



# NIRLON LIMITED

59<sup>th</sup> Annual Report 2017-18



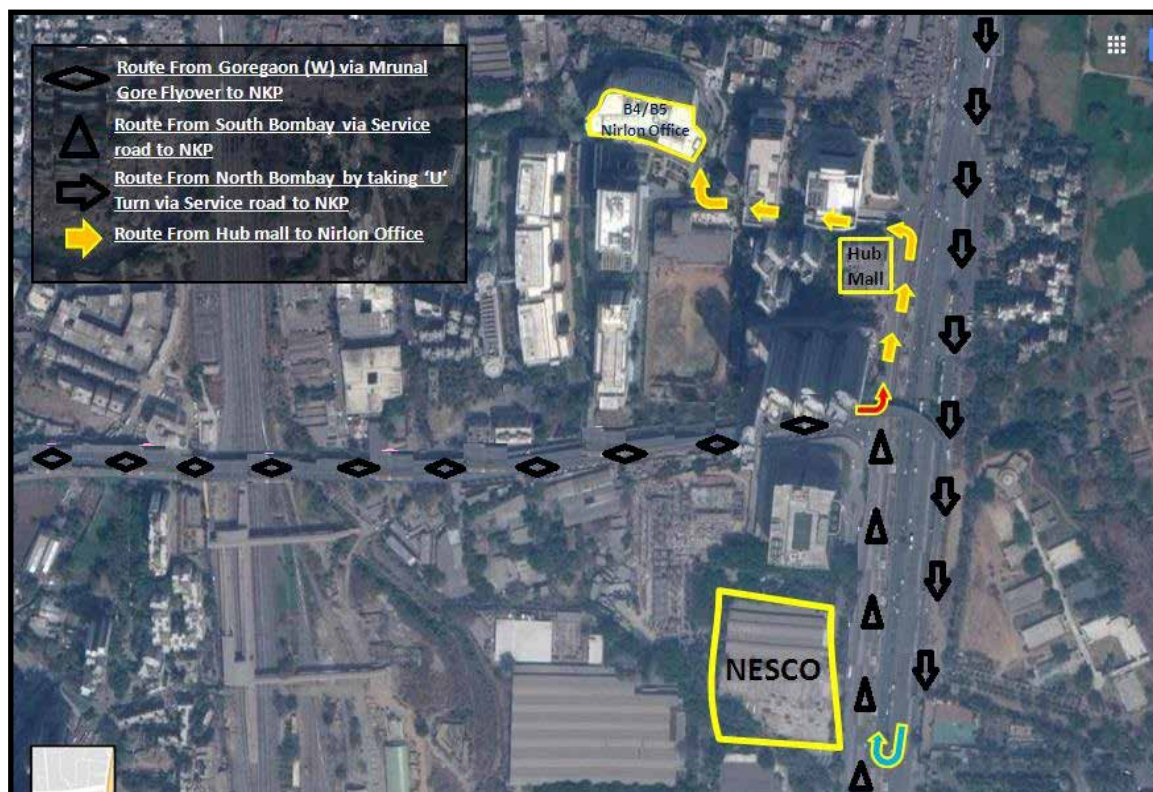




## CONTENTS

Sr. No.	Particulars	Page No.
1.	59 <sup>th</sup> Annual General Meeting Notice and Explanatory Statement (including Notes to the 59 <sup>th</sup> Annual Report for the F.Y. 2017-18, and instructions for e-voting)	5 - 17
2.	Directors' Report	18 - 40
3.	Corporate Governance Report ( <b>Annexure 7</b> )	41 - 55
4.	Management Discussion Analysis ( <b>Annexure 8</b> )	56 - 58
5.	MGT-9 ( <b>Annexure 9</b> )	59 - 68
6.	Independent Auditors' Report	70 - 75
7.	Balance Sheet	76
8.	Statement of Profit and Loss	77
9.	Cash Flow Statement	78 - 79
10.	Statement of Changes in Equity	80
11.	Notes to the Financial Statements	81 - 123
12.	Company's letter dated August 10, 2018 to the BSE Ltd. regarding the SEBI Notification dated June 8, 2018 w.r.t. the amendment to Regulation 40 of the SEBI LODR, 2015, effective from December 5, 2018, mandating that transfer of shares shall be in Dematerialized Form only, and the Company's Guidance Note on Dematerialization of Physical Shares	124 - 131
13.	KYC updation Form (As per SEBI Circular dated April 20, 2018)	132
14.	Attendance Slip and Proxy Form	133 - 134

The Route Map for the venue of the 59<sup>th</sup> AGM is given below





## **NIRLON**

### **Board of Directors: (As on August 6, 2018)**

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

### **Key Managerial Personnel:**

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

### **Legal Advisors:**

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

### **Auditors:**

#### **1. Statutory**

- Price Waterhouse Chartered Accountants LLP, Mumbai (FRN 012754N / N500016) for the Financial Year 2017-18
- S R B C & Co LLP, Chartered Accountants, Mumbai (FRN 324982E / E300003) (recommended by the Audit Committee / Board at their Meetings held on August 6, 2018 and subject to Members' approval at the 59<sup>th</sup> AGM from the Financial Year 2018-19)

#### **2. Internal**

KPMG, Mumbai

#### **3. Cost**

Vinay Mulay & Co., Cost Accountants, Mumbai

#### **4. Secretarial**

**Alwyn Jay & Co., Company Secretaries, Mumbai**

#### **5. Lenders**

HDFC Limited

### **Registered Office:**

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

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

Fax : +91 (022) 4028 1940

CIN no. : L17120MH1958PLC011045

E-mail id: info@nirlonltd.com

Website : **www.nirlonltd.com**

### **Share Transfer Agent (STA):**

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 **59<sup>th</sup>** Annual General Meeting (AGM) of Nirlon Limited will be held on **Wednesday, September 26, 2018 at 11.30 a.m.** (IST) at the Registered Office of the Company, at Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018, including the Statement of Profit and Loss for the Year ended on that date, Audited Balance Sheet as at March 31, 2018 and Reports of the Directors' and Auditors' thereon.
2. To declare a dividend of ₹0.75 per equity share of ₹ 10 / - each (@ 7.5%) for the Financial Year ended on March 31, 2018.
3. To appoint a Director in place of Mr. Kunnasagaran Chinniah (DIN 01590108), aged 61 years, who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment.
4. To consider and approve the appointment of the Statutory Auditors of the Company to hold office for a period of 5 (Five) years until the conclusion of the 64<sup>th</sup> Annual General Meeting and to fix their remuneration and to pass the following resolution as an **Ordinary Resolution**:

**Appointment of Statutory Auditors**

**"RESOLVED THAT** pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, S R B C & Co LLP, Chartered Accountants, Mumbai, with Firm Registration Number 324982E / E300003, be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of 5 (Five) years, from the conclusion of this Annual General Meeting up to the conclusion of the 64<sup>th</sup> Annual General Meeting of the Company, at a remuneration as may be mutually agreed to, which is not materially different from that paid to the outgoing Auditors, between the Board of Directors and S R B C & Co LLP, Chartered Accountants, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them."

**SPECIAL BUSINESS:**

5. Re-appointment of **Mr. Moosa Raza (DIN 00145345)**, aged 81 years, as an Independent Director and in this regard to consider and to pass the following Resolution

as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification / s or re-enactment thereof for the time being on force) and other applicable Regulations including the Regulation 17 (A) of the SEBI (Listing Obligations and Disclosure Requirements (Amendment) Regulations), 2018 as may be amended from time to time, Mr. Moosa Raza (DIN 00145345), aged 81 years, who was appointed as an Independent Director for a term upto March 31, 2019, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, to hold office for another term of eighteen (18) months effective from April 1, 2019, not liable to retire by rotation."

6. Re-appointment of **Mr. Arjan R. Gurbuxani (DIN 00425885)**, aged 84 years, as an Independent Director and in this regard to consider and to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification / s or re-enactment thereof for the time being on force) and other applicable Regulations including the Regulation 17 (A) of the SEBI (Listing Obligations and Disclosure Requirements (Amendment) Regulations), 2018 as may be amended from time to time, Mr. Arjan R. Gurbuxani (DIN 00425885), aged 84 years, who was appointed as an Independent Director for a term upto March 31, 2019, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, to hold office for another term of eighteen (18) months effective from April 1, 2019, not liable to retire by rotation."

7. Continuation of **Mrs. Rajani M. Bhagat (DIN 00870716)**, aged 79 years, as a Director of the Company and in this regard to consider and to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152, and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment



## NIRLON

and Qualification of Directors) Rules, 2014 (including any statutory modification / s or re-enactment thereof for the time being in force) and other applicable Regulations including the regulation 17 (A) of the SEBI (Listing Obligations and Disclosure Requirements (Amendment) Regulations), 2018 as may be amended from time to time, Mrs. Rajani M. Bhagat (DIN 00870716), aged 79 years, be continued as a Director of the Company liable to retire by rotation.”

8. To consider and if thought fit the following resolution as an **Ordinary Resolution:**

### **Ratification of Remuneration payable to the Cost Auditor**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of Mr. Vinay B. Mulay, the Practicing Cost Auditor (ICAI-CMA No.8791 CP No.101159) of Vinay Mulay & Co., Mumbai, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, for a sum of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) excluding GST, travelling and other out-of-pocket expenses incurred / to be incurred by him in connection with the aforesaid audit be and is hereby ratified and confirmed;

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

By Order of the Board of Directors  
For **Nirlon Limited**  
sd / -

Jasmin K. Bhavsar  
**Company Secretary, Vice President (Legal) & Compliance Officer**  
**FCS 4178**

**Mumbai, August 16, 2018**

### **Registered Office: Nirlon Limited,**

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

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

Fax : +91 (022) 4028 1940

CIN no. : L17120MH1958PLC011045

E-mail id: info@nirlonltd.com

Website : **www.nirlonltd.com**

### **NOTES:**

1. a. **ANY MEMBER OF THE COMPANY ENTITLED TO ATTEND AND -VOTE AT THE MEETING OF THE COMPANY IS ENTITLED TO APPOINT ANOTHER PERSON AS PROXY / PROXIES TO ATTEND AND VOTE ON A POLL AT THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- b. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the Meeting.
- c. A person can act as proxy on behalf of not more than fifty (50) Members, holding in the aggregate not more than ten (10) % of the total paid up share capital of the Company. A member holding more than ten (10) % of the total paid up share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a proxy for any other person or Shareholder / Member.
- d. Proxies submitted on behalf of companies, corporate bodies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. a. The business set out in the 59<sup>th</sup> AGM Notice will also be transacted through an electronic voting system and the Company is providing a facility for voting by electronic means through remote e-voting.
- b. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the **cut-off date i.e. Friday, September 21, 2018** only shall be entitled to avail the facility of remote e-voting.
- c. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **Friday, September 21, 2018**, may obtain the User ID and password in the manner as mentioned in the Notes to the Notice.
- d. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member / Beneficial Owner (in case of Dematerialised Form) as on the cut-off date i.e. **Friday, September 21, 2018**.
- e. An electronic copy of the 59<sup>th</sup> Annual Report for the Financial Year 2017-18 along with the Notice calling the 59<sup>th</sup> AGM of the Company (Attendance Slip and Proxy Form etc.) is being sent to Members whose E-mail IDs are registered with the Share Transfer Agent / Depository Participant(s) for communication purposes.

For Members who have not registered their e-mail



address, physical copies of the 59<sup>th</sup> Annual Report for the Financial Year 2017-18 along with the Notice calling the 59<sup>th</sup> AGM of the Company, interalia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by other permissible modes.

- f. Information and other instructions relating to remote e-voting are given in this Notice under **Note No. 12**.
3. a. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
  - b. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.
  - c. Members who hold shares in Dematerialised Form are requested to write their Client ID and DPID number, and those who hold shares in Physical Form are requested to write their folio number in the attendance slip for attending the Meeting.
  - d. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote at the Meeting.
4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (**'the Act'**), relating to Business Items no. 4 to 8 to be transacted at the 59<sup>th</sup> AGM are annexed to the Notice.
5. a. In terms of Section 152 and all other applicable provisions of the Companies Act, 2013, Mr. Kunnasagaran Chinniah (DIN 01590108), aged 62 years, Director retires by rotation at the 59<sup>th</sup> AGM and being eligible, offers himself for re-appointment.
  - b. In terms of Sections 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013, and Regulations 16, 17, 17 (1A) and 25 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as may be amended from time to time, the following Independent Directors, are eligible for re-appointment as Non-Executive Independent Directors for another term of eighteen (18) months w.e.f. April 1, 2019:
    - i. Mr. Moosa Raza (DIN 00145345), aged 81 years; and
    - ii. Mr. Arjan Gurbuxani (DIN 00425885), aged 84 years.

The Company has received notices in writing under Section 160 of the Companies Act, 2013 from a member proposing their respective candidature

for the office of Directors of the Company to be re-appointed as Independent Directors of the Company for another term of eighteen (18) months effective from April 1, 2019.

Members may note that the Special Resolutions are being passed as mandated under the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2018.

- c. In terms of Section 152, and all other applicable provisions of the Companies Act, 2013, and Regulations 16, 17, 17(1A) and 25 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as may be amended from time to time, continuation of Mrs. Rajani M. Bhagat (DIN 00870716), aged 79 years, as a Director of the Company liable to retire by rotation is proposed.
- d. 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 59<sup>th</sup> Annual Report.
- e. The Board of Directors of the Company recommend the following:
  - i. Re-appointment of Mr. Kunnasagaran Chinniah (DIN 01590108) aged 61 years, as a Director liable to retire by rotation. Mr. Chinniah is a Nominee Director of Reco Berry India Pvt. Ltd., Promoter.
  - ii. Re-appointment of the following Independent Directors for another term of eighteen (18) months w.e.f. April 1, 2019:
    - Mr. Moosa Raza (DIN 00145345), aged 81 years; and
    - Mr. Arjan Gurbuxani (DIN 00425885), aged 84 years.
  - iii. Continuation of Mrs. Rajani M. Bhagat (DIN 00870716), aged 79 years, as a Director liable to retire by rotation.



In addition to the above requirement of the Act, the provisions of the SEBI LODR (Amendment), 2018 also mandates that the appointment and continuation of a Non-Executive Director who has attained the age of 75 years requires a special resolution to be passed to that effect, with a justification for appointing and continuing such individual as Non-Executive Director.

Accordingly, the following Directors of the Company have attained the age of 75 years during their proposed re-appointment\* & continuation\*\* as Directors in the Company.

- \*Mr. Moosa Raza (DIN 00145345), aged 81 years;
- \*Mr. Arjan Gurbuxani (DIN 00425885), aged 84 years; and
- \*\*Mrs. Rajani M. Bhagat (DIN 00870716), aged 79 years.

6. The following Registers would be available for inspection by Members at the Registered Office of the Company from 11.00 a.m. (IST) to 1.00 p.m. (IST) on any working day, excluding Saturdays, Sundays and public holidays, up to the date of the 59<sup>th</sup> AGM:

- a. Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013;
- b. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013;
- c. Any other documents as referred to in this 59<sup>th</sup> Annual Report shall also be available for inspection by Members.

7. a. Members may note that the Notice calling the 59<sup>th</sup> AGM and the 59<sup>th</sup> Annual Report for the F.Y. 2017-18 are also available on the Company's website '[www.nirlonltd.com](http://www.nirlonltd.com)' and also on the BSE Ltd.'s website '[www.bseindia.com](http://www.bseindia.com)'.

- b. **Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including the annual report, notices, circulars, etc. from the Company electronically and support Green e-initiatives.**

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

- a. In order to provide protection against fraudulent encashment of dividend warrants, Members holding shares in Physical Form are requested to intimate

to the Company's Share Transfer Agent, Link Intime India Pvt. Ltd. under the signature of the sole / first joint holder, the following information to be incorporated on the Dividend Warrants:

- i. Name of the Sole / First joint holder and folio number
- ii. Particulars of Bank Account, viz.:

- Name of the Bank
- Name of the Branch
- Complete address of the Bank with Pin Code Number
- Bank Account Number
- E-mail ID

b. Members holding shares in Physical Form are requested to consider converting their holding to Dematerialized Form to eliminate all risks associated with physical shares.

c. Inform any change of address directly to their respective Depository Participants in case Members are holding shares in Dematerialized Form.

d. Send all correspondence relating to transfer and transmission of shares to the Share Transfer Agent / the Company.

e. Quote their Folio no. / Client ID no. in their correspondence with the Share Transfer Agent.

f. Send their queries related to accounts and operations of the Company at least 10 (Ten) working days in advance so that the required information can be made available at the Meeting.

g. Intimate the Share Transfer Agent for consolidation of folios, in case they have more than one folio.

h. Intimate immediately any change in their address to the Share Transfer Agent.

i. Members holding shares in Dematerialized Form are requested to intimate all changes pertaining to their registered e-mail id, bank details, NECS, mandates, nominations, power of attorney etc. to their Depository Participants. Changes intimated to the Depository Participants will then be automatically reflected in the Company's records which will help the Share Transfer Agent to provide efficient and better service to Members.

j. Members holding shares in Physical Form are requested to advise any changes in registered e-mail id, bank details, NECS, mandates, nominations, power of attorney etc. to the Share Transfer Agent.





- k. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address, or demise of a member as soon as possible.
- l. Non-resident Indian Members are requested to inform the Share Transfer Agent / Depository Participant(s) immediately of:
- Change in their residential status on returning to India permanently.
  - Particulars of their bank accounts maintained in India with complete name, branch, type of account, number and address of the bank with the pin code number, if not furnished earlier.
- m. The Securities and Exchange Board of India (**SEBI**) has mandated the submission of the Permanent Account Number (**PAN**) by every participant in the securities market. Members holding shares in Dematerialized Form are, therefore, requested to submit their PAN to their Depository Participant(s).
- n. Members holding shares in Physical Form are required to submit their PAN details to the Share Transfer Agent.
- o. **SEBI** and the Reserve Bank of India (**RBI**) have advised all listed companies to use the Electronic Clearing Services (**ECS**) mandate facility wherever possible for payment of dividend to Members. In view of this stipulation, the Company has implemented the ECS facility. Members holding shares in Physical Form are requested to provide the Company with ECS details for crediting future dividend payments directly to their respective bank accounts. The Company shall be able to co-ordinate with their bankers only on receipt of necessary information. Members holding shares in Dematerialized Form may instruct their Depository Participants accordingly.
- p. As per the provisions of Section 124(5) of the Companies Act, 2013, any money transferred by the Company to unpaid dividend accounts of the Company and which is remaining unpaid / unclaimed over a period of 7 (seven) years from the date of such transfer is to be transferred to the 'Investor Education and Protection Fund' (**IEPF**) and no claim will be entertained thereafter by the Company. Members are, therefore, requested to expeditiously put in their claims for unclaimed dividends.
- q. Pursuant to the provision of Section 72 of the Companies Act 2013, Member(s) holding shares in Physical Form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders.
- r. Member(s) holding shares in Dematerialised Form may contact their respective Depository Participants for availing this facility. The Nomination Form can be downloaded from the Company's website under the section '**General Information - forms**'. Members who hold shares in Physical Form are requested to surrender their old share certificates to the Share Transfer Agent for new share certificates in form SH-1.
- s. For any communication, Members may also send requests to the Company's Investor e-mail id: '**share@nirionltd.com**'.
- t. Entry to the Auditorium / Hall will be strictly against the entry coupon available at the counters at the venue, and against the exchange of a duly filled in, signed and valid Attendance Slip.
- u. Any briefcase / bags / eatables or such other articles as may be ordered by the authorities are not allowed inside the venue of the Meeting.
9. Pursuant to Section 91 of the Act, the Register of Members and Share Transfer books of the Company will remain closed from **Friday, September 14, 2018 to Wednesday, September 26, 2018 (both days inclusive)** for the 59<sup>th</sup> AGM.
10. A dividend of ₹0.75 per equity share (@ 7.5%) has been recommended by the Board for the F.Y. 2017-18, subject to the approval of Members at this ensuing 59<sup>th</sup> AGM. If the dividend as recommended by the Board is approved at this 59<sup>th</sup> AGM, payment of such dividend will be made on or before **October 26, 2018** to Members as under:
- To all Beneficial Owners in respect of shares held in **Dematerialized Form**, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as on the close of business hours on **Thursday, September 13, 2018**.
  - To all Members in respect of shares held in **Physical Form**, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on **Thursday, September 13, 2018**.
11. Members holding shares:
- In Dematerialized Form** are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Share Transfer Agent can not act on any request received directly from Members holding shares in Dematerialised Form for any change of bank particulars, or bank mandates. Such changes are



to be advised only to the Depository Participant of Members;

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

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

- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and under the relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members the facility to exercise their right to vote on resolutions proposed to be passed in the 59<sup>th</sup> AGM by electronic means. Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (**'remote e-voting'**).
- ii. The facility for voting through ballot paper / poll shall be made available at the venue of the Meeting, and Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting in a Poll.
- iii. Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- iv. The Board of Directors of the Company has appointed **Mr. Alwyn D'souza**, Practising Company Secretary (FCS No.5559 CP No.5137) of Alwyn Jay & Co., Company Secretaries, Mumbai, as Scrutinizer to the remote e-voting, as also for voting in a Poll at the Meeting, to ensure the same are conducted in a fair and transparent manner. Mr. Alwyn D'souza has communicated his willingness to be appointed, and will be available for this purpose.
- v. The Company has engaged the services of the Central Depository Services (India) Limited (**CDSL**) for remote e-voting for this Meeting.
- vi. Voting rights shall be reckoned on the paid up value of Equity Shares registered in the name of the Member / Beneficial Owner (in case of Dematerialized Form) as on the cut-off date, i.e. **Friday, September 21, 2018**.
- vii. Only persons whose names are recorded in the Dematerialized Form Register of Members or in the Register of Beneficial Owners maintained by

the depositories as on the cut-off date i.e. **Friday, September 21, 2018** shall be entitled to avail the facility of remote e-voting / participate in a poll.

However, any person who becomes a member of the Company **after** dispatch of the Notice of the 59<sup>th</sup> AGM and is holding shares as on the cut-off date, i.e. **Friday, September 21, 2018**, may obtain the User ID and password as per the CDSL's instructions.

- viii. If a Member is already registered with the CDSL's e-voting platform, then he / she can use his / her existing User ID and password for casting a vote through remote e-voting.
- ix. The Scrutinizer, after scrutinizing the votes cast in a Poll at the Meeting, and also votes cast through remote e-voting will, not later than two (2) days from the conclusion of the Meeting, make a consolidated Scrutinizer's Report and shall submit the same to the Chairman. The results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company '**www.nirlonltd.com**'. The results shall simultaneously be communicated to the BSE Limited.
- x. Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the day and date of the Meeting, i.e. **Wednesday, September 26, 2018**.

**For Members (holding shares in Dematerialized Form or Physical Form) who receive Notice of the 59<sup>th</sup> AGM and desire to vote electronically (remote e-voting):**

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

- i. The remote e-voting facility will be available during the following period:
  - **Commencement of remote e-voting: 9.00 a.m. (IST), Sunday, September 23, 2018**
  - **End of remote e-voting: 5.00 p.m. (IST) on Tuesday, September 25, 2018**

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

- ii. Shareholders / Members should log on to the remote e-voting website '**www.evotingindia.com**'
- iii. Click on '**SHAREHOLDERS**'
- iv. Now enter your User ID
  - a. For CDSL: 16 digit beneficiary ID;
  - b. For NSDL: 8 Character DP ID followed by the 8



- digit Client ID;
- c. Members holding shares in Physical Form should enter the Folio Number registered with the Company.
  - v. Next enter the Image Verification as displayed and Click on '**LOGIN**'.
  - vi. If you are holding shares in Dematerialized Form and had logged on to '[www.evotingindia.com](http://www.evotingindia.com)' and voted in an earlier voting of any company, then your existing password is to be used.
  - vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on the Postal Ballot / Attendance Slip indicated in the PAN field.</li> <li>• In case sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB</b>	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd / mm / yyyy format.</p>
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter the member id / folio number in the '<b>Dividend Bank Details</b>' field as mentioned in instruction iv.</li> </ul>

- viii. After entering these details appropriately, click on the '**SUBMIT**' tab.
- ix. Members holding shares in Physical Form will then directly reach the '**Company Selection**' screen However, Members holding shares in Dematerialized Form will now reach the '**Password Creation**' menu wherein they are required to mandatorily enter their login password in the '**New Password**' field. Kindly note that this password is to be also used by Dematerialized Members for voting resolutions of any other company on which they are eligible to vote, provided that that Company too opts for e-voting through the CDSL platform (the Company has chosen the CDSL platform). It is strongly recommended not to share your password with any other person and take the utmost care to keep your password confidential.
- x. For Members holding shares in Physical Form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the **EVS**N for the relevant <**Company Name**> on which you choose to vote.
- xii. On the voting page, you will see '**Resolution Description**' and against the same the option '**YES / NO**' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the '**RESOLUTIONS FILE**' link if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on '**SUBMIT**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**OK**', else to change your vote, click on '**CANCEL**' and accordingly modify your vote.
- xv. Once you '**CONFIRM**' your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the voting done by you by clicking on the '**CLICK HERE TO PRINT**' option on the Voting page.
- xvii. If a Demat account holder has forgotten the password, then enter the User ID and the image verification code and click on '**FORGOT PASSWORD**' and enter the details as prompted by the system.
- xviii. Note for Non-Individual Shareholders / Members and Custodians:
  - Non-Individual Shareholders / Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log onto



'[www.evotingindia.com](http://www.evotingindia.com)' and register themselves as Corporates and Custodians respectively. A scanned copy of the Registration Form bearing the entity stamp and signed by the entity should be e-mailed to '[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)'.

- After receiving the login details, they should create the compliance user using the admin login and password. The compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
  - The list of accounts should be mailed to '[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)' and on approval of the accounts, they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA), which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding remote e-voting you may refer to the Frequently Asked Questions ('FAQs') and e-voting manual available at '[www.evotingindia.com](http://www.evotingindia.com)' under the 'Help' section or write an e-mail to '[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)'.

#### B. General Instructions:

- i. Once a vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- ii. In the event of a Poll at the Meeting, please note that Members who have exercised their right to vote through remote e-voting as above shall not be eligible to vote by way of a Poll at the Meeting. The Poll process shall be conducted and a report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant rules. In such an event, votes cast under the Poll, taken together with the votes cast through remote e-voting shall be counted for passing of respective resolution(s).
- iii. Subject to receipt of sufficient votes, resolutions shall be deemed to be passed at the 59<sup>th</sup> AGM of the Company scheduled to be held on Wednesday, September 26, 2018.

The Chairman shall declare the results of voting on the resolutions set out in the Notice within 2 (two) days from the conclusion of the 59<sup>th</sup> AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website '[www.nirlonltd.com](http://www.nirlonltd.com)', and shall also be communicated to the BSE Limited.

13. Information relating to Directors including Independent Directors seeking re-appointment and continuation at the 59<sup>th</sup> AGM is given as follows:

- a. **Mr. Kunnasagaran Chinniah (DIN 01590108)**, aged 61 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 57<sup>th</sup> 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 Indian companies such as Edelweiss Financial Services Ltd., Edelweiss Commodities Services Ltd., Edelweiss Securities Ltd. and Edelweiss Agri Value Chain Ltd.

He is holding membership in the Audit Committee of Edelweiss Commodities Services Ltd., Edelweiss Securities Ltd. and Edelweiss Agri Value Chain Ltd., and also a member of the Stakeholders Relationship Committee of Edelweiss Financial Services Ltd.

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.

He attended 5 (five) Board Meetings during the F.Y. 2017-18.

He does not hold any equity shares in the Company.



- b. **Mr. Moosa Raza (DIN 00145345)**, aged 81 years (D.O.B 27-02-1937), has been a civil servant for 35 years, and is a recipient of Padma Bhushan awarded by the Hon'ble President of India for his distinguished civil service to the Nation.

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

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

Mr. Raza has been a Director of the Company since July 1996, and was re-appointed as an Independent Director and Chairman by the Board effective from October 28, 2006.

Subsequently, Members at their Meeting held on August 30, 2007 confirmed his appointment as an Independent Director liable to retire by rotation, and thereafter, at the 55<sup>th</sup> AGM held on September 23, 2014, Mr. Raza was appointed as an Independent Director, not liable to retire by rotation, to hold office upto March 31, 2019.

Mr. Raza is also holding the position of Director on the Board of the National Waqf Development Corporation Limited, Coastal Energen Pvt. Ltd., and Management Options for Value Enhancement Pvt. Ltd.

Mr. Raza is the Chairman of the Board, Audit, Stakeholders Relationship, Corporate Social Responsibility, and Anti-Sexual Harassment Committee, and is also a member of the Nomination and Remuneration Committees 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.

He attended 5 (five) Board Meetings during the F.Y. 2017-18.

He does not hold any Equity Shares in the Company.

