes them the very best for the future.

35. Acknowledgements

Your Directors record their appreciation for the services rendered by KMPs. 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 RBI, SEBI, BSE Limited, CDSL, NSDL, SHCIL, MCGM and all other statutory and / or regulatory bodies.

For and on behalf of the Board of Directors

Nirlon Limited

Sd/-

**Anjali Seth
Director
DIN: 05234352**

**Rahul V. Sagar
Executive Director & C.E.O.
DIN: 00388980**

Mumbai , August 31, 2020

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, 2020.

Annexure 2 to the Directors' Report

FORM NO. MR 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule 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 Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on **March 31 , 2020** 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 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, 2020 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, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable to the Company;**
 - (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 Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable to the Company;**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016 - **Not applicable to the Company;**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable to the Company;
 - (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - **Not applicable to the Company;**
 - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (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, Goods and Service Tax and applicable general business laws, rules, regulations and guidelines.

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

- (i) Secretarial Standards with regard to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) 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.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors 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 agenda were sent adequately 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.



NIRLON

All decision at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committees of the Board, as the case may be.

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 no specific 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.

Place: Mumbai
Date: July 2, 2020

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

ALWYN JAY & Co.,
Company Secretaries

[Vijay Sonone FCS.7301]
(Partner)

[Certificate of Practice No.7991]
[UDIN- F007301B000410110]

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members of Nirlon Limited,

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Nirlon Limited** (hereinafter called '**the Company**') is the responsibility of the Management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue the Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company due to the COVID-19 lockdown and on a test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management's representation about lists of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date: July 2, 2020

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

ALWYN JAY & Co.
Company Secretaries

[Vijay Sonone FCS.7301]
(Partner)

[Certificate of Practice No.7991]
[UDIN - F007301B000410110]



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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. 2019-2020									
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 joining the Company
*1.	Mr. Rahul V. Sagar**	2,33,68,000	1,48,35,507	49	Executive Director & C.E.O.	BA (Economics)	26	1/7/2009	Sempertrans Nirlon Pvt. Ltd.
2.	Mr. Jasmin K. Bhavsar**	1,22,61,260	64,39,507	48	Company Secretary, Vice President (Legal), & Compliance Officer	B.Com, M.Com, LL.B, LL.M, FCS, MBA and Diploma in Real Estate Management	28	6/3/2006	Enercon (India) Limited
3.	Mr. Manish B. Parikh**	61,97,983	34,98,780	58	Chief Financial Officer	B. Com	36	1/9/2004	Nirlon Limited

Notes:

1. The Company has only three (3)** employees, one of which 1* (one) is a Managerial Person as stated above.
2. Salaries include exgratia / variable performance linked pay, the Company's contribution to Provident Fund.
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. Mr. Rahul V. Sagar holds 13,29,750 shares, Mr. Jasmin K. Bhavsar holds 20,000 shares and Mr. Manish Parikh holds 50 shares of the Company.

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 2019-20:

Executive Director	Ratio to Median (No. of times)
Mr. Rahul V. Sagar	1.91
Non-Executive Directors	Ratio to Median (No. of times)
Mr. Moosa Raza	0.16
Mr. Arjan Gurbuxani	0.14
Mr. Rajinder Pal Singh	0.14
Ms. Anjali Seth	0.05
Mr. Kunnasagaran Chinniah	0.04
Mr. Kunal V. Sagar	0.08

Note:

The remuneration to Non-Executive Directors consists of Sitting Fees only.



2. The percentage increase in remuneration of each Director, Chief Financial Officer and the Company Secretary in the Financial Year 2019-20:

Name	Designation	Percentage Increase / (Decrease)
Mr. Rahul V. Sagar	Executive Director & Chief Executive Officer	0.00
Mr. Moosa Raza	Non-Executive Director	100.00
Mr. Arjan Gurbuxani	Non-Executive Director	88.89
Mr. Kunnasagaran Chinniah	Non-Executive Director	100
Mr. Kunal V. Sagar	Non-Executive Director	122.22
Mr. Jasmin K. Bhavsar	Company Secretary	7.81
Mr. Manish B. Parikh	Chief Financial Officer	10.41

Note:

- a. The remuneration to Non-Executive Directors consists of Sitting Fees only.
- b. During the Year, the Company has increased the sitting fees from ₹ 50,000/- to ₹1,00,000/- per meeting of the Board/Committees.
- c. The above does not include information of Directors who have not received any remuneration during the year on account of cessation of directorship in the Company due to completion of tenure or disqualification, and also new Directors who were appointed during the year.
 - i. Directors who have not received any remuneration during the Year on account of cessation of directorship in the Company:
 - Mr. Rama Varma
 - Mrs. Rajani Bhagat
 - Mrs. Aruna Makhan
 - ii. Directors who were appointed during the Year:
 - Ms. Anjali Seth (w.e.f. 13.05.2019)
 - Mr. Rajinder Pal Singh (w.e.f. 13.05.2019)
3. The percentage increase in the median remuneration of employees in the financial year was 7.81%.
4. The number of permanent employees (i.e. Key Managerial Personnel) on the rolls of Company as on March 31, 2020 was 3 (three).
5. The Company did not have any employees other than key managerial personnel in the current and last financial year. Percentile increase in the key managerial remuneration was 3.65%.
6. Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration is as per the policy followed by the Company.



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Annexure 5A 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:	<p>• Services:</p> <p>NMSPL will provide lease management, property management, marketing, project management and general management services in respect of the properties of the Company ('Services').</p>	<p>• Assets:</p> <p>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.</p>	<p>• License:</p> <p>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.</p>
		<p>• Properties:</p> <p>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.</p>	<p>• Consideration:</p> <p>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.</p>	<p>• Owner:</p> <p>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.</p>
		<p>• Fees :</p> <p>Fees will be paid to NMSPL by the Company in the following manner:</p> <p>► For Lease Management Services</p> <p>A monthly fee equal to 1% (one percent) of the gross revenue of the property for such month;</p> <p>► For Property Management Services</p> <p>A monthly fee equal to 2% (two percent) of the gross revenue of the property for such month;</p>	<p>• Employees:</p> <p>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 had completed service of 5 (five) years or more with the Company. Ex-gratia payments were made by the Company to those employees who had not completed 5 (five) years' service with the Company.</p>	<p>• Restrictions on Use:</p> <p>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.</p>



	<p>► For Marketing Services</p> <p>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;</p> <p>► For Project Management Services</p> <p>₹ 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.</p> <p>► All fees are exclusive of applicable service tax, which will be borne by the Company.</p> <p>• Term:</p> <p>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.</p> <p>• Indemnity:</p> <p>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.</p> <p>• Leave and license agreement:</p> <p>NMSPL and the Company have entered into an agreement in terms of which the Company licensed office space to NMSPL for its use during the provision of Services.</p>	<p>• 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.</p>	<p>• Termination:</p> <p>Either party can terminate the agreement after giving a prior written notice if the Sagar Brothers cease to have control / majority ownership interest of NMSPL, or if Reco / its affiliates cease to have control / majority ownership interest over the Company.</p> <p>• Right to Injunctive Relief:</p> <p>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 User Agreement.</p>
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		<ul style="list-style-type: none"> • Termination rights: 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 out-sourcing 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 5B to the Directors' Report

A. Disclosures in compliance with the Accounting Standard on 'Related Party Disclosures'- Please refer to Note no.35 of the Audited Financial Accounts as on March 31, 2020.

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
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 Company	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 6 to the Directors' Report**Corporate Governance Report**

[Information given in this Report relates to the Financial Year ended March 31, 2020]

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**

- i. Padma Bhushan Mr. Moosa Raza (Chairman – ID* & NED*)
- ii. Mr. Arjan R. Gurbuxani (ID* & NED*)
- iii. Mr. Kunnasagaran Chinniah (NED* - Director Nominated by Reco Berry Pvt. Ltd. - Promoter) w.e.f. April 28, 2016
- iv. Mr. Rajinder Pal Singh (ID*&NED* w.e.f. May 13, 2019)
- v. Ms. Anjali Seth, (ID*&NED* w.e.f. May 13, 2019)
- vi. Mr. Kunal V. Sagar (Promoter & NED*)
- vii. Mr. Rahul V. Sagar (Promoter & Executive Director & CEO)

*ID: Independent Director, *NED: Non Executive Director & *CEO: Chief Executive Officer

A brief resume of Directors, 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

- i. **Padma Bhushan Mr. Moosa Raza (DIN 00145345) Chairman**, aged 83 years (D.O.B 27-02-1937), has been a civil servant for 35 years, and is a recipient of the 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 was 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. Mr. Raza was elected Chairman of the Standing Committee of Public Enterprises, and was a Member / Director of several Institutions 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, at their Meeting held on August 30, 2007 Members confirmed his appointment as an Independent Director liable to retire by rotation, and thereafter, at the 55th AGM held on September 23, 2014, Mr. Raza was appointed as an Independent Director, not liable to retire by rotation, to hold office up to March 31, 2019.

Thereafter, at their 59th Annual General Meeting Members have passed a special resolution with the requisite majority approving Mr. Raza's re-appointment as Independent Director for another term of eighteen (18) months effective from April 1, 2019.

Mr. Raza also serves on the Board of the National Waqf Development Corporation Limited, a public Limited Company.

Mr. Raza is the Chairman of the Board, Audit, Stakeholders Relationship, Corporate Social Responsibility, and POSH Committees, and is also a Member of the Nomination & Remuneration Committee of the Company.

Mr. Raza is not related to any Director / KMP of the Company, and has confirmed that he meets with the criteria for an Independent Director as required, and is not disqualified to act as a Director of the Company.

Mr. Raza attended five (5) Board Meetings during the F.Y. 2019-2020 including one meeting through a video conference.

Mr. Raza and his immediate relatives do not hold any equity shares in Nirlon Limited.

- ii. **Mr. Arjan R. Gurbuxani (DIN 00425885)**, aged 85 years (D.O.B. 28-07- 1934), 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 Nirlon Limited 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 his appointment as an Independent Director liable to retire by rotation, and thereafter, at the 55th AGM held on September 23, 2014, Mr. Gurbuxani was appointed as an Independent Director, not liable to retire by rotation, to hold office up to March 31, 2019.

Thereafter, Members of the Company at their 59th Annual General Meeting have passed a special resolution with the requisite majority approving Mr. Gurbuxani's re-appointment as Independent Director for another term of eighteen (18) months effective from April 1, 2019.

Since 2006, Mr. Gurbuxani is the CEO of a Public Charitable Trust established 1903, which manages in Rishikesh (Uttarakhand) two CBSE affiliated Public Schools with more than 3,200 students. The said 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 1,25,000 free Eye Surgeries since 2007.

Mr. Gurbuxani does not hold directorship in any other Public Limited Company.

Mr. Gurbuxani is the Chairman of the Nomination and Remuneration Committee and Risk Management Committees, and is also a Member of the Audit, Stakeholder Relationship and POSH Committees of the Company.

Mr. Gurbuxani is not related to any Director / KMP of the Company, and has confirmed that he meets with the criteria for an Independent Director as required, and is not disqualified to act as a Director of the Company.

Mr. Gurbuxani attended five (5) Board Meetings during the F.Y. 2019-2020.

Mr. Gurbuxani holds 724 Equity Shares in the Company.

- iii. **Mr. Rajinder Pal Singh (DIN 02943155)**, aged 68 years (D.O.B 10-10-1951), post graduated in Mathematics from the Advanced Centre for Pure Mathematics, Punjab University, Chandigarh in 1973, and after a brief stint teaching Pure Mathematics & Statistics to graduate classes, joined the Indian Administrative Service (IAS).

Apart from the regular field assignments for IAS Officers, he has wide experience in regulatory areas of Finance, Industry, Urban Development and infrastructure. Mr. Singh worked both as Commissioner of the Hyderabad Municipal Corporation & Vice Chairman of the Hyderabad Urban Development Authority. He had long stints as the Managing Director of Andhra Pradesh Industrial Development Corporation & Commissioner of Taxation in Andhra Pradesh.



Mr. Singh was posted to Punjab & Sind Bank as Chairman in March, 2005 when the Bank was making continuous losses and had accumulated historically highest NPAs (18%). He spent four and half years in the Bank during which the Bank recorded the highest growth in the Industry and NPAs came down to the lowest level in the whole industry (0.6% gross). As Secretary in the Department of Industrial Policy & Promotion, his major initiatives were:

1. Rationalization and consolidation of the FDI policy;
2. Re-inventing and establishing the Delhi Mumbai Industrial Corridor Project (DMIDC); and
3. Putting together the manufacturing policy for the Country.

After retirement from the Indian Administrative Service, Mr. Singh was selected by the Government of India for appointment as Chairman, National Highways Authority of India (**NHAI**). Major policy initiatives like rescheduling of premium payable to Government, exit policy etc. during his tenure retrieved the sector from a slump. An innovative dispute resolution mechanism saw amicable settlements of disputes amounting to more than ₹ 17,000 Crore.

Mr. Singh also serves on the Boards of the following public limited companies:

1. Bharti Infratel Limited, as Non-Executive Independent Director(Member of the Audit & Risk Management Committees),
2. Maruti Suzuki India Limited, as Non-Executive Independent Director (Member of the Audit & Corporate Social Responsibility Committees), and
3. Macrotech Developers Limited, as Non executive Director (Member of the Audit, Nomination & Remuneration, Corporate Social Responsibility and Executive Committees).

Mr. Singh and his immediate relatives do not hold any equity shares in Nirlon Limited.

Mr. Singh is not related to any Promoter / Director / KMP of the Company, and has confirmed that he meets with the criteria for an Independent Director as required, and is not disqualified to act as a Director of the Company.

Mr. Singh is Member of the Audit, Nomination and Remuneration, Stakeholders Relationship and Risk

Management Committees of the Company.

Mr. Singh attended five (5) Board Meetings during the F.Y. 2019-20.

- iv. **Ms. Anjali Seth (DIN 05234352)**, aged 61 years (D.O.B. 25-10-1958), graduated with B.A.(Honours) and LL.B.

Ms. Seth has been advising and consulting with Banks, Financial Institutions, and large Corporates as a Legal Consultant. She comes with a rich and diverse more than twenty five years experience as a professional lawyer. Very well known in the Legal Fraternity, and also has an excellent network across the corporate world.

Ms. Seth started her career as a litigation lawyer and then moved on to the corporate world. In her more than twenty five years of experience, she has advised and consulted with top Banks, Financial institutions and Large Corporates, on a range of matters including M&As, PE investments, Industrial / Employee Relations, Corporate Governance, Real Estate Negotiations etc.

Some of the positions held by Ms. Seth during her career are:

- worked with the International Finance Corporation and gained global experience in Project Financing, client negotiations, liaisoning with the Ministry of Finance, Reserve Bank of India and other Statutory and Regulatory authorities, interface with external solicitors and counsel, interaction with Headquarters on World Bank Group specific legal frame-work and advising Headquarters on local laws and regulations.
- instrumental in getting the NBFC license for Swaadhar Finserve, a company in the Micro Finance business. She was responsible for drafting all application forms, loan documents, vendor agreements, and shareholders agreements. Ms. Seth was party to all negotiations with the investors.
- had the opportunity to work in the UAE with their largest Realty Company, Emmar Properties; the company was in its infancy at the time. Responsibilities included vetting of drafts, entering into international contracts, negotiations, strategizing with the senior management, also framing some of the new laws and consulting with lawyers of other jurisdictions for setting up new legislations on International Project Financing.



- was instrumental in setting up the in-house legal department of ANZ Grindlays Bank. Responsibilities included handling scam litigation along with all other legal issues of the Bank for its India operations, managing the legal team, assisting the Heads of all the businesses, structuring transactions, advising on statutory issues, drafting documents, representing the Legal Department before the group and also in all local forums internally and externally.

In addition to the above, she served with Standard Chartered Bank as their Legal Head in India. Responsibilities included handling all legal issues of the Bank for its India operations, managing the legal team assisting the Heads of all the businesses, structuring transactions, advising on statutory issues and drafting documents. Responsible for signing off all new products including trade finance, the commercial real estate business, structured finance deals introduced by the bank and representing the Legal Department in the group and also in all local forums internally and externally.

Ms. Seth also has immense experience in working in large and complex organizations and navigating complex matrix structures and the challenges that can come with them including employee relations, corporate governance, compliance and risk related matters.

Ms. Seth has completed a Certification Course for Independent Directors.

Ms. Seth also serves on the Boards of the following Public Limited companies:

1. Caprihans India Limited, as Non Executive Independent Director (Member of Corporate Social Responsibility and Stakeholders Relationship Committees),
2. Endurance Technologies Limited (CN), as Non Executive Independent Director (Chairperson of Stakeholders Relationship and Member of Audit and Nomination & Remuneration Committees),
3. Kalpataru Power Transmission Limited, as Non Executive Independent Director,
4. JMC Projects (India) Limited, as Non Executive Independent Director (Member of Stakeholders Relationship and Audit Committees),
5. Centrum Capital Limited, as Non Executive Independent Director,

6. Kalpataru Limited, as Non Executive Independent Director,

7. Centrum Housing Finance Limited, as Non Executive Independent Director (Chairperson of Audit and Member of Nomination & Remuneration and Risk Management Committees),

Ms. Seth and her immediate relatives do not hold any equity shares in Nirlon Limited.

Ms. Seth is not related to any Promoter / Director / KMP of the Company, and has confirmed that she meets with the criteria for an Independent Director as required, and is not disqualified to act as a Director of the Company.

Ms. Seth attended five (5) Board Meetings during the F.Y. 2019-20.

- v. **Mr. Kunnasagan Chinniah (DIN 01590108)**, aged 63 years (D.O.B 10-05-1957), was nominated as Director, by Reco Berry Pvt. Ltd., a Promoter of the Company, 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.

Mr. Chinniah is a qualified Chartered Financial Analyst (CFA) 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, USA.

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 held various positions with the Special Investments Department of GIC in their North American, European and Asian regions.

Mr. Chinniah also serves on the Boards of the following public limited companies:

1. Edelweiss Financial Services Ltd. a listed Company, as Non Executive Independent Director (Member of Audit, Risk Management, Stakeholders Relationship, Nomination & Remuneration and IT Committees).
2. Edelweiss Rural & Corporate Services Ltd., as Non Executive Independent Director (Chairman of Audit and Member of the Nomination & Remuneration Committee).



3. Edelweiss Securities Ltd., as Non Executive Independent Director (Member of Audit, Nomination & Remuneration and Corporate Social Responsibility Committees).

4. ECL Finance Ltd., as Non Executive Independent Director (Member of Risk Management and Corporate Social Responsibility Committees).

5. Edelweiss Tokio Life Insurance Co. Ltd., as Non Executive Independent Director (Member of the Audit Committee).

6. Edelweiss Finance and Investments Ltd., as Non Executive Independent Director (Member of Audit, Stakeholders Relationship, Nomination & Remuneration Committees).

Mr. Chinniah is not related to any Director / KMP of the Company, and has confirmed that he is not disqualified to act a Director of the Company.

Mr. Chinniah attended five (5) Board Meetings during the F.Y. 2019-20.

Mr. Chinniah and his immediate relatives do not hold any equity shares in Nirlon Limited.

vi. **Mr. Kunal V. Sagar (DIN 00388877)**, aged 52 years (DOB 06-04-1968), graduated with a B.A. in Economics.

Mr. Kunal 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 Sagar as joint Executive Vice Chairman of the Company, not liable to retire by rotation. Mr. Kunal 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 Sagar worked with the Republic National Bank of New York in the United States from 1990 to 1994.

Mr. Kunal Sagar does not hold directorship in any other Public Limited company.

He is the brother of Mr. Rahul V. Sagar, Executive Director and CEO of the Company.