- c. **Mr. Arjan R. Gurbuxani (DIN 00425885)**, aged 84 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 55<sup>th</sup> 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.

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 1,02,000 free Eye Surgeries since 2007.

Mr. Gurbuxani is the Chairman of the Nomination and Remuneration Committee and Risk Management Committee, and is also a member of the Audit, Stakeholder Relationship and Anti-Sexual Harassment 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.

He attended 5 (five) Board Meetings during the F.Y. 2017-18.

He holds 724 Equity Shares in the Company.

- d. **Mrs. Rajani M. Bhagat (DIN 00870716)**, aged 79 years (D.O.B 01-10-1938), graduated with B.A. (Hons.), B.Com, B.Sc. (Economics).

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

Subsequently, Members at their Meeting held on August 30, 2007 confirmed her appointment as a Director liable to retire by rotation, and thereafter, at the 51<sup>st</sup>, 54<sup>th</sup>, 55<sup>th</sup>, 56<sup>th</sup> and 58<sup>th</sup> AGMs held on September 14, 2010, September 27, 2013, September 23, 2014, September 21, 2015 and September 29, 2017 respectively, Members have re-



## NIRLON

appointed her as a Director liable to retire by rotation.

She is also holding the position of Director on the Board of Pharma Fill Ltd., Pali Manor Pvt. Ltd., Nirfil Investments Pvt. Ltd., Punu Trading and Investment Company Pvt. Ltd., Shital Trading and Interiors Pvt. Ltd., the Bombay Garage (Ahmedabad) Ltd., Bhagat Trading Company Pvt. Ltd., and Indian Pharma Caps and Chemicals Pvt. Ltd.

Mrs. Bhagat is a member of the Corporate Social Responsibility Committee of the Company.

Mrs. Bhagat is not related to any Director / KMP of the Company, and has confirmed that she is not disqualified to act, and can continue as a Director as required.

She attended 4 (four) Board Meetings during the F.Y. 2017-18.

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

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### The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), sets out all material facts relating to the business mentioned at Item Nos.4 to 8 of the accompanying Notice dated August 16, 2018

#### **Item no. 4**

The Board of Directors of the Company at their Meeting held on August 9, 2017 had appointed Price Waterhouse Chartered Accountants LLP, Mumbai (Firm Registration Number 012754N / N500016) as the Statutory Auditors of the Company.

Members of the Company at their 58<sup>th</sup> AGM held on September 29, 2017 confirmed their appointment as the Statutory Auditors of the Company for a period of five (5) years, commencing from the conclusion of the 58<sup>th</sup> AGM till the conclusion of the 63<sup>rd</sup> AGM of the Company.

Price Waterhouse Chartered Accountants LLP, Mumbai have, basis on their discussions with the Company, expressed their intention to resign as auditors, and the same was accepted and recorded by the Board of Directors of the Company at its meeting held on August 6, 2018. Accordingly, the Board of Directors have proposed the appointment of S R B C & Co LLP, Chartered Accountants, Mumbai, with Firm Registration Number 324982E / E300003 as Statutory Auditors of the Company.

S R B C & Co LLP, Chartered Accountants, Mumbai, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with the confirmation that, their appointment, if approved by Members, would be within the limits prescribed under the Act.

**Please note:** There is no material change in fee payable to the new Statutory Auditors from that paid to the outgoing Auditors.

The Members are requested to appoint S R B C & Co LLP, Chartered Accountants, Mumbai, with Firm Registration Number 324982E / E300003, as the Statutory Auditors of the Company from the F.Y. 2018-19 at the 59<sup>th</sup> AGM by way of passing an Ordinary Resolution to hold office for a period of 5 (five) years from the conclusion of the 59<sup>th</sup> ensuing AGM till the conclusion of the 64<sup>th</sup> AGM of the Company and to fix their remuneration.

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 as set out at **Item No. 4** of the accompanying Notice for the approval by Members of the Company.

#### **Item no. 5**

##### **Section I – Background**

Members of the Company, at their 55<sup>th</sup> Annual General Meeting held on September 23, 2014, passed an Ordinary Resolution appointing Mr. Moosa Raza (Chairman), as an Independent Director for a term of 5 (five) years effective from April 1, 2014 upto March 31, 2019.

At present, the Company's Board consists of 8 (eight) Directors i.e. 4 (four) Non – Executive Independent Directors, 3 (three) Promoter Directors, and 1 (One) Nominee Director of Reco Berry Pvt. Ltd., Promoter of the Company.

At the Board meeting held on May 14, 2018, Mr. Raza has provided a declaration that he is qualified to act as a Director of the Company, and also meets with the criteria to act as an Independent Director as laid down under the Companies Act, 2013 (**the Act**), and the SEBI (Listing Obligations and Disclosure Requirements), 2015 (**SEBI LODR**) as amended to date.

Mr. Raza has expressed his desire and willingness to be re-appointed as an Independent Director for another term of eighteen (18) months effective from April 1, 2019 up to September 30, 2020.

In the opinion of the Board, Mr. Raza fulfils the conditions for appointment as an Independent Director as specified in the Act, and the SEBI LODR, 2015 as amended in 2018. Mr. Raza is Independent of the Management.

**Section II – Statutory Provisions under the Act and the SEBI LODR, 2018 (amended, effective from April 1, 2019)**

1. Sections 149 and 152 of the Act lay down, inter alia, as under:

Every listed public company shall have at least one third of the total number of Directors as Independent Directors, who are not liable to retire by rotation and shall have at least 1 (one) woman Director;

2. An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a company, **but** shall be eligible for re-appointment on passing of a **Special Resolution** by the Company and disclosure of such appointment in the Board's Report.
3. Regulations 16, 17 and 25 of the SEBI LODR, inter alia, stipulate conditions for appointment of Independent Directors by a listed company.
4. Regulation 17 (1A) of the SEBI LODR, 2018, inter alia, provides that no listed entities shall appoint or continue the Directorship of any Director who has attained age of 75 years **unless** a **Special Resolution** is passed to that effect with Explanatory Statement to the Notice with justification for appointing or continuing with such Director.
5. Board of Directors of a listed entity shall have an optimum combination of executive and Non-Executive Directors with at least 1 (one) woman Director and not less than 50 (fifty) percent of the Board of Directors shall comprise of Non-Executive Directors;
6. Where the chairperson of the Board of Directors is a Non-Executive Director, at least one-third of the Board of Directors shall comprise of Independent Directors and where the listed entity does not have a regular Non-Executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors;
7. A person shall not serve as an Independent Director in more than 7 (seven) listed entities;

The maximum tenure of Independent Director, with proposed re-appointment, shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

**Section III – Recommendations & Justifications**

In the opinion of the Board, Mr. Raza fulfils the conditions for re-appointment as an Independent Director as prescribed in the Act, and the SEBI LODR.

The Directors place on record the outstanding performance of Mr. Raza and appreciate the tremendous support being provided in by him at all levels in steering the Company

towards increased and sustained profitability. Mr. Raza has varied, relevant and extensive experience with business and the Government in India, as well as in depth knowledge about the workings of the Company. Accordingly, the Company relies extensively on his counsel and guidance. He remains a pillar of its success.

It is, therefore, proposed that is in the best interests of the Company to re-appoint Mr. Raza as an Independent Director under the Act, and SEBI LODR to hold office for another term of eighteen (18) months effective from April 1, 2019 up to September 30, 2020 effective from April 1, 2019 (not exceeding in aggregate 10 (ten) years consecutively from his appointment as Independent Director effective from April 1, 2014) as per the Act.

The Company has received an individual notice in writing along with the deposit of the requisite amount under section 160 of the Act, proposing the candidature of Mr. Raza for the office of a Director of the Company.

A brief resume of Mr. Raza containing the nature of expertise in specific functional areas, names of companies in which he holds Chairmanships, Directorships and Memberships of Board / Committees, Shareholding, and relationship with the other Directors as stipulated under the SEBI LODR, are provided in the Corporate Governance Report forming part of this 59<sup>th</sup> Annual Report.

Copy of draft letter for the proposed appointment of Mr. Raza as an Independent Director, setting out the terms and conditions of his appointment, is available for inspection by any Member of the Company. This Statement may also be regarded as a disclosure under the Act and the SEBI LODR.

Mr. Raza is interested in the Resolution set out at Item No.5 of this Notice.

Name of Director	Date of Birth	Age	Age	Age
Mr. Moosa Raza	27-02-1937	(As on date of Notice i.e. August 6, 2018 )	(As on April 1, 2019)	(As on September 30, 2020)
		81 years	82 years	83 years

Save and except to the above, none of the Directors / Key Managerial Personnel / their relatives is in any way concerned or interested, financially or otherwise, in the Resolution set out at **Item No.5** of the Notice.

The Board commends the Special Resolution for **Item No.5** of this Notice for approval by Members under the Act, and as well as under the SEBI LODR, 2018.



## NIRLON

### Item No. 6

#### Section I – Background

Members of the Company, at their 55<sup>th</sup> Annual General Meeting held on September 23, 2014, passed an Ordinary Resolution appointing Mr. Arjan R. Gurbuxani, as an Independent Director for a term of 5 (five) years effective from April 1, 2014 upto March 31, 2019.

At present, the Company's Board consists of 8 (eight) Directors i.e. 4 (four) Non – Executive Independent Directors, 3 (three) Promoter Directors, and 1 (One) Nominee Director of Reco Berry Pvt. Ltd., Promoter of the Company.

At the Board meeting held on May 14, 2018, Mr. Gurbuxani has provided declaration that he is qualified to act as a Director of the Company, and also meets with the criteria to act as an Independent Director as laid down under the Companies Act, 2013 (**the Act**), and the SEBI (Listing Obligations and Disclosure Requirements), 2015 (**SEBI LODR**) as amended to date.

Mr. Gurbuxani has expressed his desire and willingness to be re-appointed as an Independent Director for another term of eighteen (18) months effective from April 1, 2019 up to September 30, 2020.

In the opinion of the Board, Mr. Gurbuxani fulfils the conditions for appointment as an Independent Director as specified in the Act, and the SEBI LODR, 2015 as amended in 2018. Mr. Gurbuxani is Independent of the management.

#### Section II – Statutory Provisions under the Act and the SEBI LODR, 2018 (amended, effective from April 1, 2019)

1. Sections 149 and 152 of the Act lay down, inter alia, as under:

Every listed public company shall have at least one third of the total number of Directors as Independent Directors, who are not liable to retire by rotation and shall have at least 1 (one) woman Director;
2. An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a company, **but** shall be eligible for re-appointment on passing of a **Special Resolution** by the Company and disclosure of such appointment in the Board's Report.
3. Regulations 16, 17 and 25 of the SEBI LODR, inter alia, stipulate conditions for appointment of Independent Directors by a listed company.
4. Regulation 17 (1A) of the SEBI LODR, 2018, inter alia, provides that no listed entities shall appoint or continue the Directorship of any Director who has attained age of 75 years **unless** a **Special Resolution** is passed to that effect with Explanatory Statement to the Notice with justification for appointing or continuing with such Director.

5. Board of Directors of a listed entity shall have an optimum combination of executive and Non-Executive Directors with at least 1 (one) woman Director and not less than 50 (fifty) percent of the Board of Directors shall comprise of Non-Executive Directors;
6. Where the Chairperson of the Board of Directors is a Non-Executive Director, at least one-third of the Board of Directors shall comprise of Independent Directors and where the listed entity does not have a regular Non-Executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors;
7. A person shall not serve as an Independent Director in more than 7 (seven) listed entities;

The maximum tenure of Independent Director, with proposed re-appointment, shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

#### Section III – Recommendations & Justifications

In the opinion of the Board, Mr. Gurbuxani fulfils the conditions for re-appointment as an Independent Director as prescribed in the Act, and the SEBI LODR.

Mr. Gurbuxani's wide ranging and extensive financial experience and expertise continues to be consistently relied upon by the Board and the Management to better guide the successful growth of the Company. His attention to detail, fiscal prudence and in-depth knowledge of the financial aspects of the Company's business make him an invaluable resource for the Company during its ongoing period of growth,

It is, therefore, proposed that is in the best interests of the Company to re-appoint Mr. Gurbuxani as an Independent Director under the Act, and the SEBI LODR to hold office for another term of eighteen (18) months effective from April 1, 2019 up to September 30, 2020 (not exceeding in aggregate 10 (ten) years consecutively from his appointment as Independent Director effective from April 1, 2014) as per the Act.

The Company has received an individual notice in writing along with the deposit of the requisite amount under section 160 of the Act, proposing the candidature of Mr. Gurbuxani for the office of a Director of the Company.

Brief resume of Mr. Gurbuxani containing the nature of expertise in specific functional areas, names of companies in which he holds Chairmanships, Directorships and Memberships of Board / Committees, Shareholding, and relationship with the other Directors as stipulated under the SEBI LODR, are provided in the Corporate Governance Report forming part of this 59<sup>th</sup> Annual Report.

Copy of draft letter for the appointment of Mr. Gurbuxani as an Independent Director, setting out the terms and conditions of his appointment, are available for inspection by any Member





of the Company.

This Statement may also be regarded as a disclosure under the Act and the SEBI LODR.

Mr. Gurbuxani is interested in the Resolution set out at Item No.6 of this Notice to the extent of his shareholding in the Company.

Name of Director	Date of Birth	Age	Age	Age
Mr. Arjan R. Gurbuxani	28-07-1934	(As on date of Notice i.e. August 6, 2018)	(As on April 1, 2019)	(As on September 30, 2020 )
		84 years	84 years	86 years

Save and except to the above, 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.6** of the Notice.

The Board commends the Special Resolution for **Item No. 6** of this Notice for approval by Members under the Act, and as well as under the SEBI LODR, 2018.

#### **Item no. 7**

**Mrs. Rajani M. Bhagat (DIN 00870716)**, aged 79 years, is a Promoter and has been occupying the office of Director since March 2003. She is liable to retire by rotation.

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (**SEBI, LODR, 2018**), issued a notification No. SEBI / LAD-NRO / GN / 2018 / 10 issued on May 9, 2018 effective from April 1, 2019.

Under the said Notification, SEBI inserted a new sub-regulation 17 (1A):

“(1A) No listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.”

Mrs. Bhagat has attained the age of 79 years (D.O.B. 01-10-1938), and hence, in order to continue to hold her Directorship, Members approval is required by way of a Special Resolution as required under the above sub-regulation of the SEBI LODR, 2018.

This statement may be regarded as a disclosure under the SEBI LODR.

None of the other Directors / key managerial personnel of the Company / their relatives is in anyway concerned or

interested, financially or otherwise, in the Resolution, save and except to the extent of her shareholding.

Her contributions as a Promoter Director are appreciated by the Company. Therefore, the Board commends the Special Resolution as set out at **Item No.7** of this Notice for approval by Members for continuation of Mrs. Bhagat as a Director under the SEBI LODR, 2018.

#### **Item no. 8**

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Vinay B. Mulay, the Practicing Cost Auditor (ICAI-CMA No. 8791 CP No. 101159) of Vinay Mulay & Co., Mumbai, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019.

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. 8** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2019.

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.8** of the Notice.

The Board recommends the Resolution set out at **Item No.8** of the Notice for approval by Members of the Company by way of an Ordinary Resolution.

**By Order of the Board of Directors**

For Nirlon Limited  
sd / -

**Jasmin K. Bhavsar**

**Company Secretary, Vice President (Legal) & Compliance Officer**  
**FCS 4178**

**Mumbai, August 16, 2018**

**Registered Office:**

**Nirlon Limited,**

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

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

Fax : +91 (022) 4028 1940

CIN no. : L17120MH1958PLC011045

E-mail id: info@nirlonltd.com

Website: **www.nirlonltd.com**



## DIRECTORS' REPORT

Your Directors present their 59<sup>th</sup> Annual Report along with the Audited Financial Accounts for the Financial Year ended March 31, 2018.

### 1. \*Financial Performance

The Company's Financial Performance for the Year ended March 31, 2018 is summarized below:

(₹ in Crore)		
Particulars	2017-18	2016-17
<b>Gross Income from Operations</b>	<b>293.57</b>	<b>292.56</b>
<b>Gross Profit</b>	<b>223.03</b>	<b>226.67</b>
Interest Paid	65.55	77.96
<b>Cash Profit</b>	<b>157.48</b>	<b>148.71</b>
Depreciation	72.22	70.66
<b>Net Profit for the Year before Tax</b>	<b>85.26</b>	<b>78.05</b>
Current tax	21.04	17.49
Deferred tax	8.53	9.48
<b>Net Profit for the Year after tax</b>	<b>55.69</b>	<b>51.08</b>
Proposed dividend on Equity shares	6.76	6.76
Tax on Dividend	1.38	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.

Beginning April 1, 2017, the Company has for the first time adopted Ind AS with a transition date of April 1, 2016, and hence the figures for the previous F.Y. 2016-17 are also re-grouped / adjusted, wherever necessary. Please therefore note that the numbers in this Annual Report, i.e. F.Y. 2017-18, are not comparable to the numbers in the Annual Report for the previous year, i.e. F.Y. 2016-17.

### 2. Financial Operations (Summary)

- i. **Gross Income from Operations** for the Financial Year 2017-18 was ₹**293.57 Crore** as against ₹292.56 Crore for the F.Y. 2016-17.
- ii. **Gross Profit** for the Financial Year 2017-18 was ₹**223.03 Crore** as against ₹226.67 Crore for the F.Y. 2016-17.
- iii. **Cash Profit** for the Financial Year 2017-18 was ₹**157.48 Crore** as against ₹148.71 Crore for the F.Y. 2016-17.

- iv. **Net Profit** for the Financial Year 2017-18 (after taxes) was ₹**55.69 Crore** as against a profit of ₹51.08 Crore for the F.Y. 2016-17.

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

### 3. Reserves

The Board does not propose to transfer any amount to the General Reserve account in the Balance Sheet for the Financial Year 2017-18.

### 4. Dividend

For the Year under review, the Board recommends a dividend of ₹0.75 per equity share of ₹10 / - each (@ 7.5%) amounting to ₹8.14 Crore (inclusive of tax of ₹1.38 Crore), subject to the approval of Members of the Company at their 59<sup>th</sup> Annual General Meeting.

Dividend will be paid to Members whose names appear in the Register of Members as on **Thursday, September 13, 2018**. In respect of shares held in Dematerialized Form, dividend will be paid to Members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited, as Beneficial Owners as on that date.

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

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

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

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

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

#### **Phases 1, 2, 3 and 4**

A total of approx.29.46 lakh sq. ft. area has been constructed in Phases 1, 2, 3 and 4 corresponding to approx.18.78 lakh sq. ft. of licensable area. License



fees for Phases 1, 2, 3 and 4 continue to be received as contracted by the Company as on March 31, 2017.

**Please Note:** The total constructed area of approx. 29.46 lakh sq. ft. for Phases 1, 2, 3 and 4 includes two (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) floor 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, the Company has begun development / construction of Phase 5 (re-development of Phase 0) in NKP, Goregaon from May 2017. Further particulars are provided in **Annexure 8** to this Report, i.e. Management Discussion Analysis.

#### **ii. License Fees**

During the year under review, gross license fees aggregated approx. ₹248.56 Crore 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 July 31, 2018) to reputed international and Indian corporates.

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

#### **iv. Financing**

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

At the request of the Company, HDFC Limited has granted a moratorium on payment of their principal securitized loan amounts effective from May 15, 2017, whereby the Company is required to repay only the interest amount on these outstanding securitized loans till the construction of Phase 5 (re-development of Phase 0) is completed. This principal moratorium has resulted in incremental cash flows being available to the Company to finance a larger part of the Phase 5 (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 July 31, 2018 aggregate ₹769.85 Crore (including loans used for the ongoing construction of Phase 5 (re-development of Phase 0)), on which the Company is presently paying a competitive rate of interest.

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

#### **6. Nirlon House**

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

#### **7. I. 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 57<sup>th</sup> AGM held on September 20, 2016

**Please note : All interested parties abstained from voting on this item.**

d. Post approval from Members, the following agreements were entered into by the Company and NMSPL on September 23, 2016, effective from October 1, 2016 with regard to:

i. Management Services Agreement appointing NMSPL as a provider of lease management, property management,



marketing related, project management and general management services in respect of the properties of the Company on the terms set out in the said Agreement.

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

## 7. II. Implementation / Commencement of Operations under various Agreements

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

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

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

Presently, the Shareholding Pattern of NMSPL is as under:

### Class A Shares

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

### 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%
<b>Total</b>		<b>1,78,200</b>	<b>100%</b>

### 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%
<b>Total</b>		<b>3,16,800</b>	<b>100%</b>

## 8. The Board & its Committees

### i. Board of Directors:

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

For more detail, please refer to the link:

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

### a. Re-appointment and Continuation of Directors at the 59<sup>th</sup> AGM

A brief resume of the Directors seeking re-appointment and continuation as Directors at the 59<sup>th</sup> AGM is given below:

- Re-appointment of Mr. Chinniah, 61, as a Director, who retires by rotation;
- Re-appointment of Mr. Raza, 81, and Mr. Gurbuxani, 84, for a term of eighteen (18) months effective from April 1, 2019, and



their continuation as Independent Directors; and

- Continuation of Mrs. Bhagat, 79, as a Director liable to retire by rotation.

**The Board recommends:**

- Re-appointment of Mr. Chinniah as a Director liable to retire by rotation;
- Re-appointment and Continuation of Mr. Raza and Mr. Gurbuxani, for a term of eighteen (18) months effective from April 1, 2019, as Independent Directors; and
- Continuation of Mrs. Bhagat, as a Director liable to retire by rotation.

**b. Changes in the Board during the Financial Year 2017-18**

There was no change in the Board of Directors during the F.Y. 2017-18.

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 and continuation of Directors, Including Independent Directors, is provided in this Report, and forms part of this Notice calling the 59<sup>th</sup> AGM.

**ii. 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, interalia, in the areas of corporate governance, internal audit, finance, taxation, accounts etc.

**b. Stakeholders Relationship Committee (SRC)**

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

As on March 31, 2018, **approx. 92.51%** of the Company's total paid up equity share capital was held in Dematerialized Form, and there were no investor grievances / complaints pending.

**Please note: As per the SEBI Amendment Regulations, 2018, the role of the SRC, interalia, shall include the following effective from April 1, 2019:**

1. Resolving the grievances of the shareholders 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 Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

**c. Corporate Social Responsibility Committee (CSRC)**

The Board formed a Corporate Social Responsibility Committee on September 23, 2014, and based on its recommendations the Company commenced activities under its CSR Policy during the Year under review.

**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, interalia, identifying, evaluating and mitigating potential risks to the Company.



For more detail, please refer to the link:

[http://www.nirlonltd.com/pdf/various\\_committees.pdf](http://www.nirlonltd.com/pdf/various_committees.pdf)

**f. Anti- Sexual Harassment Committee (SHC)**

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

For more detail, please refer to the link:

[http://nirlonltd.com/pdf/policy\\_on\\_sexual\\_harassment.pdf](http://nirlonltd.com/pdf/policy_on_sexual_harassment.pdf)

**9. Policies & Codes**

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

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

**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 at:

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

For more detail, kindly refer to the link:

[http://www.nirlonltd.com/pdf/dmei\\_policy\\_mar\\_16.pdf](http://www.nirlonltd.com/pdf/dmei_policy_mar_16.pdf)

**ii. Related Party Transaction (RPT) Policy**

The RPT Policy is in accordance with the requirement of Regulation 23 of the LODR, 2015 and Section 188 of the Companies Act, 2013, and is intended to ensure the proper approval

and reporting of transaction / s between the Company and its Related Parties.

**Aims of the RPT Policy**

Inter alia, to disclose in the Financial Statements of the Company applicable transaction / s between the Company and Related Parties, as well as policies concerning transaction / s with Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

For more detail, kindly refer to the link:

[http://www.nirlonltd.com/pdf/related\\_party\\_transaction\\_policy\\_mar\\_16.pdf](http://www.nirlonltd.com/pdf/related_party_transaction_policy_mar_16.pdf)

**iii. Whistle Blower (WB) Policy**

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

**Aims of the WBP**

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

For more detail, kindly refer to the link:

[http://www.nirlonltd.com/pdf/whistle\\_blower\\_policy\\_mar\\_16.pdf](http://www.nirlonltd.com/pdf/whistle_blower_policy_mar_16.pdf)

**iv. Corporate Social Responsibility (CSR) Policy**

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

**Aims of the CSR Policy:**

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

For more detail, kindly refer to the link:

[http://www.nirlonltd.com/pdf/csr\\_policy\\_mar\\_16.pdf](http://www.nirlonltd.com/pdf/csr_policy_mar_16.pdf)

Details are given in the table overleaf:

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

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

(₹ in Lakh)

<b>1. Average Net Profit of the Company for the last three financial years</b>							5,509.26
<b>2. Prescribed CSR Expenditure @ two (2) % of the amount as in item 3 below:</b>							110.19
<b>3. Details of CSR spent during the Financial Year</b>							
a. Total amount to be spent for the Financial Year							111.00
b. Amount unspent, if any							Nil
c. Manner in which the amount spent during the Financial Year is detailed below:							
1.	2.	3.	4.	5.	6.	7.	8.
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or a programme was undertaken	Amount outlay (budget / limit) project or programmes wise (₹ in Lakh)	Amount spent on the projects or programmes Sub-heads: Direct expenditure on projects or programmes Overheads: (₹ in Lakh)	Cumulative expenditure upto to the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency (₹ in Lakh)
1.	Chief Minster's Relief Fund, Maharashtra	Chief Minster's Relief Fund, Maharashtra	Mumbai, Maharashtra	51.00	51.00	51.00	51.00
2.	Chennai Liver Foundation	Medical (Liver ailments)	Chennai , Tamil Nadu	10.00	10.00	10.00	10.00
3.	Venus Cultural Association	Medical (Dialysis unit)	Mumbai, Maharashtra	10.00	10.00	10.00	10.00
4.	Kalse Dhamapur Shikshan Prasarak Mandal (kalse)	Education (Promotion of rural Education)	Dahamapur, Maharashtra	10.00	10.00	10.00	10.00
5.	Dignity foundation	Eradication of Hunger and Poverty / food ration	Mumbai, Maharashtra	10.00	10.00	10.00	10.00
6.	Jalyukta Shivar Abhiyan (JSA)	Water conservation	Nagpur, Maharashtra	20.00	20.00	20.00	20.00
<b>Total</b>					<b>111.00</b>	<b>111.00</b>	<b>111.00</b>

The Company contributed ₹111.00 lakh to the implementing agencies towards its CSR Contribution.

**Note:**

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

**Responsibility Statement**

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

**Moosa Raza**                      **Rahul V. Sagar**  
**(Chairman)**                      **(Executive Director)**  
**DIN: 00145345**                      **DIN: 00388980**

**Mumbai, August 6, 2018**



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

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

**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
- d. ESOP and other related matters.

For more detail, kindly refer to the link:  
[http://www.nirlonltd.com/pdf/nomination\\_and\\_remuneration\\_policy\\_mar\\_16.pdf](http://www.nirlonltd.com/pdf/nomination_and_remuneration_policy_mar_16.pdf)

**vi. Risk Management (RM) Policy**

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

**Aims of the RM Policy**

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

For more detail, kindly refer to the link:

[http://www.nirlonltd.com/pdf/risk\\_mgmt\\_policy\\_mar\\_16.pdf](http://www.nirlonltd.com/pdf/risk_mgmt_policy_mar_16.pdf)

**vii. Preservation of Documents (POD) Policy**

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

**Aims of the POD Policy**

- a. The POD Policy contains guidelines for identifying Documents that need to be maintained, the period of preservation of such Documents and the procedure for their destruction / disposal; and
- b. 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](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 other 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](http://www.nirlonltd.com/pdf/board_diversity_policy.pdf)

**ix. Anti - Sexual Harassment (ASH) Policy**

**Aims of the ASH Policy**

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

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

For more detail, kindly refer to the link:  
[http://www.nirlonltd.com/pdf/policy\\_on\\_sexual\\_harassment.pdf](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 Key Managerial Personnel 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.

## II. Codes

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

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

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

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

For more detail, kindly refer to the link: [http://www.nirlonltd.com/pdf/iccpit\\_mar\\_16.pdf](http://www.nirlonltd.com/pdf/iccpit_mar_16.pdf)

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

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

#### **Aims of the CCBE**

- a. The CCBE envisages that the Board and Designated Employees must act within the boundaries of the authority conferred upon them, and with a duty to comply with the requirements of applicable laws, while discharging their duties and responsibilities; and

- b. The principles prescribed in CCBE are general in nature, and lay down broad standards of compliance and ethics, as required by Regulation 17 (5) (a) and 26 of the LODR, 2015. The Board and Designated Employees shall also refer to other applicable policies and procedures of the Company for specific instructions and guidelines, which are to be read in conjunction with the CCBE.

For more detail, kindly refer to the link: [http://www.nirlonltd.com/pdf/ccbe\\_mar\\_16.pdf](http://www.nirlonltd.com/pdf/ccbe_mar_16.pdf)

### iii. **Code of Conduct for Independent Directors (CCID)**

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

#### **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 and regulators.

For more detail, kindly refer to the link: [http://www.nirlonltd.com/pdf/ccid\\_mar\\_16.pdf](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 LODR, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Compliance Committees.

## ii. **Familiarization Programme for Independent Directors**

The Company's Board is diversified with Independent Directors (**IDs**), who are highly qualified with rich experience. IDs had / have been associated with various Government agencies and departments, and have been associated with various corporate and business organizations including the Company. They are familiar with the Company's business activities. Moreover, the Company provides them updates by providing a regular brief on its 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](http://www.nirlonltd.com/pdf/familiarization_%20programme_ids.pdf)

**iii. Declaration by and Tenure of Independent Directors**

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

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

For more detail, kindly refer to the links:

- a. [http://www.nirlonltd.com/pdf/mr\\_moosa\\_%20raza.pdf](http://www.nirlonltd.com/pdf/mr_moosa_%20raza.pdf)
- b. [http://www.nirlonltd.com/pdf/mr\\_rama\\_varma.pdf](http://www.nirlonltd.com/pdf/mr_rama_varma.pdf)
- c. [http://www.nirlonltd.com/pdf/mr\\_arjan\\_gurbuxani.pdf](http://www.nirlonltd.com/pdf/mr_arjan_gurbuxani.pdf)
- d. [http://www.nirlonltd.com/pdf/mrs\\_aruna\\_makhan.pdf](http://www.nirlonltd.com/pdf/mrs_aruna_makhan.pdf)

**iv. Directors' Responsibility Statement**

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

- a. that in the preparation of the Annual Financial Statements for the year ended March 31, 2018, 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, 2018, 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, 5 (five) Board Meetings and 4 (four) 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**

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

**b. Key Managerial Personnel**

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

There was no change in the composition of the Board of the Company, nor in the Key Managerial Personnel of the Company during the Financial Year 2017-18.

**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 Financial Year.



### **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 to the Companies Act, 2013, Reco Berry Pvt. Ltd. would now be considered as the holding company of Nirlon Limited for the purposes of the Act.

Save and except for the above, the Company is not a holding, 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 Financial Year 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.

**Please Note:** As on **July 31, 2018**, there are amounts of ₹17,43,417.00; ₹16,69,509.00; ₹17,49,265.50; and ₹16,35,374.25 lying with the HDFC Bank Limited in a special accounts named the ‘Nirlon Limited - Dividend unpaid / unclaimed Dividend Accounts – ‘2013-14’, ‘2014-15’, ‘2015-16’ and ‘2016-17’ respectively.

### **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.

### **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](http://www.nirlonltd.com/pdf/issue_of_new%20share_certificate_2017.pdf)
- b. [http://www.nirlonltd.com/pdf/newspaper\\_24\\_may\\_2017.pdf](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 has entered into the following related party transactions during the Financial Year 2017-18:

- i. The payment of remuneration to Mr. Rahul V. Sagar, Executive Director and KMPs of the Company;
- ii. Payment of dividend declared by Members of the Company; and
- iii. Execution of the following agreements on September 23, 2016:
  - a. Management Services Agreement;
  - b. Assets Sale Agreement; and Name User Agreement.

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

None of the Directors and Key Managerial Personnel save and except as stated above, has any 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 attached as **Annexure 6A** to this Report.

Related Party Disclosures under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are attached as **Annexure 6B** to this Report.



## NIRLON

### 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 Financial Year 2017-18, two (2) % of the average net profits of the Company made during the three (3) preceding financial year amounts to ₹110.19 lakh.

The Company spent ₹111.00 lakh during the Financial Year 2017-18 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. Resignation of the Statutory Auditors

- a. The Board of Directors of the Company at their Meeting held on August 9, 2017 had appointed Price Waterhouse Chartered Accountants LLP, Mumbai (FRN 012754N / N500016) as the Statutory Auditors of the Company.
- b. Members of the Company at their 58<sup>th</sup> AGM held on September 29, 2017 confirmed their appointment as the Statutory Auditors of the Company for a period of five (5) years, commencing from the conclusion of the 58<sup>th</sup> AGM till the conclusion of the 63<sup>rd</sup> AGM of the Company.
- c. Price Waterhouse Chartered Accountants LLP, Mumbai have, basis on their discussions with the Company, resigned as the auditors, and the Board accepted and recorded the resignation based on the recommendation by the Audit Committee at their meetings held on August 6, 2018.

#### ii. Statutory Auditors Report

- a. The observations made by the Auditors in the Report referring to Notes forming part of the Accounts are self-explanatory, and therefore do not require any further comments under Section 134(3) (f) of the Companies Act, 2013.

- b. There is no qualification in the Audit Report and a certificate to that effect is attached to this Report as **Annexure 1**.

#### iii. Recommendation for appointment of a New Statutory Auditor

- a. Based on the recommendation of the Audit Committee, the Board of Directors, at their meeting held on August 6, 2018, have appointed S R B C & Co LLP, Chartered Accountants, Mumbai (FRN 324982E / E300003) as Statutory Auditors of the Company in place of the outgoing auditors of the Company.
- b. S R B C & Co LLP, Chartered Accountants, Mumbai, have conveyed their consent for their apportionment as Statutory Auditors of the Company along with the confirmation that, their appointment, if approved by Members, would be within the limits prescribed under the Act.

**Please note:** There is no material change in fee payable to the new Statutory Auditors from what was paid to the outgoing Auditors.

Accordingly, consent of Members is being sought for passing an Ordinary Resolution as set out at **Item No. 4** of the Notice for appointment of S R B C & Co LLP, as the Statutory Auditors of the Company to hold office from the conclusion of the 59<sup>th</sup> AGM till the conclusion of the 64<sup>th</sup> AGM and to conduct audits from the Financial Year 2018-19.

#### iv. Internal Auditors

KPMG India has been appointed as the Internal Auditors of the Company by the Board, based on the recommendation of the Audit Committee for the Financial Year 2018-19.

#### v. 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 2018-19. The Secretarial Audit Report for the Financial Year 2017-18 is annexed as **Annexure 2**.
- b. There is no qualification in the Secretarial Audit Report.

**vi. Cost Auditors & Cost Audit Records**

Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Cost Records and Audit) Amendment Rules 2014, specifies criteria for specified industries which are required to maintain cost records and get them audited, and is applicable to the Company.

The Company's business as an Industrial Park is covered under Clause 5 (a) of Schedule VI of the Companies Act, 2013, and its turnover is also in excess of ₹100/- Crore. It is, therefore, required to maintain cost records which should be audited by a practicing Cost Auditor.

- a. In view of the above provisions of the Act, the Board, based on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration to Mr. Vinay B. Mulay, the Practicing Cost Auditor (ICAI-CMA No. 8791 CP No. 101159) of Vinay Mulay & Co., Mumbai to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2019.
- 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 at the 59<sup>th</sup> Annual General Meeting.
- c. Accordingly, the consent of Members is sought for passing an Ordinary Resolution as set out at **Item No.8** of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2019.

**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 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 ₹ Nil towards travel

expenses in foreign currencies, and the Company has no foreign earnings.

The Company has incurred professional fee expenses in foreign currency aggregating to ₹0.32 Crore.

**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 only three (3) employees, being the KMPs as per the Act.

**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 Directors and KMPs of the Company is furnished in **Annexure 4**.

**26. Employees Stock Option Scheme (Nirlon ESOP 2012)**

- i. Applicable disclosures as on March 31, 2018 are attached as **Annexure 5** and form a part of this Report. Relevant details of the schemes have also been disclosed on the website of the Company.

For more detail, kindly refer to the link: [http://www.nirlonltd.com/pdf/esop\\_scheme\\_2012.pdf](http://www.nirlonltd.com/pdf/esop_scheme_2012.pdf)

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

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

- iii. The Nirlon ESOP complies in all respects with the applicable rules and regulations.
- iv. The Company has received a certificate from Chartered Accountants that the Scheme has been implemented in accordance with SEBI Guidelines, and the required resolution has been passed by Members. This Certificate will be available at the 59<sup>th</sup> AGM for inspection by Members.



- v. As the Nirlon ESOP Trust had fulfilled its objectives, the Board, based on the recommendation of the NRC, passed a resolution on February 6, 2018 authorizing Directors to take steps to wind up the Nirlon ESOP Trust and Nirlon ESOP Plan 2012. Accordingly, the Trust sold the balance 2,656 ESOP shares on February 12, 2018 and utilized the proceeds as permitted by Statute.

With this, the Nirlon ESOP Plan is closed, and formalities for the winding up of the Trust have been initiated.

### **27. Corporate Governance Disclosure**

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

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

### **28. Management Discussion & Analysis**

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

### **29. Extract of Annual Return**

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

### **30. Share Transfer Agent (STA)**

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

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

### **31. Enhancing Shareholders / Members Value**

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

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

### **32. Postal Ballot**

- i. Members of the Company passed the Special Resolution on June 18, 2018 through a Postal Ballot (vide Postal Ballot Notice dated April 28, 2018) approving and adopting the alterations to Articles 71 (C) and (D) of the Articles of Association of the Company.
- ii. The Directors appointed Mr. Alwyn D'souza, Practising Company Secretary (FCS No.5559 CP No.5137) of Alwyn Jay & Co., Company Secretaries, Mumbai, as Scrutinizer (**'the Scrutinizer'**) for scrutinizing the voting through the Postal Ballot, including e-voting, in a fair and transparent manner.
- iii. The Postal Ballot Forms were deposited at the address given thereon. Duly completed Postal Ballot Forms which reached the Scrutinizer not later than 5.00 p.m. (IST) on Tuesday, June 12, 2018 were considered.
- iv. The Scrutinizer submitted his report to Mr. Arjan R. Gurbuxani, authorised Director, after the completion of scrutiny of the Postal Ballot including e-voting. The result of the Postal Ballot including e-voting was declared on Monday, June 18, 2018 and communicated to the BSE Limited and the CDSL. The same was also displayed on the Company's website at '[www.nirlonltd.com](http://www.nirlonltd.com)'.

The following Links are attached w.r.t. Postal Ballot Notice, Form, Combined Results and the Amended Articles of Association of the Company:

- a. [http://nirlonltd.com/pdf/postal\\_ballot\\_notice\\_apr\\_18.pdf](http://nirlonltd.com/pdf/postal_ballot_notice_apr_18.pdf)
- b. [http://nirlonltd.com/pdf/postal\\_ballot\\_form\\_apr\\_18.pdf](http://nirlonltd.com/pdf/postal_ballot_form_apr_18.pdf)
- c. [http://nirlonltd.com/pdf/postal\\_ballot\\_voting\\_results\\_18\\_jun\\_18.pdf](http://nirlonltd.com/pdf/postal_ballot_voting_results_18_jun_18.pdf)
- d. [http://nirlonltd.com/pdf/moa\\_and\\_aoa\\_nirlonltd.pdf](http://nirlonltd.com/pdf/moa_and_aoa_nirlonltd.pdf)

### **33. SEBI circular on Strengthening the Guidelines and Raising Industry Standards for RTA, Issuer Companies and Banker to Issue, & also the BSE Ltd.'s Circular on the amendment to Regulation 40 of the SEBI LODR, 2015 with respect to mandatory dematerialisation of physical shares for transfers after December 5, 2018**

- i. 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.

The following Links are attached for the SEBI Circular, Share Transfer Agent Letter along with the KYC updation form:

- a. [http://nirlonltd.com/pdf/sebi\\_circular\\_20\\_apr\\_2018.pdf](http://nirlonltd.com/pdf/sebi_circular_20_apr_2018.pdf)
  - b. [http://nirlonltd.com/pdf/updating\\_kyc\\_details\\_aug\\_2018.pdf](http://nirlonltd.com/pdf/updating_kyc_details_aug_2018.pdf)
- ii. The Company requests its Members, who are holding shares in Physical Form, to immediately demat their physical shares in view of the amendment to the Regulation 40 of the SEBI LODR, 2015.

**Accordingly, the Company and its Share Transfer Agents (STAs) shall, from December 5, 2018, transfer shares in dematerialized form only.**

The following Link is also attached on the amended Regulation 40 of the SEBI LODR, 2015: [http://nirlonltd.com/pdf/reg\\_40\\_of\\_sebi\\_lodr\\_2015\\_aug\\_2018.pdf](http://nirlonltd.com/pdf/reg_40_of_sebi_lodr_2015_aug_2018.pdf)

The Share Transfer Agent letter along with KYC update form as required by the SEBI are attached to this Report.

#### **34. Secretarial Standards**

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

#### **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 Reserve Bank of India (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 / -**

**Moosa Raza  
Chairman  
(DIN 00145345)  
Mumbai, August 6, 2018**

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#### **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, 2018.

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#### **Annexure 2 to the Directors' Report**

##### **FORM NO. MR.3**

##### **Secretarial Audit Report for the Financial Year ended March 31, 2018**

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

To,

**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 **31<sup>st</sup> March, 2018** complied with the statutory provisions listed hereunder and also



## NIRLON

that the Company has proper Board processes and compliance mechanism 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 **31<sup>st</sup> March, 2018** according to the provisions of:

- i. The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company) and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company).
- vi. Other specific business/industry related laws applicable to the Company- The Company has complied with the provisions of the Development Control Regulations for Greater Mumbai, 1991, Mumbai Municipal Corporation Act, 1888, Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975, Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013, Environment (Protection) Act, 1986, Maharashtra Shops and Establishments Act, 1948, Employees Provident Fund & Miscellaneous Provisions Act, 1952, 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 proper balance of Executive Directors and Non-Executive Directors as well as Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

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.

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

1. Commencement of Phase 5 (re-development of Phase 0) of NKP.





2. The Board of Directors granted option of 7,15,000 ESOP shares to 6 (six) specified employees of the Company out of 7,17,656 shares. All 7,15,000 share have been exercised by the respective employees within its validity period as set out by the Nomination and Remuneration Committee / Board. Further it was decided not to grant any further options under the ESOP plan and simultaneously sale the 2656 shares in open market and used the proceeds to pay expenses incurred by the trust. Further, effective steps are being taken to close the Nirlon ESOP 2012 Plan and to wind up Nirlon Employees Stock Option Trust.

**For ALWYN JAY & CO.,**  
Company Secretaries

Mumbai, August 6, 2018

**Office Address:**

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

Sd/-

**Vijay Sonone**

FCS 7301

Partner

Certificate of Practice No.7991

**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)]**

<b>Salary paid to Managerial Personnel* and Top 10 Employees** of the Company during the F.Y. 2017-18</b>									
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*	2,31,68,000	1,39,45,944	47	Executive Director	BA (Economics)	24	1/7/2009	Sempertrans Nirlon Pvt. Ltd.
2.	Mr. Jasmin K. Bhavsar**	1,14,600,26	63,31,691	46	Company Secretary, Vice President (Legal), & Compliance Officer	B.Com, M.Com, LL.B, LL.M, FCS, MBA and Diploma in Real Estate Management	26	6/3/2006	Enercon (India) Limited
3.	Mr. Manish B. Parikh**	52,11,791	31,84,453	56	Chief Financial Officer	B. Com	34	1/9/2004	Nirlon Limited

**Notes :**

1. The Company has only 3 (three) employees who are KMPs as stated above.
2. Salaries include Exgratia / variable performance linked pay, the Company's contribution to Provident Fund & \*\* perquisite value of ESOP shares.
3. None of the Employees is a relative of any Director of the Company except Mr. Rahul V. Sagar, who is the brother of Mr. Kunal V. Sagar, Director of the Company.
4. Employees were employed on a permanent basis.
5. Mr. Rahul V. Sagar holds 13,29,750 shares, Mr. Jasmin K. Bhavsar holds 37,000 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 2017-18:

<b>Executive Director</b>	<b>Ratio to Median (No. of times)</b>
Mr. Rahul V. Sagar	2.29
<b>Non-Executive Directors</b>	<b>Ratio to Median (No. of times)</b>
Mr. Moosa Raza	0.10
Mr. Rama Varma	0.09
Mr. Arjan R. Gurbuxani	0.09
Mrs. Rajani M. Bhagat	0.03
Mrs. Aruna Makhan	0.09
Mr. Kunnasagaran Chinniah	0.02
Mr. Kunal V. Sagar	0.03

**Note:**

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

2. The percentage increase in remuneration to each Director, Chief Financial Officer and the Company Secretary in the Financial Year:

<b>Name</b>	<b>Designation</b>	<b>Percentage Increase / (Decrease)</b>
Mr. Rahul V. Sagar	Executive Director*	(0.86) %
Mr. Kunal V. Sagar	Non-Executive Director	40.00 %
Mr. Moosa Raza	Non-Executive Director	78.57 %
Mr. Rama Varma	Non-Executive Director	69.64 %
Mr. Arjan Gurbuxani	Non-Executive Director	60.71 %
Mrs. Rajani Bhagat	Non-Executive Director	87.50 %
Mrs. Aruna Makhan	Non-Executive Director	60.71 %
Mr. Kunnasagaran Chinniah	Non-Executive Director	92.31 %
Mr. Manish B. Parikh	Chief Financial Officer*	27.00 %
Mr. Jasmin K. Bhavsar	Company Secretary*	23.66 %

**Notes:**

- a. The remuneration to Non-Executive Directors consists of Sitting Fees only.  
b. The sitting fees increased from ₹20,000 / - to ₹50,000 / - per meeting w.e.f. February 3, 2017.
3. The percentage increase in the median remuneration of employees in the Financial Year was 1320.19%.

**Note:**

All the employees of the Company other than Key Managerial Personnel had ceased to be employees of the Company w.e.f. October 1, 2016. Accordingly, for computing median for the financial year 2016-17, the remuneration for employees other than Key Managerial Personnels was for a period of six months and that of Key Managerial Personnels was for the full year. Further the remuneration for the Financial Year 2017-18 consists of remuneration of only Key Managerial Personnel. Accordingly, the change in median is not strictly comparable.

4. The number of permanent employees (i.e. \*Key Managerial Personnel) on the rolls of Company as on March 31, 2018 was 3 (three).
5. The average percentile decrease in the salaries of employees other than the key managerial personnel in the last financial year was 100%. The same was on account of cessation of employment of all employees of the Company other than Key Managerial Personnel w.e.f. October 1, 2016. Percentile increase in the key managerial remuneration was 7.91%.
6. Affirmation that the remuneration is as per the remuneration policy of the Company:  
The remuneration is as per the practice followed by the Company.



**Annexure 5 to the Directors' Report**

Disclosure as required under regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 as on 31.3.2018

Sr. No.	Particulars	Details
<b>i.</b>	<b>Employee Stock Option Scheme / Plan</b>	<b>NIRLON ESOP 2012</b>
	a. Date of shareholder's approval	23-5-2012
	b. Total number of options approved	7,17,656
	c. Total number of options granted	7,15,000
	d. Vesting Requirements	<b>Refer Note 1</b>
	e. Exercise Price	₹ 41.30
	f. Maximum Term of options granted	6.25 years revised to 4.33 years
	g. Source of Shares	Primary (Issuance by the Company)
	h. Variation in terms of options	<b>Refer Note 1</b>
<b>ii.</b>	<b>Method used to account for ESOS</b>	<b>Intrinsic Value</b>
<b>iii.</b>	<b>The difference between employee compensation cost using intrinsic value method and fair value of the options</b>	<b>NIL</b>
	The impact of this difference on:	
	• Profits of the Company	NIL
	• Basic EPS of the Company	NIL
	• Diluted EPS of the Company	NIL
<b>iv.</b>	<b>Option movement during the year</b>	
	• Number of options outstanding at the beginning of the year	7,000
	• Number of options granted during the year	NIL
	• Number of options vested during the year	NIL
	• Number of options exercised during the year	7,000
	• Number of shares arising as a result of exercise of options	NIL (Issued by Trust)
	• Money realised by exercise of options, if scheme implemented directly by Company	Not Applicable
	• Loan repaid by the Trust from exercise price received	₹ 2,89,100
	• Number of options outstanding at the end of the year	NIL
	• Number of options exercisable at the end of the year	NIL
<b>v.</b>	<b>a. Weighted-average exercise prices for options:</b>	
	• whose exercise price equals the market price of the stock on grant date	₹ 41.30
	• whose exercise price exceeds the market price of the stock on grant date	Not Applicable
	• whose exercise price is less than the market price of the stock on grant date	Not Applicable
	<b>b. Weighted-average fair value of options:</b>	
	• whose exercise price equals the market price of the stock on grant date	₹ 24.00
	• whose exercise price exceeds the market price of the stock on grant date	Not Applicable
	• whose exercise price is less than the market price of the stock on grant date	Not Applicable



<b>vi.</b>	<b>Employee wise details of options granted to:</b>	
	i. Senior Managerial Personnel	<b>Refer Note 2</b>
	ii. Any other employee who receives a grant in any one year of option amounting to 5 % or more of option granted during that year	NIL
	iii. Identified employees who were granted option, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding options and conversions) of the Company at the time of grant	NIL
<b>vii.</b>	<b>A description of the method and significant assumptions used to estimate the fair value of options:</b>	
	a. The price of the underlying share in market at the time of option grant	₹41.30
	• Exercise price	₹41.30
	• Expected volatility	0.5874
	• Expected life	3.75 years to 5.38 years
	• Expected dividends	NIL
	• Risk-free interest rate	8.32% - 8.37%
b. Method used for calculating the fair value of options	Black-Scholes model	
c. Determination of expected volatility	The volatility is estimated considering the daily volatility of the stock price on the BSE Ltd. over the period of the grant, corresponding with the expected life of the option.	
d. Any other feature of option grant incorporated in measurement of fair value	None	
<b>viii</b>	<b>Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'</b>	<b>₹8.28</b>

**Note 1.** The weighted average contractual life for the stock options was 5 years and they vested at the rate of 15%, 20%, 25%, 40% at the end of 15 months, 30 months, 42 months, 54 months respectively from the date of grant. During the financial year 2014-15, the Nomination and Remuneration Committee had vide its Resolution dated February 9, 2015, accelerated the vesting period for all the unvested options to February 15, 2015 and accelerated the exercise period for all the options up to September 30, 2016. Accordingly, all the options granted have been already vested. Further the Board of Directors vide its circular resolution dated October 10, 2016 extended the exercise period of 35,000 outstanding options up to September 30, 2017, retrospectively.

<b>Note 2.</b>	<b>Employee wise details of options granted to Senior Managerial Personnel</b>		
	<b>Sr. No.</b>	<b>Name &amp; Designation</b>	<b>*Number of Options Granted</b>
	1.	#Mr. Dileep A. Pandya - Vice President (Projects)	1,70,000
	2.	Mr. Jasmin K. Bhavsar - Company Secretary & Vice President (Legal)	1,45,000
	3.	#Mr. Vikas Rawat - Vice President (Operations)	1,45,000
	4.	Mr. Manish B. Parikh - Chief Financial Officer	1,05,000
	5.	#Mr. Sanjay K. Gupta - Sr. General Managerial (Contracts & Commercials)	95,000
	6.	#Mr. Sunil B. Patil – Dy. General Manager (Finance)	55,000

\* No options are granted during the year.

The exercise price per option granted is ₹41.30.

# Ceased to be employee of the Company w.e.f. 30.09.2016.

**Details Related to Trust**

<b>i. General Information</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the Trust	Nirlon Employees Stock Option Trust
2.	Details of Trustees	Mr. Mahendra Doshi & Mr. N.R. Mohan
3.	Amount of loan disbursed by the Company during the year	NIL
4.	Amount of loan outstanding (repayable to the Company) at the end of the year	NIL
5.	Amount of loan, if any, taken from any other source for which the Company has provided any security or guarantee	NIL
6.	Any other contribution made to the Trust during the year	NIL
<b>ii. Brief details of transactions in shares by the Trust</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
a.	Number of shares held at the beginning of the year	9,656
b.	Number of shares acquired during the year through primary issuance / secondary acquisition	NIL
c.	Number of shares transferred to the employees	7,000
d.	Number of shares sold	2,656
e.	Number of shares held at the end of the year	NIL



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

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

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

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

a.	Name(s) of the related party and nature of relationship	Nirlon Management Services Pvt. Ltd., a related party of the Company	Nirlon Management Services Pvt. Ltd., a related party of the Company	Nirlon Management Services Pvt. Ltd., a related party of the Company
b.	Nature of contracts / arrangements / transactions	Management Services Agreement	Asset Sale Agreement	Name User Agreement
c.	Duration of the contracts / arrangements / transactions	October 1, 2016 to September 30, 2020	October 1, 2016 (one time)	Until the Name User Agreement terminates in accordance with its terms.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	<ul style="list-style-type: none"> <li>• <b>Services:</b> NMSPL will provide lease Management, property management, marketing, project management and general management services in respect of the properties of the Company ('Services').</li> <li>• <b>Properties:</b> 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.</li> <li>• <b>Fees :</b> Fees will be paid to NMSPL by the Company in the following manner:  <ul style="list-style-type: none"> <li>▶ For Lease Management Services A monthly fee equal to 1% (one percent) of the gross revenue of the property for such month.</li> <li>▶ For Property Management Services A monthly fee equal to 2% (two percent) of the gross revenue of the property for such month.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Assets:</b> 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.</li> <li>• <b>Consideration:</b> 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.</li> <li>• <b>Employees:</b> Identified employees who were involved in the provision of Services to the Company were offered employment by NMSPL on terms no less favorable than those on which they were engaged in the Company. Employees were provided by the Company with no dues letters at the time of their resignation. End-of-service gratuity was paid by the Company to those employees who have completed service of 5 (five) years or more with the Company. Ex-gratia payments were made by the Company to those employees who have not completed 5 (five) years' service with the Company.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>License:</b> 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.</li> <li>• <b>Owner:</b> 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.</li> <li>• <b>Restrictions on Use:</b> 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.</li> </ul>



		<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 42<sup>nd</sup> (forty second) to the 48<sup>th</sup> (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>• <b>Term:</b></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>• <b>Indemnity:</b></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>• <b>Leave and license agreement:</b></p> <p>NMSPL and the Company have entered into an agreement in terms of which the Company proposes to license office space to NMSPL for its use during the provision of Services.</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>• <b>Termination:</b></p> <p>Either party can terminate the agreement after giving a prior written notice if the Sagar Brothers cease to remain in control / majority ownership interest of NMSPL, or if Reco / its affiliates cease to have control / majority ownership interest over the Company.</p> <p>• <b>Right to Injunctive Relief:</b></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 Use Agreement.</p>
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		<ul style="list-style-type: none"> <li>• <b>Termination rights:</b> 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.</li> <li>• The fees agreed to be paid to NMSPL under the Management Services Agreement are in consonance with current industry rates and practice. Furthermore, by outsourcing the project / property and other management services to NMSPL, it is expected that the operational costs of the Company in respect of its current projects are likely to be limited in accordance with the terms of the Management Services Agreement.</li> </ul>		
e.	Date(s) of approval by the Board, if any:	August 10, 2016		
f.	Amount paid as advances, if any:	₹ 6/- crore	NIL	NIL

**Annexure 6B to the Directors' Report**

**A. Disclosures in compliance with the Accounting Standard on 'Related Party Disclosures' - Please refer to Note no. 36 of the Financial Audited Accounts**

**B. Additional disclosure requirements:**

Sr. No.	In the accounts of:	Disclosures of amounts at the Year end and the maximum amount of loans / advances / investments outstanding during the Year
1.	Holding Company	<ul style="list-style-type: none"> <li>• Loans and advances in the nature of loans to subsidiaries by name and amount: <b>NIL</b></li> <li>• Loans and advances in the nature of loans to associates by name and amount: <b>NIL</b></li> <li>• Loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount: <b>NIL</b></li> </ul>
2.	Subsidiary Company	Same disclosures as applicable to the parent company in the accounts of the subsidiary company: <b>NIL</b>
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: <b>NIL</b>



**Annexure 7 to the Directors' Report****Corporate Governance Report****[Information given in this Report relates to the Financial Year ended March 31, 2018]****1. The Company's Philosophy on Code of Governance**

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

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

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

**2. Board of Directors****A. Directors**

1. # Padma Bhushan Mr. Moosa Raza (Chairman & NEID\*)
  2. Mr. Rama Varma (NEID\*)
  3. # Mr. Arjan R. Gurbuxani (NEID\*)
  4. Mrs. Aruna Makhan (NEID\*)
  5. # Mrs. Rajani M. Bhagat (Promoter & NED\*)
  6. # Mr. Kunnasagaran Chinniah (NED\*\* - Director Nominated by Reco Berry Pvt. Ltd. w.e.f. April 28, 2016)
  7. Mr. Kunal V. Sagar (Continuing as a Promoter & NED\*\* w.e.f. September 26, 2015)
  8. Mr. Rahul V. Sagar (Promoter & Executive Director)
- \* NEID: Non-Executive Independent Director  
\*\* NED: Non- Executive Director  
# Director seeking re-appointment and continuation at the 59<sup>th</sup> AGM of the Company.