He attended five (5) Board Meetings during the F.Y. 2019-20.

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

He has confirmed that he is not disqualified to act as a Director of the Company.

vii. **Mr. Rahul V. Sagar (DIN 00388980)**, aged 49 years (28-05- 1971), graduated with a B.A. in Economics.

Mr. Rahul 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 Sagar as a Director liable to retire by rotation.

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

Mr. Rahul Sagar has been occupying the office of the Executive Director since July 1, 2009. Mr. Rahul Sagar was 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.

Mr. Rahul Sagar was additionally designated as the Chief Executive Officer of the Company effective from November 12, 2018.

Mr. Rahul Sagar does not hold directorship in any other Public Limited company.

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

He attended five (5) Board Meetings during the F.Y. 2019-20.

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

He has confirmed that he is not disqualified to act a Director of the Company.



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Chart setting out the skills / expertise / competencies of the Board of Directors

Sr. No.	Name of the Director	Education / Professional qualifications	Experience (approx. in Years)	Core skills / expertise / competencies in the context of the business and sector in which the Company operates	Name of the other public limited companies in which the Director held Chairmanships / Memberships during the year
1.	Mr. Moosa Raza	Padma Bhusan recipient, IAS (Retired)	50 years	Administration, Management, Finance, Real Estate, production, operation, Accounts and Audits	National Waqf Development Corporation Limited
2.	Mr. Arjan Gurbuxani	B.A. (Hons.), LL.B, C.A.I.I.B.	43 years	Administration, Management, Finance, Real Estate, Accounts and Audits	None
3.	Mr. Rajinder Pal Singh	Post graduated in Mathematics from Advanced Centre for Pure Mathematics, Punjab University, Chandigarh in 1973, Retired from the Indian Administrative Service (IAS).	45 years	Administration, Management, Finance, Real Estate, Accounts and Audits	1. Bharti Infratel Limited (Member of Audit & Risk Management Committees), 2. Maruti Suzuki India Limited, (Member of Audit & Corporate Social Responsibility Committees), 3. Macrotech Developers Limited (Member of Audit, Nomination & Remuneration, Corporate Social Responsibility and Executive Committees)
4.	Ms. Anjali Seth	B.A. (Honours) and LL.B.	35 years	Law , Strategy, Industrial Relations	1. Caprihans India Limited (Member of Corporate Social Responsibility and Stakeholders Relationship Committees), 2. Endurance Technologies Limited (CN) (Chairperson of Stakeholders Relationship and Member of Audit and Nomination & Remuneration Committees) 3. Kalpataru Power Transmission Limited 4. JMC Projects (India) Limited , (Member of Stakeholders Relationship and Audit Committees), 5. Centrum Capital Limited 6. Kalpataru Limited 7. Centrum Housing Finance Limited (Chairperson of the Audit and Member of Nomination & Remuneration and Risk Management Committees)



5..	Mr. Kunnasagaran Chinniah	Chartered Financial Analyst, Bachelor in Electrical Engineering, MBA	31 years	Management, Finance, investments, Accounts, Audit, and Real Estate	<p>1. Edelweiss Financial Services Ltd. (Member of Audit, Risk Management, Stakeholders Relationship, Nomination & Remuneration and IT Committees)</p> <p>2. Edelweiss Rural and Corporate Services Ltd.</p> <p>3. (Chairman of the Audit and Member of Nomination & Remuneration Committee)</p> <p>4. Edelweiss Securities Ltd. (Member of Audit , Nomination & Remuneration and Corporate Social Responsibility Committees)</p> <p>5. ECL Finance Ltd, (Member of Risk Management and Corporate Social Responsibility Committees)</p> <p>6. Edelweiss Tokio Life Insurance Co. Ltd. (Member of the Audit Committee)</p> <p>7. Edelweiss Finance and Investments Ltd. (Member of Audit, Stakeholders Relationship, Nomination & Remuneration Committees).</p>
6.	Mr. Kunal V. Sagar	B.A. in Economics	31 years	Administration, Management, Real Estate, Finance, Accounts, Audits, Production and Operations	None
7.	Mr. Rahul V. Sagar	B.A. in Economics	26 years	Administration, Management, Real Estate, Finance, Accounts, Audits, Production and Operations	None

Notes:

- Other than as disclosed here, there are no inter-se relationships between the Board Members.
- Based on the respective disclosures made by the Directors including Independent Directors, no Director of the Company was holding the office of Director in more than seven (7) listed entities, and was a member of more than 10 (ten) Committees or acted as Chairperson of more than five (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.
- None of the Directors held Directorships in more than twenty (20) Indian companies including ten (10) public limited companies.
- None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies.
- None of the Independent Directors is a Whole - Time Director in any other company.
- All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013.
- Formal letters of appointment have been issued to the Independent Directors.
- The meeting of the Independent Directors of the Company was held on Wednesday, February 5, 2020.



C. Particulars of Directors' attendance at Board Meetings during the Financial Year 2019-2020, at the last Annual General Meeting, the number of Directorships, Chairmanships / Memberships of Committees held by Directors on the Board of various other public / listed companies, and the Shareholding of Directors in the Company as on March 31, 2020:

Sr. No.	Name of the Director	Category	Relationship with other Directors	Meeting Attendance Particulars		Directorships in other Public Ltd. Company / ies	Directorships in other Listed Company / ies	Audit and Stakeholders Relationship Committee Memberships in other Companies		Shareholding in Nirlon Limited
				Board	L a s t AGM			Chairman	Member	
1.	Mr. Moosa Raza	NEID* & C*	None	5	Yes	1	-	-	-	Nil
2.	Mr. Arjan R. Gurbuxani	NEID*	None	5	Yes	-	-	-	-	724
3	Mr. Rajinder Pal Singh	NEID*	None	5	Yes	3	2	-	3	Nil
4.	Ms. Anjali Seth	NEID*	None	5	Yes	7	6	2	4	Nil
5.	Mr. Kunnasagaran Chinniah	NED*	None	5	Yes	6	1	1	6	Nil
6.	Mr. Kunal V. Sagar	NED* & P*	Brother of Mr. Rahul Sagar	5	Yes	-	-	-	-	13,29,750
7.	Mr. Rahul V. Sagar	ED & CEO * & P*	Brother of Mr. Kunal Sagar	5	Yes	-	-	-	-	13,29,750

***C:** Chairman, **ED:** Executive Director, **CEO:** Chief Executive Officer, **NED:** Non Executive Director, **NEID:** Non-Executive Independent Director, & **P:** Promoter **AC:** Audit Committee, **SRC:** Stakeholders Relationship Committee

- Mr. Moosa Raza is the Chairman of the Board. Mr. Raza participated the Board meeting held on August 13, 2019 through a video conference.
- 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.
- Mr. Rahul V. Sagar is the Executive Director & C.E.O. of the Company.
- Mr. Kunnasagaran Chinniah was inducted by Reco Berry Pvt. Ltd., one of the Promoters of the Company, w.e.f. April 28, 2016.
- All Directors, except Mr. Kunal V. Sagar, Mr. Rahul V. Sagar and Mr. Kunnasagaran Chinniah are Independent and Non-Executive Directors.
- Based on the respective disclosures made by the Directors, none of the Directors is a member in more than ten (10) Committees and acts as a Chairman in more than five (5) Committees across all companies in which he / she is a Director



During the Financial Year 2019-2020, the Board met five (5) times on the following dates:

Sr. No.	Date of Board Meetings
1.	May 13, 2019
2.	August 13, 2019
3.	September 3, 2019
4.	November 7, 2019
5.	February 5, 2020

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

The Company has provided video 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

Non-Executive Directors are associated with the Company for some time. 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.

F. The Board of Directors of the Company opined that the Independent Directors fulfill the conditions specified in the SEBI LODR, and are independent of the Management.



NIRLON

- G.** Pursuant to the Regulation 34 (3) sub clause 10 (i) of Clause C of Schedule V of the SEBI LODR, 2015, the Company has obtained a certificate from Alwyn Jay & Co., Practising Company Secretaries, Mumbai stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / MCA or any such Statutory Authorities.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of Nirlon Limited,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Nirlon Limited** having CIN : L17120MH1958PLC011045 and having registered office at Pahadi Village, Goregaon East, Mumbai – 400063 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal <http://www.mca.gov.in/>) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2020** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of Appointment
1.	Moosa Raza	00145345	Director	23/09/2014
2.	Kunal Virenchee Sagar	00388877	Director	25/09/2015
3.	Rahul Virenchee Sagar	00388980	Whole Time Director	01/04/2015
4.	Arjan Ramchand Gurbuxani	00425885	Director	23/09/2014
5.	Kunnasagaran Chinniah	01590108	Nominee Director	28/04/2016
6.	Rajinder Pal Singh	02943155	Director	13/05/2019
7.	Anjali Karamnarayan Seth	05234352	Director	13/05/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: August 3, 2020
Office Address:
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.

ALWYN JAY & Co.
Company Secretaries
Alwyn D'Souza,
FCS.5559]
[Partner]
[Certificate of Practice No.5137]
[UDIN : F005559B000546407]



H. Pursuant to the Regulation 24 (A) of the SEBI LODR, the Company has obtained a Secretarial Compliance report from Ragini Chokshi & Co., Company Secretaries, Mumbai, and filed the report with the BSE Ltd., and also uploaded the same on the Company's website.

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 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 the 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, debentureholders, 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 3 (three) Independent Non-Executive Directors, viz. Mr. Moosa Raza (Chairman), Mr. Arjan R. Gurbuxani and Mr. Rajinder Pal Singh.
 - 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 F.Y. 2019-2020, the Audit Committee met four (4) times on the following dates and the details of the Directors' attendance are as stated below:

Sr. No.	Name of Members	May 13, 2019	August 13, 2019	November 7, 2019	February 5, 2020	Total
1.	Mr. Moosa Raza (Chairman)	Yes	Yes *	Yes	Yes	4
2.	Mr. Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	4
3.	Mr. Rajinder Pal Singh	Yes	Yes	Yes	Yes	4

*Participated through video conference

4. Stakeholders Relationship Committee (SRC)

i. Role of the SRC is as under:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by Shareholders;

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Share Transfer Agent; and
 4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by Shareholders of the Company.
- ii. The Stakeholders Relationship Committee constituted by the Board of Directors of the Company consists of 3 (three) Independent Non Executive Directors, viz. Mr. Moosa Raza (Chairman), Mr. Arjan R. Gurbuxani and Mr. Rajinder Pal Singh.
 - iii. 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.
 - iv. The Committee also looks after redressal of investors' grievances and performance of the Share Transfer Agent of the Company.
 - v. During the F.Y. 2019 – 2020, 23 number of complaints were received; 0 (zero) number of complaints were not solved to the satisfaction of the shareholders, and 0 (zero) number of complaints were pending during the F.Y.
 - vi. The Board has designated Mr. Jasmin K. Bhavsar, Company Secretary & Vice President (Legal) as the Compliance Officer.
 - vii. During the F.Y. 2019-2020, the Stakeholders Relationship Committee met four (4) times on the following dates and the details of the Directors' attendance are as stated below:

Sr. No.	Name of Members	May 13, 2019	August 13, 2019	November 7, 2019	February 5, 2020	Total
1.	Mr. Moosa Raza (Chairman)	Yes	Yes *	Yes	Yes	4
2.	Mr. Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	4
3.	Mr. Rajinder Pal Singh	Yes	Yes	Yes	Yes	4

*Participated through video conference



viii. Mr. Jasmin K. Bhavsar, Company Secretary, Vice President (Legal) & Compliance Officer of the Company is the Secretary of the Stakeholders' Relationship Committee.

ix. 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'.

5. Nomination and Remuneration Committee (NRC)

i. Role of the NRC is as under:

1. To formulate criteria for determining qualifications, positive attributes and independence of a Director;
2. To recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees;
3. To recommend to the Board the appointment and removal of Key Managerial Personnel and Senior Management;
4. 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;
5. 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;
6. To carry out evaluation of a Director's performance and recommend to the Board appointment / removal based on his / her performance;
7. To recommend to the Board :
 - a. the policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management; and
 - b. the Executive Director / s remuneration and incentive structure;
8. 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;
9. To ensure that the level and composition of remuneration is reasonable and sufficient, and meets appropriate benchmarks;

10. To devise a policy on Board diversity;
11. To develop a succession plan for the Board and to regularly review the plan;
12. To monitor the Company's ESOP Plan;
13. 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;
14. 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;
15. To identify and recommend Directors who are to be put forward for retirement by rotation;
16. To determine the appropriate size, diversity and composition of the Board;
17. To set a formal and transparent procedure for selecting new Directors for appointment to the Board;
18. 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;
19. To delegate any of its powers to one or more of its Members or to the Secretary of the NRC;
20. To recommend any necessary changes to the Board;
21. To review Directors' and Officers' liability insurance taken by the Company for Directors, Key Managerial Personnel and Senior Management; and
22. To consider any other matters as may be requested by the Board.

ii. The NRC constituted by the Board of Directors of the Company consists of 3 (three) Independent Non Executive Directors, viz. Mr. Arjan R. Gurbuxani (Chairman), Mr. Moosa Raza and Mr. Rajinder Pal Singh.

iii. 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.

iv. Mr. Jasmin K. Bhavsar, Company Secretary, Vice President (Legal) & Compliance Officer of the Company is the Secretary of the Nomination & Remuneration Committee.



- v. During the F.Y. 2019- 2020, the Nomination & Remuneration Committee met two (2) times on the following dates and the details of the Directors' attendance are as stated below:

Sr. No.	Name of Members	May 13, 2019	February 5, 2020	Total
1.	Mr. Arjan R. Gurbuxani (Chairman)	Yes	Yes	2
2.	Mr. Moosa Raza	Yes	Yes	2
3.	Mr. Rajinder Pal Singh	Yes	Yes	2

- vi. Details of Remuneration paid to all Directors for the F.Y. ended March 31, 2020 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	20.00	20.00	N.A.
2.	Mr. Arjan R. Gurbuxani	0	0	0	17.00	17.00	N.A.
3.	Mr. Rajinder Pal Singh	0	0	0	17.00	17.00	N.A.
4.	Ms. Anjali Seth	0	0	0	6.00	6.00	N.A.
5.	Mr. Kunnasagar Chinniah	0	0	0	5.00	5.00	N.A.
6.	Mr. Kunal V. Sagar	0	0	0	10.00	10.00	N.A.
7.	Mr. Rahul V. Sagar	98.00	7.68	128.00	0	233.68	Agreement for a period of five years w.e.f. February 1, 2016 - Three month notice

* PF: Provident Fund & VC: Variable Compensation

VC paid to the Executive Director & CEO on the basis of performance and achievements (@ 200% of basic salary paid for the F.Y. 2019-2020) approved by the Board based on recommendations given by the Nomination & Remuneration Committee.

Non-Executive Directors receive remuneration by way of sitting fee for attending meetings of the Board and /or Committee thereof.

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

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

6. Prevention of Sexual Harassment (POSH) Committee

The POSH Committee is comprised of:

1.	Mr. Moosa Raza	Chairman
2.	Mr. Arjan R. Gurbuxani	Member
3.	Advocate Mrs. Madhvi Deshpande Ravuri	Member
4.	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)

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

AGM	F.Y.	Day and Date	Venue of the Meeting	Time
58th	2016 -2017	Friday, September 29, 2017	Registered Office of the Company	11.30 a.m. (IST)
59th	2017 -2018	Wednesday, September 26, 2018	Registered Office of the Company	11.30 a.m. (IST)
60th	2018-2019	Tuesday, September 3, 2019	Registered Office of the Company	12.00 noon (IST)

- b. There were no Special Resolutions passed in the previous three (3) AGMs except in the 59th AGM of the Company.

The description of the Special Resolutions passed in the 59th AGM are given below:

- Re-appointment of Mr. Moosa Raza (DIN 00145345), aged 81 years, as a non Executive Independent Director for period of eighteen (18) months effective from April 1, 2019.
- Re-appointment of Mr. Arjan Gurbuxani (DIN 00425885), aged 84 years, as a non Executive Independent Director for period of eighteen (18) months effective from April 1, 2019.
- Continuation of Mrs. Rajani Bhagat (DIN 00870716), aged 79 years as a Director of the Company.

**B. Postal Ballot**

A Postal Ballot was conducted by the Company during the last F.Y. i.e. 2018 – 2019.

- The Company issued Postal Ballot notice dated April 28, 2018 seeking Members' approval by way of a Special Resolution for adoption of the proposed alteration to Articles 71 (C) and (D) of the Articles of Association of the Company.
- The Board of Directors appointed Mr. Alwyn D'souza, Partner of Alwyn Jay & Co., Company Secretaries as scrutinizer for conducting the Postal Ballot process for seeking Members assent / dissent for the above stated business as contained in the Postal Ballot Notice dated April 28, 2018.
- Mr. Alwyn D'souza has carried out the work as a Scrutinizer from the close of working hours on June 12, 2018 to June 13, 2018.
- The Specimen Signatures have been verified with the specimen signature records maintained by the Company's Share Transfer Agent, Link Intime India Pvt. Ltd., and the Scrutinizer relied upon the certification provided by them for the same;
- The Company appointed Central Depository Services (India) Limited, ("CDSL") to provide an e-voting facility to its members whereby Members having shares in Demat Form and in Physical Form may vote either by way of a physical Postal Ballot Form or by way of e-voting.
- The result was declared on June 18, 2018 and the same was filed with the BSE Ltd., and also uploaded at the Company's website.

The detail of the Postal Ballot result is given below:

By way of a Special Resolution

To approve and adopt the proposed alteration to Articles 71 (C) and (D) of the Articles of Association of the Company

(i) Voted **in favour** of the resolution:

Particulars of Postal Ballot Voting	Number of Members who voted	Number of votes cast by them	% of total number of valid votes cast
Physical	242	27,19,400	-
E-voting	18	5,76,62,981	-
TOTAL	260	6,03,82,381	99.98

Voted **against** the resolution:

Particulars of Postal Ballot Voting	Number of Members who voted	Number of votes cast by them	% of total number of valid votes cast
Physical	22	12,240	-
E-voting	1	7	-
TOTAL	23	12,247	0.02

Invalid / Abstained votes:

Particulars of Postal Ballot Voting	Total number of Members whose votes were declared invalid / abstained	Total number of votes cast by them
Physical	53	1,40,697
E-voting	Nil	Nil
TOTAL	53	1,40,697

- At present, there is no proposal for passing of any special resolution by way of a Postal Ballot.

8. Means of Communication:**i. Financial Results (Quarterly Un-audited and Audited Financial Results)**

- Quarterly Un-audited 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. Investor Relations (IR) Presentation

The Company has been sending a quarterly IR presentation to the BSE Ltd. and uploading the same on its website.



10. General Shareholder Information:

i. 61st Annual General Meeting:

Day & Date: Tuesday, September 29, 2020

Time : 12.00 noon (IST)

Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

ii. 62nd Annual General Meeting: on or before September 30, 2021 (tentative)

iii. Financial Year: April 1, 2020 to March 31, 2021

iv. Board Meetings to adopt the accounts (tentative*)

- 1st Quarter of 2020-21:
April – June 2019 quarter results – Meeting held on Friday, August 14, 2020
- *2nd Quarter of 2020-2021:
July – September 2020 quarter results – on or before Friday, November 13, 2020
- *3rd Quarter of 2020-2021:
December 2020 quarter results – on or before Friday, February 12, 2021 and
- *4th Quarter of 2020-2021 (also for the full financial year 2020-2021):
Audited results for the year ended March 31, 2021 – on or before Friday, May 14, 2021.

v. Date of Book closure for the 61st AGM

Thursday, September 17, 2020 to Tuesday, September 29, 2020 (both days inclusive)

vi. Dividend Recommendation and Payment Date

- a. ₹0.75 (@ 7.5%) per share of ₹10/- each
- b. **Payment Date (tentative):** The Dividend warrants will be posted / dividend amounts will be remitted / paid into Members accounts on or after Saturday, October 3, 2020.