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

**B. Brief Resume of Directors**

1. # Padma Bhushan Mr. Moosa Raza (DIN 00145345) Chairman & NEID, aged 81 years (D.O.B 27-02-1937), has been a civil servant for 35 years, and is a recipient of Padma Bhushan awarded by the Hon'ble President of India for his distinguished civil service to the Nation.

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

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

Mr. Raza has been a Director of the Company since July 1996, and was re-appointed as an Independent Director and Chairman by the Board effective from October 28, 2006.

Subsequently, Members at their Meeting held on August 30, 2007 confirmed his appointment as an Independent Director liable to retire by rotation, and thereafter, at the 55<sup>th</sup> 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.

Mr. Raza is also holding the position of Director on the Board of the National Waqf Development Corporation Limited, Coastal Energen Pvt. Ltd., and Management Options for Value Enhancement Pvt. Ltd.

Mr. Raza is the Chairman of the Board, Audit, Stakeholders Relationship, Corporate Social Responsibility, and Anti-Sexual Harassment



Committee, and is also a member of the Nomination and Remuneration Committees 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. He is willing to be re-appointed as an Independent Director for another term of 18 months effective from April 1, 2019.

He attended 5 (five) Board Meetings during the F.Y. 2017-18.

He does not hold any Equity Shares in the Company.

2. Mr. Rama Varma (DIN 00031890) - NEID, aged 69 years (DOB 11-06-1949), graduated with a B.Sc. Mr. Varma has been occupying the office of Director of the Company since March 1978 and was re-appointed as an Independent Director by the Board effective from June 24, 2006. Subsequently, Members at their Meeting held on September 28, 2006 confirmed the appointment of Mr. Varma as an Independent Director liable to retire by rotation.

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

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

Mr. Varma 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.

He attended 4 (four) Board Meetings during the F.Y. 2017-18.

He holds 1,925 Equity Shares in the Company.

3. # Mr. Arjan R. Gurbuxani (DIN 00425885) - NEID, aged 84 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 55<sup>th</sup> 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.

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 1,02,000 free Eye Surgeries since 2007.

Mr. Gurbuxani is the Chairman of the Nomination and Remuneration Committee and Risk Management Committee, and is also a member of the Audit, Stakeholder Relationship and Anti-Sexual Harassment 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. He is willing to be re-appointed as an Independent Director for another term of 18 months effective from April 1, 2019.

He attended 5 (five) Board Meetings during the F.Y. 2017-18.

He holds 724 Equity Shares in the Company.

4. Mrs. Aruna Makhan (DIN 00025727) - NEID, aged 74 years (DOB 26-03-1944), joined the IA&AS in 1967 and opted for the ICAS in 1976.

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

Mrs. Makhan has been a Director of the Company since July 2004 and was re-appointed



as an Independent Director by the Board effective from October 28, 2006.

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

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

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

Mrs. Makhan is not related to any Director / KMP of the Company, and has confirmed that she meets with the criteria for an Independent Director as required.

She attended 5 (five) Board Meetings during the F.Y. 2017-18.

She does not hold any Equity Shares in the Company.

5. # Mrs. Rajani M. Bhagat (DIN 00870716), aged 79 years (D.O.B 01-10-1938), graduated with B.A. (Hons.), B.Com, B.Sc. (Economics).

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

Subsequently, Members at their Meeting held on August 30, 2007 confirmed her appointment as a Director liable to retire by rotation, and thereafter, at the 51<sup>st</sup>, 54<sup>th</sup>, 55<sup>th</sup>, 56<sup>th</sup> and 58<sup>th</sup> AGMs held on September 14, 2010, September 27, 2013, September 23, 2014, September 21, 2015 and September 29, 2017 respectively, Members have re-appointed her as a Director liable to retire by rotation.

She is also holding the position of Director on the Board of Pharma Fill Ltd., Pali Manor Pvt. Ltd., Nirfil Investments Pvt. Ltd., Punu Trading and Investment Company Pvt. Ltd., Shital Trading and Interiors Pvt. Ltd., the Bombay Garage (Ahmedabad) Ltd., Bhagat Trading Company Pvt. Ltd., and Indian Pharma Caps and Chemicals Pvt. Ltd.

Mrs. Bhagat is a member of the Corporate Social Responsibility Committee of the Company.

Mrs. Bhagat is not related to any Director / KMP

of the Company, and has confirmed that she is not disqualified to act, and can continue as a Director as required.

She attended 4 (four) Board Meetings during the F.Y. 2017-18.

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

6. # Mr. Kunnasagaran Chinniah (DIN 01590108), aged 61 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 57<sup>th</sup> 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 Indian companies such as Edelweiss Financial Services Ltd., Edelweiss Commodities Services Ltd., Edelweiss Securities Ltd. and Edelweiss Agri Value Chain Ltd.

He is holding memberships in the Audit Committees of Edelweiss Commodities Services Ltd., Edelweiss Securities Ltd. and Edelweiss Agri Value Chain Ltd., and is also a member of the Stakeholders Relationship Committee of Edelweiss Financial Services Ltd.

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.

He attended 5 (five) Board Meetings during the F.Y. 2017-18.

He does not hold any equity shares in the Company.



7. Mr. Kunal V. Sagar (DIN 00388877) - (continuing as a Promoter & NED w.e.f. September 26, 2015), aged 50 years (D.O.B. 06-04-1968), graduated with a B.A. in Economics.

Mr. Kunal V. Sagar has been occupying the office of Director since December 1995. Subsequently, Members at their Meeting held on September 24, 1997 confirmed the appointment of Mr. Kunal V. Sagar as joint Executive Vice Chairman of the Company, not liable to retire by rotation. Mr. Kunal V. Sagar resigned from the office of Executive Vice Chairman on September 25, 2015 and continues to hold the position of Promoter and Director of the Company.

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

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

He attended 4 (four) Board Meetings during the F.Y. 2017-18.

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

8. Mr. Rahul V. Sagar (DIN 00388980), Promoter & Executive Director, aged 47 years (D.O.B. 28-05-1971), graduated with a B.A. in Economics.

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

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

Mr. Rahul V. Sagar has been occupying the office of the Executive Director since July 1, 2009. Mr. Rahul V. Sagar is re-appointed w.e.f.

February 1, 2016 for a period of five years by Members through the Postal Ballot result declared on August 29, 2016, and is not liable to retire by rotation.

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

He attended 5 (five) Board Meetings during the F.Y. 2017-18.

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

**Notes:**

- a. Other than as disclosed here, there are no inter-se relationships between the Board Members.
- b. Based on the respective disclosures made by the Directors, none of the Directors on the Company were Members of more than 10 Committees or acted as Chairperson of more than 5 Committees, across all the companies in which he / she was a Director. The necessary disclosures regarding Committee positions have been made by the Directors.
- c. None of the Directors held Directorships in more than 20 Indian companies including 10 public limited companies.
- d. None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies.
- e. None of the Independent Directors is a Whole - Time Director in any other company.
- f. All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013.
- g. Formal letters of appointment have been issued to the Independent Directors.



**C. Particulars of Directors' attendance at Board Meetings during the Financial Year 2017-18, at the last Annual General Meeting, the number of Directorships, Chairmanships / Memberships of Committees held by Directors on the Board of various other companies, and the Shareholding of Directors in the Company as on March 31, 2018:**

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

\***C:** Chairman, **ED:** Executive Director, **NEID:** Non-Executive Independent Director , **NED:** Non-Executive Director, & **P:** Promoter

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

During the Financial Year 2017-18, the Board met 5 (five) times on the following dates:

Sr. No.	Date of Board Meetings
1.	April 27, 2017
2.	August 9, 2017
3.	September 29, 2017
4.	November 8, 2017
5.	February 6, 2018



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

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

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

[http://www.nirlonltd.com/pdf/familiarization\\_%20programme\\_ids.pdf](http://www.nirlonltd.com/pdf/familiarization_%20programme_ids.pdf)

#### **D. Training of Board Members**

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

#### **E. Mechanism for Evaluating Board Members**

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

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

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

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

### **3. Audit Committee (AC)**

i. Role of the Audit Committee is as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that Financial Statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms for Auditors of the Company;
3. Approval of payment to the Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the Management the Annual Financial Statements and the Auditors Report before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134 (3) (c) of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies, practices, and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by the Management;
  - d. Significant adjustments made in the Financial Statements arising out of audit findings;
  - e. Compliance with the SEBI LODR, 2015 and other legal requirements relating to the Financial Statements;
  - f. Disclosure of any related party transactions;
  - g. Draft audit report;
5. Reviewing with the Management the Quarterly Financial Statements before submission to the Board for approval;
6. Reviewing with the Management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in the matter as may be required;



7. Review and monitor the Auditors' independence and performance, and effectiveness of the audit process;
  8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of inter corporate loans and investments;
  10. Valuation of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing with the Management the performance of the Statutory and the Internal Auditors, and adequacy of the internal control systems;
  13. Reviewing the adequacy of the internal audit function including the structure of the appointment of the Internal Auditor, remuneration, internal audit department, reporting structure, coverage and frequency of the internal audit;
  14. Discussion with the Internal Auditors on any significant findings and follow up thereon;
  15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board;
  16. Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any areas of concern;
  17. To look into reasons for substantial defaults in the payment to lenders, depositors, debenture holders, Shareholders / Members (in case of non-payment of declared dividends) and creditors, if any;
  18. To review the functioning of the Whistle Blower Mechanism;
  19. Approval of appointment of the CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- ii. The Audit Committee constituted by the Board of Directors of the Company consists of 4 (four) Non-Executive Independent Directors, viz. Mr. Moosa Raza (Chairman), Mr. Rama Varma, Mr. Arjan R. Gurbuxani and Mrs. Aruna Makhan.
  - iii. The constitution of this Audit Committee meets with the requirement of the Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as applicable. The terms of reference for the Audit Committee and frequency of Meetings meet the requirements of law.
  - iv. Mr. Jasmin K. Bhavsar, Company Secretary, Vice President (Legal) & Compliance Officer of the Company is the Secretary of the Audit Committee.
  - v. During the Financial Year 2017-18, the Audit Committee met 4 (Four) times on the following dates and the details of the Directors' attendance are as stated below:

Sr. No.	Name of Members	27/4/2017	9/8/2017	8/11/17	6/2/2018	Total
1.	Mr. Moosa Raza (Chairman)	Yes	Yes	Yes	Yes	4
2.	Mr. Rama Varma	Yes	Yes	Yes	Yes	4
3.	Mr. Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	4
4.	Mrs. Aruna Makhan	Yes	Yes	Yes	Yes	4

#### 4. Stakeholders Relationship Committee (SRC)

- i. The Stakeholders Relationship Committee constituted by the Board of Directors of the Company consists of 4 (four) Non-Executive Independent Directors, viz. Mr. Moosa Raza (Chairman), Mr. Rama Varma, Mr. Arjan R. Gurbuxani and Mrs. Aruna Makhan.
- ii. The Committee specifically looks into redressing 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.
- iii. The Committee also looks after redressal of investors' grievances and performance of the Share Transfer Agent of the Company.

As on March 31, 2018 the number of pending share transfer requests / complaints were nil, and pending requests for dematerialization were also nil.



During the Quarter ended March 31, 2018

Sr. No.	Particulars	Opening balance	Received	Replied	Closing balance
A.	Complaints received from regulatory Authorities	0	3	3	0
B.	Complaints from Investors	0	3	3	0
C.	Requests from Investors	0	800	800	0
<b>Total</b>		<b>0</b>	<b>806</b>	<b>806</b>	<b>0</b>

iv. The Board has designated Mr. Jasmin K. Bhavsar, Company Secretary & Vice President (Legal) as the Compliance Officer.

v. During the Financial Year 2017-18, the Stakeholders Relationship Committee met 4 (Four) times on the following dates and the details of the Directors' attendance are as stated below:

Sr. No.	Name of Members	27/4/2017	9/8/2017	8/11/ 17	6/2/2018	Total
1.	Mr. Moosa Raza (Chairman)	Yes	Yes	Yes	Yes	4
2.	Mr. Rama Varma	Yes	Yes	Yes	Yes	4
3.	Mr. Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	4
4.	Mrs. Aruna Makhan	Yes	Yes	Yes	Yes	4

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

vii. 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](http://www.nirlonltd.com)'.

viii. Investors Grievance Redressal

As on March 31, 2018 the number of pending share transfer requests / complaints were nil, and pending requests for dematerialization were also nil.

**5. Nomination and Remuneration Committee (NRC)**

Role of the NRC is as under:

- i. To formulate criteria for determining qualifications, the positive attributes and independence of a Director;
- ii. To recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees;

- iii. To recommend to the Board the appointment and removal of Key Managerial Personnel and Senior Management;
- iv. To identify persons who are qualified to become Directors and who may be appointed to senior management in accordance with the criteria laid down, and recommending to the Board their appointment and / or removal;
- v. To recommend extending or continuing the term of appointment of the Independent Directors, on the basis of the report on performance evaluation of Independent Directors;
- vi. To carry out evaluation of a Director's performance and recommend to the Board appointment / removal based on his / her performance;
- vii. To recommend to the Board :
  - a. the policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management; and
  - b. the Executive Director remuneration and incentive;
- viii. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of law and the service contract;
- ix. To ensure that the level and composition of remuneration is reasonable and sufficient, and meets appropriate benchmarks;
- x. To devise a policy on Board diversity;
- xi. To develop a succession plan for the Board and to regularly review the plan;
- xii. To monitor the Company's ESOP Plan;
- xiii. To ensure that there is an appropriate induction and training programme in place for new Directors and Members of Senior Management and reviewing its effectiveness;
- xiv. To ensure that on appointment to the Board, Non- Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- xv. To identify and recommend Directors who are to be put forward for retirement by rotation;
- xvi. To determine the appropriate size, diversity and composition of the Board;





xvii. To set a formal and transparent procedure for selecting new Directors for appointment to the Board;

xviii. To evaluate the performance of the Board Members and Senior Management in the context of the Company's performance from a business and compliance perspective;

xix. To delegate any of its powers to one or more of its Members or to the Secretary of the NRC;

xx. To recommend any necessary changes to the Board;

xxi. To review Professional Indemnity and liability insurance taken by the Company for Directors, Key Managerial Personnel and Senior Management; and

xxii. To consider any other matters as may be requested by the Board.

The NRC constituted by the Board of Directors of the Company consists of 4 Non-Executive Independent Directors, viz. Mr. Arjan R. Gurbuxani (Chairman), Mr. Moosa Raza, Mr. Rama Varma, and Mrs. Aruna Makhan.

The Chairman of the NRC may be present at the Annual General Meeting to answer Shareholders' / Members' queries. The Chairman of the Meeting will decide who should answer Members' queries.

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

xxiii. During the Financial Year 2017-2018, the Nomination & Remuneration Committee met 3 (three) times on the following dates and the details of the Directors' attendance are as stated below:

Sr. No.	Name of the Members	27/4/2017	9/8/2017	6/2/2018	Total
1.	Mr. Arjan R. Gurbuxani (Chairman)	Yes	Yes	Yes	3
2.	Mr. Moosa Raza	Yes	Yes	Yes	3
3.	Mr. Rama Varma	Yes	Yes	Yes	3
4.	Mrs. Aruna Makhan	Yes	Yes	Yes	3

xxiv. Details of Remuneration paid to all Directors for the Financial Year ended March 31, 2018 are as follows:

(₹ in Lakh)

Sr. No.	Name of the Director	Salary	PF*	VC*	Sitting fees**	Total	Service contract
1.	Mr. Moosa Raza	0	0	0	10.00	10.00	N.A.
2.	Mr. Rama Varma	0	0	0	9.50	9.50	N.A.
3.	Mr. Arjan R. Gurbuxani	0	0	0	9.00	9.00	N.A.
4.	Mrs. Rajani M. Bhagat	0	0	0	3.00	3.00	N.A.
5.	Mrs. Aruna Makhan	0	0	0	9.00	9.00	N.A.
6.	Mr. Rahul V. Sagar	96.00	7.68	128.00	0	231.68	Agreement for a period of five years w.e.f. February 1, 2016. Three month notice
7.	Mr. Kunal V. Sagar	0	0	0	3.50	3.50	N.A.
8.	Mr. Kunna-sagaran Chinniah	0	0	0	2.50	2.50	N.A.

\* PF: Provident Fund & VC: Variable Compensation

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

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

#### 6. Anti-Sexual Harassment Committee (SHC)

The Anti-Sexual Harassment Committee is comprised of:

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

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



## NIRLON

### 7. General Body Meetings:

#### A. Annual General Meetings (AGMs)

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

AGM	Financial Year	Day and Date	Venue of the Meeting	Time
56 <sup>th</sup>	2014-2015	Monday, September 21, 2015	Pama Thadhani Auditorium, Jai Hind College Building, A Road, Churchgate, Mumbai 400020.	11.00 a.m. (IST)
57 <sup>th</sup>	2015-2016	Tuesday, September 20, 2016	Registered Office of the Company	11.30 a.m. (IST)
58 <sup>th</sup>	2016-2017	Friday, September 29, 2017	Registered Office of the Company	11.30 a.m. (IST)

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

#### B. Postal Ballot

No Postal Ballot conducted during the Financial Year 2017 – 2018.

### 8. Means of Communication:

#### i. Financial Results (Quarterly Un-audited and Audited Financial Results)

- a. 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.
- b. 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](http://www.nirlonltd.com)

#### iv. Official News released

Whenever applicable, the Company also displays official news releases

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

None

### 9. General Shareholder Information:

#### i. 59<sup>th</sup> Annual General Meeting:

Day & Date : Wednesday, September 26, 2018

Time : 11.30 a.m.(IST)

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

#### ii. 60<sup>th</sup> Annual General Meeting: on or before September 30, 2019 (tentative)

#### iii. Financial Year: April 1, 2018 to March 31, 2019

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

- 1<sup>st</sup> Quarter of 2018-19 :

April – June 2018 quarter results – Meeting already held on Monday, August 6, 2018

- \*2<sup>nd</sup> Quarter of 2018-19:

July – September 2018 quarter results – on or before Monday, November 12, 2018

- \*3<sup>rd</sup> Quarter of 2018-19:

October – December 2018 quarter results – on or before Friday, February 8, 2019;

- \*4<sup>th</sup> Quarter of 2018-19 (also for the full financial year 2018-19):

Audited Financial Results for the year ended March 31, 2019 – on or before Monday, May 13, 2019.

#### v. Date of Book closure for the 59<sup>th</sup> AGM

Friday, September 14, 2018 to Wednesday, September 26, 2018 (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 before October 26, 2018.

**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.

**Please note:** Effective from December 5, 2018, only dematerialized shares of the Company can be transferred as per the amendment to Regulation 40 of the SEBI LODR, 2015.

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](http://www.linkintime.co.in)

**xii. Dematerialization of Shares**

As per notification issued by SEBI, the shares of the Company are traded in Dematerialized Form. As on March 31, 2018, approx. 92.51% of the paid-up Equity Share Capital of the Company has been dematerialized.

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

Not Applicable

**xiv. Distribution of Shareholding (As on March 31, 2018)**

Range of equity Shares	No. of Share-holders	Percentage of Share-holders to total (%)	No. of Equity Shares	Percentage of Shares amount to total (%)
Up to 500	35,616	93.06	37,25,652	4.14
501-1,000	1,512	3.95	11,88,829	1.32
1,001-2,000	621	1.62	9,31,325	1.03
2,001-3,000	174	0.45	4,38,477	0.49
3,001-4,000	81	0.21	2,92,049	0.32
4,001-5,000	54	0.14	2,55,499	0.28
5,001-10,000	101	0.26	7,15,169	0.79
10,001 and above	117	0.31	8,25,71,040	91.63
<b>Total</b>	<b>38,276</b>	<b>100</b>	<b>9,01,18,040</b>	<b>100</b>

**xv. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities****Derivative Instruments :**

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

Derivative instruments have been acquired to hedge buyers credit facilities

	2017-18	2016-17
<b>a. Hedged</b>		
Amount in USD (in lakh)	0	7.75
Amount in ₹(in lakh)	0	531.17
<b>b. Un-hedged foreign currency exposure :</b>		
• <b>Buyers credit</b>		
Amount in USD (in lakh)	0	15.19
Amount in ₹ (in lakh)	0	985.06
• <b>Vendors</b>		
Amount in USD (in lakh)	0	0.94
Amount in ₹(in lakh)	0	61.20

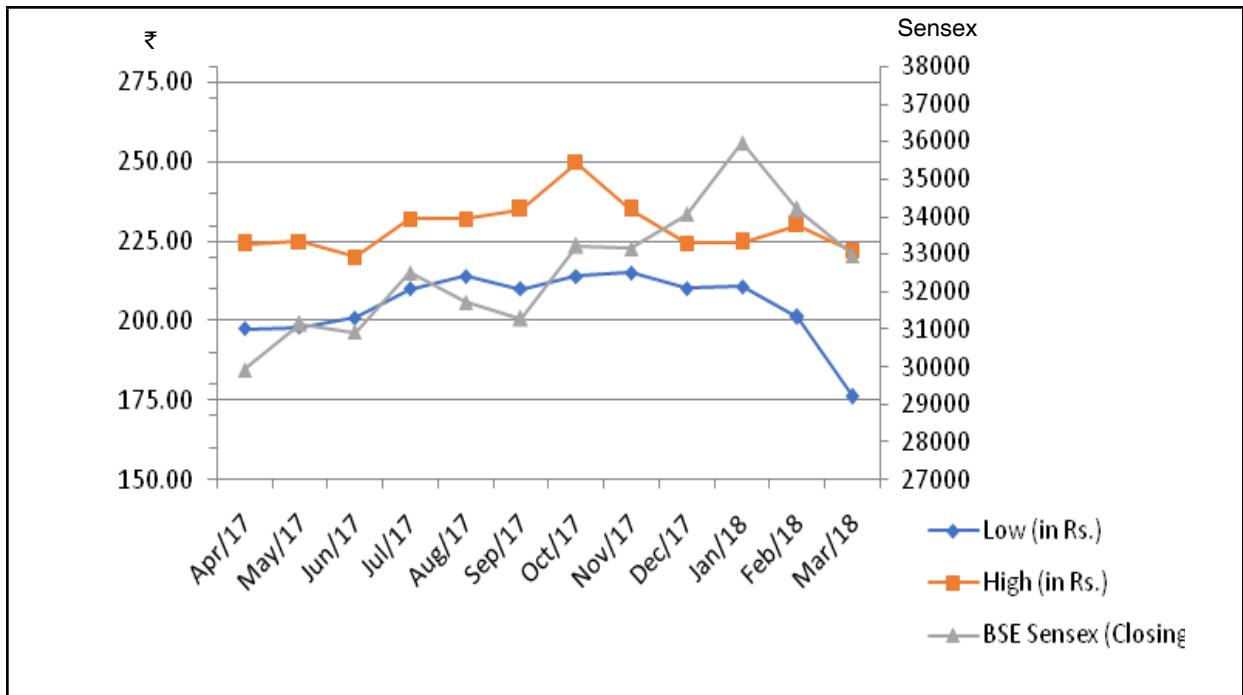


**xvi. \* Stock Market Data: April 1, 2017 to March 31, 2018**

Month	Low (in ₹)	High (in ₹)	*BSE SENSEX (closing)
April-17	197.50	224.00	29918.40
May-17	198.00	225.00	31145.80
June-17	201.00	219.90	30921.61
July-17	210.00	232.00	32514.94
August-17	214.00	232.00	31730.49
September-17	210.05	235.00	31283.72
October-17	214.00	249.80	33213.13
November-17	215.00	235.00	33149.35
December-17	210.25	224.40	34056.83
January-18	210.65	224.50	35965.02
January-18	201.20	230.00	34184.04
February-18	176.00	222.00	32968.68
March-18	176.00	222.00	32968.68

\* Data are sourced from the BSE Limited

**xvii. Share price performance in comparison to Broad Based Indices\***



Based on closing of BSE Sensex and Share Price

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

- a. Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.
- b. NIC code: 42901

**xix. Address for Communication**

Mr. Jasmin K. Bhavsar, Company Secretary, Vice President (Legal) and Compliance Officer

**Nirlon Limited**, Share Dept., Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.

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

Fax No. : + 91 (022) 4028 1940

CIN No. : L17120MH1958PLC011045

E-mail : share@nirlonltd.com

Website : [www.nirlonltd.com](http://www.nirlonltd.com)

**xx. Shareholding Pattern (As on March 31, 2018)**

<b>A.</b>	<b>Promoters and Promoter Group</b>	<b>No. of Equity Shares</b>	<b>Percentage (%)</b>
a.	Indian	36,87,949	4.09
b.	Foreign	6,07,82,426	67.45
	<b>Sub-total A = (a+b)</b>	<b>6,44,70,375</b>	<b>71.54</b>
<b>*B.</b>	<b>Public Shareholding</b>		
a.	Bank / MFs / Insurance Cos.	30,804	00.03
b.	Foreign Portfolio Investors / FII's	94,24,311	10.46
c*	Others	1,61,92,550	17.97
	<b>Sub- total : *B = (a+b+c*)</b>	<b>2,56,47,665</b>	<b>28.46</b>
<b>Grand Total A+*B</b>		<b>9,01,18,040</b>	<b>100</b>
<b>Total no. of Members: 38,276</b>			

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

**xxi. 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.

**xxii. 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 36** of the Audited Financial Statements, and **Annexure 6** hereof forming part of this Annual Report. The said transactions were fully disclosed at the concerned Meeting of the Board of Directors, which were subsequently approved by Members of the Company by way of Special and Ordinary Resolution / s as applicable.

- b. As certified by the Management, the Company has complied with the requirements of regulatory authorities of the capital markets and no penalties / strictures have been imposed against it during the last three years.
- c. The Company has laid down a Vigil Mechanism and Whistle Blower Policy, and no person has been denied access to the Audit Committee.
- d. Web link where the policy for determining 'material' subsidiaries is disclosed:  
Not Applicable
- e. Web link where policy on dealing with related party transactions is disclosed:  
[http://www.nirlonltd.com/pdf/related\\_party\\_transaction\\_policy\\_mar\\_16.pdf](http://www.nirlonltd.com/pdf/related_party_transaction_policy_mar_16.pdf)
- f. Disclosure of commodity price risks and commodity hedging activities.

Attention of Members is drawn to the disclosure of transactions with regard to derivative instruments as set out in **Note 40 (A) iii** of the Audited Financial Statements, forming part of this Annual Report, and the said transactions were fully disclosed at the Meeting of the Board of Directors.

**xxiii. 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:



## NIRLON

- 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.

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

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

**xxv. Disclosures with respect to Demat suspense account / unclaimed suspense account**

NIL

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

We, Rahul V. Sagar, Executive Director, and Manish

B. Parikh, Chief Financial Officer, hereby certify for the Financial Year ended March 31, 2018 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:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There were, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
- That there are no significant changes in internal control over financial reporting during the year;
  - 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
  - That there are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Nirlon Limited**  
sd / -

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

**Mumbai, August 6, 2018**

Manish B. Parikh  
**Chief Financial Officer**



**xxvii.Declaration – Code of Conduct**

All Board Members and KMPs have, for the Financial Year ended March 31, 2018, 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**

**(DIN 00388980)**

**Mumbai, August 6, 2018**

Manish B. Parikh

**Chief Financial Officer**

**xxviii.Compliance certificate of Alwyn Jay & Co., Practicing Company Secretaries regarding compliance with conditions of Corporate Governance for the Financial Year 2017-18 is attached below :**

To,

**The Members of NIRLON LIMITED,**

We have examined the compliance of the conditions of Corporate Governance by Nirlon Limited (**'the Company'**) for the Financial Year ended March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C, D and E of the Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (**'LODR'**).

We state that the compliance of the conditions of Corporate Governance is the responsibility of the Management and 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.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned provisions of LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company. 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.,**  
Company Secretaries

Mumbai, August 6, 2018

Office Address:

Annex-103, Dimple Arcade,

Asha Nagar, Kandivali (East),

Mumbai: 400101.

Sd/-

**Alwyn P. D'Souza**

FCS.5559

Partner

Certificate of Practice No. 5137



## **Annexure 8 to the Directors' Report** **Management Discussion Analysis**

**Please note:** Beginning April 1, 2017, the Company has for the first time adopted Ind AS with a transition date of April 1, 2016, and hence the figures for the previous F.Y. 2016-17 are also re-grouped/ adjusted, wherever necessary. Please therefore note that the numbers in this Annual Report, i.e. F.Y. 2017-18, are not comparable to the numbers in the Annual Report for the previous year, i.e. F.Y. 2016-17.

### **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 is approx. 99% occupied.

As mentioned in the Company's previous Annual Reports, the Company has, after a comprehensive evaluation, decided to re-develop 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 57<sup>th</sup> 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 6 A** to the Directors' Report) since October 1, 2016.

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

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

Construction of Phase 5 (re-development of Phase 0) commenced in May 2017 after approval of the required permissions. Completion of Phase 5 (re-development of Phase 0) is expected towards the end of the financial year 2020-21, 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.

The Budget for Phase 5 is approx. Rs.1,198/- Crore.

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 2 to 2.63, the Company has 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 17.83 lakh sq. ft. The Commencement Certificate has also been received for approx. 75% of the 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 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, 2, 3 & 4 of NKP has remained licensed to corporate occupants. Accordingly, license fees for all four phases are regularly received by the Company. Approx 20,000 people work every day at NKP.

Escalations of 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 contributed and ensured that despite the loss in revenue from the demolition of old buildings in Phase 0 to make way for the much larger Phase 5, the Company's financial performance was 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 will result 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 will result in overall reduction in the total debt of the Company, when compared to the option of continuing to repay principal on a monthly basis. The outstanding loan amounts as on July 31, 2018 aggregate Rs.769.85 Crore, 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, 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 by approx. 9 % when compared to the previous year. This is due to a combination of the increased license fee income from Phases 1 - 4 substantially offsetting the reduced license fee income from Phase 0, and reduced interest and depreciation outgo.

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 Rs.0.75 per share ( @ 7.5%) for the year under review.

**e. Priorities**

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

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

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

As mentioned during earlier years in this analysis, continued demand for commercial real estate in Mumbai remains directly linked to the city continuing to be an investment destination of choice for Indian as well as multinational corporates. Mumbai's pre-eminence has

been challenged over the past decade and a half by other destinations in India which have offered a more business/investment friendly climate, with lower salaries and real estate costs.

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

At the Central Government level too, investors and entrepreneurs are carefully evaluating the policies/reforms/legislation intended to accelerate growth, investment and entrepreneurship. The increasingly wider acceptance of GST, the new bankruptcy law and the interconnected resolution of the Public Sector banking NPA issue, all have the potential to appreciably accelerate the Country's growth. From a real estate perspective, constructive amendments to the FDI policy and to the Real Estate Investment Trust (REIT) legislation will be welcome, and should continue to lead to the broadening and deepening of the real estate capital markets in India

As always, the global economic scenario will also continue to increasingly have a bearing on real estate demand in India, and consequently Mumbai. The inflow of investments into India, and specifically Indian real estate will, inter alia, be driven by economic conditions in the developed world.

For the present, uncertainty is the dominant theme. In the United States, despite the continuing strength of the economy, the likelihood of an unforeseen and universally damaging trade war with its major trading partners looks increasingly likely. Also, in the United States, the extent and timing of the ongoing interest rate increases and tightening of money supply will have potential implications for the global economy in the coming months, and is likely to gradually lead to a similar trend in other developed economies. Coupled with a rise in oil prices, for a country that needs to import the majority of its oil, this has an impact on inflation and hence, can lead to further increases in interest rates. The European Union will need to deal sensitively with the negative consequences of Brexit, as well as make progress towards addressing the increasingly divergent views of its members. The economic performance of the major Asian economies and their response to the imposition of tariffs by the



United States, especially from China, Japan and South Korea will be of much consequence.

Finally, and perhaps most relevant in a world where the established rules based, post Second World War international order is falling apart, as the United States increasingly withdraws itself from the multilateral organisations it was instrumental in creating, geopolitics is likely to play an increasingly larger role in determining economic and social progress in an increasingly interdependent, yet fragmenting and complex 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. However, as is evident for some time now, these sectors globally, as well as in India, continue to go through significant transition. Innovative and Disruptive ideas and technologies are here to stay, and are spreading to almost every industry and business. Companies like Amazon, Uber, Airbnb, We Work and their myriad competitors are already global phenomenons, whose impact continues to swiftly transform their respective industries. As a result, the business paradigm for the IT/Banking/Financial Services industries in India are also at a crossroads. Existing business models are themselves under threat as never before, and will need to urgently evolve and transition if they are to remain relevant in the medium to long term. Your Company, as a provider of high quality office space to primarily the IT/ITES, Banking and Financial Services industries, continues to anticipate, prepare and take steps to mitigate the effects of these imminent and ongoing changes, and is also actively looking to take advantage of the same.

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. These micro markets could keep commercial rates under pressure in the Company's micro market.

However, as in earlier years, the supply of good quality and well planned commercial 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.

**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, marketing related services, project management services and general management services to the Company.

As per statutory requirements, the Company has three (3) permanent employees, being the KMPs, as on March 31, 2018.

**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.



**Annexure 9 to the Directors' Report**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN of NIRLON LIMITED**  
**As on Financial Year ended on 31.3.2018**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L17120MH1958PLC011045
2.	Registration Date	12.3.1958
3.	Name of the Company	<b>NIRLON LIMITED</b>
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 : <a href="http://www.nirlonltd.com">www.nirlonltd.com</a>
6.	Whether listed company	Yes
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 no. : U67190MH1999PTC118368 Email ids : rnt.helpdesk@linkintime.co.in Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

**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	98.60%



## NIRLON

### 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	<b>Section 2(46) - Definition of 'Holding Company'</b> The term 'holding company', the expression "company" includes any body corporate

### 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	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual / HUF	29,13,185	0	29,13,185	3.23	29,13,185	0	29,13,185	3.23	0
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt(s)	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	8,17,564	0	8,17,564	0.91	7,74,764	0	7,74,764	0.86	(0.047)
e. Banks / FI	0	0	0	0	0	0	0	0	0
f. Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total A1:</b>	<b>37,30,749</b>	<b>0</b>	<b>37,30,749</b>	<b>4.14</b>	<b>36,87,949</b>	<b>0</b>	<b>36,87,949</b>	<b>4.09</b>	<b>(0.047)</b>
<b>2. Foreign</b>									
a. NRIs-Individuals	13,29,750	0	13,29,750	1.48	13,29,750	0	13,29,750	1.48	0
b.other-Individuals	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	5,94,52,676	0	5,94,52,676	65.97	5,94,52,676	0	5,94,52,676	65.97	0
d. Banks / FI	0	0	0	0	0	0	0	0	0
e. Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total A2:</b>	<b>6,07,82,426</b>	<b>0</b>	<b>6,07,82,426</b>	<b>67.45</b>	<b>6,07,82,426</b>	<b>0</b>	<b>6,07,82,426</b>	<b>67.45</b>	<b>0</b>
<b>Total shareholding of Promoter A=A1+A2</b>	<b>6,45,13,175</b>	<b>0</b>	<b>6,45,13,175</b>	<b>71.59</b>	<b>6,44,70,375</b>	<b>0</b>	<b>6,44,70,375</b>	<b>71.54</b>	<b>(0.047)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b. Banks / FI	5,846	16,308	22,154	0.02	5,846	16,308	22,154	0.02	0



c. Central Government / state government / President of India	824	0	824	0	824	0	824	0.00	0.00
d. Venture Capital Funds	0	0	0	0	0	0	0	0	0
e. Insurance Companies	0	8,650	8,650	0.009	0	8,650	8,650	0.009	0
f. Foreign Portfolio investors ( FII / FPI)	86,61,429	0	86,61,429	9.61	94,24,311	0	94,24,311	10.46	0.85
<b>Sub-total B1:</b>	<b>86,68,099</b>	<b>24,958</b>	<b>86,93,057</b>	<b>9.65</b>	<b>94,30,981</b>	<b>24,958</b>	<b>94,55,939</b>	<b>10.49</b>	<b>0.85</b>
<b>2. Non-Institutions</b>									
<b>a. Bodies Corporate</b>	33,20,130	0	33,20,130	3.6	32,22,418	0	32,22,418	3.58	(0.10)
i. Indian	0	0	0	0	0	0	0	0	0
ii. Overseas	0	0	0	0	0	0	0	0	0
<b>b. Individuals</b>									
i. Individual shareholders holding nominal share capital upto ₹1 lakh	47,01,178	31,54,222	78,55,400	8.38	42,37,021	30,55,662	72,92,683	7.83	(0.55)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	19,04,744	9,01,796	28,06,540	3.11	18,22,615	9,01,796	27,24,411	3.02	(0.09)
<b>c. Others (specify)</b>									
i. Non Resident Individual	1,42,307	26,81,422	28,23,729	3.13	1,75,480	26,81,422	28,56,902	3.17	0.04
ii. Overseas Bodies Corporates	5,650	89,600	95,250	0.11	5,650	89,600	95,250	0.11	0.00
iii. Foreign Nationals	262	0	262	0.00	62	0	62	0.00	0.00
iv. Trusts	10,497	0	10,497	0.012	0	0	0	0	(0.012)
<b>Sub-total B2:</b>	<b>1,00,84,768</b>	<b>68,27,040</b>	<b>1,69,11,808</b>	<b>18.77</b>	<b>94,63,246</b>	<b>67,28,480</b>	<b>1,61,91,726</b>	<b>17.97</b>	<b>(0.80)</b>
<b>Total Public Shareholding B= B1+B2</b>	<b>1,87,52,867</b>	<b>68,51,998</b>	<b>2,56,04,865</b>	<b>28.41</b>	<b>1,88,94,227</b>	<b>67,53,438</b>	<b>2,56,47,665</b>	<b>28.46</b>	<b>0.05</b>
<b>C. shares held by Custodian for GDRs and ADRs</b>									
Promoter and Promoter group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
<b>Grand Total A+B+C</b>	<b>8,32,66,042</b>	<b>68,51,998</b>	<b>9,01,18,040</b>	<b>100.00</b>	<b>8,33,64,602</b>	<b>67,53,438</b>	<b>9,01,18,040</b>	<b>100.00</b>	<b>0.00</b>



## NIRLON

### 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.	5,76,06,274	63.92	0	5,76,06,274	63.92	0	0
2.	Mr. Kunal V. Sagar	13,29,750	1.48	0	13,29,750	1.48	0	0
3.	Mr. Rahul V. Sagar	13,29,750	1.48	0	13,29,750	1.48	0	0
4.	Mrs. Rajani M. Bhagat	6,73,349	0.75	0	6,73,349	0.75	0	0

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

Sr. No.	Particulars	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
For Each Promoter					
At the beginning of the Year					
1.	Reco Berry Pvt. Ltd.	5,76,06,274	63.92	#	#
2.	Mr. Kunal V. Sagar	13,29,750	1.48	#	#
3.	Mr. Rahul V. Sagar	13,29,750	1.48	#	#
4.	Mrs. Rajani M. Bhagat	6,73,349	0.75	#	#
<b>Total</b>		<b>6,09,39,123</b>	<b>67.63</b>	<b>#</b>	<b>#</b>
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	5,76,06,274	63.92
#2.	Mr. Kunal V. Sagar	0	0	13,29,750	1.48
#3.	Mr. Rahul V. Sagar	0	0	13,29,750	1.48
#4.	Mrs. Rajani M. Bhagat	0	0	6,73,349	0.75
<b>Total</b>		<b>0</b>	<b>0</b>	<b>6,09,39,123</b>	<b>67.63</b>
At the end of the Year		0	0	6,09,39,123	67.63



**iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	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 Limited	35,36,195	3.92	#	#
2.	Gulu C.Waney	26,70,247	2.96	#	#
3.	Arial Holdings 1	7,13,355	0.79	#	#
4.	Ares Diversified	11,57,630	1.28	#	#
5.	Sadafuli Finvest Pvt. Ltd.	10,33,197	1.15	#	#
6.	TVF fund limited	10,46,528	1.16	#	#
7.	Chatterjee Management Services Pvt. Ltd.	7,11,761	0.79	#	#
8.	ITF Mauritius	5,44,546	0.60	#	#
9.	Globe Capital Market Ltd	5,23,761	0.58	#	#
10.	Hongkong Bank Agency Pvt Ltd	4,54,826	0.50	#	#
11.	New Leaina Investments Limited	8,44,731	0.94	#	#
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 Limited	35,36,195	3.92%	42,21,838	4.68
	i) On 7/4/2017 – Purchase of 99,161 shares ii) On 14/4/2017 Purchase of 4,708 shares iii) On 21/4/2017 Purchase of 9,912 shares iv) On 12/5/2017 Purchase of 33,390 shares v) On 2/6/2017 Purchase of 31,093 shares vi) On 9/6/2017 Purchase of 7,036 shares vii) On 23/6/2017 Purchase of 13,884 shares viii) On 30/6/2017 Purchase of 30,930 shares ix) On 7/7/2017 Purchase of 2,571 shares x) On 14/7/2017 Purchase of 53,819 shares xi) On 21/7/2017 Purchase of 3,164 shares xii) On 28/7/2017 Purchase of 36,784 shares xiii) On 4/8/2017 Purchase of 39,997 shares xiv) On 11/8/2017 Purchase of 4,050 shares xv) On 18/8/2017 Purchase of 79,363 shares xvi) On 25/8/2017 Purchase of 4,348 shares xvii) On 1/9/2017 Purchase of 9,384 shares				



	xviii) On 15/9/2017 Purchase of 64 shares xix) On 22/9/2017 Purchase of 12,547 shares xx) On 29/9/2017 Purchase of 55,338 shares xxi) On 13/10/2017 Purchase of 1,000 shares xxii) On 27/10/2017 Purchase of 5,174 shares xxiii) On 3/11/2017 Purchase of 513 shares xxiv) On 10/11/2017 Purchase of 5,020 shares xxv) On 1/12/2017 Purchase of 25,361 shares xxvi) On 8/12/2017 Purchase of 3,648 shares xxvii) On 15/12/2017 Purchase of 12,581 shares xxviii) On 22/12/2017 Purchase of 292 shares xxix) On 19/1/2018 Purchase of 31,107 shares xxx) On 26/01/2018 Purchase of 22,003 shares xxxi) On 2/2/2018 Purchase of 14,584 shares xxxii) On 9/2/2018 Purchase of 7,723 shares xxxiii) On 16/2/2018 Purchase of 10,178 shares xxxiv) On 23/2/2018 Purchase of 4,341 shares xxxv) On 2/3/2018 Purchase of 1,037 shares xxxvi) On 23/3/2018 Purchase of 1,383 shares xxxvii) On 31/3/2018 Purchase of 8,155 shares				
#2.	Gulu C.Waney (NIL MOVEMENT)	0	0	26,70,247	2.96
#3.	Arial Holdings 1 On 27/10/2017 – Purchase of 8,44,731 shares	7,13,355	0.79	15,58,086	1.73
#4.	Ares Diversified (NIL MOVEMENT)	0	0	11,57,630	1.28
#5	Sadafuli Finvest Pvt. Ltd.	10,33,197	1.15	10,69,040	1.19
	i) On 2/6/2017 Purchase of 6,583 shares ii) On 9/6/2017 Purchase of 5,530 shares iii) On 16/06/2017 Purchase of 1,393 shares iv) On 13/10/2017 Purchase of 2,443 shares v) On 15/12/2017 Purchase of 37 shares vi) On 22/12/2017 Purchase of 6,217 shares vii) On 16/3/2018 Purchase of 2,423 shares viii) On 23/3/2018 Purchase of 11,217 shares				
#6.	TVF Fund Limited (NIL MOVEMENT)	0	0	10,46,528	1.16
#7.	Chatterjee Management Services Private Limited (NIL MOVEMENT)	0	0	7,11,761	0.79
#8.	ITF Mauritius (NIL MOVEMENT)	0	0	5,44,546	0.60
#9.	Globe Capital Market Ltd.	5,23,761	0.58	4,84,177	0.64
	i) On 2/06/2017 sale of 500 shares ii) On 30/6/2017 sale of 6,505 shares iii) On 14/7/2017 sale of 30,120 shares				





	iv) On 21/7/2017 sale of 3,000 shares v) On 18/8/2017 sale of 50,000 shares vi) On 1/9/2017 purchase of 5 shares vii) On 8/9/2017 purchase of 95 shares viii) On 15/9/2017 sale of 100 shares ix) On 6/10/2017 sale of 500 shares x) On 20/10/2017 purchase of 500 shares xi) On 27/10/2017 sale of 1,210 shares xii) On 8/12/2017 purchase of 10,137 shares xiii) On 29/12/2017 purchase of 6,955 shares xiv) On 5/1/2018 purchase of 21,965 shares xv) On 12/1/2018 purchase of 5,797 shares xvi) On 26/1/2018 purchase of 1,281 shares xvii) On 9/3/2018 purchase of 600 shares xviii) On 16/3/2018 sale of 600 shares xix) On 23/3/2018 purchase of 1,696 shares xx) On 31/3/2018 purchase of 3,920 shares				
#10.	Hongkong Bank Agency Pvt. Ltd. (NIL MOVEMENT)	0	0	4,54,826	0.50
#11.	New Leaina Investments Limited	8,44,731	0.94	0	0
	i) On 20/10/2017 sale of 4,50,000 shares ii) On 27/10/2017 sale of 3,94,731 shares				

**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>At the beginning of the Year</b>					
<b>Directors:</b>					
1.	Padma Bhushan Mr. Moosa Raza	0	0.00	0	0.00
2.	Mr. Rama Varma	1,925	0.002	1,925	0.002
3.	Mr. Arjan R. Gurbuxani	724	0.00	724	0.00
4.	Mrs. Rajani M. Bhagat	6,73,349	0.75	6,73,349	0.75
5.	Mrs. Aruna Makhan	0	0.00	0	0.00
6.	Mr. Kunnasagaran Chinniah	0	0	0	0.00
7.	Mr. Kunal V. Sagar	13,29,750	1.48	13,29,750	1.48
8.	Mr. Rahul V. Sagar	13,29,750	1.48	13,29,750	1.48



**NIRLON**

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
<b>Key Managerial Personnel:</b>					
1.	Mr. Jasmin K. Bhavsar	0	0.00	37,000	0.04
2.	Mr. Manish B. Parikh	50	0.00	50	0.00
<b>At the end of the year</b>					
<b>Directors:</b>					
1.	Padma Bhushan Mr. Moosa Raza			0	0.00
2.	Mr. Rama Varma			1,925	0.002
3.	Mr. Arjan R. Gurbuxani			724	0.00
4.	Mrs. Rajani M. Bhagat			6,73,349	0.75
5.	Mrs. Aruna Makhan			0	0.00
6.	Mr. Kunnasagaran Chinniah			0	0.00
7.	Mr. Kunal V. Sagar			13,29,750	1.48
8.	Mr. Rahul V. Sagar			13,29,750	1.48
<b>Key Managerial Personnel:</b>					
1.	Mr. Jasmin K. Bhavsar			37,000	0.04
2.	Mr. Manish B. Parikh			50	0.00

**V) INDEBTEDNESS**

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

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	59,356.80	0	0	59,356.80
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	272.90	0	0	272.90
<b>Total (i+ii+iii)</b>	<b>59,629.70</b>	<b>0</b>	<b>0</b>	<b>59,629.70</b>
<b>Change in Indebtedness during the Financial Year</b>				
Addition	3,000.00	0	0	3,000.00
Reduction	1,270.23	0	0	1,270.23
<b>Net Change</b>	<b>1,729.77</b>	<b>0</b>	<b>0</b>	<b>1,729.77</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	61,086.57	0	0	61,086.57
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	247.69	0	0	247.69
<b>Total (i+ii+iii)</b>	<b>61,334.26</b>	<b>0</b>	<b>0</b>	<b>61,334.26</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

Sr. No.	Particulars of Remuneration	Mr. Rahul V. Sagar (Executive Director) (In ₹)
1.	Gross salary	
	Basic* + HRA + LTA	96,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u / s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2.	Stock Option	0
3.	Sweat Equity	0
4.	Commission As % of profit / others, specify...	0
5.	Others, please specify	
	i. Bonus / Variable Compensation	1,28,00,000
	ii. Provident Fund	7,68,000
<b>Total (A) (i.e. Gross salary)</b>		<b>2,31,68,000</b>

**B. Remuneration to other Directors:**

**1. Independent Directors**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount ( in ₹)
		Mr. Moosa Raza	Mr. Arjan R. Gurbuxani	Mr. Rama Varma	Mrs. Aruna Makhan	
1.	Fee for attending Board / committee meetings	10,00,000	9,00,000	9,50,000	9,00,000	37,50,000
2.	Commission	0	0	0	0	0
3.	Others, please specify	0	0	0	0	0
	<b>Total (B)(1)</b>	<b>10,00,000</b>	<b>9,00,000</b>	<b>9,50,000</b>	<b>9,00,000</b>	<b>37,50,000</b>

**2. Other Non-Executive Directors**

Particulars of Remuneration	Name of Directors			Total Amount ( In ₹)
	Mrs. Rajani M. Bhagat	Mr. Kunal V. Sagar	Mr. Kunnasagaran Chinniah	
Fee for attending Board / Committee Meetings	3,00,000	3,50,000	2,50,000	9,00,000
- Commission	0	0	0	0
- Other please specify	0	0	0	0
<b>Total (B)(2)</b>	<b>3,00,000</b>	<b>3,50,000</b>	<b>2,50,000</b>	<b>9,00,000</b>
<b>Total (B) = (B)(1)+ (B)(2)</b>				<b>46,50,000</b>



## NIRLON

### 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 in ₹
1	Basic Salary + HRA + Medical Allowance + Conveyance + Lunch Allowance	74,45,116	36,43,548	1,10,88,664
	(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	11,24,638	0	11,24,638
3	Sweat Equity	0	0	0
4	Commission- as% of profit	0	0	0
	Others specify... Perquisites / value of ESOP shares	2,23,077	1,61,538	3,84,615
5	Others, please specify			
	i.Exgratia	18,26,268	9,97,998	28,24,266
	ii. Provident Fund	8,40,927	4,08,707	12,49,634
	<b>Total</b>	<b>1,14,60,026</b>	<b>52,11,791</b>	<b>1,66,71,817</b>

### VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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



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**NIRLON**

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of Nirlon Limited**

### **Report on the Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying Financial Statements of Nirlon Limited (“**the Company**”), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Ind AS Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“**the Act**”) with respect to the preparation of these Ind AS Financial Statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 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.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters, which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.
7. 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.

### **Opinion**

8. 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 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, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the Year ended on that date.

### **Other Matter**

9. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS Financial Statements, are based on the previously issued



statutory Financial Statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated April 27, 2017 and April 28, 2016 respectively. The adjustments to those Financial Statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 other comprehensive income), the Cash Flow Statement and the 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 Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS Financial Statements – Refer Note 32;
    - ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the Year ended March 31, 2018;
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the Year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Mehul Desai  
Partner

Membership Number: 103211

Mumbai  
Date: May 14, 2018



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**NIRLON**

## **Annexure A to Independent Auditors' Report**

**Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Nirlon Limited on the Ind AS Financial Statements for the year ended March 31, 2018**

### **Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to Financial Statements of Nirlon Limited (“**the Company**”) as of March 31, 2018 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**

2. 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 issued by the Institute of Chartered Accountants of India (**ICAI**). 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 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.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (**the “Guidance Note”**) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to 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 Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Financial Statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

6. A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.



**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2018, 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 issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

Mumbai  
Date: May 14, 2018

**Mehul Desai**  
Partner  
Membership Number: 103211



**NIRLON**

## **Annexure B to Independent Auditors' Report**

### **Referred to in paragraph 10 of the Independent Auditors' Report of even date to Members of Nirlon Limited on the Ind AS Financial Statements as of and for the Year ended March 31, 2018**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets of the Company have been physically verified by the Management during the Year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - (c) The title deeds of immovable properties, as disclosed in Note 3 on Investment Property to the Ind AS Financial Statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. 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 Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain Cost Records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Service Tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, sales-tax, value added tax and duty of customs which have not been deposited on account of any dispute. The particulars of dues of service tax and duty of excise and as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amount under dispute not yet deposited *</b> (INR in lakh)	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
Central Excise Act, 1994	Excise Duty and Penalty thereon	42.27	Excise duty liability for the Financial Years 1999-2000 and February 1995 to April 1999	High Court
		87.56	Excise duty liability for the period April 1998 to June 1999, May 2003 to August 2005	CESTAT
The Finance Act, 1994	Service Tax	821.88	Service tax liability for the Financial Years 2010 – 2012	CESTAT

\* Net of amount paid under protest



- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. The Company has not issued any debentures.
- ix. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS Financial Statements as required under Indian Accounting Standard (**Ind AS**) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the Year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

Mumbai  
Date: May 14, 2018

**Mehul Desai**  
Partner  
Membership Number: 103211



**NIRLON**

## Balance Sheet as at March 31, 2018

(INR in lakh)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	2	54.97	62.42	75.58
(b) Capital work-in-progress	2	16,471.59	5,537.55	1,177.66
(c) Investment property	3	95,814.09	102,568.01	108,657.03
(d) Other intangible assets	4	0.31	0.91	2.05
(e) Financial assets				
i. Loans	5	219.08	218.63	224.75
ii. Other financial assets	6	51.89	14.82	-
(f) Income tax assets (Net)	7(A)	74.44	328.86	342.83
(g) Other non-current assets	8	5,905.63	7,161.09	7,223.43
<b>Total non-current assets</b>		<b>118,592.00</b>	<b>115,892.29</b>	<b>117,703.33</b>
<b>Current assets</b>				
(a) Financial assets				
i. Trade receivables	9	256.60	384.21	409.98
ii. Cash and cash equivalents	10	3,711.64	1,662.89	304.58
iii. Bank balances other than (ii) above	11	67.91	73.95	52.80
iv. Other financial assets	6	200.47	103.50	14.77
(b) Other current assets	12	1,483.04	994.10	740.10
<b>Total current assets</b>		<b>5,719.66</b>	<b>3,218.65</b>	<b>1,522.23</b>
<b>Total assets</b>		<b>124,311.66</b>	<b>119,110.94</b>	<b>119,225.56</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	13	9,011.80	9,010.84	9,008.04
(b) Other equity Reserves and surplus	14	33,029.39	28,276.52	24,017.70
<b>Total equity</b>		<b>42,041.19</b>	<b>37,287.36</b>	<b>33,025.74</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
i. Borrowings	15	61,086.57	51,400.08	58,056.80
ii. Other financial liabilities	16	7,981.65	10,015.15	9,422.48
(b) Provisions	17	30.36	15.24	121.08
(c) Deferred tax liabilities (Net)	18	3,816.88	2,963.09	2,038.61
(d) Other non-current liabilities	19	2,033.85	2,477.01	3,232.71
<b>Total non-current liabilities</b>		<b>74,949.31</b>	<b>66,870.57</b>	<b>72,871.68</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
i. Borrowings	20	-	1,487.70	1,521.91
ii. Trade payables	21	657.57	672.65	936.59
iii. Other financial liabilities	16	5,208.86	11,399.18	9,562.78
(b) Other current liabilities	22	1,423.73	1,154.45	1,255.88
(c) Provisions	17	16.41	14.85	43.41
(d) Income tax Provisions (Net)	7 (B)	14.59	224.18	7.57
<b>Total current liabilities</b>		<b>7,321.16</b>	<b>14,953.01</b>	<b>13,328.14</b>
<b>Total liabilities</b>		<b>82,270.47</b>	<b>81,823.58</b>	<b>86,199.82</b>
<b>Total equity and liabilities</b>		<b>124,311.66</b>	<b>119,110.94</b>	<b>119,225.56</b>
Significant Accounting Policies and Notes forming part of the Financial Statements	1 to 44			

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No : 012754N/N500016

**MOOSA RAZA**  
Chairman

**RAHUL V. SAGAR**  
Executive Director

**Mehul Desai**  
Partner  
Membership No.103211

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

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

**MANISH B. PARIKH**  
Chief Financial Officer

Mumbai,  
Date : May 14, 2018

**NIRLON****Statement of Profit and Loss for the Year ended March 31, 2018**

(INR in lakh)

<b>Particulars</b>	<b>Notes</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
I. Revenue from operations	23	29,077.67	28,765.55
II. Other income	24	279.02	490.48
<b>III Total Income</b>		<b>29,356.69</b>	<b>29,256.03</b>
IV. Expenses			
(a) Employee benefits expense	25	571.55	570.27
(b) Finance costs	26	6,555.54	7,795.84
(c) Depreciation and amortisation expense	27	7,221.50	7,065.53
(d) Property management expenses	28	3,165.32	3,091.38
(e) Other expenses	29	3,316.62	2,927.70
<b>Total expenses (IV)</b>		<b>20,830.53</b>	<b>21,450.72</b>
<b>V. Profit before tax (III- IV)</b>		<b>8,526.16</b>	<b>7,805.31</b>
VI. Tax expense	30		
(a) Current tax		2,103.72	1,749.10
(b) Deferred tax		853.42	948.17
<b>Total tax expenses</b>		<b>2,957.14</b>	<b>2,697.27</b>
<b>VII. Profit after tax (V- VI)</b>		<b>5,569.02</b>	<b>5,108.04</b>
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit obligation		1.06	(68.44)
(b) Tax adjustments on above		(0.37)	23.69
<b>Other comprehensive income for the Year, net of tax</b>		<b>0.69</b>	<b>(44.75)</b>
<b>IX. Total comprehensive income for the Year (VII+VIII)</b>		<b>5,569.71</b>	<b>5,063.29</b>
<b>Earnings per equity share of face value of INR 10 /- each:</b>	31		
(a) Basic earnings per share (in INR )		6.18	5.67
(b) Diluted earnings per share (in INR)		6.18	5.67
Significant Accounting Policies and Notes forming part of the Financial Statements	1 to 44		