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.

viii. Payment of Annual Custodial fees

The Company has paid the annual custodial fees to the NSDL and CDSL for the Financial Year as applicable.

ix. Stock Scrip Code

- a. BSE Code: 500307; and
- b. ISIN no. in NSDL and CDSL for equity Shares: INE910A01012

x. Suspension of securities from trading during the Year

No

xi. 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.

xii. Share Transfer Agent (STA)

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 : U67190MH1999PTC118368

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

Website : www.linkintime.co.in

xiii. Dematerialization of Shares

As per notification issued by SEBI, the shares of the Company are traded in Dematerialized Form. As on March 31, 2020, approx. 95.83% of the paid-up Equity Share Capital of the Company has been dematerialized.

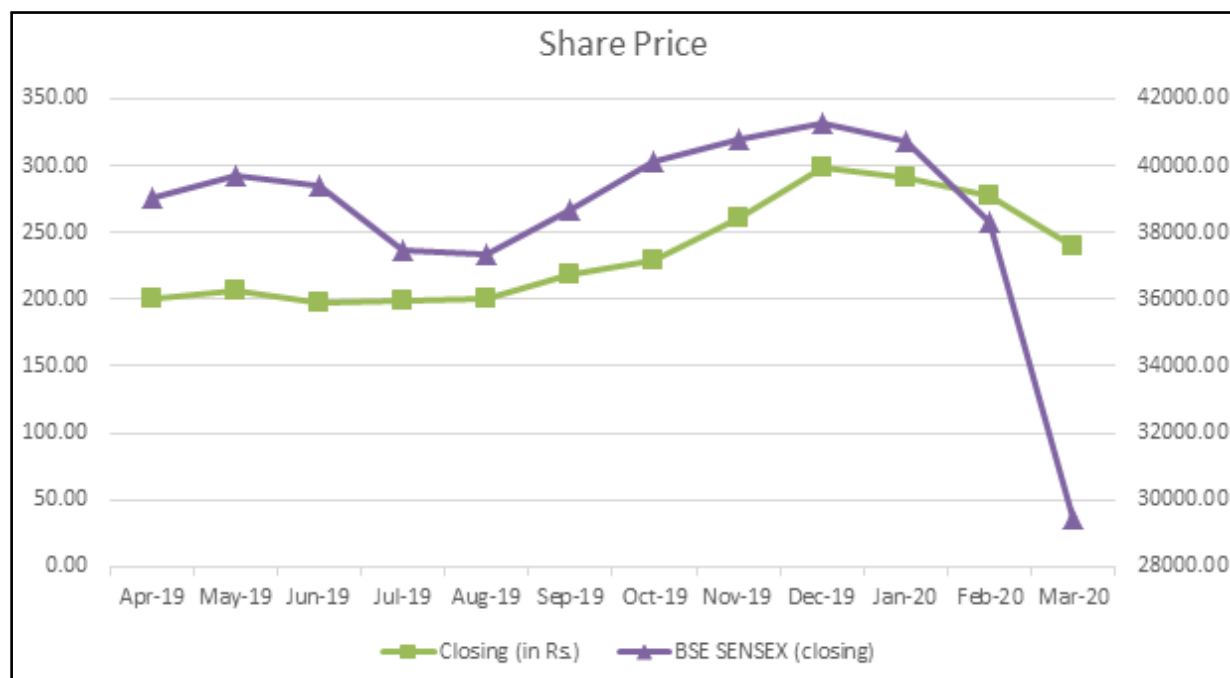
xiv. Outstanding GDRs, ADRs, Warrants or any convertible instruments, conversion data and likely impact on equity

Not Applicable

**xv. Stock Market Data: April 1, 2019 to March 31, 2020**

Month	Low (in ₹)	High (in ₹)	Closing (in ₹)	*BSE SENSEX (closing)
April-19	200.00	219.60	200.00	39,031.55
May-19	196.20	218.65	206.65	39,714.20
June-19	194.05	209.90	197.20	39,394.64
July-19	190.00	204.90	199.00	37,481.12
August-19	192.00	204.30	200.55	37,332.79
September-19	200.05	234.50	219.35	38,667.33
October-19	216.00	232.95	229.90	40,129.05
November-19	229.05	263.90	261.20	40,793.81
December-19	251.00	304.00	299.10	41,253.74
January-20	263.00	302.00	291.00	40,723.49
February-20	275.00	313.00	277.10	38,297.29
March-20	193.60	295.00	239.55	29,468.49

* Data are sourced from the BSE Limited

xvi. Share price performance in comparison to Broad Based Indices*

*Based on closing of BSE Sensex and Share Price



NIRLON

xvii. Distribution of Shareholding (As on March 31, 2020)

Range of equity Shares	No. of Shareholders	Percentage of Shareholders to Total (%)	No. of Equity Shares	Percentage of Shares amount to Total (%)
Up to 500	33538	93.50	3442784	3.82
501-1,000	1359	3.79	1068343	1.19
1,001-2,000	526	1.47	787014	0.87
2,001-3,000	144	0.41	360933	0.40
3,001-4,000	66	0.18	235131	0.26
4,001-5,000	48	0.13	224365	0.25
5,001-10,000	84	0.23	599214	0.66
10,001 and above	103	0.29	83400256	92.55
Total	35868	100	90118040	100

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

The foreign exchange exposure as on March 31, 2020 is as under:

	2019-2020	2018-19
a. Hedged		
Amount in USD (in lakh)	0	0
Amount in ₹ (in lakh)	0	0
b. Un-hedged foreign currency exposure :		
• Buyers credit		
Amount in USD (in lakh)	\$33.96	0
Amount in ₹ (in lakh)	2573.92	0
• Vendors		
\$	0	0
Amount in ₹ (in lakh)	0	0

xix. Industrial Park / IT Park Location and NIC code

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

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

Fax No. : + 91 (022) 4028 1940

CIN : L17120MH1958PLC011045

E-mail : share@nirlonltd.com

Website : <http://www.nirlonltd.com/>

xxi. Shareholding Pattern (As on March 31, 2020)

A.	Promoters and Promoter Group	No. of Equity Shares	Percentage (%)
a.	Indian	3340078	3.70
b.	Foreign	60782426	67.45
	Sub-total A = (a+b)	64122504	71.15
*B.	Public Shareholding		
a.	Bank / MFs / Insurance Cos.	18200	0.02
b.	Foreign Portfolio Investors / FIIs	10771079	11.95
c*.	Others	15206257	16.88
	Sub- total : *B = (a+b+c)	25995536	28.85
	Grand Total A+*B	90118040	100
	Total no. of Members: 35868		

* 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 35 of the Audited Financial Statements, and Annexures 5A & 5B 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

Not Applicable

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	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 subsidiaries 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 SEBI LODR, 2015

We, Rahul V. Sagar, Executive Director & Chief Executive Officer, and Manish B. Parikh, Chief Financial Officer, hereby certify for the F.Y. ended March 31, 2020 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 violate 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
- e. 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 & C.E.O.
(DIN 00388980)**

Manish B. Parikh

Chief Financial Officer

Mumbai, June 30, 2020

xxvii. Declaration – Code of Conduct

All Board Members and KMPs have, for the Financial Year ended March 31, 2020, 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.

For Nirlon Limited

sd / -

Rahul V. Sagar

**Executive Director & C.E.O.
(DIN 00388980)**

Manish B. Parikh

Chief Financial Officer

Mumbai, June 30, 2020



xxviii. Compliance certificate of Alwyn Jay & Co., Practicing Company Secretaries regarding compliance with conditions of Corporate Governance for the F.Y. 2019-2020 is attached with the Directors Report :

To,

The Members of Nirlon Limited,

1. We have examined the compliances of the conditions of Corporate Governance by Nirlon Limited ("the Company") for the Financial Year ended March 31, 2020, as stipulated in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015 ('LODR').
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 aforesaid provisions of LODR.
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 the management has conducted the affairs of the Company. This Certificate is issued solely for the purposes of complying with the aforesaid regulations and may not be suitable for any other purpose.

For ALWYN JAY & Co.,

Sd/-

Alwyn P. D'Souza

FCS.5559 Partner

Certificate of Practice No. 5137

Company Secretaries

UDIN: F005559B000580023

Mumbai, August 14, 2020

Office Address:

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





Annexure 7 to the Directors' Report

Management Discussion Analysis

1. Overview

During the Year under review, the Company continued to successfully license and manage the four (4) completed phases of Nirlon Knowledge Park (NKP), comprising approx. 29.46 lakh sq. ft. of constructed area, which corresponds to approx. 18.78 lakh sq. ft. of licensable area. This licensable area was approx. 99% occupied as on March 31, 2020.

As mentioned in the Company's previous Annual Reports, the Company is, after a comprehensive evaluation, re-developing Phase 0 into the proposed Phase 5. The same will be developed under the 2015 IT Policy of the Government of Maharashtra (GOM) (which allows higher Floor Space Index (FSI) for IT Parks, subject to payment of premiums), and is estimated to comprise approx. 11.59 lakh sq. ft. of licensable area corresponding to approx. 17.83 lakh sq. ft. of constructed area.

As also mentioned in the last Annual Report, the various related party agreements between the Company and Nirlon Management Services Pvt. Ltd. (NMSPL) approved by Members in the 57th 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 upon payment of their dues. The Company is receiving the services under the relevant agreement/s executed with NMSPL (summarized in Annexure 5A to the Directors' Report) since October 1, 2016.

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

a. Development of Phase 5 (re-development of Phase 0):

Construction of Phase 5 commenced in May 2017 after approval of the required permissions. Completion of Phase 5 is estimated during the F.Y. 21-22, with License Fees from this Phase beginning to accrue subsequently. As mentioned earlier in this section, the area of Phase 5 is estimated to be approx. 11.59 lakh sq. ft. of licensable area and approx. 17.83 lakh sq. ft. of constructed area.

In June 2018, on payment of the required Premiums / Fees to the Municipal Corporation of Greater Mumbai (MCGM) and UD (Town Planning & Urban Development) for the increase in FSI from approx. 2

to approx. 2.63, the Company received the Intimation of Disapproval (IOD), which effectively constitutes the 'In Principal' building approval, for the entire proposed construction area of 17.83 lakh sq.ft. It has also received other major required regulatory approvals to construct the proposed area of approx. 17.83 lakh sq.ft.

The Commencement Certificate has also been received for the entire proposed development. While, NKP is eligible for 3:1 FSI, the Company only plans to develop approx. 10.56 lakh sq. ft. FSI against a total potential of approx. 16.51 lakh sq. feet FSI at present. The balance potential of approx. 5.95 lakh sq. ft. FSI is available (on payment of the applicable premium) in the future.

b. Occupancy & License Fee Renewals / Escalations

During the Year under review, the Company has been successful in ensuring that approx. 99% of licensable area in Phases 1 - 4 of NKP has remained licensed to corporate occupants. Accordingly, license fees for all four phases are regularly received by the Company. Prior to the Covid 19 pandemic, approx. 20,000 people used to work every day at NKP.

Escalations of license fees (approx. 15% every three years) took effect as contracted during the Year under review. Renewals of expiring licenses with existing Licensees, as well as fresh licenses were also executed during the year on improved terms. These renewals / fresh licenses / escalations ensured the Company's financial performance continued to be strong.

c. Loan Repayments

As mentioned in the Directors' 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 (re-development of Phase 0) is completed. The principal moratorium results in incremental cash flows being available to the Company to finance a larger part of the Phase 5 (re-development of Phase 0) construction from its internal accruals.

This should 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 to HDFC Ltd. as on March 31, 2020 aggregated ₹964.86 Crore (as per IGAAP), on which the Company is presently paying a competitive rate of interest.

**d. Profitability and Cash Flow**

As a result of the almost full occupancy in NKP, and renewals, fresh licenses 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 from ₹ 63.68 Crore to ₹109.48 Crore (as per Ind AS) when compared to the previous year. This is partially due to the increased license fee income from Phases 1 – 4 and reduced depreciation outgo. *Also, during the F.Y. ended March 31, 2020, pursuant to the amendment in Ind AS-23 "Borrowing Cost", the Company has considered the specific borrowings obtained for completed phases as a part of general borrowings. Accordingly, the finance cost amounting to ₹39.86 Crore for the F.Y 2019-20 related to such borrowings has been capitalized as a part of Capital Work In Progress. This has resulted in increase in profits.*

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

In the context of the available free cash flows, and substantial construction expenses still 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.

e. Priorities

Key priorities for the Company during the F.Y. 2020 – 2021 are as follows:

- i. To make every effort to keep its Licensees, employees and everyone who works at its locations as safe as possible from Covid 19 by putting in place processes, equipment, infrastructure and awareness measures to as far as possible prevent the transmission of the virus;
- ii. To provide the best possible financial support and medical equipment/medicines to those affected by the Covid 19 pandemic through its CSR initiatives;
- iii. To closely monitor the development of Phase 5, such that it progresses as safely, and as close to budget and schedule as possible, despite potential Covid 19 related delays;

- iv. 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 as fully occupied as possible;
- v. To ensure the ongoing scheduled interest servicing of its loans; and
- vi. To proactively evaluate the impact of Covid 19 on the commercial office space market and the IT/Financial Services/Banking Industries, in so far as the same could have an impact on the Company's business and to implement mitigation strategies for the same.

3. Risks and Concerns:**Covid 19**

Overriding all other financial concerns for the F.Y. 2020-21 and beyond is the global economic damage being caused by the Covid 19 pandemic. The extent and depth of the related recession globally and in India is only now becoming apparent. As the underlying issue is a medical and health one, recovery from this recession will depend to a large extent on the timing, efficacy and expeditious distribution of a vaccine and/or an effective treatment for Covid 19. The underlying harm to the global economy in the interim, and the consequent ability of economies to recover once the underlying medical issues are resolved is a question which cannot be answered with any certainty today based on the available information. Uncertainty, is therefore likely to be a dominant theme, at least for the immediate future.

The other risks and concerns discussed in this section are therefore subordinate to this reality, and will be more relevant once this pandemic has passed or its severity has lessened, and a degree of normality returns. As the main issues are likely to remain relevant to a large degree, they are discussed below, albeit with the Covid 19 caveat.

i. Macro-Economic Environment**Within India**

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 business / investment friendly climate, with lower salaries and real estate costs.

Successive State Government initiatives to simplify the regulatory frame work is welcome and much



needed. The successful implementation of these initiatives, combined with improving governance and transport infrastructure, should help Mumbai move toward consolidating its pre-eminent position as a preferred business / investment destination in India.

The traditional strengths of Mumbai, including its Financial Services Industry, business ethos and a large, cosmopolitan, and educated work force remain very relevant, and 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 look forward to a stable, pro investment and business supportive administration, which incrementally builds on existing legislation and / or introduces fresh policies targeted to accelerate investment, job creation and economic growth.

From a real estate perspective, constructive amendments to the FDI policy and the encouraging emergence of Indian Real Estate Investment Trusts (REITs) are welcome, and should continue to lead to the broadening and deepening of the real estate capital markets in India.

Globally

As always, the health of the global economy 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.

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), Banking and Financial sectors. This trend is likely to continue for the foreseeable future.

Additionally, though demand is strong, the business model for these sectors continues to require inexpensive commercial real estate, available in Mumbai beyond Borivali in the West and Mulund in the East, and in other cities in India like Pune and Bangalore. These 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 developments on par with NKP in your Company's micro market remains limited. The micro market, and specifically NKP itself, is well located on the Western Express Highway and is in close proximity to the commuter rail network, the proposed Mumbai Metro and the airport.

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

Effective from October 1, 2016, the Company appointed NMSPL as a provider of lease and property management services, marketing related services, project management services and general management services to the Company. It is proposed to renew the contract of NMSPL (a related party transaction) for a further period of 3.5 years after the expiry of the present contract on September 30, 2020, as per Item No. 5 in the Notice for the 61st AGM scheduled on September 29, 2020.

As per statutory requirements, the Company has three (3) permanent employees, being the KMPs, as on March 31, 2020.

5. Details of Significant Changes (i.e. change of 25% or more as compared to the immediately previous financial year) in the following key Financial Ratios:

- i. Debtors Turnover : No significant change
- ii. Interest Coverage Ratio : No significant change
- iii. Current Ratio : No significant change
- iv. Debt Equity Ratio : No Significant Change
- v. Operating Profit Margin : No significant change
- vi. Net Profit Margin (before Tax) : 42.85% – Has increased mainly due to the following reasons :

During the F.Y. ended March 31, 2020, pursuant to the amendment in Ind AS-23 "Borrowing Costs", the Company has considered the specific borrowings obtained for completed phases as a part of general borrowings. Accordingly, the finance cost amounting to ₹39.86 Crore for the F.Y ended March 31, 2020 related to such borrowings has been capitalized as a part of Capital Work in Progress. This has resulted in increase in profits.

6. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

Return on net worth: 33.53 % - Has increased mainly due to following reasons:

During the F. Y ended March 31, 2020, pursuant to the amendment in Ind AS-23 "Borrowing Costs", the Company has considered the specific borrowings obtained for completed phases as a part of general borrowings. Accordingly, the finance cost amounting to ₹39.86 Crore for the F.Y. ended March 31, 2020 related to such borrowings has been capitalized as a part of Capital Work in Progress. This has resulted in increase in profits.

**7. Disclosure of Accounting Treatment & Internal Financial Controls:**

In the preparation of the annual Financial Statements for the F.Y. ended March 31, 2020, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any.

The Directors have laid down proper internal financial controls to be followed by the Company, and such financial controls are adequate and have been operating effectively.

Cautionary Statement

Statements in the Annual Report including the Directors' Report and its annexures describing the Company's objectives, projections, estimates, expectations, etc. may contain forward looking statements based on currently held beliefs and assumptions of the Management of the Company, which are expressed in good faith, and are, in their opinion, reasonable. Such statements involve uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such statements. By their nature, forward-looking statements inherently involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such statements are not guarantees of future performance and actual results may differ from those specified in such statements as a result of various such factors and assumptions. No assurance is being provided that the assumptions underlying such forward looking statements are free from errors.