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No : 012754N/N500016

**Mehul Desai****Partner**

Membership No.103211

Mumbai,

Date : May 14, 2018

**MOOSA RAZA**

Chairman

**JASMIN K. BHAVSAR**

Company Secretary &amp; Vice President (Legal)

**MANISH B. PARIKH**

Chief Financial Officer

**RAHUL V. SAGAR**

Executive Director

Directors

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



NIRLON

## Statement of Cash Flows for the Year ended March 31, 2018

(INR in lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Profit before Income Tax</b>	<b>8,526.16</b>	<b>7,805.31</b>
Adjustments for:		
Depreciation and amortisation expense	7,221.50	7,065.53
Marketing expenses amortised	306.56	270.14
Loss/ (Gain) on assets discarded	195.88	(50.44)
Finance cost	6,555.54	7,795.84
Interest income	(134.43)	(114.83)
Foreign Exchange Loss / (Gain)	27.08	(3.86)
Sundry balances written back	(84.58)	(118.31)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>22,613.71</b>	<b>22,649.38</b>
Decrease in Trade receivables	127.61	25.77
(Increase) in Other financial assets	(89.56)	(103.55)
(Increase) in Other current assets	(488.94)	(254.00)
(Increase)/Decrease in Non-current loans	(0.45)	6.12
Decrease in Other non-current assets	1,255.46	752.34
(Increase)/Decrease in Other bank Balances	6.04	(21.15)
Increase/(Decrease) in Trade payables	69.50	(145.63)
Increase in Other current financial liabilities	1,807.12	800.81
Increase/(Decrease) in Other current liabilities	269.28	(101.43)
Increase/(Decrease) in Other non-current financial liabilities	(2,033.50)	592.67
(Decrease) in Other non-current liabilities	(443.16)	(755.70)
Increase/(Decrease) in Provision for Employee benefit	17.74	(202.84)
<b>Cash generated from operations</b>	<b>23,110.85</b>	<b>23,242.79</b>
Income taxes paid (net of refunds)	(2,058.89)	(1,518.52)
<b>Net cash inflow from operating activities</b>	<b>21,051.96</b>	<b>21,724.27</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment & investment property including capital work in progress	(12,098.12)	(7,967.02)
Proceeds from sale of property, plant and equipment & investment property	143.47	1,517.90
Interest received	134.43	114.83
Fixed deposits placed with a bank	(44.48)	-
<b>Net cash outflow from investing activities</b>	<b>(11,864.70)</b>	<b>(6,334.29)</b>
<b>Cash flows from financing activities</b>		
Repayment of short term borrowings (net)	(1,487.70)	(34.21)
Proceeds / (repayment) of long term borrowings (net)	1,729.78	(5,416.81)
Interest paid	(6,580.75)	(7,798.17)
Shares issued during the year	3.99	11.56
Dividends paid to Company's shareholders (including DDT)	(803.83)	(794.04)
<b>Net cash outflow from financing activities</b>	<b>(7,138.51)</b>	<b>(14,031.67)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,048.75</b>	<b>1,358.31</b>
Cash and cash equivalents at the beginning of the Financial Year	1,662.89	304.58
<b>Cash and cash equivalents at end of the Year</b>	<b>3,711.64</b>	<b>1,662.89</b>



Cash and cash equivalents as per above comprise of the following:

(INR in lakh)

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Balance with banks on current accounts	2,757.89	762.35
Cash on hand	-	-
Bank Deposits (Deposits with original maturity of less than 3 months)	953.75	900.54
<b>Total cash and cash equivalents</b>	<b>3,711.64</b>	<b>1,662.89</b>

**Notes:**

- (1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7, "Statement of Cash Flows" as notified under Companies (Accounts) Rules, 2015.
- (2) The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

Significant Accounting Policies and Notes forming part of the Financial Statements

1 to 44

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No : 012754N/N500016

**MOOSA RAZA**

Chairman

**RAHUL V. SAGAR**

Executive Director

**Mehul Desai****Partner**

Membership No.103211

**JASMIN K. BHAVSAR**

Company Secretary &amp; Vice President (Legal)

Directors

**KUNAL V. SAGAR****RAMA VARMA****ARUNA MAKHAN****RAJANI M. BHAGAT****ARJAN R. GURBUXANI****KUNNASAGARAN CHINNIAH****MANISH B. PARIKH**

Chief Financial Officer

Mumbai,

Date : May 14, 2018



**NIRLON**

## Statement of Changes in Equity as at March 31, 2018

### A. Equity share capital

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the reporting Year	9,010.84	9,008.04
Changes in Equity Share capital during the Year	0.96	2.80
<b>Balance at the end of the reporting period</b>	<b>9,011.80</b>	<b>9,010.84</b>

### B. Other Equity

(INR in lakh)

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
<b>Balance as on April 1, 2016</b>	<b>12,528.38</b>	<b>11,489.32</b>	<b>24,017.70</b>
Profit/ (Loss) for the year	-	5,108.04	5,108.04
Other comprehensive income for the year, net of tax	-	(44.75)	(44.75)
Impact of ESOP trust consolidation	-	0.27	0.27
Shares issued during the year at premium	8.76	-	8.76
Dividend paid	-	(813.50)	(813.50)
<b>Balance as on March 31, 2017</b>	<b>12,537.14</b>	<b>15,739.38</b>	<b>28,276.52</b>
 <b>Balance as on April 1, 2017</b>	 <b>12,537.14</b>	 <b>15,739.38</b>	 <b>28,276.52</b>
Profit/ (Loss) for the year	-	5,569.02	5,569.02
Other comprehensive income for the year, net of tax	-	0.69	0.69
Impact of ESOP trust consolidation	-	(6.36)	(6.36)
Shares issued during the year at premium	3.02	-	3.02
Dividend paid	-	(813.50)	(813.50)
<b>Balance as on March 31, 2018</b>	<b>12,540.16</b>	<b>20,489.23</b>	<b>33,029.39</b>

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 44

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No : 012754N/N500016

**MOOSA RAZA**

Chairman

**RAHUL V. SAGAR**

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**ARJAN R. GURBUXANI**

**KUNNASAGARAN CHINNIAH**

Mumbai,

Date : May 14, 2018





## Notes to Financial Statements as at and for the Year ended March 31, 2018

### Background of the Company

Nirlon Limited is a Company limited by shares, 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.

### Note 1: Significant Accounting Policies followed by the Company

#### (a) Basis of preparation

##### (i) Compliance with Ind AS

These Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial Statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements for the Year ended March 31, 2018 are the first Financial Statements, which have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015.

Refer note 42 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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
- ii) Assets held for sale-measured at fair value less cost to sell.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakh (INR 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 :

<b>Asset class</b>	<b>Useful Life</b>
Office Equipment	3 / 5 / 15 years
Furniture & Fixture	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, Building (including Other Assets such as Plant & Equipment, Office Equipment and Furniture & Fixture), 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 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 assets class are as follows :

<b>Asset class</b>	<b>Useful Life</b>
Freehold Land	NA
Building (including other assets*)	3 / 5 / 15 / 20 / 30 / 40 / 60 years

\* Other assets mainly comprise of Plant & Equipment, Office Equipment and Furniture & Fixture forming an integral part of Building.

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.

**On transition to Ind AS**

Under the previous GAAP (Indian GAAP), building and other assets (plant & equipment, furniture & fixtures, office equipment,) was carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any and freehold land was carried at revalued amount. For investment property, Ind AS 101 gives the option either to carry the previous GAAP carrying value or apply the provisions of Ind AS 40 retrospectively. The Company has opted to apply Ind AS 40 retrospectively as at the transition date.

**(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 1, 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.

#### (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:

- 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).
- 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 for 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 or 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 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 40 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 be recognised 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.

**(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 financial instruments at fair value at each balance sheet date.

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. 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 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 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 liabilities 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).

**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.

#### **(l) Assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less cost to sell. A gain is recognised for any subsequent increase in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

#### **(m) Borrowing Cost**

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.

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.

#### **(n) 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 (INR), 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.

**(o) Provisions & 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.

**(p) Leases**

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at

the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit or Loss account on straight-line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

**Company as a lessor**

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.

**(q) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer Note 35 for segment information presented.

**(r) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue





is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

**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 terms, unless there is another systematic basis which is more representative of the time pattern of the lease.

Revenue from common area maintenance service is recognised at value of service and is disclosed net of indirect taxes, if any.

Other operating revenue comprises of income from car parking charges and other recoveries from customers as per the terms and conditions agreed with them.

**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.

**(s) ESOP**

The Company offers ESOP under which options to subscribe for the Company's share have been granted to certain employees and senior management. The shares have been issued at fair value as on the grant date. These shares are vested before the transition date.

Employee welfare trust financed through interest free loan by the Company and warehousing the shares which have not vested yet, for distribution to employees of the Company, has been consolidated on line by line basis by reducing from equity share capital of the Company the face value of such treasury shares held by the trust.

**(t) 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.

**(u) Critical 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 critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 37)
- Estimation of Useful life of Property, plant and equipment, Investment property and intangibles (Note 2, 3 and 4)
- Estimation of taxes (Note 7, 18 and 30)
- Estimation of provision and contingent liabilities (Note 17 and 32)
- Estimation of fair value measurement of financial assets and liabilities (Note 39)

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.

**(v) Standard issued but not effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's Financial Statements are disclosed below.

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115, is effective for periods beginning on or after April 01, 2018. Ind AS 115 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). Ind AS 115 replaces the previous revenue Standards: Ind AS 18 Revenue and Ind AS 11 Construction Contracts, and the related appendices.

The standard establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The core principle in that framework is that a Company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the fair value of consideration to which the Company expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price



## NIRLON

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Company is evaluating the impact of the standard on the financial position and results of operations. As per the transitional provision of the standard, the Company shall apply this Standard using one of the following two methods:

- (i) Retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application;
- (ii) Retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. Company is evaluating the impact of this amendment on its Financial Statements.

There are no other standards, changes in standards and interpretations that are not in force up to reporting period that the Company expects to have a material impact arising from its application in its Financial Statements.

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**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No : 012754N/N500016

**Mehul Desai**

**Partner**

Membership No.103211

Mumbai,

Date : May 14, 2018

**MOOSA RAZA**

Chairman

**JASMIN K. BHAVSAR**

Company Secretary & Vice President (Legal)

**MANISH B. PARIKH**

Chief Financial Officer

**RAHUL V. SAGAR**

Executive Director

Directors

**KUNAL V. SAGAR**

**RAMA VARMA**

**ARUNA MAKHAN**

**RAJANI M. BHAGAT**

**ARJAN R. GURBUXANI**

**KUNNASAGARAN CHINNIHAH**

**2. PROPERTY, PLANT AND EQUIPMENT**

(INR in lakh)

Particulars	Furniture & Fixtures	Vehicles	Office Equipment	Total
<b>Year Ended March 31, 2017</b>				
<b>GROSS CARRYING AMOUNT</b>				
<b>As at April 1, 2016 (Deemed Cost)</b>	<b>48.61</b>	<b>18.68</b>	<b>8.29</b>	<b>75.58</b>
Additions	20.05	-	0.99	21.04
Disposals	(0.66)	(18.68)	-	(19.34)
<b>As at March 31, 2017</b>	<b>68.00</b>	<b>-</b>	<b>9.28</b>	<b>77.28</b>
<b>ACCUMULATED DEPRECIATION</b>				
Depreciation charge for the Year	13.53	2.76	1.38	17.67
Disposals	(0.05)	(2.76)	-	(2.81)
<b>Closing accumulated depreciation as at March 31, 2017</b>	<b>13.48</b>	<b>-</b>	<b>1.38</b>	<b>14.86</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>54.52</b>	<b>-</b>	<b>7.90</b>	<b>62.42</b>
<b>Year Ended March 31, 2018</b>				
<b>GROSS CARRYING AMOUNT</b>				
<b>As at April 1, 2017</b>	<b>68.00</b>	<b>-</b>	<b>9.28</b>	<b>77.28</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at March 31, 2018</b>	<b>68.00</b>	<b>-</b>	<b>9.28</b>	<b>77.28</b>
<b>ACCUMULATED DEPRECIATION</b>				
Depreciation charge for the Year	5.21	-	2.24	7.45
Disposals	-	-	-	-
<b>Closing accumulated depreciation as at March 31, 2018</b>	<b>18.69</b>	<b>-</b>	<b>3.62</b>	<b>22.31</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>49.31</b>	<b>-</b>	<b>5.66</b>	<b>54.97</b>

**Note:****(i) Capital work-in-progress**

Capital work in progress INR 16,471.59 lakh ( March 31, 2017: INR 5,537.55 lakh ; April 1, 2016: INR 1,177.66 lakh) mainly comprises of assets under construction.

(ii) The above assets do not include the assets, the value of which are recoverable from the licensees as common area maintenance charges.

**3. INVESTMENT PROPERTY**

(INR in lakh)

Particulars	Amount
<b>Year ended March 31, 2017</b>	
<b>GROSS CARRYING AMOUNT</b>	
<b>As at April 1, 2016 (Deemed Cost)</b>	<b>1,08,657.03</b>
Additions	2,565.14
Disposals	(1,609.86)
Other Adjustments	113.63
<b>As At March 31, 2017</b>	<b>1,09,725.94</b>



## NIRLON

<b>ACCUMULATED DEPRECIATION</b>	(INR in lakh)
Depreciation charge for the Year	7,046.72
Disposals	(158.93)
Other Adjustments (Refer Note 29)	270.14
<b>Closing accumulated depreciation as at March 31, 2017</b>	<b>7,157.93</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>1,02,568.01</b>
<b>Year ended March 31, 2018</b>	
<b>GROSS CARRYING AMOUNT</b>	
<b>As at April 1, 2017</b>	<b>1,09,725.94</b>
Additions	703.51
Disposals	(455.51)
Other Adjustments	401.93
<b>As at March 31, 2018</b>	<b>1,10,375.87</b>
<b>ACCUMULATED DEPRECIATION/IMPAIRMENT</b>	
Depreciation charge for the Year	7,213.45
Disposals	(116.16)
Other Adjustments (Refer Note 29)	306.56
<b>Closing accumulated depreciation as at March 31, 2018</b>	<b>14,561.78</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>95,814.09</b>

### Note:

- (i) Buildings include building constructed on Leasehold Land at Worli, Mumbai having a written down value of INR 40.04 lakh as at March 31, 2018 (March 31, 2017 : INR 47.60 lakh, April 1, 2016: INR 56.62 lakh), being the share of the Company (75%) in the property which is co-owned with Nirlon Foundation Trust.
- (ii) Amount recognised in the Statement of Profit and Loss for investment properties

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Revenue from operations (Refer Note 23)	<b>29,077.67</b>	28,765.55
Miscellaneous receipts (Refer Note 24)	<b>7.26</b>	28.14
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income	<b>(4,285.36)</b>	(4,432.82)
<b>Net amount recognised in the Statement of Profit and Loss before depreciation</b>	<b>24,799.57</b>	<b>24,360.87</b>
Depreciation expense	<b>(7,213.45)</b>	(7,046.72)
<b>Net amount recognised in the Statement of Profit and Loss after depreciation</b>	<b>17,586.12</b>	<b>17,314.15</b>

### (iii) Leasing arrangements

The Company's investment properties consist of commercial properties in Mumbai (Worli & 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 are as follows:



(INR in lakh)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Within one year	4,649.18	5,866.97	9,067.44
Later than one year and not later than five years	4,869.09	11,040.23	11,723.29

**(iv) Contractual obligations**

Refer to Note 33 for disclosure of contractual commitments for the purchase, construct or develop investment property or its repairs, maintenance or enhancements.

**(v) Investment property pledged as security**

Refer to Note 15 & 20 (long term and short term borrowings) for information on investment property pledged as security by the entity.

**(vi) Fair Value**

As at March 31, 2018, March 31, 2017 and April 01, 2016, the fair values of the properties are INR 350,689.32 lakh, INR 349,655.19 lakh and INR 341,149.00 lakh respectively. These valuations are based on valuations performed by an independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, location, demand, discount rate based on comparable transactions, age of building. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 3 fair value hierarchy.

**4. OTHER INTANGIBLE ASSETS**

Particulars	(INR in lakh)
<b>Year ended March 31, 2017</b>	
<b>GROSS CARRYING AMOUNT</b>	
As at April 1, 2016 (Deemed Cost)	2.05
Additions	-
Disposals	-
As at March 31, 2017	2.05
<b>ACCUMULATED AMORTISATION</b>	
Amortisation charge for the Year	1.14
Closing accumulated amortisation as at March 31, 2017	1.14
Net carrying amount as at March 31, 2017	0.91
<b>Year ended March 31, 2018</b>	
<b>GROSS CARRYING AMOUNT</b>	
As at April 1, 2017	2.05
Additions	-
Disposals	-
As at March 31, 2018	2.05
<b>ACCUMULATED AMORTISATION</b>	
Amortisation charge for the Year	0.60
Closing accumulated amortisation as at March 31, 2018	1.74
Net carrying amount as at March 31, 2018	0.31



## NIRLON

### 5. LOANS

(INR in lakh)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non- current	Current	Non- current	Current	Non- current
<b>Unsecured, considered good</b>						
Loans to employees	-	-	-	-	-	2.00
Security Deposits	-	219.08	-	218.63	-	222.75
<b>Total</b>	-	219.08	-	218.63	-	224.75

**Note** (i): No loans due by directors or other officers of the Company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

### 6. OTHER FINANCIAL ASSETS

(INR in lakh)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non- current	Current	Non- current	Current	Non- current
<b>Unsecured, considered good</b>						
Receivables	200.47	7.41	89.16	14.82	14.77	-
Other Recoverable	-	-	14.34	-	-	-
<b>Balance with bank (Margin Money kept as deposits) #</b>		44.48	-	-	-	-
<b>Total</b>	200.47	51.89	103.50	14.82	14.77	-

# Held as lien by Banks against Bank Guarantees issued to Regulatory authorities in the normal course of business.

### 7(A). INCOME TAX ASSETS (NET)

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Advance Income Tax (net of provision of INR 3,595.76 lakh) (as at March 31, 2017 INR 2,483.52 lakh, as at April 1, 2016 INR 2,478.17 lakh)	74.44	328.86
	74.44	328.86	342.83

### 7(B). INCOME TAX PROVISIONS (NET)

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Income Tax provision (net of advance tax of INR 1,735.57 lakh) (as at March 31, 2017 INR 1,525.82 lakh, as at April 1, 2016 INR 712.43 lakh)	14.59	224.18
	14.59	224.18	7.57

**8. OTHER NON-CURRENT ASSETS**

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other deposits	11.15	11.15	11.15
Long term Prepaid expenses	67.80	96.72	38.21
Lease Equalisation	5,136.68	6,363.22	7,174.07
Capital advance (Refer Note 36)	690.00	690.00	-
<b>Total</b>	<b>5,905.63</b>	<b>7,161.09</b>	<b>7,223.43</b>

**9. TRADE RECEIVABLES**

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Trade Receivable</b>			
- Secured, considered good	249.04	348.14	398.55
- Unsecured considered good	7.56	36.07	11.43
<b>Total</b>	<b>256.60</b>	<b>384.21</b>	<b>409.98</b>

**Note**

- (i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
- (ii) The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 40.
- (iii) Out of above, receivables from related parties is INR 0.03 lakh (Refer Note 36).

**10. CASH AND CASH EQUIVALENTS**

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with banks on current accounts	2,757.89	762.35	104.53
Cash on hand	-	-	0.05
Bank deposits (Deposits with original maturity of less than 3 months)	953.75	900.54	200.00
<b>Total</b>	<b>3,711.64</b>	<b>1,662.89</b>	<b>304.58</b>

**11. BANK BALANCES OTHER THAN ABOVE**

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earmarked balances with banks for:			
- Unpaid Dividend	67.91	51.88	32.69
- Margin Money kept as deposits #	-	16.44	14.48
Bank Deposits (Deposits with maturity of more than 3 months but less than 12 months)	-	5.63	5.63
<b>Total</b>	<b>67.91</b>	<b>73.95</b>	<b>52.80</b>

# Held as lien by Banks against Bank Guarantees issued to Regulatory authorities in the normal course of business.



## NIRLON

### 12. OTHER CURRENT ASSETS

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid expenses	101.15	117.43	125.80
Balances with government authorities	160.92	37.93	198.65
Advances to vendors	5.45	49.69	3.23
Lease equalisation	1,215.52	789.05	412.42
<b>Total</b>	<b>1,483.04</b>	<b>994.10</b>	<b>740.10</b>

### 13. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
	No. of shares	No. of shares	No. of shares	(INR in lakh)	(INR in lakh)	(INR in lakh)
<b>(a) Authorised Share Capital:</b>						
Equity shares of the par value of INR 10/- each	15,00,00,000	15,00,00,000	15,00,00,000	15,000.00	15,000.00	15,000.00
<b>(b) Issued Share Capital</b>						
Outstanding at the beginning and end of the Year	9,01,32,062	9,01,32,062	9,01,32,062	9,013.21	9,013.21	9,013.21
<b>(c) Subscribed and fully paid up (A)</b>						
Outstanding at the beginning and end of the Year	9,01,18,040	9,01,18,040	9,01,18,040	9,011.80	9,011.80	9,011.80
<b>Shares held under ESOP Trust (B)</b>						
Less: Treasury shares at the end of the Year	-	(9,656)	(37,656)	-	(0.96)	(3.76)
<b>Equity Shares ( Net of treasury shares ) ( A - B )</b>	<b>9,01,18,040</b>	<b>9,01,08,384</b>	<b>9,00,80,384</b>	<b>9,011.80</b>	<b>9,010.84</b>	<b>9,008.04</b>

#### Movement in Treasury Shares :

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
	No. of shares	No. of shares	(INR in lakh)	(INR in lakh)
<b>Shares held under ESOP trust</b>				
Equity shares of INR 10/- each fully paid up as on 1 April	9,656	37,656	0.96	3.76
Issued during the Year	(9,656)	(28,000)	(0.96)	(2.80)
<b>Equity shares - closing as on 31 March</b>	<b>-</b>	<b>9,656</b>	<b>-</b>	<b>0.96</b>

#### Note (i): Shares of the Company held by Holding / Ultimate Holding Company

Particulars	31 March, 2018	31 March, 2017	April 1, 2016
Reco Berry Private Limited	5,76,06,274	5,76,06,274	5,76,06,274

#### Note (ii): Details of shareholders holding more than 5% shares in the Company





Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
<b>Reco Berry Private Limited</b>	5,76,06,274	63.92%	5,76,06,274	63.92%	5,76,06,274	63.92%

**Note (iii): Terms and rights attached to equity shares**

Equity shares have a par value of INR 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.

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

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

Particulars	31 March, 2018		31 March, 2017		1 April, 2016	
	No of Equity Shares	Lock in Period	No of Equity Shares	Lock in Period	No of Equity Shares	Lock in Period
Promoters	-	-	-	-	18,66,974	Upto February 28, 2017
Non Promoters	-	-	-	-	-	-
	-	-	-	-	18,66,974	

Note (iv): For the details of shares reserved for issue under the employee stock option (ESOP) plan of the Company (refer note 38).

**14. Reserves and Surplus**

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Securities premium reserve	12,540.16	12,537.14	12,528.38
Retained earnings	20,489.23	15,739.38	11,489.32
<b>Total</b>	<b>33,029.39</b>	<b>28,276.52</b>	<b>24,017.70</b>

**14 (i): Movement of Reserves****Securities Premium Reserves:**

Securities Premium Reserve is used to record premium on issue of shares. The reserve is utilised as per the provisions of the Companies Act, 2013.

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	12,537.14	12,528.38
Shares issued during the Year	3.02	8.76
<b>Closing balance</b>	<b>12,540.16</b>	<b>12,537.14</b>

**Retained earnings :**

Retained Earnings are the profits of the Company earned till date net of appropriations.



(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	15,739.38	11,489.32
Add: Net profit for the Year	5,569.02	5,108.04
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
Remeasurement of defined benefit obligations, net of tax	0.69	(44.75)
Impact of ESOP trust consolidation	(6.36)	0.27
Dividend paid (including dividend distribution tax)	(813.50)	(813.50)
<b>Closing balance</b>	<b>20,489.23</b>	<b>15,739.38</b>

**15. NON CURRENT BORROWINGS**

(INR in lakh)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>Secured</b>				
<b>Term loans</b>				
Loans from a financial institution	(a)	61,086.57	59,356.79	64,773.60
Less: Current maturities of long term debt (Included in note 16)		-	(7,956.71)	(6,716.80)
<b>Total</b>		<b>61,086.57</b>	<b>51,400.08</b>	<b>58,056.80</b>

**Note (a):** Loans from a financial institution

(INR in lakh)

Particulars	Date of Maturity	Balance No. of Instalments (Monthly)	Amount of each Instalment (including interest)
Loans from a financial institution :			
Loan 1			HDFC Limited has granted moratorium for repayment of principle amount with effect from May 16, 2017. As certified by the Management, the terms of repayments are yet to be finalized. For terms of repayment before May 16, 2017, refer the table (i) and (ii) below:-
Loan 2			
Loan 3			

Table (i)

Rate of floating interest rate at each reporting date :	
March 31, 2018	9.15% (CPLR-750 bps)
March 31, 2017	9.00% (CPLR-750 bps)
April 1, 2016	9.00% (CPLR-750 bps)



Table (ii)

Details	Loan 1 :	Loan 2 :	Loan 3 :
	Ph-0,1,2 & 3 amounting to INR 27,910.04 lakh	Ph-3 & 4 amounting to INR 21,846.76 lakh	Ph- 4 amounting to INR 9,600.00 lakh
Date of Maturity	Jun-21	May-24	*
Rate of Interest (floating) with effect from 1st April 2017	9%	9%	9%
Balance No. of Installments (Monthly)	51	86	*
Amount of each Installment (including interest) ₹ in lakh #	665.34	346.5	*

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

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

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

**Note (b):** The Company has not defaulted in the repayment of borrowings and interest as at each reporting date.

## 16. OTHER FINANCIAL LIABILITIES

Particulars	(INR in lakh)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-current</b>			
Security deposit received from Licensees	7,278.65	9,212.15	8,619.48
Other Payables	703.00	803.00	803.00
<b>Total</b>	<b>7,981.65</b>	10,015.15	9,422.48
<b>Current</b>			
Current maturities of long-term debt (Refer Note 15)	-	7,956.71	6,716.80
Interest accrued but not due on borrowings	247.69	272.90	275.23
Unpaid dividends (Refer Note a below)	67.91	51.88	32.69
Security deposit received from licensees	3,976.81	2,089.28	1,359.90
Other Accruals	123.58	219.70	93.97
Derivative liability / Forward contract	-	27.08	23.22
Payable to Employees	152.41	153.87	217.80
Creditors for capital goods	536.40	595.03	812.35
Other Payables	104.06	32.73	30.82
<b>Total</b>	<b>5,208.86</b>	11,399.18	9,562.78

Note : There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Company's Act 2013 as at the year end.



## NIRLON

### 17. PROVISIONS

(INR in lakh)

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<b>Provision for employee benefits</b>									
Provision for compensated absences (Refer Note 37)	14.38	-	14.38	13.91	-	13.91	31.79	-	31.79
Provision for gratuity (net) (Refer Note 37)	2.03	30.36	32.39	0.94	15.24	16.18	11.62	121.08	132.70
<b>Total</b>	<b>16.41</b>	<b>30.36</b>	<b>46.77</b>	<b>14.85</b>	<b>15.24</b>	<b>30.09</b>	<b>43.41</b>	<b>121.08</b>	<b>164.49</b>

### 18. DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary difference attributable to:

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Deferred Tax Liabilities on account of:</b>			
Timing Difference between book and tax depreciation	4,890.65	4,529.43	3,681.23
Lease Equalisation	2,198.37	2,475.25	2,625.53
Financial Liabilities measured at amortized cost	211.97	244.99	251.79
<b>Total</b>	<b>7,300.99</b>	<b>7,249.67</b>	<b>6,558.55</b>
<b>Deferred Tax Assets on account of:</b>			
Unabsorbed Depreciation #	-	-	(425.80)
Accrual for expenses allowable only on payment	(294.09)	(298.41)	(435.36)
<b>Total</b>	<b>(294.09)</b>	<b>(298.41)</b>	<b>(861.16)</b>
Net Deferred tax liabilities	7,006.90	6,951.26	5,697.39
Less: Minimum Alternate Tax (MAT) credit entitlement	3,190.02	3,988.17	3,658.78
	<b>3,816.88</b>	<b>2,963.09</b>	<b>2,038.61</b>

Note (a): Movements in deferred tax (assets)/liabilities

(INR in lakh)

Particulars	Timing Difference between book and tax depreciation	Lease Equalisation	Financial Liabilities measured at amortized cost	Unabsorbed Depreciation #	MAT	Accrual for expenses allowable only on payment	Total
<b>At April 01, 2016</b>	<b>3,681.23</b>	<b>2,625.53</b>	<b>251.79</b>	<b>(425.80)</b>	<b>(3,658.78)</b>	<b>(435.36)</b>	<b>2,038.61</b>
Charged /(Credited)							
- to profit or loss	848.20	(150.28)	(6.80)	425.80	(329.39)	160.64	948.17



(INR in lakh)

Particulars	Timing Difference between book and tax depreciation	Lease Equalisation	Financial Liabilities measured at amortized cost	Unabsorbed Depreciation #	MAT	Accrual for expenses allowable only on payment	Total
- to other comprehensive income	-	-	-	-	-	(23.69)	(23.69)
<b>At March 31, 2017</b>	<b>4,529.43</b>	<b>2,475.25</b>	<b>244.99</b>	<b>-</b>	<b>(3,988.17)</b>	<b>(298.41)</b>	<b>2,963.09</b>
Charged /(Credited)							
- to profit or loss	361.22	(276.88)	(33.02)	-	798.15	3.95	853.42
- to other comprehensive income	-	-	-	-	-	0.37	0.37
<b>At March 31, 2018</b>	<b>4,890.65</b>	<b>2,198.37</b>	<b>211.97</b>	<b>-</b>	<b>(3,190.02)</b>	<b>(294.09)</b>	<b>3,816.88</b>

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

Deferred Tax benefits are recognised on assets to the extent that it is probable that taxable profit can be available against which the deductible temporary differences will be utilised.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off the deferred tax assets and deferred tax liabilities and relate to income taxes levied by the same tax authority.

## 19. OTHER NON-CURRENT LIABILITIES

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred licence fees pending amortization	2,033.85	2,477.01	3,232.71
<b>Total</b>	<b>2,033.85</b>	<b>2,477.01</b>	<b>3,232.71</b>

## 20. CURRENT BORROWINGS

(INR in lakh)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured</b>				
<b>Loans repayable on demand</b>				
Buyer's credit from a Bank	(a)	-	1,487.70	1,521.91
<b>Total</b>		<b>-</b>	<b>1,487.70</b>	<b>1,521.91</b>

**Note (a):** The amount is secured by way of earmarking, facilities to this extent, (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.

**Note (b):** The Company has not defaulted in the repayment of borrowings and interest as at each reporting date.



## NIRLON

### 21. TRADE PAYABLES

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Trade payables	657.57	672.21	936.59
Trade payable to related party (Refer Note 36)	-	0.44	-
<b>Total</b>	<b>657.57</b>	<b>672.65</b>	<b>936.59</b>

**Note (a):** The Company's exposure to liquidity risks related to trade payable is disclosed in Note 40.

**Note (b):** The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('**MSMED Act**'). The disclosures pursuant to the said MSMED Act are as follows:

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	10.30	87.66
(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) Further interest remaining due and payable for earlier years	-	-

### 22. OTHER CURRENT LIABILITIES

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory dues payable	459.08	50.19	67.16
Advance received from Licensees	3.38	2.86	1.95
Deferred licence fees pending amortization	961.27	1,101.40	1,186.77
<b>Total</b>	<b>1,423.73</b>	<b>1,154.45</b>	<b>1,255.88</b>

### 23. REVENUE FROM OPERATIONS

The entity derives the following types of revenue:

(INR in lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Sale of Services</b>		
Licence fees	24,856.81	24,868.55
Common area maintenance charges	3,421.31	3,237.64
Other operating revenue	799.55	659.36
<b>Total</b>	<b>29,077.67</b>	<b>28,765.55</b>

**24. OTHER INCOME**

(INR in lakh)

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Interest Income from bank deposits	75.34	114.20
Interest on income tax refund	48.99	-
Interest income - others	10.10	0.63
Insurance claim received	-	0.08
Net gain on disposal of scrap	21.65	75.43
Foreign exchange gain (Net)	31.10	20.19
Miscellaneous receipts	7.26	28.14
Excess provision / liability no longer required written back (Net)	84.58	118.31
Mesne Profit (Note a)	-	133.50
<b>Total</b>	<b>279.02</b>	<b>490.48</b>

**Note (a):** Mesne profit received from Pfizer Ltd. under the consent terms filed before the Small Causes Court INR 163.70 lakh less expenses incurred thereon of INR 30.20 lakh.

**25. EMPLOYEE BENEFITS EXPENSE**

(INR in lakh)

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Salaries and bonus	366.89	347.96
Contributions to provident and other funds (Refer Note 37)	167.55	178.40
Gratuity (Refer Note 37)	17.27	8.25
Staff welfare expenses	19.84	35.66
<b>Total</b>	<b>571.55</b>	<b>570.27</b>

**26. FINANCE COSTS**

(INR in lakh)

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Interest expense on financial liabilities measured at amortized cost	5,271.40	6,400.09
Unwinding of discount on financial liabilities (Security deposits)	1,276.60	1,320.04
Interest on Income tax, Excise etc.	0.17	18.19
Other Borrowing Cost	7.37	57.52
<b>Total</b>	<b>6,555.54</b>	<b>7,795.84</b>

**27. DEPRECIATION AND AMORTISATION EXPENSE**

(INR in lakh)

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Depreciation of property, plant and equipment & investment property (Refer Note 2,3 & 44)	7,220.90	7,064.39
Amortisation of intangible assets (Refer Note 4)	0.60	1.14
<b>Total</b>	<b>7,221.50</b>	<b>7,065.53</b>



## NIRLON

### 28. PROPERTY MANAGEMENT EXPENSES

(INR in lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Repairs and Maintenance	826.92	741.81
Professional fees	499.02	475.17
Security expenses	515.64	549.84
House keeping expenses	321.80	326.54
Consumption of stores and spares	98.73	85.29
Miscellaneous Expenses	903.21	912.73
<b>Total</b>	<b>3,165.32</b>	<b>3,091.38</b>

### 29. OTHER EXPENSES

(INR in lakh)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Stores and spares consumed		-	0.93
Power, fuel and water charges (net of recoveries, March 31, 2018 - INR 2,777.86 lakh; March 31, 2017 - INR 3,183.19 lakh)		25.23	86.20
Rent (Refer Note 33 (b))		-	1.02
Insurance		97.20	97.22
Rates and Taxes		870.39	939.54
Directors' Sitting Fees		46.50	27.80
Legal and Professional expenses		404.15	443.35
Telephone expenses		3.27	4.63
Repairs and Maintenance		152.45	304.67
Travelling expenses		36.56	27.71
Amortization of Marketing fees (Refer Note 3)		306.56	270.14
Security expenses		93.08	24.23
Property Management & other services fees		759.35	378.08
Corporate Social Responsibility Expenditure	a	111.00	38.00
Loss on assets discarded (Net)		195.88	-
Payments to auditors	b	44.21	26.97
Miscellaneous Expenses		170.79	257.21
<b>Total</b>		<b>3,316.62</b>	<b>2,927.70</b>

**Note (a):** DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

(INR in lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Amount required to be spent as per Section 135 of the Act	111.00	35.58
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above #	111.00	38.00
<b>Total</b>	<b>111.00</b>	<b>38.00</b>

# Out of INR 38 lakh, INR 16.80 lakh is unspent by implementing agencies as on March 31, 2017.

**Notes (b):** Details of payments to auditors



**NIRLON**

(INR in lakh)

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Audit fee	19.00	7.00
For taxation matters	12.00	7.70
For other services	12.90	11.70
For reimbursement of expenses	0.31	0.57
<b>Total</b>	<b>44.21</b>	<b>26.97</b>

**30. INCOME TAX EXPENSE****(a) Income tax expense**

(INR in lakh)

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Current tax	2,115.57	1,749.38
Income tax adjustments of earlier years	(11.85)	(0.28)
<b>Total current tax expense</b>	<b>2,103.72</b>	<b>1,749.10</b>
Deferred tax	853.42	948.17
<b>Total deferred tax expense/(benefit)</b>	<b>853.42</b>	<b>948.17</b>
<b>Income tax expense</b>	<b>2,957.14</b>	<b>2,697.27</b>

**(b) Reconciliation of effective tax rate:**

(INR in lakh)

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Profit before income tax expense	8,526.16	7,805.31
<b>Enacted income tax rate in India applicable to the Company 34.608% (2016-2017 – 34.608%)</b>	<b>2,950.74</b>	<b>2,701.26</b>
<b>Tax effect of:</b>		
Unabsorbed depreciation on which deferred tax is not created	-	12.08
Permanent Disallowances	15.57	15.23
Tax effect of Exempt Income	-	(46.37)
Others	(9.16)	15.07
<b>Income tax expense</b>	<b>2,957.15</b>	<b>2,697.27</b>
<b>Effective tax rate for the Year</b>	<b>34.68%</b>	<b>34.56%</b>

**(c) 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.



## NIRLON

### 31. EARNINGS PER SHARE

#### Reconciliations of earnings used in calculating earnings per share

Particulars	March 31, 2018	March 31, 2017
<b>Profit attributable to the equity holders of the company (A)</b> (INR in lakh)	5,569.02	5,108.04
Weighted average number of shares for Basic EPS (B)	9,01,14,881	9,00,89,459
<b>Adjustments for calculation of Diluted EPS</b>		
Treasury shares held through ESOP trust (C)	-	5,544
<b>Weighted average number of shares for Diluted EPS (D= B+C)</b>	9,01,14,881	9,00,95,003
<b>(a) Basic EPS (A/B)</b>	<b>6.18</b>	<b>5.67</b>
<b>(b) Diluted EPS (A/D)</b>	<b>6.18</b>	<b>5.67</b>

### 32. CONTINGENT LIABILITIES

- Claims against the Company not acknowledged as debts INR 12.81 lakh (March 31, 2017: INR 12.81 lakh, April 1, 2016: INR 12.81 lakh).
- Contingent liabilities not provided for:

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Excise Duty	140.98	146.25	146.25
Service Tax	821.88	821.88	821.88
Income Tax	-	55.33	55.33
Value Added Tax	0.06	35.40	35.40

Future cash flow in respect of the above, if any, is determinable only on receipt of judgements / decisions pending with the relevant authorities.

### 33. COMMITMENTS

#### (a) Capital commitments

Capital expenditure (net of advances) contracted for at the end of the reporting period but not recognised as liabilities is as follows :

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment property	24,195.12	31,369.77	2,301.00

#### (b) Assets taken on leave and license :

The total amount of rental expense relating to operating leases recognised in the Statement of Profit and Loss during the year is Nil (March 31, 2017 : INR 1.02 lakh).(Refer Note 29)

### 34. DISCLOSURE ON SPECIFIED BANK NOTES

During the financial year ended March 31, 2017, the Company had specified bank notes and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017. Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 as per the notification are given below:



(INR in lakh)

Particulars	SBNs*	Other Denomination Notes	Total Amount
Closing cash in hand as on November 8, 2016	0.30	1.32	1.62
(+) Withdrawals from bank accounts	-	-	-
(+) Permitted receipts	-	6.34	6.34
(-) Permitted payments	(0.30)	(5.96)	(6.26)
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	1.70	1.70

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs INR number S.O. 3407(E), dated November 8, 2016.

**35. 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. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director of the Company. The Company operates only in one Business Segment i.e. the licencing of immovable property within India and hence, the Company does not have any reportable Segments 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. There are no major customers contributing to more than 10% of the total revenue.

**36. 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:**

<b>I. Ultimate Holding Company:</b>	GIC (Realty) Private Limited, Singapore
<b>II. Holding Company:</b>	Reco Berry Private Limited, Singapore
<b>III. Other Related Parties with whom transactions have taken place :</b>	
Entities in which Key Managerial Personnel (KMP) having significant influence:	Nirlon Management Services Private Limited, India
	Manisha Trading and Investments Private Limited, India
<b>IV. Key Managerial Personnel :</b>	
(i) Executive Director	Mr. Rahul V. Sagar
(ii) Non Executive & Non Independent Directors	Mr. Kunal V. Sagar
	Mrs. Rajani Manhar Bhagat
	Mr. Kunnasagaran Chinniah ( Director Nominated by Reco Berry Private Limited with effect from April 28, 2016)
(iii) Non-Executive & Independent Directors	Padma Bhushan Raza Moosa
	Mr. Rama Varma
	Mr. Arjan R. Gurbuxani
	Mr. Aruna Makhan
<b>V. Post Employment Benefit Funds:</b>	Nirlon Pension Trust



**NIRLON**

**B. Details of related party transactions:**

(INR in lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>I. Holding Company</b>		
i. Dividend paid	432.05	432.05
<b>II. Entities in which KMP's having significant influence:</b>		
(a) Nirlon Management Services Private Limited		
Licence fees income	91.09	45.55
Other Operating Revenue	384.68	175.50
Recovery of utility	10.26	4.34
Property Management fees & other services expenses	759.35	378.08
Marketing fees expenses	66.99	16.38
Project Management fees capitalized	1,500.00	862.50
Capital advance paid	-	690.00
Security deposit received	-	22.70
Sale of fixed assets	-	25.01
(b) Manisha Trading & Investments Private Limited		
Common Area Maintenance charges	2.11	0.80
<b>III. Key Managerial Personnel of the Company</b>		
(a) Executive Director- Rahul V. Sagar		
Remuneration	224.00	226.00
Contribution to Provident and Other Funds*	7.68	7.68
Dividend Paid	9.97	9.97
*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.		
(b) Non Executive Directors		
<u>Sitting Fees and Commission</u>		
Mr. Kunal V. Sagar	3.50	2.50
Mrs. Rajani Manhar Bhagat	3.00	1.60
Mr. Kunnasagaran Chinniah	2.50	1.30
Padma Bhushan Raza Moosa	10.00	5.60
Mr. Rama Varma	9.50	5.60
Mr. Arjan R. Gurbuxani	9.00	5.60
Mr. Aruna Makhan	9.00	5.60
Dividend paid		
Mr. Kunal V Sagar	9.97	9.97
Mrs. Rajani Manhar Bhagat	5.05	5.05
<b>IV. Post Employment Benefit Funds</b>		
Pension	147.34	154.27

**C. Outstanding balances of related party:**

(INR in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>i) Nirlon Management Services Private Limited</b>		
Capital Advance (Receivable)	690.00	690.00
Other receivable (included in Note 6)	128.00	64.00
Trade Payable	37.73	-
Security Deposit (Payable)	22.70	22.70
<b>ii) Manisha Trading &amp; Investments Private Limited</b>		
Trade Receivable	0.03	-
Trade Payable	-	0.44
<b>iii) Remuneration payable to KMP</b>		
Rahul Sagar	128.00	64.00
<b>iv) Post Employment Benefit Funds</b>		
Pension Payable	24.05	25.11

**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. 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 that applied to other shareholders.

**37: Employee Benefits****I) Defined contribution plans**

The expense recognised during the period towards defined contribution plan -

(INR in lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Employer's Contribution to Provident Fund	19.76	22.17
Employer's Contribution to ESIC	-	0.28
Employer's Contribution to Pension Fund	147.79	155.95
<b>Total</b>	<b>167.55</b>	<b>178.40</b>

**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	(INR in lakh)
<b>As at April 01, 2016</b>	<b>132.70</b>
Current service cost	5.54
Past Service Cost	-
Interest expense/(income)	2.71
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>8.25</b>
<b>Remeasurements</b>	
Gain from change in financial assumptions	1.05
Experience gain	67.39
<b>Total amount recognised in other comprehensive income</b>	<b>68.44</b>
Benefit payments	(193.21)
<b>As at March 31, 2017</b>	<b>16.18</b>

Particulars	(INR in lakh)
<b>As at April 01, 2017</b>	<b>16.18</b>
Current service cost	-
Past Service Cost	16.19
Interest expense	1.08
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>17.27</b>
<b>Remeasurements</b>	
loss from change in financial assumptions	(1.60)
Experience gain	0.54
<b>Total amount recognised in other comprehensive income</b>	<b>(1.06)</b>
Benefit payments	-
<b>As at March 31, 2018</b>	<b>32.39</b>

The net liability disclosed above relates to gratuity are as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fair value of plan assets	-	-	-
Present value of obligations	32.39	16.18	132.70
<b>(Deficit) of gratuity plan</b>	<b>(32.39)</b>	<b>(16.18)</b>	<b>(132.70)</b>

**Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Attrition Rate (Past Service (PS))	PS: 0 to 5 - 5% PS: 5 to 42 - 1.5%	PS: 0 to 5 - 5% PS: 5 to 42 - 1.5%	PS: 0 to 5 - 5% PS: 5 to 42 - 1.5%
Discount rate	7.33%	6.69%	7.51%
Salary growth rate	8.00%	8.00%	7.50%

**Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(INR in lakh)

Particulars	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount rate	1%	1%	30.08	14.90	34.92	17.59
Salary growth rate	1%	1%	32.37	16.17	32.37	16.17

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 as 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.
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.



## NIRLON

### Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2019 are Nil.

The weighted average duration of the defined benefit obligation is 8.55 years (2017 – 9.45 years, 2016 - 9.06 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Between 6-10 years	Total
<b>March 31, 2018</b>					
Defined benefit obligation (gratuity)	2.01	2.06	25.49	10.21	39.77
<b>March 31, 2017</b>					
Defined benefit obligation (gratuity)	0.93	1.00	3.17	15.37	20.47
<b>April 01, 2016</b>					
Defined benefit obligation (gratuity)	11.62	13.47	42.52	104.24	171.85

### III) Other Employee Benefit

The liability for Compensated Absences as at the year end is INR. 14.38 lakh (March 31, 2017- INR 13.91 lakh, April 1, 2016- INR 31.79 lakh).

## 38. ESOP

### Share Issued to Nirlon Employees Stock Option Trust

In accordance with Nirlon ESOP 2012, during the financial year 2013-14 the Company had issued 7,17,656 shares of INR 10/- each at a premium of INR 31.30 per share to Nirlon Employees Stock Option Trust. As on March 31, 2017 : 7,08,000 (March 31, 2016; 6,80,000) options have been exercised equal to 7,08,000 number of shares.

### Nirlon ESOP Plan 2012

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

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

Accordingly all the options granted have been already vested. Further, the Board of Directors vide their circular Resolution dated October 8, 2016 extended the exercise period for all the options granted upto September 30, 2017.

Details regarding the number of stock options are as follows :

Particulars	March 31, 2018	March 31, 2017
i) Outstanding options at beginning of the period	7,000	35,000
ii) Granted during the Year	-	-
iii) Forfeited during the period	-	-
iv) Exercised during the period	7,000	28,000
v) Expired during the period	-	-
vi) Outstanding at the end of the period	-	7,000
vii) Exercisable, Vested at the end of the period	-	7,000





The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2018 was INR 201.93 (March 31, 2017 : INR 192.82).

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

Share options outstanding at the end of the year have the following expiry dates and exercise prices

Grant Year	Expiry year	Exercise Price (Range)	March 31, 2018	March 31, 2017	April 1, 2016
			No. of option	No. of option	No. of option
2013-14	2017-18	41.30	-	7,000	35,000
Total			-	7,000	35,000
Weighted average remaining contractual life of options outstanding at end of year			-	6 months	6 months

#### Fair Value of options granted

The fair value at the grant date of options exercised during the year ended March 31, 2018 was INR 24 per option (March 31, 2017 : INR 24 per option). The fair value at grant date is determined using the Black-Scholes Model which takes into account the exercise price, expected volatility, option's life, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

#### Expenses Arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense were as follows:

Particulars	(INR in lakh)	
	March 31, 2018	March 31, 2017
Employee share based payment expense	Nil	Nil

### 39. 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.

Financial Assets and Liabilities as at March 31, 2018	Carrying value			Routed through Profit and Loss				Carried at amortised cost			
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>											
Loans	219.08	-	219.08	-	-	-	-	-	-	219.08	219.08
Trade receivable	-	256.60	256.60	-	-	-	-	-	-	256.60	256.60
Cash and Cash equivalents	-	3,711.64	3,711.64	-	-	-	-	-	-	3,711.64	3,711.64
Other Bank Balance	-	67.91	67.91	-	-	-	-	-	-	67.91	67.91
Other Financial Assets	51.89	200.47	252.36	-	-	-	-	-	-	252.36	252.36
<b>Total</b>	<b>270.97</b>	<b>4,236.62</b>	<b>4,507.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,507.59</b>	<b>4,507.59</b>
<b>Financial Liabilities</b>											



(INR in lakh)

Financial Assets and Liabilities as at March 31, 2018	Carrying value			Routed through Profit and Loss				Carried at amortised cost			
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Borrowings (Including current maturities of long term debt)	61,086.57	-	61,086.57	-	-	-	-	-	-	61,086.57
Trade Payables	-	657.57	657.57	-	-	-	-	-	-	657.57	657.57
Security Deposit received	7,278.65	3,976.81	11,255.46	-	-	-	-	-	-	11,255.46	11,255.46
Derivative Liability (Forward contract)	-	-	-	-	-	-	-	-	-	-	-
Other Financial Liabilities	703.00	1,232.05	1,935.05	-	-	-	-	-	-	1,935.05	1,935.05
<b>Total</b>	<b>69,068.22</b>	<b>5,866.43</b>	<b>74,934.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,934.65</b>	<b>74,934.65</b>

(INR in lakh)

Financial Assets and Liabilities as at March 31, 2017	Carrying value			Routed through Profit and Loss				Carried at amortised cost			
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	<b>Financial Assets</b>										
Loans	218.63	-	218.63	-	-	-	-	-	-	218.63	218.63
Trade receivable	-	384.21	384.21	-	-	-	-	-	-	384.21	384.21
Cash and Cash equivalents	-	1,662.89	1,662.89	-	-	-	-	-	-	1,662.89	1,662.89
Other Bank Balance	-	73.95	73.95	-	-	-	-	-	-	73.95	73.95
Other Financial Assets	14.82	103.50	118.32	-	-	-	-	-	-	118.32	118.32
<b>Total</b>	<b>233.45</b>	<b>2,224.55</b>	<b>2,458.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,458.00</b>	<b>2,458.00</b>
<b>Financial Liabilities</b>											
Borrowings (Including current maturities of long term debt)	51,400.08	9,444.41	60,844.49	-	-	-	-	-	-	60,844.49	60,844.49
Trade Payables	-	672.65	672.65	-	-	-	-	-	-	672.65	672.65
Security Deposit received	9,212.15	2,089.28	11,301.43	-	-	-	-	-	-	11,301.43	11,301.43
Derivative Liability (Forward contract)	-	27.08	27.08	-	27.08	-	27.08	-	-	-	-
Other Financial Liabilities	803.00	1,326.11	2,129.11	-	-	-	-	-	-	2,129.11	2,129.11
<b>Total</b>	<b>61,415.23</b>	<b>13,559.53</b>	<b>74,974.76</b>	<b>-</b>	<b>27.08</b>	<b>-</b>	<b>27.08</b>	<b>-</b>	<b>-</b>	<b>74,947.68</b>	<b>74,947.68</b>



Financial Assets and Liabilities as at April 1, 2016	Carrying value			Routed through Profit and Loss				Carried at amortised cost			
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>											
Loans	224.75	-	224.75	-	-	-	-	-	-	224.75	224.75
Trade receivable		409.98	409.98	-	-	-	-	-	-	409.98	409.98
Cash and Cash equivalents	-	304.58	304.58	-	-	-	-	-	-	304.58	304.58
Other Bank Balance	-	52.80	52.80	-	-	-	-	-	-	52.80	52.80
Other Financial Assets	-	14.77	14.77	-	-	-	-	-	-	14.77	14.77
<b>Total</b>	<b>224.75</b>	<b>782.13</b>	<b>1,006.88</b>	-	-	-	-	-	-	<b>1,006.88</b>	<b>1,006.88</b>
<b>Financial Liabilities</b>											
Borrowings (Including current maturities of long term debt)	58,056.80	8,238.71	66,295.51	-	-	-	-	-	-	66,295.51	66,295.51
Trade Payables	-	936.59	936.59	-	-	-	-	-	-	936.59	936.59
Security Deposit received	8,619.48	1,359.90	9,979.38	-	-	-	-	-	-	9,979.38	9,979.38
Derivative Liability (Forward contract)	-	23.22	23.22	-	23.22	-	23.22	-	-	-	-
Other Financial Liabilities	803.00	1,462.86	2,265.86	-	-	-	-	-	-	2,265.86	2,265.86
<b>Total</b>	<b>67,479.28</b>	<b>12,021.28</b>	<b>79,500.56</b>	-	<b>23.22</b>	-	<b>23.22</b>	-	-	<b>79,477.34</b>	<b>79,477.34</b>

### 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, 2017 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.

#### **40. 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 almost negligible for the company as the company keeps 3 to 12 months rental as deposit from the occupants.

Therefore no impairment is observed on the carrying value of trade receivable.

##### **ii. Cash and bank balances**

The Company held cash and cash equivalent and other bank balance of INR 3,779.55 lakh at March 31, 2018 (March 31, 2017: INR 1736.84 lakh; April 1, 2016: INR 357.38 lakh). The same are held with bank 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. Derivatives**

The forward cover has been entered into with banks and financial institution counterparties with good credit rating.

##### **iv. Others**

Other than trade receivables reported above, the Company has no other financial assets which carries any significant credit risk.

##### **(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) Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

(INR in lakh)				
<b>Contractual maturities of financial liabilities March 31, 2018</b>	<b>1 year or less</b>	<b>1-2 years</b>	<b>More than 2 years</b>	<b>Total</b>
<b>Non-derivatives</b>				
				-
Long term borrowings	-	-	61,086.57	61,086.57
Working capital facility and Short term loans and borrowings	-	-	-	-
Trade payables	657.57	-	-	657.57
Other financial liabilities	5,208.86	-	7,981.65	13,190.51
<b>Total non-derivative liabilities</b>	<b>5,866.43</b>	<b>-</b>	<b>69,068.22</b>	<b>74,934.65</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward contracts	-	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(INR in lakh)				
<b>Contractual maturities of financial liabilities March 31, 2017</b>	<b>1 year or less</b>	<b>1-2 years</b>	<b>More than 2 years</b>	<b>Total</b>
<b>Non-derivatives</b>				
				-
Long term borrowings	7,956.71	8,734.56	42,665.52	59,356.79
Working capital facility and Short term loans and borrowings	1,487.70	-	-	1,487.70
Trade payables	672.65	-	-	672.65
Other financial liabilities	3,415.39	1,955.21	8,059.94	13,430.54
<b>Total non-derivative liabilities</b>	<b>13,532.45</b>	<b>10,689.77</b>	<b>50,725.46</b>	<b>74,947.68</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward contracts	27.08	-	-	27.08
<b>Total derivative liabilities</b>	<b>27.08</b>	<b>-</b>	<b>-</b>	<b>27.08</b>

(INR in lakh)				
<b>Contractual maturities of financial liabilities April 1, 2016</b>	<b>1 year or less</b>	<b>1-2 years</b>	<b>More than 2 years</b>	<b>Total</b>
<b>Non-derivatives</b>				
Long term borrowings	6,716.80	7,956.71	50,100.09	64,773.60
Working capital facility and Short term loans and borrowings	1,521.91	-	-	1,521.91
Trade payables	936.59	-	-	936.59
Other financial liabilities	2,822.76	-	9,422.48	12,245.24
<b>Total non-derivative liabilities</b>	<b>11,998.06</b>	<b>7,956.71</b>	<b>59,522.57</b>	<b>79,477.34</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward contracts	23.22	-	-	23.22
<b>Total derivative liabilities</b>	<b>23.22</b>	<b>-</b>	<b>-</b>	<b>23.22</b>



**(ii) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(INR in lakh)

<b>Contractual maturities of financial liabilities March 31, 2018</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 1, 2016</b>
Expiring beyond one year (loan from HDFC Limited)	9,912.81	11,425.11	12,690.90

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

**(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 INR 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 expressed in INR, are as follows -

(INR in lakh)

<b>Particulars</b>	<b>Currency</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 1, 2016</b>
<b>Financial liabilities</b>				
Buyer's Credit	USD	-	1,516.23	1,548.67
Capital Goods	USD	-	61.20	60.94
<b>Gross Exposure in USD</b>		-	1,577.43	1,609.61
Less: Exposure hedged using derivatives (Forward contract)		-	531.17	540.82
<b>Net Exposure in USD</b>		-	1,046.26	1,068.79

**Sensitivity:**

A change of 5% in Foreign currency would have following Impact on profit after tax -

(INR in lakh)

<b>Particulars</b>	<b>2017-18</b>		<b>2016-17</b>	
	<b>5 % Increase</b>	<b>5 % Decrease</b>	<b>5 % Increase</b>	<b>5 % Decrease</b>
USD	-	-	34.21	-34.21

**(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:

(INR in lakh)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate borrowings	61,086.57	59,356.78	64,773.60
Fixed rate borrowings	-	1,487.70	1,521.91
<b>Total borrowings</b>	<b>61,086.57</b>	<b>60,844.48</b>	<b>66,295.51</b>

#### Sensitivity:

A change of 100 basis points in interest rates would have following Impact on profit after tax -

(INR in lakh)		
	March 31, 2018	March 31, 2017
Interest rates – increase by 100 basis points *	(399.46)	(388.15)
Interest rates – decrease by 100 basis points *	399.46	388.15

\* Holding all other variables constant

## 41. 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, 2018, March 31, 2017 and as at April 1, 2016.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. 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 at March 31, 2018 is as follows.