**NIRLON****Annexure 8 to the Directors' Report****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN of NIRLON LIMITED**

As on Financial Year ended on 31.3.2020

(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:

	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. Tel : +91 (022) 4028 1919, 2685 2257 Fax : +91 (022) 402819140 Email id : info@nirlonltd.com Website : www.nirlonltd.com
6.	Whether listed company	Yes, BSE Ltd.,
7.	Name, Address & contact details of the Registrar & 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 : U67190MH1999PTC118368 Email 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)

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Industrial Park	42901	98.10 (AS PER IGAAP)

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

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Reco Berry Pvt. Ltd. 168, Robinson Road, 37-01 Capital Tower, Singapore 068912.	N.A.	Holding	63.92	Section 2(46) - Definition of 'Holding Company' The term 'holding company' and the expression 'company' includes any body corporate



NIRLON

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category wise Share Holding

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	2913185	0	2913185	3.23	2913185	0	2913185	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.	602785	0	602785	0.67	426893	0	426893	0.47	(0.20)
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:	3515970	0	3515970	3.90	3340078	0	3340078	3.70	(0.20)
2. Foreign									
a. NRIs-Individuals	1329750	0	1329750	1.48	1329750	0	1329750	1.48	0
b. other-Individuals	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	59452676	0	59452676	65.97	59452676	0	59452676	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:	60782426	0	60782426	67.45	60782426	0	60782426	67.45	0
Total shareholding of Promoter A=A1+A2	64298396	0	64298396	71.35	64122504	0	64122504	71.15	(0.20)
B. Public Shareholding									
1. Institutions									
a. Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b. Banks / FI	1892	16308	18200	0.02	1,892	16308	18200	0.02	0
c. Central Government / state government / President of India	177171	0	177171	0.20	177171	0	177171	0.20	0
d. Venture Capital Funds	0	0	0	0	0	0	0	0	0
e. Insurance Companies	0	8650	8650	0.01	0	8650	8650	0.01	0
f. Foreign Portfolio investors (FII/FPI)	10172956	0	10172956	11.29	10771079	0	10771079	11.95	0.67
g. Alternate Investments funds	160577	0	160577	0.18	301254	0	301254	0.33	0.15
Sub total B1:	10512596	24958	10537554	11.69	11251396	24958	11276354	12.51	0.82



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. Non-Institutions									
a. Bodies Corporate	2826043	0	2826043	3.14	2433192	0	2433192	2.70	(0.44)
i. Indian	0	0	0	0	0	0	0	0	0
ii. Overseas	0	0	0	0	0	0	0	0	0
b. Individuals									
Individual shareholders holding nominal share capital up to ₹ 1 lakh	3783551	2876832	6660383	7.3	3586705	2735076	6321781	7.0	(0.3)
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	1630504	901796	2532300	2.81	1835350	891196	272646	3.03	0.22
c. Others (specify)									
i. Non Resident Individual	168496	2681272	2849768	3.16	2839333	20625	2859958	3.17	0.01
ii. Overseas Bodies Corporates	5650	89600	95250	0.11	5,650	89600	95250	0.11	0
iii. Foreign Nationals	62	0	62	0	62	0	62	0	0
iv. Trusts	0	0	0	0	0	0	0	0	0
v. HUF	288075	0	288075	0.32	279840	0	279840	0.31	(0.01)
vi. clearing member	30209	0	30209	0.03	2553	0	2553	0.003	(0.031)
Sub total B2:	8732590	6549500	15282090	16.96	10982685	3736497	14719182	16.33	(0.63)
Total Public Shareholding B= B1+B2	19245186	6574458	25819644	28.65	22234081	3761455	25995536	28.85	0.20
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	83543582	6574458	90118,040	100.00	86356585	3761455	90118040	100.00	0.00



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ii) Shareholding of Promoters

Sr. No.	Shareholder's 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.	57606274	63.92	0	57606274	63.92	0	0
2.	Mr. Kunal V. Sagar	1329750	1.48	0	1329750	1.48	0	0
3.	Mr. Rahul V. Sagar	1329750	1.48	0	1329750	1.48	0	0
4.	Mrs. Rajani M. Bhagat	673349	0.75	0	673349	0.75	0.75	0

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

Sr. No.	Particulars	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.	57606274	63.92	#	#
2.	Mr. Kunal V. Sagar	1329750	1.48	#	#
3.	Mr. Rahul V. Sagar	1329750	1.48	#	#
4.	Mrs. Rajani M. Bhagat	673349	0.75	#	#
Total		60939123	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.):			There is no change		
#1.	Reco Berry Pvt. Ltd.	0	0	57606274	63.92
#2.	Mr. Kunal V. Sagar	0	0	1329750	1.48
#3.	Mr. Rahul V. Sagar	0	0	1329750	1.48
#4.	Mrs. Rajani M. Bhagat	0	0	673349	0.75
Total		0	0	60939123	67.63
	At the end of the Year	0	0	60939123	67.63



iii) Shareholding Pattern of Top ten (10) Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	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.	Albula Investment Fund Ltd.	5063701	5.62	#	#
2.	Gulu C.Waney	2670247	2.96	#	#
3.	Arial Holdings 1	1558086	1.73	#	#
4.	TVF fund Ltd.	1046528	1.16	#	#
5.	Ares Diversified	1157630	1.28	#	#
6.	Sadafuli Finvest Pvt. Ltd.	1069040	1.19	#	#
7.	Chatterjee Management Services Pvt. Ltd.	711761	0.79	#	#
8.	Marshfield Pte Ltd.	440760	0.49	#	#
9.	Globe Capital Market Ltd.	516533	0.57	#	#
10.	ITF Mauritius	544546	0.60	#	#
Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)		As given below:			
		At the end of the Year			
#1.	Albula Investment Fund Ltd.	5063701	5.619	5529646	6.14
	i) On 5/4/2019 – Purchase of 6439 shares ii) On 12/4/2019 – Purchase of 10279 shares iii) On 19/4/2019 – Purchase of 18788 shares iv) On 26/4/2019 – Purchase of 26618 shares v) On 3/5/2019 – Purchase of 20002 shares vi) On 10/5/2019 – Purchase of 11241 shares vii) On 17/5/2019 – Purchase of 909 shares viii) On 31/5/2019 – Purchase of 10044 shares ix) On 7/6/2019 – Purchase of 13097 shares x) On 14/6/2019 – Purchase of 50613 shares xi) On 21/6/2019 – Purchase of 22860 shares xii) On 29/6/2019– Purchase of 3376 shares xiii) On 5/7/2019 – Purchase of 18366 shares xiv) On 12/7/2019 – Purchase of 500 shares xv) On 26/7/2019 – Purchase of 19334 shares xvi) On 2/8/2019 – Purchase of 3114 shares xvii) On 9/8/2019 – Purchase of 4024 shares xviii) On 23/8/2019 – Purchase of 4383 shares xix) On 30/8/2019 – Purchase of 27519 shares				



	xx) On 6/9/2019 – Purchase of 3259 shares xxi) On 27/9/2019 – Purchase of 31531 shares xxii) On 11/10/2019 – Purchase of 11057 shares xxiii) On 1/11/2019 – Purchase of 2783 shares xxiv) On 8/11/2019 – Purchase of 6752 shares xxv) On 15/11/2019 – Purchase of 7824 shares xxvi) On 22/11/2019 – Purchase of 5906 shares xxvii) On 29/11/2019 – Purchase of 49027 shares xxviii) On 6/12/2019 – Purchase of 35295 shares xxix) On 13/12/2019 – Purchase of 25702 shares xxx) On 13/03/2020 – Purchase of 5517 shares xxxi) On 20/03/2020 – Purchase of 9786 shares				
#2.	Gulu C Waney (Nil movement)	0	0	2670247	2.96
#3.	Arial Holdings 1 (Nil movement)	0	0	1558086	1.73
#4.	Tvf Fund Ltd. i) On 13/12/2019 – Purchase of 19886 shares ii) On 20/12/2019 – Purchase of 11350 shares iii) On 27/12/2019 – Purchase of 13679 shares iv) On 31/12/2019 – Purchase of 9658 shares v) On 3/1/2020 – Purchase of 9938 shares vi) On 24/1/2020 – Purchase of 32121 shares vii) On 31/1/2020 – Purchase of 2080 shares viii) On 7/2/2020 – Purchase of 3318 shares ix) On 14/2/2020 – Purchase of 5506 shares x) On 21/2/2020 – Purchase of 15167 shares xi) On 28/2/2020 – Purchase of 9475 shares	1046528	1.16	1178706	1.31
#5.	Ares Diversified (Nil Movement)	0	0	1157630	1.28
#6.	Sadafuli Finvest Pvt. Ltd. (Nil Movement)	0	0	1069040	1.19
#7.	Chatterjee Management Services Private Ltd. (Nil movement)	0	0	711761	0.79
#8.	Marshfield Pte Ltd. (Nil Movement)	0	0	440760	0.49
#9.	Globe Capital Market Ltd. i) On 14/6/2019 – Purchase of 18 shares ii) On 5/7/2019 – sale of 18 shares iii) On 27/9/2019 – sale of 9434 shares iv) On 30/9/2019 – sale of 4407 shares v) On 11/10/2019 – sale of 6545 shares vi) On 18/10/2019 – sale of 100 shares	516533	0.57	405665	0.45



	vii) On 25/10/2019 – sale of 132 shares viii) On 8/11/2019 – sale of 464 shares ix) On 15/11/2019 – sale of 998 shares x) On 22/11/2019 – sale of 7389 shares xi) On 19/11/2019 – sale of 13486 shares xii) On 6/12/2019 – sale of 37306 shares xiii) On 13/12/2019 – sale of 8441 shares xiv) On 20/12/2019 – sale of 754 shares xv) On 31/12/2019 – purchase 2 shares xvi) On 3/1/2020 – sale of 4002 shares xvii) On 31/01/2020 – sale of 3412 shares xviii) On 7/2/2020 – sale of 14000 shares xix) On 28/02/2020 – purchase of 100 shares xx) On 6/3/2020 – sale of 100 shares				
#10.	ITF Mauritius i) On 17/1/2020 – sale of 544546 shares	544546	0.060	0	0

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. Arjan R. Gurbuxani	724	0.00	724	0.00
3.	Mr. Rajinder Pal Singh	0	0	0	0
4.	Ms. Anjali Seth	0	0	0	0
5.	Mr. Kunnasagaran Chinniah	0	0	0	0.00
6.	Mr. Kunal V. Sagar	1329750	1.48	1329750	1.48
7.	Mr. Rahul V. Sagar	1329750	1.48	1329750	1.48
Key Managerial Personnel:					
1.	Mr. Jasmin K. Bhavsar, CS	30000	0.03	20000	0.02
2.	Mr. Manish B. Parikh,CFO	50	0.00	50	0.00
At the end of the year Directors:					
1.	Padma Bhushan Mr. Moosa Raza			0	0.00
2.	Mr. Arjan R. Gurbuxani			724	0.00
3.	Mr. Rajinder Pal Singh			0	0.00
4.	Ms. Anjali Seth			0	0.00
5.	Mr. Kunnasagaran Chinniah			0	0.00
6.	Mr. Kunal V. Sagar			1329750	1.48
7.	Mr. Rahul V. Sagar			1329750	1.48



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At the ended of the year					
Key Managerial Personnel:					
1.	Mr. Jasmin K. Bhavsar,CS i.) On 27/11/2019 – sale of 5000 shares ii.) On 11/12/2019 – sale of 5000 shares			20000	0.02
2.	Mr. Manish B. Parikh,CFO			50	0.00

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment:
(As per IGAPP)

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	85486.57	0	0	85486.57
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	371.18	0	0	371.18
Total (i+ii+iii)	85857.75	0	0	85857.75
Change in Indebtedness during the Financial Year				
Addition	13559.77	0	0	13559.77
Reduction	0.00	0	0	0.00
Net Change	13559.77	0	0	13559.77
Indebtedness at the end of the Financial Year				
i) Principal Amount	99046.34	0	0	99046.34
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	401.12	0	0	401.12
Total (i+ii+iii)	99447.46	0	0	99447.46

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 & C.E.O) (In ₹)
1.	Gross salary	
	Basic* + HRA + LTA	9800000
	(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	
	i. Bonus / Variable Compensation	12800000
	ii. Provident Fund	768000
Total (A) (i.e. Gross salary)		23368000

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. Rajinder Pal Singh	Ms. Anjali Seth	
1.	Fee for attending Board / committee meetings	2000000	1700000	1700000	600000	6000000
2.	Commission	0	0	0	0	0
3.	Others, please specify	0	0	0	0	0
	Total (B)(1)	2000000	1700000	1700000	600000	6000000

2. Other Non-Executive Directors

Particulars of Remuneration	Name of Directors		Total Amount (In ₹)
	Mr. Kunal V. Sagar	Mr. Kunnasagar Chinniah	
Fee for attending Board / Committee Meetings	1000000	500000	1500000
- Commission	0	0	0
- Other please specify	0	0	0
Total (B)(2)	1000000	500000	1500000
Total (B) = (B)(1)+ (B)(2)			7500000



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

(Amt in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Jasmin K. Bhavsar (Company Secretary V.P. (legal) & Compliance Officer)	Mr. Manish B. Parikh (Chief Financial Officer)	Total Amount
1	Basic Salary + HRA + Medical Allowance + Conveyance + Lunch Allowance	9318015	4741055	14059070
	(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	0	0	0
	Others specify... Perquisites / value of ESOP shares	0	0	
5	Others, please specify			
	i. Exgratia	1886238	923103	2809341
	ii. Provident Fund	1057007	533825	1590832
Total		12261260	6197983	18459243

VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD CLT / 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					

**Annexure 9 to the Directors' Report****Business Responsibility Report****Preface**

The Securities and Exchange Board of India (“SEBI”) has mandated India’s top 1,000 listed entities based on market capitalisation on the BSE and NSE to submit a ‘Business Responsibility Report’ (“BRR”) along with their Annual Report.

This report is required to be in line with the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ (NVGs) as released by the Ministry of Corporate Affairs (MCA) in July 2011.

Nirlon Limited (“NL” / “the Company”) presents its first BRR, in line with the NVGs and the BRR requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This BRR provides information about the key initiatives undertaken by the Company, driven by the triple bottom line aspects viz. social, environmental and economic. The business responsibility performance of the Company will be assessed periodically by its Board of Directors.

The Company

Nirlon Limited is publicly listed company, and is in the business of development of an Information Technology Park i.e. Nirlon Knowledge Park (“NKP”) registered with the Department of Industries (“DOI”). NKP is also an Information Technology (IT) Park as per the Government of Maharashtra’s (“GOM”) IT Policy. It is a subsidiary of Reco Berry Pvt. Ltd., Singapore. The Company has no subsidiaries.

This is the first BRR of Nirlon Limited for the F.Y. 2019-2020. Initiatives and actions by the Company towards objectives have also been provided in this Report. The Company’s approach to each principle is described below:

Section A: General Information

1	Corporate Identity Number (CIN) of the Company	L17120MH1958PLC011045
2	Name of the Company	Nirlon Limited
3	Registered address	Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.
4	Website	www.nirlonltd.com
5	E-mail id	info@nirlonltd.com
6	Financial Year reported	2019-2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Industrial Park NIC 42901
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is in the business of development and management of the Industrial Park / Information Technology (IT) Park, i.e. Nirlon Knowledge Park (NKP) - Goregaon (East), Mumbai 400 063
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	NIL Mumbai , India
10	Markets served by the Company – Local/State/ National/International	Mumbai , India



Section B: Financial Details

1	Paid up Capital (As on 31.03.2020): (₹)	90,11,80,400/-
2	Gross Revenue from operations (₹)	3,10,99,00,000/-
3	Total profit after taxes (₹)	1,09,48,00,000/-
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.20%
5	List of activities in which expenditure in 4 above has been incurred:	
	i. Venus Cultural Association (Medical – Dialysis unit)	15,00,000/-
	ii. Maharashtra Chief Minister Relief Fund (General Relief)	1,00,00,000/-
	iii. Chennai Liver Foundation (Medical – Liver ailments)	10,00,000/-
	iv. Cheshire Homes India (Special education to disabled children)	5,00,000/-
	v. Jai Vakeel Foundation and Research Centre (Special education)	11,00,000/-
	vi. Muktagan Education Trust (Promoting education)	5,00,000/-
	vii. Society for the Rehabilitation of Crippled Children (Helping children with learning disorders by providing therapy)	5,00,000/-
	viii. Saraswati Vidyak Trust (Education to underprivileged children)	5,00,000/-
	ix. Rotary & Blood Bank Society Resource Centre (100% voluntary blood donation by means of either indoor or outdoor blood donation camps)	6,00,000/-
	x. Konark Cancer Foundation (Logistical , emotional and financial support to underprivileged cancer patients)	10,00,000/-
	xi. EmancipAction, India Foundation (Providing counselors to government and private care homes to test a holistic, trauma informed model of care to help children transform their lives. Core modules include, wellness vocational planning and job placement)	10,00,000/-
	xii. Sion Hospital (Supply of ventilator – COVID 19 related))	11,72,000/-



Section C: Other details

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NA
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	NA

Section D: BR information

1. Details of Director/Directors responsible for BR
 - (a) Details of the Director/Director responsible for implementation of the BR policy/policies
 1. DIN Number : 00388980
 2. Name : Rahul V. Sagar
 3. Designation : Executive Director & CEO
 - (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Jasmin K Bhavsar
3	Designation	Company Secretary & Vice President (Legal)
4	Telephone number	022-26853039
5	e-mail id	jasminbhavsar@nirlonltd.com

1. Principle-wise (as per NVGs) BR Policy/policies
 - (a) Details of compliance (Reply in Y/N): Please note that the Company is engaged in the business of providing office premises on a leave and license basis. The Company has only three employees. The policies formulated by the Company are in the context of the business of the Company and its workforce.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for	Y	N	Y	Y	N	N	N	N	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	Y	Y	NA	NA	NA	NA	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	NA	Y	Y	NA	NA	NA	NA	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	NA	Y	Y	NA	NA	NA	NA	Y
6	Indicate the link for the policy to be viewed online?	i. http://www.nirlonltd.com/pdf/ccbe_nov_18_v1.pdf ii. http://www.nirlonltd.com/pdf/whistle_blower_policy_nov_18_v2.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	Y	NA	NA	NA	NA	Y



8	Does the Company have in-house structure to implement the policy/ policies?	Y	NA	Y	Y	NA	NA	NA	NA	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	NA	Y	Y	NA	NA	NA	NA	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	NA	N	N	NA	NA	NA	NA	N

If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles		√			√	√	√	√	
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)	Please note that the Company is engaged in the business of providing office premises on a leave and license basis. The Company has only three employees. The requirement for the Company to have these policies is driven by the nature of its business and its workforce .								

2. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Ans.: The BR performance of the Company will be assessed once in a year.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Ans.: Yes, the BR forms part of the annual report of the Company. The report is also available on the website of the Company at: www.nirlonltd.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.

Ans.: Yes

2. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Ans.: No

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Ans.: No stakeholder complaints have been received in the past financial year.

**Principle 2**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Ans.: The Company is owner of Nirlon Knowledge Park (NKP), an approx. 23 acre campus in Goregaon (East), Mumbai. NKP is an Industrial Park as per the Government of India as per the consolidated Foreign Direct Investment Policy, and is an IT park under the Government of Maharashtra's IT Policy.

NKP's Design Philosophy and Master Plan have incorporated sustainability and a 'Green' ethos since inception. The Campus is a Leeds Gold certified Core and Shell development, with the ongoing Phase 5 targeted to be Platinum certified. The Park's emphasis is on user and pedestrian comfort and safety. The design incorporates extensive green recreational spaces with water bodies, and approx. 1000 trees, many of which are old growth.

The Company offers office premises to reputed international and Indian corporates, and has been making specific efforts to license its development to well regarded companies. The campus is fully operational and functional.

NKP facilitates its occupants to carry on their business from the NKP Campus 24*7 *365. This in turn generates employment, and the development of areas peripheral to the Campus.

2. Does the company have procedures in place for sustainable sourcing (including transportation)?

- a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Ans.: The nature of business of the Company is to provide office premises on a leave and license basis. The business of the Company does not involve any manufacturing operations. However, during the construction period, sustainable sourcing and the use of eco-friendly products was actively pursued, and was in accordance with Leeds Gold requirements. The Company has also designed and constructed Leeds Gold certified buildings through the use of appropriate materials and equipment which allow consistent, ongoing savings of power & water, and offer natural light. It also uses re-cycled water for flushing of toilets, and has an organic waste management convertor on site to sustainably process all organic waste generated in the Campus.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Ans.: The Company has appointed various local sub-contractors, who are have adequate resources and are capable of delivering services such as manpower and other miscellaneous requirements.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Ans: Yes. Within the context that the Company is a provider of office space on a leave and license basis in its Industrial/ IT Park, water and solid waste is recycled as described earlier in Principle 2.

Principle 3

1. Please indicate the Total number of employees.

Ans.: The Company has three employees, who are Key Managerial Personnel as per the Companies Act, 2013.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Ans.: The Company engages temporary /contractual / casual employees primarily in the areas of housekeeping, security, engineering, construction etc. as per its requirement.