(INR in lakh)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Borrowings</b>			
Long term and Short term borrowings	61,086.57	52,887.78	59,578.71
Current maturities of Long term borrowings	-	7,956.71	6,716.80
Less: cash and cash equivalents	(3,711.64)	(1,662.89)	(304.58)
<b>Adjusted net debt</b>	<b>57,374.93</b>	<b>59,181.60</b>	<b>65,990.93</b>
Total Equity	42,041.20	37,287.36	33,025.73
Adjusted net equity	42,041.20	37,287.36	33,025.73
<b>Adjusted net debt to adjusted equity ratio</b>	<b>1.19</b>	<b>1.42</b>	<b>1.86</b>



**b. Dividends**

(INR in lakh)

Particulars	March 31, 2018	March 31, 2017
<b>Dividend declared and paid during the year:</b>		
Final Dividend paid for the year ended March 31, 2017 INR 0.75/- (March 31, 2016: INR 0.75/-)per share	675.88	675.88
Dividend Distribution Tax on Final Dividend	137.62	137.62
	<b>813.50</b>	<b>813.50</b>
<b>Proposed Dividends on equity shares not recognised at the end of the reporting period:</b>		
Final Dividend for the year ended March 31, 2018 INR 0.75/- (March 31, 2017: INR 0.75/-) per share #	675.88	675.88
Dividend Distribution Tax on Final Dividend	137.62	137.62
	<b>813.50</b>	<b>813.50</b>

# This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

**42. FIRST TIME ADOPTION OF IND AS**

These are the Company's first Financial Statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the Financial Statements for the Year ended March 31, 2018, the comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**i. Deemed cost**

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in Financial Statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

For investment property, Ind AS 101 gives the option either to carry the previous GAAP carrying value or apply the provisions of Ind AS 40 retrospectively.

The Company has opted to consider the previous GAAP carrying value of property, plant and equipments and intangible assets as deemed cost as at the transition date.

In case of investment property, the Company has opted to apply Ind AS 40 retrospectively as at the transition date.

**ii. Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.



**iii. Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**iv. Derecognition of financial assets and liabilities**

The Company has applied the derecognition requirement of financial assets and financial liabilities prospectively for transaction occurring on or after the transition date.

**B. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**i. Reconciliation of total equity as at March 31, 2017 and April 1, 2016**

(INR in lakh)

Particulars	Note	March 31, 2017	April 1, 2016
<b>Total equity (shareholder's funds) as per previous GAAP</b>		1,50,486.55	1,45,574.84
<b>Adjustments:</b>			
Lease equalization for operating lease	1	7,152.27	7,586.49
Proposed Dividend	2		813.50
Effect of fair value of security deposits	3	(4,478.31)	(3,158.27)
Effect of amortisation of advance rent	3	5,186.21	3,885.83
Amortisation of Marketing fees	6	486.60	358.33
Revaluation reserve adjusted consequent to application of Ind AS 40 retrospectively	9	(1,17,537.11)	(1,17,537.11)
Impact of application of Ind AS 40 retrospectively, other than mentioned above (net)	10	(1,392.01)	(1,442.45)
Other Ind AS adjustments	4 & 5	(26.69)	(38.04)
Impact of deferred taxes in respect of Ind AS adjustments	7	(2,878.55)	(2,492.28)
<b>Sub total</b>		<b>(1,13,487.59)</b>	<b>(1,12,024.00)</b>
Others	11	813.50	-
Other payables (net of tax)	11	(525.10)	(525.10)
<b>Total Equity under Ind AS</b>		<b>37,287.36</b>	<b>33,025.74</b>

**ii. Reconciliation of total comprehensive income for the year ended March 31, 2017**

(INR in lakh)

Particulars	Note	March 31, 2017
<b>Profit after tax as per previous GAAP</b>		5,725.21
<b>Adjustments:</b>		
Lease equalization for operating lease	1	(434.22)
Effect of fair value of security deposits	3	(1,320.04)
Effect of amortisation of advance rent	3	1,300.38
Amortisation of Marketing fees	6	128.27
Remeasurement of defined benefit plan	8	68.44
Impact of deferred taxes in respect of Ind AS adjustments	7	(409.95)
Others	4, 5 & 10	49.95
<b>Profit after tax as per Ind AS</b>		<b>5,108.04</b>
<b>Other comprehensive income</b>	<b>8</b>	<b>(44.75)</b>
<b>Total comprehensive income as per Ind AS</b>		<b>5,063.29</b>



## iii. Effects of IND AS adoption on Cash Flows for year ended 31 March 2017

(INR in lakh)

Particulars	Notes	IGAAP	Ind AS Adjustments	Ind AS
Net cash flow from operating activities		20,292.01	1,432.26	21,724.27
Net cash flow from investing activities		(6,221.30)	(112.99)	(6,334.29)
Net cash flow from financing activities		(12,692.34)	(1,339.33)	(14,031.67)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,378.37</b>	<b>(20.06)</b>	<b>1,358.31</b>
Cash and cash equivalents as on 01 April 2016		351.35	(46.77)	304.58
<b>Cash and cash equivalents as on 31 March 2017</b>		<b>1,729.72</b>	<b>(66.83)</b>	<b>1,662.89</b>

**Notes:****1. Lease straight lining**

Under previous GAAP, operating lease rentals were straight lined over the lease period. Under Ind AS, if the payments by the lessee are not in line with expected general inflation to compensate for the lessor's expected inflationary cost, then in such a case lease reserve should be booked. Consequent to this change, the amount of retained earnings has been increased. Also under Ind AS, rent free period is straight-lined over the lease term as the same is considered as incentive.

**2. Proposed Dividend**

Under previous GAAP till March 31, 2016, dividends proposed by the board of directors after balance sheet date but before the approval of the Financial Statements were considered as adjusting events. However under IND AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly the liability for proposed dividend recognized as on transition date has been reversed with corresponding adjustment to opening retained earnings.

**3. Security Deposits**

Under the previous Indian GAAP, the interest free security deposits received were carried at nominal amount. Under Ind AS, lease / Security deposits received, are measured at fair value on initial recognition.

Unwinding of discount is treated as interest expense and is accrued as per the effective interest rate method. 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.

**4. Look through approach for employee welfare trust**

Employee welfare trust, financed through interest free loan by the Company and warehousing the shares which have not vested yet, for distribution to employees of the Company, has been consolidated on line by line basis by reducing from equity share capital of the Company the face value of such treasury shares held by the trust and adjusting the difference, if any, into retained earnings.

**5. Derivative Contracts**

Under previous GAAP, premium/discount on forward exchange contracts are amortised over the period of the contracts. Under Ind AS, forward contracts are to be recognised at fair value and the changes are recognised in the Statement of Profit and Loss.

**6. Initial Direct cost incurred by lessor in case of operating leases**

Under the previous Indian GAAP, initial direct cost is amortized over the lock in period and presented as other non current asset & other current asset.

Initial direct costs incurred by lessors in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. Accordingly this has been added to the carrying amount of investment property.

**7. Deferred tax**

Retained Earnings and Statement of Profit and Loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable. Under Ind AS, MAT credit is also presented with deferred tax.

**8. Other comprehensive income**

Under previous GAAP, actuarial gains and losses on employees defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.

**9. Investment property**

Under the previous GAAP, investment properties were presented as part of property, plant and equipment. Freehold land was carried at revalued amount.

Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. Revaluation reserve created in respect of freehold land is adjusted with the said asset, consequent to application of Ind AS 40 retrospectively.

**10. Capital Work in Progress**

Income from Scrap sale of demolished building during the year 2016-17 is recognised in Statement of profit or loss. Capital work in progress principally is investment property construction in progress. Since Ind AS 40 is applied retrospectively, cost that are not eligible for capitalization are charged to retained earnings as at the transition date.

**11. Others**

Others comprise of (i) Dividend proposed by Board of Directors subsequent to April 1, 2016 and recognised under previous GAAP now reversed; and (ii) Recognition of liability at fair value (net of tax) which under previous GAAP was recognised as and when incurred.

- 43.** There are no financial instruments which are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at each reporting date.
- 44.** On the basis of technical evaluation done by the management's expert during the year, the Company has revised the estimated useful life of certain property, plant and equipment and investment properties consequent to which, the depreciation charge for the year is higher by ₹ 1,076.71 lakh with corresponding impact on the Profit for the Year.



**NIRLON**

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**NIRLON**

**August 10, 2018**



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

**Security Code: - 500307**

**Dear Sirs,**

**Sub:** Amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to mandatory dematerialization for transfer of securities

**Ref:** BSE Ltd.'s Circular bearing reference - LIST/COMP/15/2018-19 dated July 5, 2018

With reference to the subject, the Company will be holding its 59<sup>th</sup> Annual General Meeting on Wednesday, September 26, 2018.

The Company will be sending to its all Members the following letters along with 59<sup>th</sup> Annual Report for the Financial Year 2017-18:

1. Letter from Share Transfer Agent w.r.t. updating the necessary KYC details of Registered and / or Joint holders with **Note** ; and
2. BSE Circular alongwith with the Guidance note on Demat.

Thanking you,

Yours faithfully,

**For Nirlon Limited**

Jasmin K. Bhavsar



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

**Encl: a/a**



C 101 - 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai 400 083.

CIN: U67190MH1999PTC118368

Tel: 022-49186270 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**LINK** Intime

Subject: **Updating the necessary KYC details of Registered and/or Joint holders**

Dear Sir/Madam,

We refer to the SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, in which SEBI has directed all the listed Companies to record the PAN and BANK ACCOUNT details of all their shareholders holding shares in physical mode through their RTA. Accordingly, your Company, Nirlon Limited has initiated steps for registering the PAN details of all the shareholders (including joint holders, if any) and the BANK ACCOUNT details of the registered shareholder.

We would like to register other KYC details such as email id, mobile number, specimen signature and nomination. Your present status of each requirement is provided in KYC form. In this context, we request you to kindly fill in the details as mentioned in KYC form and forward the same along with all the supporting documents based on requirements considering the below mentioned points.

- A. For updating PAN of the registered and/or joint shareholders**
  - Self-attested legible copy of PAN card (exempted for Sikkim Shareholders)
- B. For updating Bank Account details of the registered shareholder**
  - 1. In cases wherein the original cancelled cheque leaf has the shareholder's name printed**
    - For address proof: Self-attested legible copy of Aadhar/passport/utility bill (not older than 3 months)
    - Original cancelled cheque leaf containing the Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code and the name of the shareholder printed on the cheque leaf.

OR

  - 2. In cases wherein the cancelled cheque leaf does NOT contain the shareholder's name printed on it**
    - For address proof: Self-attested legible copy of Aadhar/passport/utility bill (not older than 3 months)
    - Original cancelled cheque leaf containing the details, Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code.
    - Legible copy of the bank passbook / bank statement specifying the KYC details of the registered shareholder such as the name, address, bank account number etc. duly attested by the officer of the same bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.
- C. For updating the Specimen signature of the registered and/or joint shareholders**
  - Affidavit duly notarised on non-judicial stamp paper of Rs. 100/-
  - Banker's verification (format available on [www.linkintime.co.in](http://www.linkintime.co.in) under Resources-Download-General-Change of Signature)
  - Original cancelled cheque containing the details, Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code and the name of the shareholder printed on the cheque leaf.
  - Legible copy of the bank passbook / bank statement specifying the KYC details of the registered shareholder such as the name, address, bank account number etc. duly attested by the officer of the same Bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation. (if the cancelled cheque leaf does not contain shareholder name)
- D. For registering Email id:** Email-id of the registered shareholder for all future communication in electronic mode (Go Green Initiative)
- E. For registering Mobile No.:** Mobile no. of registered shareholder for future direct communication
- F. For registering Nominee:** You are requested to register the Nomination (Form SH-13) to your folio. Nomination form is available on our website at [www.linkintime.co.in](http://www.linkintime.co.in) under Resources-Downloads-General- Nomination.

We request you to kindly forward duly filled in KYC form along with copies of supporting documents for all the "Required" remarks within 21 days from the date of this letter. Single copy of supporting document is sufficient for updating multiple subjects.

In the absence of response, enhanced due diligence will be applicable. Inclined to serve you with the best of our services!!

Yours faithfully,  
For Link Intime India Pvt. Ltd.  
Sd/-  
Authorised Signatory

This is a computer generated letter and hence no signature required

**Note:** SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8 June, 2018 & BSE circular no. LIST/COMP/15/2018-19 dated 05 July, 2018 have stated that requests for affecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed after 5-December 2018, unless the securities are held in the dematerialized form with the depositories. Hence you are requested to dematerialize your physical securities. (The above mentioned circulars are available on our website)



NIRLON

LIST/COMP/15/2018-19

July 05, 2018

To  
All the Listed Companies,

Dear Sir / Madam,

Subject: **Amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to mandatory dematerialization for transfer of securities**

The amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only.

**Accordingly, Listed Companies and their Registrars and Transfer Agents (RTAs) are hereby advised that, with effect from December 5, 2018, it should be ensured that shares which are lodged for transfer shall be in dematerialized form only.**

In order to implement the aforementioned Amendment in the Regulation and as advised by SEBI, all the Listed Companies are hereby directed to carry out the following actions:

- 1) To take special efforts through their RTAs to send letter under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f December 5, 2018.
- 2) RTAs may also be advised to send two reminders, preferably at a gap of 30 days, to such shareholders who continue to hold their shares in physical form, advising them to get the same dematerialized
- 3) Listed Companies shall prominently place information on their website intimating the investors about the proposed change and provide appropriate guidance on how to dematerialize their shares.
- 4) Listed companies should ensure that the signature cards of all the holders of physical securities are handed over to its RTA at the earliest.

All listed companies are requested to take note of above and comply accordingly. Companies may also report compliance with these requirements by end September 2018 to the Exchange, in a specified format that will be sent out shortly.

Abhijit Pai  
Dy. Gen. Manager  
Listing Compliance

Shyam Bhagirath  
Associate Manager  
Listing Compliance



**MOST IMPORTANT NOTICE TO MEMBERS OF NIRLON LIMITED  
WHO ARE HOLDING SECURITIES IN PHYSICAL FORM**

**I. Background & Regulation 40 of SEBI, LODR, 2015**

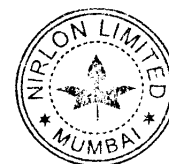
- a. BSE Ltd. has issued a Circular to Listed Companies on July 05, 2018 informing about amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only.
- b. **Gist of the BSE Circular w.r.t. the amendment to Regulation 40 of SEBI, LODR, 2015 to all listed company**

The amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only.

**Accordingly, Listed Companies and their Registrars and Transfer Agents (RTAs) are hereby advised that, with effect from December 5, 2018, it should be ensured that shares which are lodged for transfer shall be in dematerialized form only.**

In order to implement the aforementioned Amendment in the Regulation and as advised by SEBI, the Company is in process to carry out the following actions:

1. Sending letter through our Share Transfer Agent (**STA**), Link Intime India Pvt. Ltd. , under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form **w.e.f. December 5, 2018.**
2. STA will send two reminders, preferably at a gap of 30 days, to such shareholders who continue to hold their shares in physical form, advising them to get the same dematerialized.
3. We are prominently place information on our website intimating the investors about the proposed change, and also guidance on how to dematerialize their shares.





## II. Demat Familiarisation & Concepts

- a. **Dematerialization** in short called as '**demat**' is the process by which an investor can get **physical certificates** converted into **electronic form** maintained in an account with the **Depository Participant**.
- b. **Depository**: The organization responsible to maintain investor's securities in the electronic form is called the depository. In other words, a depository can therefore be conceived of as a "Bank" for securities. In India there are two such organizations viz. NSDL and CDSL. The depository concept is similar to the Banking system with the exception that banks handle funds whereas a depository handles securities of the investors. An investor wishing to utilize the services offered by a depository has to open an account with the depository through a Depository Participant.
- c. **Depository Participant**: The market intermediary through whom the depository services can be availed by the investors is called a Depository Participant (DP). As per SEBI regulations, DP could be organizations involved in the business of providing financial services like banks, brokers, custodians and financial institutions. This system of using the existing distribution channel (mainly constituting DPs) helps the depository to reach a wide cross section of investors spread across a large geographical area at a minimum cost. The admission of the DPs involve a detailed evaluation by the depository of their capability to meet with the strict service standards and a further evaluation and approval from SEBI. Realizing the potential, all the custodians in India and a number of banks, financial institutions and major brokers have already joined as DPs to provide services in a number of cities.

## III. Important points on Demat

1. Is dematerialization of securities compulsory? According to the Depositories Act, 1996, an investor has the option to hold securities either in physical or electronic form in a Listed Company. Part of holding can be in physical form and part in demat form.

However, SEBI has notified that settlement of market trades in listed securities should take place only in the demat mode.







2. The investors can dematerialize only those share certificates that are already registered in their name and belong to the list of securities admitted for dematerialization at the depositories.
3. Following steps are involved in dematerialization of physical securities:
  - a. Beneficiary Account (BO) to open a demat account with a Depository Participant (DP), if not opened/ existing.
  - b. BO Fill in a Demat Request Form (DRF) and submit the same with the physical Certificate/s to the DP for dematerialization.
  - c. For each ISIN, a separate DRF has to be used.
  - d. If the BO has free as well as lock-in shares of the same ISIN, separate demat request has to be setup for free shares and lock-in shares.
  - e. DP to verify that the DRF has been filled correctly.
  - f. DP to Setup a demat request on the CDSL system.
  - g. DP to deface and mutilate the physical certificates and Send the certificates to the Issuer/Share transfer Agent (STA).
  - h. Issuer/STA verifies genuineness of the certificates and confirms the demat request.
  - i. On receiving confirmation from Issuer/STA, /NSDL / CDSL credits an equivalent number of securities in the demat account of the BO maintained with NSDL/ CDSL.
- Approach the depository participant, and fill up a demat account opening form. You have to sign an agreement with the depository participant. Submit proof of identity such as PAN card and an identity proof/address proof, such as Passport copy. (Your demat account, should be in the same name as the ownership in physical form).
- Once your demat account is opened, your shares can be demated, by filling a Dematerialisation Request Form (DRF). You then submit/surrender the certificates of the shares which you want dematerialized, along with the dematerialisation Request Form (DRF), to the depository participant.
- The depository participant then sends a request, through an electronic system, to the Registrar and Transfer agent. (R&T agents maintain your /investor's records, for convenience).





- The electronic system generates a Dematerialisation Request Number (DRN). This DRN number, is entered on the Dematerialisation Request Form (DRF) and is sent along with physical documents (identity and address proof / share certificates), to the Registrar and Transfer agent, along with a standard covering letter.
- Your share certificates are received by the Registrar and Transfer agent. These share certificates will be mutilated and the words “Surrendered for Dematerialisation”, will be written on it.
- The Registrar and Transfer agent will verify the physical documents, along with the details in the covering letter and the Dematerialisation Request Form.
- The Company where you own shares, has your name in the Register of Members (RoM), of the Company. Your name is replaced by the depository’s name in the Register of Members (RoM), of the Company, to the extent of shares, which have been dematerialized.
- Once the Register of Members (RoM), of the Company where you have shares, has been amended, a confirmation is sent to the depository.
- Your demat account with the depository participant (DP), is credited with the dematerialized shares.
- It is not possible to add any name while dematerialization of a share certificate. If the shares held in single name are intended to be held in any joint account, they have to be transferred to such names before they are dematerialized. Alternatively, such shares can be dematerialized first in the demat account in the single name and then transferred to the demat account in the joint names, or vice-versa, through an off-market transaction.
- Transfer of Electronic balances in a BOs account to successors / nominees in case of sole holder account and to the account of surviving joint holders in case of a joint account.





**IV.** The benefits of demat are as follows:

- Easy and convenient way to hold securities
- Immediate transfer of securities
- No stamp duty on transfer of securities
- Safer than paper-shares (earlier risks associated with physical certificates such as bad delivery, fake securities, delays, thefts etc. are mostly eliminated)
- Reduced paperwork for transfer of securities
- Reduced transaction cost
- No "odd lot" problem: even one share can be sold
- Change in address recorded with a Depository participant (DP) gets registered with all companies in which investor holds securities eliminating the need to correspond with each of them separately.
- Transmission of securities is done by DP, eliminating the need for notifying companies.
- Automatic credit into demat account for shares arising out of bonus/split, consolidation/merger, etc.
- A single demat account can hold investments in both equity and debt instruments.

There are a few distinct advantages of having a bank as a DP. Having a Demat account with a bank DP, usually provides quick processing, accessibility, convenience, and online transaction capability to the investor. Generally, banks credit the Demat account with shares in case of purchase, or credit a savings account with the proceeds of a sale, on the third day. Banks are also advantageous because of the number of branches they have. Some banks give the option of opening a demat account in any branch, while others restrict themselves to a select set of branches. Some private banks also provide online access to the demat account. Hence, the investors can conveniently check online details of their holdings, transactions and status of requests through their bank's net-banking facility. A broker who acts as a DP may not be able to provide these services.

**For Nirlon Limited**

Jasmin K. Bhavsar

Company Secretary, Vice President (Legal) & Compliance officer

**Mumbai, August 10, 2018**





**NIRLON**

**KYC 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: 

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**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



**NIRLON**

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**NIRLON LIMITED**

CIN No.: L17120MH1958PLC011045

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

Tel. No.: + 91 (022) 4028 1919 / 2685 2257/58/59 • E-mail id: info@nirlonltd.com • Website: www.nirlonltd.com.

**ATTENDANCE SLIP**

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

Folio No. / Client ID:

I/We hereby record my/our presence at the 59<sup>th</sup> Annual General Meeting of Nirlon Limited to be held on Wednesday, September 26, 2018 at 11.30 a.m. (IST) at the Registered Office of the Company, Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.

Member's/Proxy Full Name

Member's/Proxy's Signature



**NIRLON**

**NIRLON LIMITED**

CIN No.: L17120MH1958PLC011045

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

Tel. No.: + 91 (022) 4028 1919 / 2685 2257/58/59 • E-mail id: info@nirlonltd.com • Website: www.nirlonltd.com.

**PROXY FORM**

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

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

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

as my/our proxy to attend and vote (in a poll) for me/us and on my/our behalf on the 59<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, September 26, 2018 at 11.30 a.m. (IST) at the Registered Office of the Company, at Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063, and at any adjournment thereof in respect of such resolutions as are indicated below:

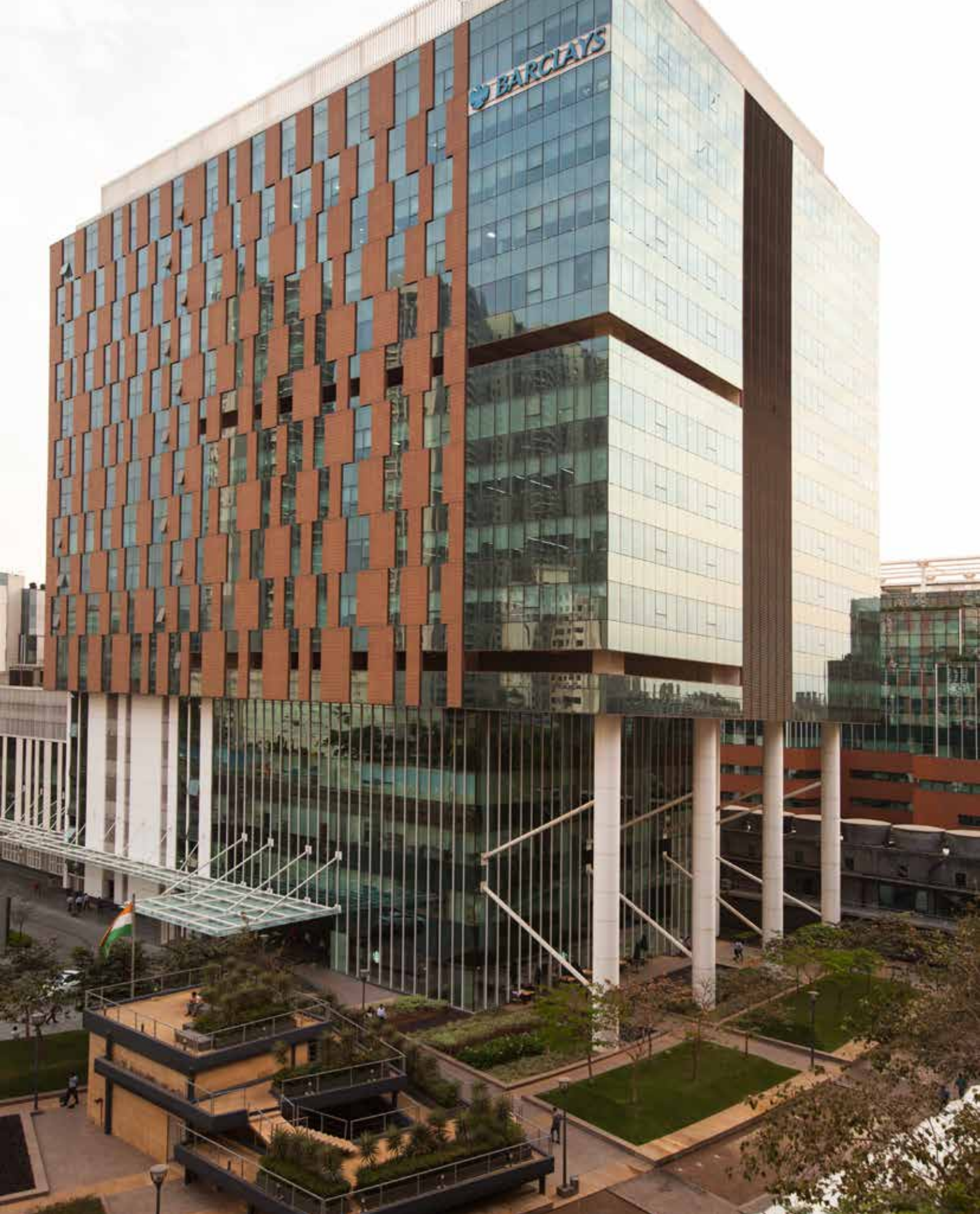
Sr. No.	Description of Resolution	Vote (Please mention No. of Share/s)	
		For	Against
<b>Ordinary Business:</b>			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2018, including the Statement of Profit and Loss for the Year ended on that date, Audited Balance Sheet as at March 31, 2018 and Reports of the Directors' and Auditors' thereon.		
2.	To declare a dividend of ₹0.75 per equity share of ₹10/- each (@ 7.5%) for the Financial Year ended on March 31, 2018.		
3.	To appoint a Director in place of Mr. Kunnasagan Chinniah (DIN 01590108), aged 61 years, who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment		
4.	Appointment of the Statutory Auditors of the Company "RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, S R B C & Co LLP, Chartered Accountants, Mumbai, with Firm Registration Number 324982E/E300003, be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of 5 (Five) years, from the conclusion of this Annual General Meeting up to the conclusion of the 64th Annual General Meeting of the Company, at a remuneration as may be mutually agreed, to which is not materially different from that paid to the outgoing Auditors, between the Board of Directors and S R B C & Co LLP, Chartered Accountants, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them."		
<b>Special Business:</b>			
5.	Re-appointment of Mr. Moosa Raza (DIN 00145345), aged 81 years, as an Independent Director		
6.	Re-appointment of Mr. Arjan R. Gurbuxani (DIN 00425885), aged 84 years, as an Independent Director		
7.	Continuation of Mrs. Rajani M. Bhagat (DIN 00870716), aged 79 years, as a Director of the Company		
8.	Ratification of Remuneration payable to the Cost Auditor		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of the Member \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix Revenue Stamp of ₹ 1/-

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



BARCLAYS



# NIRLON LIMITED

CIN No.: L17120MH1958PLC011045

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

Tel. No.: + 91 (022) 4028 1919 / 2685 2257/58/59

E-mail id: [info@nirlonltd.com](mailto:info@nirlonltd.com)

Website: [www.nirlonltd.com](http://www.nirlonltd.com).