3. Please indicate the Number of permanent women employees.

Ans.: Nil

4. Please indicate the Number of permanent employees with disabilities

Ans.: Nil

5. Do you have an employee association that is recognized by management?

Ans.: No

6. What percentage of your permanent employees is members of this recognized employee association?

Ans.:NA.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Ans.: Nil



No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	NA
2	Sexual harassment	Nil	NA
3	Discriminatory employment	Nil	NA

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Ans.:

(a) Permanent Employees: The Company provides these employees with an opportunity to excel and to attend various professional development programmes as required.

(b) Permanent Women Employees: NA since the Company does not have any women employees.

(c) Casual/Temporary/Contractual Employees: Nil

(d) Employees with Disabilities: NA

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Ans.: Yes, the Company is sensitive to the requests of shareholders and stakeholders, and consistently attends to their various suggestions and requests, including those received at various general meetings of the Company. It also provide stakeholders with requisite disclosures that are required to be given in its annual reports, providing press releases, announcements etc. to the media as and when required in relation to the Company. The Company regularly meets its payment obligations such as applicable property taxes, N.A. tax, repayment of loans to its lenders, and procures relevant insurance policies as applicable for its business activities.

The Company also follows a transparent investor communication protocol which includes regular investor presentations, by uploading of relevant information on its website and also filing the same with BSE Ltd. by prompt dissemination of price sensitive information etc. After the end of each quarter, the Company voluntarily provides and investor presentation with all required details as well as key financial information pertaining to that quarter to the stock exchange. This is done to ensure symmetry of information in line with the principles of fair disclosures.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Ans.: NA

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Ans.: NA

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Ans.: Since the Company has three employees no specific policy is formed. The Company provides these employees with an opportunity to excel and to attend various professional development programmes as required.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Ans.: 23 (Twenty three) shareholders' complaints were received in the F.Y. 2019-20 with respect to their shares transfer / unclaimed dividend payment etc. The same was attended promptly to the satisfaction of shareholders and 0 (Zero) number of the complaints was pending during the F.Y. 2019-20.

**Principle 6**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Ans.: The Company is a non polluting industry and therefore it is not required to have a specific policy in this regard.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Ans.: Yes. The Company is a non-polluting Industry. Initiatives described above for Principle 2.

Does the company identify and assess potential environmental risks? Y/N

Ans.: NA . Since the Company is engaged in a non-polluting industry.

3. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Ans.: No

4. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Ans.: Yes. In addition to the Initiatives described above for Principle 2, the Company has a installed rainwater harvesting system in NKP.

5. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Ans.: NA

6. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Ans.: NIL

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Ans.: NIL

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Ans.: NA

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Ans.: Yes, the company does make contribution towards corporate social responsibility (CSR) activities as required under applicable law. The Company focuses mainly on healthcare and education to meet its CSR objectives.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

Ans.: The programs/ projects are undertaken through outside agencies.

3. Have you done any impact assessment of your initiative?

Ans.: The Company does a periodic assessment of its initiatives.

4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.

Ans.: NA



NIRLON

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Ans.: NA

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
Ans.: Nil
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)
Ans.: NA
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Ans.: No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Ans.: The Company periodically carries out surveys with its Licensees to understand their level of satisfaction with the overall occupant/customer experience in NKP. Licensee feedback is taken seriously and the Company engages with Licensees post such surveys to follow through on the feedback provided.



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**INDEPENDENT AUDITOR'S REPORT**

To,

The Members of Nirlon Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Nirlon Limited ("**the Company**"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("**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 March 31, 2020, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (**SAs**), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<u>Related party transactions</u>	
As disclosed in Note 35 of the Ind AS financial statements, the Company has entered into following transactions with Nirlon Management Services Private Limited (' NMSPL '), a related party: <ul style="list-style-type: none">• property and lease management services• project management services	Our procedures included, amongst others, the following: <ul style="list-style-type: none">• Considered the compliance with the various requirements for entering into such related party transactions• Obtained an understanding of the process and tested internal controls over related party transactions through inspection of evidence of performance of these controls.<ul style="list-style-type: none">• Performed the test of details including the following key procedures:• Read the reports obtained by management from external experts



Key audit matters	How our audit addressed the key audit matter
<u>Related party transactions</u>	
	<ul style="list-style-type: none"> • Read the approvals obtained from Audit Committee, Board of Directors and Shareholders for the transactions • Assessed the disclosures in the Ind AS financial statements for compliance with relevant accounting standards and other regulations.
<u>Measurement of Deferred Tax</u>	
<p>As disclosed in Note 18 of the Ind AS financial statements, the Company has recognized Minimum Alternate Tax (MAT) credit receivable of ₹ 472.72 lakh and deferred tax liability of ₹ 6,294.74 lakh as at March 31, 2020.</p> <p>Pursuant to the Taxation Laws (Amendment) Act, 2019 (new tax regime), the Company has remeasured its deferred tax balances expected to reverse after the likely transition to new tax regime, at the rate specified in the new tax regime and has recognized a net gain of ₹ 789.59 lakh. The measurement of deferred tax balances; is a key audit matter as the estimation of year of transition to the new tax regime involves significant estimate of the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Company.</p>	<p>Our procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> • Evaluated Company's accounting policies with respect to recognition and measurement of tax balances in accordance with Ind AS 12 "Income Taxes" • Obtained an understanding of the process and tested internal controls over recognition and measurement of tax balances through inspection of evidence of performance of these controls. • Performed the tests of details including the following key procedures: <ul style="list-style-type: none"> • Involved tax specialists who evaluated the Company's tax positions basis the tax law and also by comparing it with prior years and past precedents • Discussed the future business plans and financial projections with the management • Assessed the management's long-term financial projections and the key assumptions used in the projections by comparing it with the past trends, external data, where available and projections used for impairment assessment. • Assessed the deferred tax on temporary differences which are expected to reverse after the date of transition to new tax regime and considered the impact thereof. • Assessed the disclosures in accordance with the requirements of Ind AS 12 "Income Taxes".

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and perform all procedures as required by SA 720 "The Auditor's Responsibilities Relating to Other Information".

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (**Ind AS**) specified under section 133 of



the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to



bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial Year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) 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, as amended 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 Ind AS financial statements – Refer Note 32 to the Ind AS 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.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 20112773AAAAEB1922

Mumbai, June 30, 2020



Annexure 1 to the Independent Auditor's Report referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Ind AS financial statements of Nirlon Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i) (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (i) (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in investment property are held in the name of the Company, except for the following:

(₹ in lakh)

Sr. No	Asset Category	Gross Block as at March 31, 2020	Carrying Value as at March 31, 2020	Remarks
1.	Land	19.00	19.00	The title deeds are in the erstwhile name of the Company
2.	Building	87.11	Nil	

- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies, Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the leasing service, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) No undisputed amounts payable in respect of provident fund, income-tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income tax, sales tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute are as follows:

Name of statute	Nature of the dues	₹ in lakh	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service Tax	1,078.40*	Financial years 2007-2009	High Court

* Including penalty of ₹ 539.25 lakh and excluding interest as applicable



- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any outstanding loans or borrowing dues in respect to government or dues to debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of term loans for the purposes for which they were raised. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments in the nature of debentures.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, 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.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 20112773AAAAEB1922

Mumbai, June 30, 2020



Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Nirlon Limited
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Nirlon Limited ("**the Company**") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the Year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (**the "Guidance Note"**) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 20112773AAAAEB1922

Mumbai, June 30, 2020



NIRLON

Balance Sheet as at March 31, 2020

(₹ in lakh)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	47.34	50.68
(b) Capital work-in-progress	3 and 26(2)	94,821.36	55,933.11
(c) Investment properties	3	74,069.75	79,093.17
(d) Intangible assets	4	-	1.83
(e) Financial assets			
i. Loans	5	220.25	219.08
ii. Other financial assets	6	115.00	115.00
(f) Non current tax assets (net)	7(A)	438.77	369.58
(g) Other non-current assets	8	5,623.71	7,637.76
Total non-current assets		175,336.18	143,420.21
Current assets			
(a) Financial assets			
i. Trade receivables	9	392.33	237.27
ii. Cash and cash equivalents	10	1,159.78	415.55
iii. Bank balances other than (ii) above	11	105.23	88.73
iv. Other financial assets	6	186.03	178.90
(b) Other current assets	12	1,615.87	1,383.56
Total Current Assets		3,459.24	2,304.01
Total Assets		178,795.42	145,724.22
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	9,011.80	9,011.80
(b) Other Equity	14	36,367.31	26,234.39
Total Equity		45,379.11	35,246.19
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	15	96,339.07	85,339.07
ii. Other financial liabilities	16	14,626.42	8,951.00
(b) Provisions	17	44.50	40.40
(c) Deferred tax liabilities (net)	18	5,867.02	4,932.35
(d) Other non-current liabilities	19	5,217.29	1,827.31
Total Non-Current Liabilities		122,094.30	101,090.13
Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	20	2,559.77	-
ii. Trade Payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		38.58	2.45
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises		825.87	770.34
iii. Other financial liabilities	16	6,135.99	7,074.20
(b) Other current liabilities	22	1,739.47	1,516.77
(c) Provisions	17	14.54	9.55
(d) Current tax liabilities (net)	7 (B)	7.79	14.59
Total Current Liabilities		11,322.01	9,387.90
Total Liabilities		133,416.31	110,478.03
Total Equity and Liabilities		178,795.42	145,724.22

See accompanying notes forming part of the financial statements

As per our report of even date
For S R B C & CO LLP
 Firm Registration No : 324982E/E300003

ABHISHEK AGARWAL
 Partner
 Membership No. : 112773

Mumbai, June 30, 2020

RAHUL V. SAGAR
 Executive Director and Chief Executive Officer
 DIN : 00388980

KUNAL V. SAGAR
 Directors
 DIN : 00388877

MANISH B. PARIKH
 Chief Financial Officer

ANJALI SETH
 Directors
 DIN : 05234352

JASMIN K. BHAVSAR
 Company Secretary & Vice President (Legal)
 FCS : 4178

**NIRLON****Statement of Profit and Loss for the Year ended March 31, 2020**

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
I. Revenue from operations	23	31,000.06	29,866.50
II. Other income	24	99.23	130.48
III. Total Income		31,099.29	29,996.98
IV. Expenses			
(a) Employee benefits expenses	25	530.44	473.08
(b) Finance costs	26	3,212.71	6,971.66
(c) Depreciation and amortisation expenses	27	5,325.00	5,888.41
(d) Property management expenses	28	3,241.62	3,256.25
(e) Other expenses	29	4,140.44	3,527.81
Total Expenses		16,450.21	20,117.21
V. Profit before tax (III- IV)		14,649.08	9,879.77
VI. Tax expense	30		
(a) Current tax		2,765.84	2,396.88
(b) Deferred tax	18	935.67	1,115.10
Total tax expenses		3,701.51	3,511.98
VII. Profit after tax (V- VI)		10,947.57	6,367.79
VIII. Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit obligation		(1.62)	1.09
(b) Tax on above-		0.47	(0.38)
Other comprehensive income for the year, net of tax		(1.15)	0.71
IX. Total comprehensive income for the year (VII+VIII)		10,946.42	6,368.50
Earnings per Equity share of face value of ₹ 10 each:	31		
(a) Basic earnings per share (in ₹)		12.15	7.07
(b) Diluted earnings per share (in ₹)		12.15	7.07

See accompanying notes forming part of the financial statements

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NIRLON

Statement of Cash Flows for the Year ended March 31, 2020

(₹ in lakh)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash Flow from Operating Activities:		
Profit before income tax	14,649.08	9,879.77
Adjustments for:		
Depreciation and amortisation expense	5,325.00	5,888.41
Amortisation of marketing fees	1,000.53	665.83
Loss / (Gain) on assets sold/discarded	72.66	24.79
Finance cost (net of capitalisation)	3,212.71	6,971.66
Interest income	(92.23)	(118.16)
Foreign exchange loss / (gain)	137.66	-
Sundry balances written off / (back)	-	34.01
	24,305.41	23,346.31
Working Capital Adjustments:		
(Increase) / decrease in assets:		
Trade Receivables	(155.06)	19.33
Other current financial assets	(6.78)	21.57
Other non current financial assets	-	7.41
Other current assets	(232.31)	99.48
Other non current assets	929.31	1,088.96
Loans	(1.18)	-
Increase / (decrease) in liabilities:		
Trade Payables	91.67	(102.68)
Other current financial liabilities	(306.70)	(248.36)
Other non current financial liabilities	5,675.42	969.35
Other current liabilities	232.53	93.03
Other non current liabilities	3,389.98	(206.53)
Provisions	10.71	4.26
Net Cash Flow from / (used) in operations	33,933.00	25,092.13
Income taxes paid	(2,841.82)	(2,694.06)
Net Cash Flow from / (used) in operating activities	31,091.18	22,398.07
Cash Flows from investing activities		
Purchase of Property, Plant and Equipment & investment properties including capital work in progress	(32,748.08)	(40,538.52)
Proceeds from sale of Property, Plant and Equipment & investment property	124.16	9.45
Interest received	92.23	118.16
Fixed deposits (placed) / matured with a Bank	-	(70.52)

**NIRLON**

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Other Bank balances	-	(4.48)
Net cash outflow from investing activities	(32,531.69)	(40,485.91)
Cash Flows from financing activities		
Proceeds from current borrowings	5,175.05	-
Repayment of short term borrowings	(2,752.94)	-
Proceeds from non current borrowings	11,000.00	24,252.50
Interest and other borrowings cost including interest capitalized	(10,401.68)	(8,669.44)
Dividends paid	(675.88)	(675.88)
Dividend Distribution Tax	(137.62)	(137.62)
Net Cash inflow (outflow) from financing activities	2,206.93	14,769.56
Net increase (decrease) in Cash and Cash equivalents	766.42	(3,318.28)
Cash and Cash equivalents as at April 1 (Opening Balance)	393.36	3,711.64
Cash and Cash equivalents as at March 31 (Closing Balance)	1,159.78	393.36

Reconciliation of Cash and Cash equivalents as per the Cash Flow statement

Cash and Cash equivalents as per above comprise of the following

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks in current accounts	1,157.15	265.55
Bank Deposits (deposits with original maturity of less than 3 months)	-	150.00
Cash on hand	2.63	-
Book Overdraft	-	(22.19)
Total Cash and Cash equivalents	1,159.78	393.36

As per our report of even date
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Mumbai, June 30, 2020

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 Company Secretary & Vice President
 (Legal)
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NIRLON

Statement of changes in Equity as at March 31, 2020

A. Equity Share Capital

(₹ in lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the reporting year	9,011.80	9,011.80
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting period	9,011.80	9,011.80

B. Other Equity

(₹ in lakh)			
Particulars	Securities premium	Retained earnings	Total
Balance as at April 1, 2018	12,540.16	8,139.23	20,679.39
Profit for the year	-	6,367.79	6,367.79
Other comprehensive income for the year, net of tax	-	0.71	0.71
Dividend paid (including dividend distribution tax)	-	(813.50)	(813.50)
Balance as at March 31, 2019	12,540.16	13,694.23	26,234.39
Balance as at April 1, 2019	12,540.16	13,694.23	26,234.39
Profit for the year	-	10,947.57	10,947.57
Other comprehensive income for the year, net of tax	-	(1.15)	(1.15)
Dividend paid (including dividend distribution tax)	-	(813.50)	(813.50)
Balance as at March 31, 2020	12,540.16	23,827.15	36,367.31

See accompanying notes forming part of the financial statements

As per our report of even date
For S R B C & CO LLP
 Firm Registration No : 324982E/E300003

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Mumbai, June 30, 2020

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 Company Secretary & Vice President
 (Legal)
 FCS: 4178



Notes to Financial Statements as at and for the Year ended March 31, 2020

Background of the Company

Nirlon Limited is a Company incorporated and domiciled in India. The Company is engaged in development and management of the industrial park / information technology (IT) park. The registered office of the Company is located at Pahadi Village, Off the Western Express Highway, Goregaon (East), Mumbai.

The financial statements were approved for issue by the Board of Directors on June 30, 2020.

Note 1: Significant Accounting Policies followed by the Company

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (**Ind AS**) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value (Refer accounting policy for financial instruments)

The financial statements are presented in Indian Rupees ('₹') and all values are rounded to nearest lakh (₹ 00,000), except when otherwise indicated.

(ii) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(b) Property, Plant & Equipment

All items of Property, Plant and Equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the Balance Sheet date.

On transition to Ind AS

Under the previous GAAP (**Indian GAAP**), property plant and equipment was carried in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to Ind AS, the Company has elected to continue with the carrying value of property, plant and equipment as deemed cost as at April 1, 2016.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant & equipment has been provided on written down value method over the estimated useful lives of the assets, based on technical evaluation done by management's expert, which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

Useful life considered for calculation of depreciation for various assets class are as follows -

**Notes to Financial Statements as at and for the Year ended March 31, 2020**

Asset class	Useful Life
Office Equipment	3 / 5 / 15 years
Furniture & Fixtures	15 years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(c) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation methods, estimated useful lives and residual value

Investment property consists of Freehold Land, Buildings, Plant & Equipment, Office Equipment and Furniture & Fixtures, which is depreciated using the written down value method over the estimated useful lives of the assets, based on technical evaluation done by management's expert, which is at a variance than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

Useful life considered for calculation of depreciation for assets class are as follows-

Asset class	Useful Life
Buildings	10-60
Plant & Equipment	3-60
Office Equipment	5-30
Furniture & Fixtures	3-60

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the acquisition price and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use.

On Transition to Ind AS

On the date of transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as at April 01, 2016 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation

Intangible assets are amortised on written down value method over the estimated useful life. The method of amortisation and useful life is reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Useful life considered for amortisation of intangible assets for various assets class are as follows-

Asset class	Useful Life
Software & Licenses	3 years

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Impairment of Non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



Notes to Financial Statements as at and for the Year ended March 31, 2020

(f) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Initial Recognition & Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortised cost
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognised entirely in the Statement of Profit and Loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt Instruments at Amortised cost

A debt instrument is measured at amortised cost if both the following conditions are met:

- a) **Business Model Test:** The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- b) **Cash Flow Characteristics Test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments

of principal and interest on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Debt Instruments at fair value through OCI

A debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- a) **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and by selling financial assets.
- b) **Cash Flow Characteristics Test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in Statement of Profit and Loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt Instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument which does not meet the criteria for amortised cost or FVTOCI is classified as at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognised in Statement of Profit and Loss and presented net in the Statement of Profit and Loss within other gains or losses in the period in which it arises. Interest income from these debt instruments is included in other income.

Equity Instruments

For all Equity instruments, the Company may make an irrevocable election to present in other comprehensive



Notes to Financial Statements as at and for the Year ended March 31, 2020

income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset is derecognised only when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass through” arrangement and either:
 - (a) The Company has transferred the rights to receive cash flows from the financial assets or
 - (b) The Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised.

Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note

37 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to derecognise from initial recognition of the receivables.

(II) Financial Liabilities

The measurement of financial liabilities depends on their classification, as described below:

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Lease Deposits

Lease deposits received are financial liability and need to be measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the EIR method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.



Notes to Financial Statements as at and for the Year ended March 31, 2020

(III) Derivative Financial Instruments

Derivative financial instruments such as forward contracts are taken by the Company to hedge its foreign currency risks, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

(IV) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(g) Fair Value Measurement

The Company measures certain financial instruments at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(h) Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes

in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted at the end of the reporting period. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations. It establishes provisions where appropriate on the basis of amount expected to be paid to tax authorities.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(i) Employee Benefits

(i) Short-Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled



Notes to Financial Statements as at and for the Year ended March 31, 2020

wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The provision for compensated absences that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-Employment Obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity and
- (b) Defined contribution plans such as provident fund, Employee State Insurance Corporation (ESIC).

(iv) Termination Benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost of a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Gratuity Obligations

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

Defined Contribution Plans

Defined contribution plans such as provident fund and ESIC are charged to the Statement of Profit and Loss as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset.

(j) Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



Notes to Financial Statements as at and for the Year ended March 31, 2020

(l) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition / construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(m) Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. functional currency). The financial statements are presented in Indian rupee (₹), which is Company's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing cost are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(n) Provisions and Contingent Liabilities

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

(o) Leases

Company as a lessor

Accounting policy for leases from 1st April, 2019

At inception of contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.



Notes to Financial Statements as at and for the Year ended March 31, 2020

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Accounting Policy for leases till 31st March, 2019

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer Note 34 for segment information presented.

(q) Revenue Recognition

(i) Revenue from Contract with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Contract assets are transferred to receivables when the rights become unconditional. Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are recognised as revenue as and when the performance obligation is satisfied. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

(ii) Rental Income

License fee / Lease income and income incidental to it, arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

Other operating revenue comprises of car parking charges which are recognised as income as per the terms and conditions of the agreement with lessees.

(iii) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method.

Insurance claims and scrap sales are accounted for in the books on an accrual basis.

(r) Dividend Distribution to Equity Shareholders

Dividend distributed to equity shareholders is recognised as distribution to owners of capital in the statement of changes in equity, in the period in which it is paid.

(s) Significant Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving significant estimates or judgments are:

- Estimation of defined benefit obligation (Note 36)
- Estimation of useful life of Property, plant and equipment, Investment properties and intangibles (Note 2, 3 and 4)
- Estimation of taxes (Note 7, 18 and 30)
- Estimation of provisions and contingent liabilities (Note 17 and 32)
- Estimation of fair value measurement of financial assets and liabilities (Note 37)

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.



Notes to Financial Statements as at and for the Year ended March 31, 2020

(t) New and amended standards and interpretations

The Company applied for the following first time amendment to the standard, which are effective for annual periods beginning on or after April 1, 2019. The nature and the impact of the amendment is described below:

Ind AS 116 – Leases

Ind AS 116 'Leases' (Ind AS 116) was notified in March, 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. The Company has applied Ind AS 116 with a date of initial application of 1st April, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at 1st April, 2019. Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors continues to classify leases as either operating or finance leases using similar principles as in Ind AS 17.

The Company has applied Ind AS 116 only to the contracts that were previously identified as leases. As a practical expedient, contracts previously identified as lease under Ind AS 17 has not reassessed as to whether a contract is, or contains, a lease under Ind AS 116. The

Company has used the practical expedients of using hindsight approach for determination the lease term if the contract contains options to extend or terminate the lease when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:

The application of Ind AS 116 does not have any significant impact on retained earnings as at April 1, 2019 and on the Ind AS Financial Statements of the Company.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. In accordance with the amendment to Ind AS 23, the Company has considered the specific borrowings obtained for completed phases as a part of general borrowings and the finance cost amounting to ₹3,986 lakh for the year ended March 31, 2020 related to such borrowings has been capitalised as a part of capital work in progress. This has resulted in increase in the basic and diluted earnings per share by ₹ 3.31 for the year ended March 31, 2020.

As per our report of even date
For **S R B C & CO LLP**
Firm Registration No : 324982E/E300003

RAHUL V. SAGAR
Executive Director and Chief Executive
Officer
DIN : 00388980

ABHISHEK AGARWAL
Partner
Membership No. : 112773

KUNAL V. SAGAR
Directors
DIN : 00388877

ANJALI SETH
Directors
DIN : 05234352

Mumbai, June 30, 2020

MANISH B. PARIKH
Chief Financial Officer

JASMIN K. BHAVSAR
Company Secretary & Vice President
(Legal)
FCS: 4178



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Notes to Financial Statements as at and for the Year ended March 31, 2020

2. Property, Plant and Equipment

(₹ in lakh)

Particulars	Furniture & Fixtures	Office Equipment	Total
Year ended March 31, 2019			
Gross carrying amount			
As at April 1, 2018	68.00	9.28	77.28
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	68.00	9.28	77.28
Accumulated depreciation			
As at April 1, 2018	18.69	3.62	22.31
Depreciation charge for the year	4.05	0.24	4.29
As at March 31, 2019	22.74	3.86	26.60
Net carrying amount as at March 31, 2019	45.26	5.42	50.68
Year ended March 31, 2020			
Gross carrying amount			
As at April 1, 2019	68.00	9.28	77.28
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2020	68.00	9.28	77.28
Accumulated depreciation			
As at April 1, 2019	22.74	3.86	26.60
Depreciation charge for the year	3.17	0.17	3.34
As at March 31, 2020	25.91	4.03	29.94
Net carrying amount as at March 31, 2020	42.09	5.25	47.34



Notes to Financial Statements as at and for the Year ended March 31, 2020

3. Investment Properties

	(₹ in lakh)					
Particulars	Land	Buildings [Refer Note (i)]	Plant and Equipment	Furniture and Fixtures	Office Equipment	Total
Year ended March 31, 2019						
Gross block						
As at April 1, 2018	19.00	92,502.05	26,128.57	13,275.62	189.60	132,114.84
Additions	-	199.61	-	130.92	79.00	409.53
Disposals	-	-	(105.55)	(57.19)	-	(162.74)
Capitalisation of marketing fees	-	1,803.22	-	-	-	1,803.22
As at March 31, 2019	19.00	94,504.88	26,023.02	13,349.35	268.60	134,164.85
Accumulated depreciation						
As at April 1, 2018	-	23,518.15	14,665.93	10,360.06	106.61	48,650.75
Depreciation charge for the year	-	3,679.38	1,550.85	639.15	14.22	5,883.60
Disposals	-	-	(76.30)	(52.20)	-	(128.50)
Amortisation of marketing fees (Refer Note 29)	-	665.83	-	-	-	665.83
As at March 31, 2019	-	27,863.36	16,140.48	10,947.01	120.83	55,071.68
Net carrying amount as at March 31, 2019	19.00	66,641.52	9,882.54	2,402.34	147.77	79,093.17
Year Ended March 31, 2020						
Gross Block						
As at April 1, 2019	19.00	94,504.88	26,023.02	13,349.35	268.60	134,164.85
Additions	-	-	161.74	12.19	-	173.93
Disposals	-	-	(262.77)	(12.73)	-	(275.50)
Capitalisation of marketing fees	-	1,319.82	-	-	-	1,319.82
As at March 31, 2020	19.00	95,824.70	25,921.99	13,348.81	268.60	135,383.10
Accumulated Depreciation						
As at April 1, 2019	-	27,863.36	16,140.48	10,947.01	120.83	55,071.68
Depreciation charge for the year	-	3,488.80	1,331.25	475.12	24.66	5,319.83
Disposals	-	-	(70.67)	(8.02)	-	(78.69)
Amortisation of marketing fees (Refer Note 29)	-	1,000.53	-	-	-	1,000.53
As at March 31, 2020	-	32,352.69	17,401.06	11,414.11	145.49	61,313.35
Net carrying amount as at March 31, 2020	19.00	63,472.01	8,520.93	1,934.70	123.11	74,069.75

Note:

- (i) Buildings include building purchased at Worli, Mumbai having a written down value of ₹ Nil lakh as at March 31, 2020 (March 31, 2019 : ₹ 43.50 lakh), being the 75% share of the Company in the property which is jointly owned with Nirlon Foundation Trust.
- (ii) Capital work in progress as at March 31, 2020 amounting to ₹ 94,821.36 lakh (As at March 31, 2019: ₹ 55,933.11 lakh) majorly comprises of asset under construction for Phase 5 at Nirlon Knowledge Park.

**Notes to Financial Statements as at and for the Year ended March 31, 2020****(iii) Amount recognised in the Statement of Profit and Loss for investment properties**

	(₹ in lakh)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations (Refer Note 23)	30,578.16	29,433.45
Miscellaneous receipts (Refer Note 24)	-	2.02
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income	(6,133.04)	(5,779.72)
Net amount recognised in the Statement of Profit and Loss before depreciation	24,445.12	23,655.75
Depreciation expense	(5,319.83)	(5,883.60)
Net amount recognised in the Statement of Profit and Loss after depreciation	19,125.29	17,772.15

(iv) Leasing arrangements

The Company's investment properties consist of commercial properties in Mumbai (Worli and Goregaon). These investment properties are leased to tenants under operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties (including capital work in progress) are as follows:

	(₹ in lakh)	
Particulars	March 31, 2020	March 31, 2019
Within one year	12,004.42	10,090.78
One to two years	15,209.64	6,997.68
Two to three years	24,494.55	3,475.75
Three to four years	24,013.35	712.91
Four to five years	26,110.84	304.14
More than 5 years	7,565.37	-

(v) Contractual obligations

Refer to Note 33 for disclosure of contractual commitments for the purchase, construction or development of investment property or its enhancements.

(vi) Investment properties pledged as security

Refer to Note 15 and Note 20 (non current borrowings and short term borrowings) for information on investment properties pledged as security by the Company.

(vii) Fair value

As at March 31, 2020 and March 31, 2019, the fair values of the investment properties excluding (capital work in progress) are ₹ 316,953.86 lakh and ₹ 363,623.52 lakh respectively. These valuations are based on valuations performed by an independent valuer. The main inputs used are the location, demand, marketability and age of building based on comparable transactions adjusted for functional differences. Fair valuation is based on replacement cost / market method. The fair value measurement is categorised within level 3 fair value hierarchy.



Notes to Financial Statements as at and for the Year ended March 31, 2020

4. Intangible Assets

		(₹ in lakh)
Particulars		Computer software
Year ended March 31, 2019		
Gross block		
As at April 1, 2018		2.05
Additions		2.05
Disposals		-
As at March 31, 2019		4.10
Accumulated amortisation		
As at April 1, 2018		1.74
Amortisation charge for the year		0.53
As at March 31, 2019		2.27
Net carrying amount as at March 31, 2019		1.83
Year ended March 31, 2020		
Gross block		
As at April 1, 2019		4.10
Additions		-
Disposals		-
As at March 31, 2020		4.10
Accumulated amortisation		
As at April 1, 2019		2.27
Amortisation charge for the year		1.83
As at March 31, 2020		4.10
Net carrying amount as at March 31, 2020		-

5. Loans

(₹ in lakh)				
Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
Security deposits	-	220.25	-	219.08
Total	-	220.25	-	219.08



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Notes to Financial Statements as at and for the Year ended March 31, 2020

6. Other Financial Assets

Particulars	(₹ in lakh)			
	As at		As at	
	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Recoverable from related party and other receivables (Refer Note 35)	186.03	-	178.90	-
Balance with banks (margin money kept as deposits) #	-	115.00	-	115.00
Total	186.03	115.00	178.90	115.00

Held as lien by Banks against Bank Guarantees issued to Regulatory authorities in the normal course of business.

7(A). Non Current Tax Assets (Net)

Particulars	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provision of ₹ 7,274.40 lakh (March 31, 2019 ₹ 4,512.21 lakh))	438.77	369.58
Total	438.77	369.58

7(B). Current Tax Liabilities (Net)

Particulars	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
Income tax provision (net of advance tax of ₹ 1,743.36 lakh (March 31, 2019 ₹ 1,735.57 lakh))	7.79	14.59
Total	7.79	14.59

8. Other Non-Current Assets

Particulars	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	23.87	40.29
Lease equalisation	3,173.49	4,085.23
Capital advances (unsecured, considered good)	2,426.35	3,511.09
Other deposits (unsecured, considered good)	-	1.15
Total	5,623.71	7,637.76

9. Trade Receivables*

Particulars	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
- Secured, considered good	359.53	233.40
- Unsecured considered good	32.80	3.87
Total	392.33	237.27

*Refer Note 35 for receivables from related party



Notes to Financial Statements as at and for the Year ended March 31, 2020

10. Cash And Cash Equivalents

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Banks on current accounts	1,157.15	265.55
Cash in hand	2.63	
Bank Deposits (Deposits with original maturity of less than 3 months)	-	150.00
Total	1,159.78	415.55
Book Overdraft	-	(22.19)
As per Statement of Cash Flows	1,159.78	393.36

Reconciliation of Liabilities from Financing Activities

(₹ in lakh)

Particulars	Non current borrowings	Short term borrowings	Total
Balance as at April 1, 2018	61,086.57	-	61,086.57
Proceeds during the year	24,252.50	-	24,252.50
Repaid during the year	-	-	-
Balance as at March 31, 2019	85,339.07	-	85,339.07
Proceeds during the year	11,000.00	5,175.05	16,175.05
Repaid during the year	-	(2,752.94)	(2,752.94)
Foreign exchange loss	-	137.66	137.66
Balance as at March 31, 2020	96,339.07	2,559.77	98,898.84

11. Bank Balances Other Than Above

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with Banks for:		
- Unpaid Dividend	100.74	84.25
- Margin Money kept as deposits#	4.49	4.48
Total	105.23	88.73

Held as lien by Banks against Bank Guarantees issued to Regulatory authorities in the normal course of business.

12. Other Current Assets

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	157.04	103.27
Balances with Government authorities (unsecured, considered good)	602.00	59.75
Advances to vendors (unsecured, considered good)	92.64	2.56
Lease equalisation	764.19	1,217.98
Total	1,615.87	1,383.56



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Notes to Financial Statements as at and for the Year ended March 31, 2020

13. Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	No. of shares	No. of shares	(₹ in lakh)	(₹ in lakh)
(a) Authorised Share Capital:				
Equity shares of the par value of ₹ 10 each	15,00,00,000	15,00,00,000	15,000.00	15,000.00
(b) Issued Share Capital				
Outstanding at the beginning and end of the year [including 14,022 shares (March 31, 2019 - 14,022 shares) not allotted but held in abeyance]	90,132,062	90,132,062	9,013.21	9,013.21
(c) Subscribed and Fully paid up				
Outstanding at the beginning and end of the year [excluding 14,022 shares (March 31, 2019 - 14,022 shares) not allotted but held in abeyance]	90,118,040	90,118,040	9,011.80	9,011.80
Total subscribed and paid up	90,118,040	90,118,040	9,011.80	9,011.80

Note (i): Shares of the Company held by holding company

Particulars	As at March 31, 2020	As at March 31, 2019
Reco Berry Private Limited	5,76,06,274	5,76,06,274

Note (ii): Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Reco Berry Private Limited	5,76,06,274	63.92%	57,606,274	63.92%
Albula Investment Fund Limited	55,29,646	6.14%	5,063,701	5.62%

Note (iii): Terms and rights attached to Equity Shares

Equity shares have a par value of ₹ 10/-. They entitle the holder to participate in dividends and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of Equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

14. Other Equity

Particulars	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
Securities premium	12,540.16	12,540.16
Retained earnings	23,827.15	13,694.23
Total	36,367.31	26,234.39



Notes to Financial Statements as at and for the Year ended March 31, 2020

Note 14 (i): Movement In Other Equity

Securities Premium:

Securities Premium is used to record premium on issue of shares. The reserve is utilised as per the provisions of the Companies Act, 2013.

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	12,540.16	12,540.16
Movement during the year	-	-
Closing balance	12,540.16	12,540.16

Retained Earnings :

Retained Earnings are the profits of the Company earned till date net of appropriations.

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	13,694.23	8,139.23
Add: Net profit for the year	10,947.57	6,367.79
Items of other comprehensive income recognised in retained earnings		
Remeasurement of defined benefit obligations, net of tax	(1.15)	0.71
Dividend paid (including dividend distribution tax)	(813.50)	(813.50)
Closing balance	23,827.15	13,694.23

15. Non Current Borrowings

(₹ in lakh)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Secured-Term loans			
Loans from financial institution	(a)	96,339.07	85,339.07
Total		96,339.07	85,339.07

Note (a): Loans from financial institution

- Interest is paid on a monthly basis. HDFC Limited has granted moratorium for repayment of principal amount with effect from June 2017 till June 2022. Post June 2022, principal will be repaid in 84 equated monthly installments.
- The loan from HDFC Limited 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.
- Rate of floating interest rate at each reporting date :

March 31, 2020	9.35%
March 31, 2019	10.15%



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Notes to Financial Statements as at and for the Year ended March 31, 2020

16. Other Financial Liabilities

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposit from licensees	14,136.64	8,399.69
Other Payables	489.78	551.31
Total	14,626.42	8,951.00
Current		
Interest accrued but not due on borrowings	401.12	337.88
Unpaid dividend	100.74	84.25
Security deposit from licensees	3,481.21	3,792.78
Contract liabilities (Refer Note below)	24.17	9.35
Book Overdraft	-	22.19
Payable to Employees (Refer Note 36)	178.90	178.29
Creditors for capital goods	1,822.51	2,521.38
Other Payables	127.34	128.08
Total	6,135.99	7,074.20

Note : Significant Movement in Contract Liabilities

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	9.35	33.60
Add : Advance received during the year	3,570.34	3,490.10
Less : Revenue recognized during the year from opening balance	(9.35)	(33.60)
Less : Revenue recognized from advance received during the year	(3,546.17)	(3,480.75)
Closing balance	24.17	9.35

17. Provisions

(₹ in lakh)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Provision for employee benefits (Refer Note 36)						
Provision for compensated absences	13.38	7.93	21.31	8.34	7.96	16.30
Provision for Gratuity	1.16	36.57	37.73	1.21	32.44	33.65
Total	14.54	44.50	59.04	9.55	40.40	49.95



Notes to Financial Statements as at and for the Year ended March 31, 2020

18. Deferred Tax Liabilities (Net)

Particulars	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities on account of:		
Difference between book and tax depreciation	5,193.75	5,476.87
Lease equalisation	1,021.30	1,853.15
Financial liabilities measured at amortized cost	94.56	158.67
Total	6,309.61	7,488.69
Deferred Tax Assets on account of:		
Expenditure allowed on payment basis	(14.87)	(253.37)
Total	(14.87)	(253.37)
Deferred Tax Liabilities	6,294.74	7,235.32
Less: Minimum Alternate Tax (MAT) credit entitlement	427.72	2,302.97
Net Deferred Tax Liabilities (Refer Notes below)	5,867.02	4,932.35

Note (a): Movements In Deferred Tax (Assets)/Liabilities

Particulars	(₹ in lakh)					
	Difference between book and tax depreciation	Lease equalisation	Financial liabilities measured at amortized cost	MAT Credit	Expenditure allowed on payment basis	Total
As at April 1, 2018	4,890.65	2,198.37	211.97	(3,190.02)	(294.09)	3,816.88
Charged / (Credited)						
- to profit or loss	586.22	(345.22)	(53.30)	887.05	40.35	1,115.10
- to other comprehensive income	-	-	-	-	0.37	0.37
As at March 31, 2019	5,476.87	1,853.15	158.67	(2,302.97)	(253.37)	4,932.35
Charged / (Credited)						
- to profit or loss	(283.12)	(831.85)	(64.11)	1,875.25	238.97	935.14
(Refer Note (b) below)						
- to other comprehensive income	-	-	-	-	(0.47)	(0.47)
As at March 31, 2020	5,193.75	1,021.30	94.56	(427.72)	(14.87)	5,867.02

Note (b):

Pursuant to the Taxation Laws (Amendment) Act, 2019 which is effective from April 1, 2019, domestic companies have the option to pay income tax at 22% plus applicable surcharge and cess ('new tax regime') subject to certain conditions. Based on the Company's assessment of the expected year of transition to the new tax regime, the Company has remeasured the deferred tax liabilities at the newly enacted tax rate and has written back an amount of ₹2,089.59 lakh. Further, the Company has also written off Minimum Alternate Tax credit amounting to ₹ 1,300.00 lakh expected to remain unutilized on transition to new tax regime.



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Notes to Financial Statements as at and for the Year ended March 31, 2020

19. Other Non-Current Liabilities

(₹ in lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Deferred license fees pending amortization	5,217.29	1,827.31
Total	5,217.29	1,827.31

20. Short Term Borrowings

(₹ in lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Loans repayable on demand		
Buyer's credit from Banks (Refer Note (a))	2,559.77	-
Total	2,559.77	-

Notes:

1. The amount is secured by way of earmarking facilities, (vide a letter of undertaking from HDFC Limited to HDFC Bank) out of the total facility granted by HDFC Limited to the Company. Refer Note 15 for security provided to HDFC Limited.
2. The rate of interest in USD for the buyer's credit ranges from 2.20% to 3.29%.

21. Trade Payables

(₹ in lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Trade payables	864.45	772.79
Total	864.45	772.79

Note (a): The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('**MSMED Act**'). The disclosures pursuant to the MSMED Act are as follows:

(₹ in lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	38.58	2.45
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(vii) Interest remaining due and payable for earlier years	-	-



Notes to Financial Statements as at and for the Year ended March 31, 2020

22. Other Current Liabilities

Particulars	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
Statutory dues	178.86	477.64
Advance received from licensees	5.51	1.72
Deferred license fees pending amortization	1,555.10	1,037.41
Total	1,739.47	1,516.77

23. Revenue From Operations

Particulars	(₹ in lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Leasing income		
Licence fees	26,647.09	25,557.05
Other operating revenue	375.55	362.05
Revenue from contracts with customers (Refer Notes below)		
Common area maintenance	3,555.52	3,514.35
Recovery of administrative costs	421.90	433.05
Total	31,000.06	29,866.50

Notes:

1. The Company recognizes revenue over time based on satisfaction of its performance obligation pertaining to maintenance of common area of properties given on lease and recovery of administrative costs. Customers are billed on a monthly basis.
2. Revenue pertaining to maintenance of common area of properties given on lease and recovery of administrative costs has been separately disclosed above. There are no other sources of revenue from contracts with customers and accordingly, no further disaggregation of revenue is disclosed.
3. The Company has no remaining unsatisfied / partially satisfied performance obligation outstanding as at March 31, 2020 and as at March 31, 2019.

24. Other Income

Particulars	(₹ in lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income from bank deposits measured at amortised cost	81.81	96.11
Interest income - others measured at amortised cost	10.41	20.01
Interest on income tax refund	-	2.04
Sale of scrap	7.01	10.30
Miscellaneous receipts	-	2.02
Total	99.23	130.48



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Notes to Financial Statements as at and for the Year ended March 31, 2020

25. Employee Benefit Expenses

	(₹ in lakh)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and bonus	431.98	413.75
Contributions to provident and other funds (Refer Note 36)	80.27	34.43
Gratuity (Refer Note 36)	2.46	2.35
Staff welfare expenses	15.73	22.55
Total	530.44	473.08

26. Finance Costs

	(₹ in lakh)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on borrowings measured at amortised cost	9,050.44	7,524.30
Unwinding of discount on financial liabilities	1,414.48	1,234.80
Other borrowing costs	-	0.53
Less: Interest expense on borrowings capitalised (Refer Notes below)	(7,252.21)	(1,787.97)
Total	3,212.71	6,971.66

Notes:

1. The amount of specific borrowing costs capitalised during the Year ended March 31, 2020 was ₹ 3,266.21 lakh (March 31, 2019: ₹ 1,787.97 lakh). The rate used to determine the amount of borrowing costs eligible for capitalization was 9.94%, (March 31, 2019: 9.88%).
2. During the Year ended March 31, 2020, pursuant to the amendment in Ind AS-23 "Borrowing Costs" w.e.f. April 01, 2019, the Company has considered the specific borrowings obtained for completed phases as a part of general borrowings. Accordingly, the finance cost amounting to ₹3,986.00 lakh for the Year ended March 31, 2020 related to such borrowings has been capitalised as a part of Capital Work in Progress. The rate used to determine the amount of borrowing costs eligible for capitalisation is 9.96%.

27. Depreciation and Amortisation Expenses

	(₹ in lakh)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of Property, Plant and Equipment and investment properties (Refer Note 2 and Note 3)	5,323.17	5,887.88
Amortisation of intangible assets (Refer Note 4)	1.83	0.53
Total	5,325.00	5,888.41



Notes to Financial Statements as at and for the Year ended March 31, 2020

28. Property Management Expenses

Particulars	(₹ in lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Repairs and maintenance	891.86	826.06
Professional fees	559.79	481.86
Security expenses	525.72	506.51
House keeping expenses	326.13	317.90
Consumption of stores and spares	99.03	107.86
Miscellaneous expenses	839.09	1,016.06
Total	3,241.62	3,256.25

29. Other Expenses

Particulars	(₹ in lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Power, fuel and water charges (net of recoveries, March 31, 2020 - ₹ 2,364.01 lakh; March 31, 2019 - ₹ 2,373.51 lakh)	31.45	69.34
Insurance	113.22	101.41
Rates and taxes (Refer Note 32(1))	996.32	888.50
Directors' sitting fees	75.00	46.50
Legal and professional expenses	311.56	280.99
Repairs and maintenance	92.08	111.95
Travelling expenses	51.63	50.07
Amortisation of marketing fees (Refer Note 3)	1,000.53	665.83
Security expenses	53.16	94.46
Property management and lease management	824.09	788.27
Corporate social responsibility expenditure (Note a)	193.72	156.50
Foreign exchange loss	137.66	-
Loss on assets discarded (net)	72.66	24.79
Payments to auditors (Note b)	42.76	37.97
Miscellaneous expenses	144.60	211.23
Total	4,140.44	3,527.81



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Notes to Financial Statements as at and for the Year ended March 31, 2020

Note (a): Details Of Corporate Social Responsibility Expenditure

	(₹ in lakh)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amount required to be spent as per Section 135 of the Act	176.12	156.31
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	193.72	156.50
Total	193.72	156.50

Note (b): Details Of Payment To Auditors (excluding goods and service tax)

	(₹ in lakh)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
For Statutory audit	20.00	20.00
For Limited review	16.50	11.50
For Tax audit	5.50	5.50
For reimbursement of expenses	0.76	0.97
Total	42.76	37.97

30. Income Tax Expense

	(₹ in lakh)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	2,773.24	2,395.97
Current tax adjustments pertaining to earlier years	(7.40)	0.91
Total current tax expense	2,765.84	2,396.88
Deferred tax (Refer Note 18)	628.69	1,156.85
Deferred tax adjustments pertaining to earlier years	306.98	(41.75)
Total deferred tax expense	935.67	1,115.10
Income tax expense	3,701.51	3,511.98

(a) Reconciliation of Effective Tax Rate:

	(₹ in lakh)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	14,649.08	9,879.77
Income tax expense calculated at enacted income tax rate	4,265.81	3,452.39
Tax effect of:		
Non deductible expenses	32.10	61.94
Remeasurement of deferred tax on account of new tax regime (Refer Note 18)	(789.59)	-
Tax in respect of earlier years	299.58	(40.84)
Others	(106.39)	38.49
Income tax expense	3,701.51	3,511.98



Notes to Financial Statements as at and for the Year ended March 31, 2020

Notes:

1. The tax rate used for the Year ended March 31, 2020 and March 31, 2019 reconciliations above is the corporate tax rate of 29.12% and 34.944% respectively payable by corporate entities in India on taxable profits under the Indian tax law.
2. The rate used for calculation of deferred tax for the Year ended March 31, 2020 is 29.12% and 25.17% for deferred tax expected to be reversed in the new tax regime. The rate used for calculation of deferred tax for the Year ended March 31, 2019 is 34.944%. These are the statutory enacted rates at Balance Sheet date.

(b) Amounts recognised directly in Equity

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised directly in Equity.

31. Earnings Per Share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to the equity shareholders of the Company (A) (₹ in lakh)	10,947.57	6,367.79
Weighted average number of shares (B)	90,118,040	90,118,040
Basic and diluted earnings per share of ₹ 10 each (A/B)	12.15	7.07

32. Contingent Liabilities

Contingent liabilities not provided for:

Particulars	As at March 31, 2020	As at March 31, 2019
Transaction value determination for the purpose of excise duty (Refer Note 1 below)	-	109.66
Eligibility of input tax credit of Service tax (Refer Note 1 and Note 2 below)	539.15	821.88

Notes:

1. In the earlier Years, the Company had received demands in respect of excise duty and service tax. During the Year ended March 31, 2020, the Company has opted for Sabka Vishwas (**Legacy Dispute Resolution**) Scheme 2019 notified by Central Board of Indirect Taxes and Customs and paid the tax of ₹ 134.00 lakh towards the full and final settlement of the outstanding demand under the said scheme. The Company has received discharge certificates as provided in the said scheme.
2. The Central Excise and Service Tax Appellate Tribunal (**CESTAT**) has decided the matters in favour of the Company. However, the service tax authorities has preferred appeals in High Court which are pending for final hearing.
3. There are numerous interpretative issues relating to the Supreme Court (**SC**) judgement dated February 28, 2019 on Provident Fund (**PF**) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company will update its provision, on receiving further clarity on the subject.

Future cash flow in respect of the above, if any, is determinable only on receipt of judgements / decisions pending with the relevant authorities.



Notes to Financial Statements as at and for the Year ended March 31, 2020

33. Commitments

Capital Commitments

Capital expenditure (net of advances) contracted for at the end of the reporting period but not recognised as liabilities is as follows -

Particulars	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
Investment properties	20,728.51	29,393.52

34. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. Executive Director and Chief Executive Officer of the Company has been identified as CODM who is responsible for allocating resources and assessing performance of the operating segments.

The Company has determined "licensing of investment properties" as a reportable segment as evaluated by the CODM for allocation of resources and assessing the performance. There are no other reportable segment as per Ind AS 108 - Operating Segments. All the assets of the Company and source of revenue of the Company is within India and hence, no separate geographical segment is identified. Revenue from three customers (March 31, 2019: five customers) amounting to ₹ 17,802.24 lakh (March 31, 2019: ₹ 23,830.87 lakh) accounts for more than 10% of the total revenue with whom the Company has entered into leasing arrangements.

35. Related Party Disclosures

Related Party Disclosures, as required by Ind AS 24 Related party disclosures, are given below :

A. Names of Related Parties and Nature of Relationship:

I. Ultimate Holding Company:

GIC (Realty) Private Limited, Singapore

II. Holding Company:

Reco Berry Private Limited, Singapore

III. Other Related Parties with whom transactions have taken place in the current year or in the previous year :

Entities in which Key Managerial Personnel (KMP) along with their relatives having control:

Nirlon Management Services Private Limited, India
Manisha Trading and Investments Private Limited, India
Shital Trading and Interiors Private Limited, India
(ceases to be a related party w.e.f. March 21, 2019)
Alfano Pte. Limited , Singapore
Deltron Pte. Limited, Singapore

IV. Key Managerial Personnel :

- (i) Executive Director and Chief Executive Officer
- (ii) Non Executive and Non Independent Directors

Mr. Rahul V. Sagar
Mr. Kunal V. Sagar
Mr. Kunnasagaran Chinniah (Director nominated by Reco Berry Private Limited)
Ms. Rajani Manhar Bhagat (Upto March 21, 2019)
Padma Bhushan Moosa Raza
Mr. Arjan R. Gurbuxani
Ms. Anjali Seth (w.e.f. May 13, 2019)
Mr. Rajinder Pal Singh (w.e.f. May 13, 2019)

- (iii) Non Executive and Independent Directors



Notes to Financial Statements as at and for the Year ended March 31, 2020

Mr. Rama Varma (Upto March 31, 2019)

Ms. Aruna Makhan (Upto March 31, 2019)

V. Relatives of Key Managerial Personnel:

Ms. Poonam Manhar Bhagat (ceases to be a related party w.e.f. March 21, 2019)

Ms. Sheetal Manhar Bhagat (ceases to be a related party w.e.f. March 21, 2019)

B. Details of Related Party Transactions:

Particulars	(₹ in lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
I. Holding Company		
Dividend paid	432.05	432.05
II. Entities in which KMP's along with its relatives having significant influence:		
(a) Nirlon Management Services Private Limited		
Income		
Licence fees income	97.92	91.09
Other operating revenue	421.90	433.05
Recovery of utility	9.69	8.37
Expenses		
Property management and lease management fees	824.09	788.27
Marketing fees	578.30	299.84
Project management fees capitalized	1500.00	1500.00
(b) Manisha Trading and Investments Private Limited		
Common area maintenance	1.93	2.04
(c) Shital Trading and Interiors Private Limited		
Dividend paid	0.00	4.52
(d) Alfano Pte. Limited		
Dividend paid	6.92	6.92
(e) Deltron Pte. Limited		
Dividend paid	6.92	6.92
III. Key managerial personnel of the Company		
Executive Director- Rahul V. Sagar		
Remuneration	226.00	226.00
Contribution to provident and other funds*	7.68	7.68
Dividend paid	9.97	9.97
Reimbursement of expenses	7.38	10.67
*As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.		
Non Executive Directors		
Sitting fees		
Padma Bhushan Moosa Raza	20.00	10.00
Mr. Kunal V. Sagar	10.00	4.50



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Notes to Financial Statements as at and for the Year ended March 31, 2020

B. Details of related party transactions:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Mr. Kunnasagaran Chinniah	5.00	2.50
Mr. Arjan R. Gurbuxani	17.00	9.00
Ms. Anjali Seth (w.e.f. May 13, 2019)	6.00	0.00
Mr. Rajindra Pal Singh (w.e.f. May 13, 2019)	17.00	0.00
Mr. Rama Varma (Upto March 31, 2019)	0.00	7.50
Ms. Rajani Manhar Bhagat (Upto March 31, 2019)	0.00	4.00
Ms. Aruna Makhan (Upto March 31, 2019)	0.00	9.00
Dividend paid		
Mr. Kunal V Sagar	9.97	9.97
Ms. Rajani Manhar Bhagat (Upto March 31, 2019)	-	5.05
Reimbursement of Expenses		
Padma Bhushan Moosa Raza	11.80	11.75
Mr. Kunal V. Sagar	14.72	12.38
Mr. Kunnasagaran Chinniah	5.97	7.52
Mr. Arjan R. Gurbuxani	2.25	3.57
Mr. Rajindra Pal Singh (w.e.f. May 13, 2019)	3.08	-
Mr. Rama Varma (Upto March 31, 2019)	-	0.89
Ms. Aruna Makhan (Upto March 31, 2019)	-	2.84
IV. Relatives of Key Managerial Personnel		
Dividend paid		
Ms. Poonam Manhar Bhagat	-	6.82
Ms. Sheetal Manhar Bhagat	-	@

@ Denotes amount less than ₹ 50,000

C. Outstanding Balances:

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
i) Nirlon Management Services Private Limited		
Capital Advance (Receivable)	600.00	600.00
Other receivable (Refer Note 6)	158.15	156.00
Security Deposit (Payable)	22.70	22.70
Trade Receivables	0.74	0.00
ii) Manisha Trading and Investments Private Limited		
Trade Receivable	0.02	0.02
iii) Remuneration payable to KMP		
Mr. Rahul Sagar	128.00	128.00

D. Terms and Conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Transactions relating to dividends were on the same terms and conditions as applied to other shareholders.



Notes to Financial Statements as at and for the Year ended March 31, 2020

36. Employee Benefits

I) Defined contribution plans

The expense recognised during the year towards defined contribution plan -

Particulars	(₹ in lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund	23.62	21.68
Total	23.62	21.68

II) Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan.

Particulars	(₹ in lakh)	
	Present value of obligation	
As at April 1, 2018	32.39	
Interest expense/(income)	2.35	
Total amount recognised in Statement of Profit and Loss	2.35	
Remeasurements		
Gain from change in financial assumptions	(0.37)	
Experience gain	(0.72)	
Total amount recognised in other comprehensive income	(1.09)	
Benefit payments	-	
As at March 31, 2019	33.65	

Particulars	(₹ in lakh)	
	Present value of obligation	
As at April 1, 2019	33.65	
Interest expense	2.46	
Total amount recognised in Statement of Profit and Loss	2.46	
Remeasurements		
Gain from change in financial assumptions	2.14	
Experience gain	(0.52)	
Total amount recognised in other comprehensive income	1.62	
Benefit payments	-	
As at March 31, 2020	37.73	



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Notes to Financial Statements as at and for the Year ended March 31, 2020

The net liability disclosed above relates to gratuity are as follows:

Particulars	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets	-	-
Present value of obligations	37.73	33.65
(Deficit) of gratuity plan	(37.73)	(33.65)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee attrition rate (Past Service (PS) in years)	PS: 0 to 5 - 5% PS: 5 to 42 - 1.5%	PS: 0 to 5 - 5% PS: 5 to 42 - 1.5%
Discount rate	6.55%	7.49%
Salary growth rate	8.00%	8.00%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	(₹ in lakh)					
	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	1%	1%	35.52	31.47	40.29	36.06
Salary growth rate	1%	1%	37.79	33.65	37.79	33.65

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest Rate Risk

A decrease in the bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.



Notes to Financial Statements as at and for the Year ended March 31, 2020

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Defined Benefit Liability and Employer Contributions

Expected contributions to post-employment benefit plans for the Year ending March 31, 2020 are Nil (March 31, 2019 Nil).

The weighted average duration of the defined benefit obligation is 6.92 years (March 31, 2019 – 7.66 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1-2 years	Between 3-5 years	Beyond 5 years	Total
March 31, 2020					
Defined benefit obligation (gratuity)	1.22	1.23	21.31	36.21	59.97
March 31, 2019					
Defined benefit obligation (gratuity)	1.22	1.22	21.35	36.22	60.01

III) Other Employee Benefit

The liability for compensated absences as at the year end is ₹ 21.30 (March 31, 2019 ₹ 16.30 lakh).

37. Fair Value Measurements

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

There are no financial assets and liabilities designated at Fair Value through Other Comprehensive Income.

(₹ in lakh)

Particulars	Carrying value		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets at amortised cost				
Loans	220.25	219.08	220.25	219.08
Trade Receivable	392.33	237.27	392.33	237.27
Cash and Cash Equivalents	1,159.78	415.55	1,159.78	415.55
Other Bank Balance	105.23	88.73	105.23	88.73
Other Financial Assets	301.03	293.90	301.03	293.90
Total	2,178.62	1,254.53	2,178.62	1,254.53
Financial Liabilities at amortised cost				
Borrowings	98,898.84	85,339.07	98,898.84	85,339.07
Trade Payables	864.45	772.79	864.45	772.79
Security Deposit Received	17,617.85	12,192.47	18,179.53	12,614.22
Other Financial Liabilities	3,144.56	3,832.73	3,144.56	3,832.73
Total	1,20,525.70	1,02,137.06	1,21,087.38	1,02,558.81



Notes to Financial Statements as at and for the Year ended March 31, 2020

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. The fair values of the Company's interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2020 and March 31, 2019 was assessed to be insignificant.
3. The fair values of security deposit were calculated based on cash flows discounted using a current lending rate.

C. Fair value hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

38. Financial Risk Management

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

(A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i. Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is not significant for the Company as the Company has 3 to 12 months of rentals as deposit from the occupants.

ii. Cash and bank balances

The Company held cash and cash equivalent and other bank balance of ₹ 1,265.01 Lakhs at March 31, 2020 (March 31, 2019: ₹ 504.28 Lakhs). The same are held with banks and financial institution counterparties with good credit rating. Also, Company invests its short term surplus funds in bank fixed deposit which carry no mark to market risks for short duration, therefore does not expose the Company to credit risk.

iii. Others

Other than receivables reported above, the Company has no other financial assets which carries any significant credit risk.

**Notes to Financial Statements as at and for the Year ended March 31, 2020**

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	392.33	237.27
Loans	220.25	219.08
Other financial assets	301.03	293.90
Total	913.61	750.25

(B) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected Cash Flows.

- (i) The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest.

(₹ in lakh)

Contractual maturities of financial liabilities March 31, 2020	1 year or less	1-2 years	More than 2 years	Total	Carrying value
Non-derivatives				-	-
Borrowings including current maturities	12,019.46	9,007.70	1,29,793.58	1,50,820.74	99,299.95
Trade Payables	864.45	-	-	864.45	864.45
Other Financial Liabilities	6,889.41	5,009.21	15,609.77	27,508.39	20,361.29
Total non-derivative liabilities	19,773.32	14,016.91	1,45,403.35	1,79,193.58	1,20,525.70

(₹ in lakh)

Contractual maturities of financial liabilities March 31, 2019	1 year or less	1-2 years	More than 2 years	Total	Carrying value
Non-derivatives					
Borrowings including current maturities	8,661.92	8,661.92	1,29,667.28	1,46,991.12	85,676.95
Trade Payables	772.79	-	-	772.79	772.79
Other Financial Liabilities	7,022.02	1,300.57	10,665.93	18,988.52	16,025.20
Total non-derivative liabilities	16,456.73	9,962.49	1,40,333.21	1,66,752.43	1,02,474.94



NIRLON

Notes to Financial Statements as at and for the Year ended March 31, 2020

(ii) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
Expiring beyond one year (loan from HDFC Limited)	24,500.00	35,500.00

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in ₹.

(C) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk), will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future Cash Flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the buyer's credit.

The Company closely tracks and observes the movement of foreign currency with regards to ₹ and also forward cover rate. The Company decides to cover or keep the foreign currency exposure open based on the above.

Foreign currency risk exposure:

The Company exposure to foreign currency risk at the end of the reporting period are as follows -

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		Foreign currency (in millions)	₹ in lakh	Foreign currency (in millions)	₹ in lakh
Financial liabilities					
Buyer's credit for capital goods (including accrued interest)	USD	3.41	2,573.92	-	-
Gross Exposure		3.41	2,573.92	-	-
Less: Exposure hedged using derivatives (forward contract)		-	-	-	-
Net Exposure		3.41	2,573.92	-	-

Sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency forward and option contracts given as under.

A change of USD by 5% would have following Impact on profit after tax and equity -

	(₹ in lakh)	
Particulars	As at March 31, 2020	As at March 31, 2019
Rupee depreciate by 5% against USD	(96.20)	-
Rupee appreciated by 5% against USD	96.20	-

* Holding all other variables constant

**Notes to Financial Statements as at and for the Year ended March 31, 2020****(ii) Cash Flow and Fair Value Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest Rate Risk Exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
Variable rate borrowings	98,898.84	85,339.07
Total borrowings	98,898.84	85,339.07

Sensitivity:

A change of 100 basis points in interest rates would have following Impact on profit after tax and equity - (₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest rates – increase by 100 basis points *	(134.98)	(377.89)
Interest rates – decrease by 100 basis points *	134.98	377.89

* Holding all other variables constant

39. Capital Management**a. Risk Management**

For the purpose of Company's capital management, capital includes issued equity share capital, securities premium, all other equity reserves attributable to the equity shareholders of the Company and Borrowings. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximises shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Year ended March 31, 2020 and March 31, 2019.

The Company monitors capital using a ratio of 'adjusted net debt' to 'Equity'. For this purpose, adjusted net debt is defined as interest-bearing loans and accrued interest thereon less cash and bank balances. Equity comprises all components of equity including share premium and all other equity reserves attributable to the Equity share holders.

The Company's adjusted net Debt to Equity ratio is as follows.

Particulars	(₹ in lakh)	
	As at March 31, 2020	As at March 31, 2019
Borrowings including accrued interest	99,299.95	85,676.95
Less: Cash and Bank balances	(1,265.01)	(504.28)
Adjusted net debt	98,034.94	85,172.67
Total Equity	45,379.11	35,246.19
Adjusted net debt to Equity ratio	2.16	2.42

b. Dividends



NIRLON

Notes to Financial Statements as at and for the Year ended March 31, 2020

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Dividend declared and paid during the year for the financial year 2018-19:		
Final Dividend paid for the Year ended March 31, 2019 ₹ 0.75/- (March 31, 2018: ₹ 0.75/-)per share	675.88	675.88
Dividend Distribution Tax on Final Dividend	137.62	137.62
	813.50	813.50
Proposed Dividend on Equity shares not recognised at the end of the reporting period for the financial year 2019-20:		
Final Dividend for the Year ended March 31, 2020 ₹ 0.75/- (March 31, 2019: ₹ 0.75/-) per share #	675.88	675.88
	675.88	675.88

This Proposed Dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

40. Impact of COVID 19

On account of the spread of COVID-19 virus, the Government of India had imposed a complete nation-wide lockdown on March 24, 2020. Since then the Government of India has progressively relaxed lockdown conditions and has allowed most of the industries and businesses to resume operations in a phased manner. The Company is primarily engaged in the business of development, management and leasing of office spaces under long term agreements. The management believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets. Management is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and responding proactively, to the best extent possible, to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statements.

41. Significant events after the reporting period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

As per our report of even date
For S R B C & CO LLP
 Firm Registration No : 324982E/E300003

ABHISHEK AGARWAL
 Partner
 Membership No. : 112773

Mumbai, June 30, 2020

RAHUL V. SAGAR
 Executive Director and Chief Executive
 Officer
 DIN : 00388980

KUNAL V. SAGAR
 Directors
 DIN : 00388877

MANISH B. PARIKH
 Chief Financial Officer

ANJALI SETH
 Directors
 DIN : 05234352

JASMIN K. BHAVSAR
 Company Secretary & Vice President
 (Legal)
 FCS: 4178

**NIRLON**

KYC Updating Form

To
Link Intime India Private Limited,
 C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.
 Unit: **Nirlon Limited**
(formerly known as 'Nirlon Synthetic Fibres& Chemicals Limited')

Date:
 Folio No:
 No of Equity Shares:

Dear Sir/Madam,

We refer to the current KYC status as provided by you in the below table:

Name of the shareholder (s)	PAN	Bank details	Specimen Signature	Email ID	Mobile No.	Nominee Details
	(A)	(B)	(C)	(D)	(E)	(F)

Based on the above data, we are forwarding herewith the required supporting documents by ticking in the appropriate checkbox below for all the fields where the status is shown as 'Required' in the above table.

A For registering PAN of the Registered and/or joint shareholders (as applicable)

☐ Registered shareholder ☐ Joint holder 1 ☐ Joint holder 2 ☐ Joint holder 3 (self-attested copy for all shareholders attached)

B For registering Bank details of the Registered shareholder

☐ Aadhar/Passport/utility bill ☐ Original cancelled cheque leaf ☐ Bank Passbook/Bank Statement

C For registering the Specimen Signature of Registered and/or joint shareholders (as applicable)

☐ Affidavit ☐ Banker verification ☐ Original cancelled cheque leaf ☐ Bank Passbook/Bank Statement (for all shareholders attached)

D For Updating email id: _____

E: Mobile No:

F For registering the Nominee details by the Registered shareholder

☐ Form SH-13 (Nomination registration form attached)

Note:- For residents of Sikkim instead of PAN provide Aadhar Card/Voters Card/Driving License/Passport or any other identity proof issued by Govt.

I /We hereby state that the above mentioned details are true and correct and we consent towards updating the particulars based on the self-attested copies of the documents enclosed with this letter by attesting my/our signature(s) to it

Sign: _____ Sign: _____ Sign: _____ Sign: _____
 Registered holder Joint holder 1 Joint holder 2 Joint holder 3

[illegible]





NIRLON LIMITED

CIN: 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.



Nirlon Limited

CIN:L17120MH1958PLC011045

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 : L17120MH1958PLC011045

E-mail id: info@nirlonltd.com

Website: www.nirlonltd.com

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September 5, 2020

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

Security Code: 500307

Dear Sir,

Sub: 1st Business Responsibility Report (**BRR**) of the Company for the F.Y. 2019-2020

Ref: Regulation 34 of the SEBI LODR, 2015

We are sending the 1st BRR to the Member of the Company through 61st Annual Report of the Company for the F.Y. 2019-2020.

The BRR is available on the website of the Company at http://www.nirlonltd.com/pdf/brr_2019_20.pdf

The filing is done under pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and records.

Kindly acknowledge receipt of the letter.

Thanking you,

Yours faithfully,

For Nirlon Limited

Sd/-

Jasmin K. Bhavsar

Company Secretary, V. P. (Legal) & Compliance Officer

FCS 4178

Encl: a.a



Business Responsibility Report

Preface

The Securities and Exchange Board of India (“SEBI”) has mandated India’s top 1,000 listed entities based on market capitalisation on the BSE and NSE to submit a ‘Business Responsibility Report’ (“BRR”) along with their Annual Report.

This report is required to be in line with the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ (NVGs) as released by the Ministry of Corporate Affairs (MCA) in July 2011.

Nirlon Limited (“NL” / “the Company”) presents its first BRR, in line with the NVGs and the BRR requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This BRR provides information about the key initiatives undertaken by the Company, driven by the triple bottom line aspects viz. social, environmental and economic. The business responsibility performance of the Company will be assessed periodically by its Board of Directors.

The Company

Nirlon Limited is publicly listed company, and is in the business of development of an Information Technology Park i.e. Nirlon Knowledge Park (“NKP”) registered with the Department of Industries (“DOI”). NKP is also an Information Technology (IT) Park as per the Government of Maharashtra’s (“GOM”) IT Policy. It is a subsidiary of Reco Berry Pvt. Ltd., Singapore. The Company has no subsidiaries.

This is the first BRR of Nirlon Limited for the F.Y. 2019-2020. Initiatives and actions by the Company towards objectives have also been provided in this Report. The Company’s approach to each principle is described below:

Section A: General Information

1	Corporate Identity Number (CIN) of the Company	L17120MH1958PLC011045
2	Name of the Company	Nirlon Limited
3	Registered address	Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.
4	Website	www.nirlonltd.com
5	E-mail id	info@nirlonltd.com
6	Financial Year reported	2019-2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Industrial Park NIC 42901
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is in the business of development and management of the Industrial Park / Information Technology (IT) Park, i.e. Nirlon Knowledge Park (NKP) - Goregaon (East), Mumbai 400 063
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	NIL Mumbai , India
10	Markets served by the Company – Local/State/ National/International	Mumbai , India



Section B: Financial Details

1	Paid up Capital (As on 31.03.2020): (₹)	90,11,80,400/-
2	Gross Revenue from operations (₹)	3,10,99,00,000/-
3	Total profit after taxes (₹)	1,09,48,00,000/-
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.20%
5	List of activities in which expenditure in 4 above has been incurred:	
	i. Venus Cultural Association (Medical – Dialysis unit)	15,00,000/-
	ii. Maharashtra Chief Minister Relief Fund (General Relief)	1,00,00,000/-
	iii. Chennai Liver Foundation (Medical – Liver ailments)	10,00,000/-
	iv. Cheshire Homes India (Special education to disabled children)	5,00,000/-
	v. Jai Vakeel Foundation and Research Centre (Special education)	11,00,000/-
	vi. Muktagan Education Trust (Promoting education)	5,00,000/-
	vii. Society for the Rehabilitation of Crippled Children (Helping children with learning disorders by providing therapy)	5,00,000/-
	viii. Saraswati Vidyak Trust (Education to underprivileged children)	5,00,000/-
	ix. Rotary & Blood Bank Society Resource Centre (100% voluntary blood donation by means of either indoor or outdoor blood donation camps)	6,00,000/-
	x. Konark Cancer Foundation (Logistical , emotional and financial support to underprivileged cancer patients)	10,00,000/-
	xi. EmancipAction, India Foundation (Providing counselors to government and private care homes to test a holistic, trauma informed model of care to help children transform their lives. Core modules include, wellness vocational planning and job placement)	10,00,000/-
	xii. Sion Hospital (Supply of ventilator – COVID 19 related))	11,72,000/-



Section C: Other details

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NA
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	NA

Section D: BR information

1. Details of Director/Directors responsible for BR
 - (a) Details of the Director/Director responsible for implementation of the BR policy/policies
 1. DIN Number : 00388980
 2. Name : Rahul V. Sagar
 3. Designation : Executive Director & CEO
 - (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Jasmin K Bhavsar
3	Designation	Company Secretary & Vice President (Legal)
4	Telephone number	022-26853039
5	e-mail id	jasminbhavsar@nirlonltd.com

1. Principle-wise (as per NVGs) BR Policy/policies
 - (a) Details of compliance (Reply in Y/N): Please note that the Company is engaged in the business of providing office premises on a leave and license basis. The Company has only three employees. The policies formulated by the Company are in the context of the business of the Company and its workforce.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for	Y	N	Y	Y	N	N	N	N	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	Y	Y	NA	NA	NA	NA	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	NA	Y	Y	NA	NA	NA	NA	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	NA	Y	Y	NA	NA	NA	NA	Y
6	Indicate the link for the policy to be viewed online?	i. http://www.nirlonltd.com/pdf/ccbe_nov_18_v1.pdf ii. http://www.nirlonltd.com/pdf/whistle_blower_policy_nov_18_v2.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	Y	NA	NA	NA	NA	Y



8	Does the Company have in-house structure to implement the policy/ policies?	Y	NA	Y	Y	NA	NA	NA	NA	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	NA	Y	Y	NA	NA	NA	NA	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	NA	N	N	NA	NA	NA	NA	N

If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles		√			√	√	√	√	
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)	Please note that the Company is engaged in the business of providing office premises on a leave and license basis. The Company has only three employees. The requirement for the Company to have these policies is driven by the nature of its business and its workforce .								

2. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Ans.: The BR performance of the Company will be assessed once in a year.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Ans.: Yes, the BR forms part of the annual report of the Company. The report is also available on the website of the Company at: www.nirlonltd.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.

Ans.: Yes

2. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Ans.: No

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Ans.: No stakeholder complaints have been received in the past financial year.

**Principle 2**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Ans.: The Company is owner of Nirlon Knowledge Park (NKP), an approx. 23 acre campus in Goregaon (East), Mumbai. NKP is an Industrial Park as per the Government of India as per the consolidated Foreign Direct Investment Policy, and is an IT park under the Government of Maharashtra's IT Policy.

NKP's Design Philosophy and Master Plan have incorporated sustainability and a 'Green' ethos since inception. The Campus is a Leeds Gold certified Core and Shell development, with the ongoing Phase 5 targeted to be Platinum certified. The Park's emphasis is on user and pedestrian comfort and safety. The design incorporates extensive green recreational spaces with water bodies, and approx. 1000 trees, many of which are old growth.

The Company offers office premises to reputed international and Indian corporates, and has been making specific efforts to license its development to well regarded companies. The campus is fully operational and functional.

NKP facilitates its occupants to carry on their business from the NKP Campus 24*7 *365. This in turn generates employment, and the development of areas peripheral to the Campus.

2. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Ans.: The nature of business of the Company is to provide office premises on a leave and license basis. The business of the Company does not involve any manufacturing operations. However, during the construction period, sustainable sourcing and the use of eco-friendly products was actively pursued, and was in accordance with Leeds Gold requirements. The Company has also designed and constructed Leeds Gold certified buildings through the use of appropriate materials and equipment which allow consistent, ongoing savings of power & water, and offer natural light. It also uses re-cycled water for flushing of toilets, and has an organic waste management convertor on site to sustainably process all organic waste generated in the Campus.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Ans.: The Company has appointed various local sub-contractors, who are have adequate resources and are capable of delivering services such as manpower and other miscellaneous requirements.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Ans: Yes. Within the context that the Company is a provider of office space on a leave and license basis in its Industrial/ IT Park, water and solid waste is recycled as described earlier in Principle 2.

Principle 3

1. Please indicate the Total number of employees.

Ans.: The Company has three employees, who are Key Managerial Personnel as per the Companies Act, 2013.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Ans.: The Company engages temporary /contractual / casual employees primarily in the areas of housekeeping, security, engineering, construction etc. as per its requirement.

3. Please indicate the Number of permanent women employees.

Ans.: Nil

4. Please indicate the Number of permanent employees with disabilities

Ans.: Nil

5. Do you have an employee association that is recognized by management?

Ans.: No

6. What percentage of your permanent employees is members of this recognized employee association?

Ans.:NA.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Ans.: Nil



No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	NA
2	Sexual harassment	Nil	NA
3	Discriminatory employment	Nil	NA

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Ans.:

(a) Permanent Employees: The Company provides these employees with an opportunity to excel and to attend various professional development programmes as required.

(b) Permanent Women Employees: NA since the Company does not have any women employees.

(c) Casual/Temporary/Contractual Employees: Nil

(d) Employees with Disabilities: NA

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Ans.: Yes, the Company is sensitive to the requests of shareholders and stakeholders, and consistently attends to their various suggestions and requests, including those received at various general meetings of the Company. It also provide stakeholders with requisite disclosures that are required to be given in its annual reports, providing press releases, announcements etc. to the media as and when required in relation to the Company. The Company regularly meets its payment obligations such as applicable property taxes, N.A. tax, repayment of loans to its lenders, and procures relevant insurance policies as applicable for its business activities.

The Company also follows a transparent investor communication protocol which includes regular investor presentations, by uploading of relevant information on its website and also filing the same with BSE Ltd. by prompt dissemination of price sensitive information etc. After the end of each quarter, the Company voluntarily provides and investor presentation with all required details as well as key financial information pertaining to that quarter to the stock exchange. This is done to ensure symmetry of information in line with the principles of fair disclosures.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Ans.: NA

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Ans.: NA

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Ans.: Since the Company has three employees no specific policy is formed. The Company provides these employees with an opportunity to excel and to attend various professional development programmes as required.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Ans.: 23 (Twenty three) shareholders' complaints were received in the F.Y. 2019-20 with respect to their shares transfer / unclaimed dividend payment etc. The same was attended promptly to the satisfaction of shareholders and 0 (Zero) number of the complaints was pending during the F.Y. 2019-20.

**Principle 6**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Ans.: The Company is a non polluting industry and therefore it is not required to have a specific policy in this regard.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Ans.: Yes. The Company is a non-polluting Industry. Initiatives described above for Principle 2.

Does the company identify and assess potential environmental risks? Y/N

Ans.: NA . Since the Company is engaged in a non-polluting industry.

3. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Ans.: No

4. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Ans.: Yes. In addition to the Initiatives described above for Principle 2, the Company has a installed rainwater harvesting system in NKP.

5. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Ans.: NA

6. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Ans.: NIL

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Ans.: NIL

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Ans.: NA

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Ans.: Yes, the company does make contribution towards corporate social responsibility (CSR) activities as required under applicable law. The Company focuses mainly on healthcare and education to meet its CSR objectives.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

Ans.: The programs/ projects are undertaken through outside agencies.

3. Have you done any impact assessment of your initiative?

Ans.: The Company does a periodic assessment of its initiatives.

4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.

Ans.: NA



5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Ans.: NA

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
Ans.: Nil
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

Ans.: NA

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Ans.: No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Ans.: The Company periodically carries out surveys with its Licensees to understand their level of satisfaction with the overall occupant/customer experience in NKP. Licensee feedback is taken seriously and the Company engages with Licensees post such surveys to follow through on the feedback provided.