NIRLON LIMITED
Western Express Highway,
Goregaon (E), Mumbai - 400 063.
T +91-22-4028 1919 / 2685 2256 - 59.
F +91-22-4028 1940.
www.nirlonltd.com, Email: info@nirlonltd.com
CIN: L17120 MH1958PLC011045

NIRLON

August 7, 2019

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

Security Code: - 500307

Dear Sir,

Sub: Copy of the 60th Annual Report for the Financial Year 2018-19

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

With reference to the above subject, we are enclosing herewith the 60th Annual Report for the Financial Year 2018-19 with respect to the Company's 60th Annual General Meeting to be held on September 3, 2019 at 12.00 noon (IST) at the Registered Office of the Company.

Please note that the Company has commenced the dispatch of the physical copy of the 60th Annual Report.

The copy of the 60th Annual Report along with attendance slip is also available on the Company's website www.nirlonltd.com

Kindly acknowledge receipt of the same.

Thanking you,
Yours faithfully,
For Nirlon Limited

NIRLON LIMITED MUMBAI

Jasmin K. Bhavsar
Company Secretary & Vice President (Legal) & Compliance Officer
Encl: a/a

NIRLON LIMITED

60th Annual Report 2018-19

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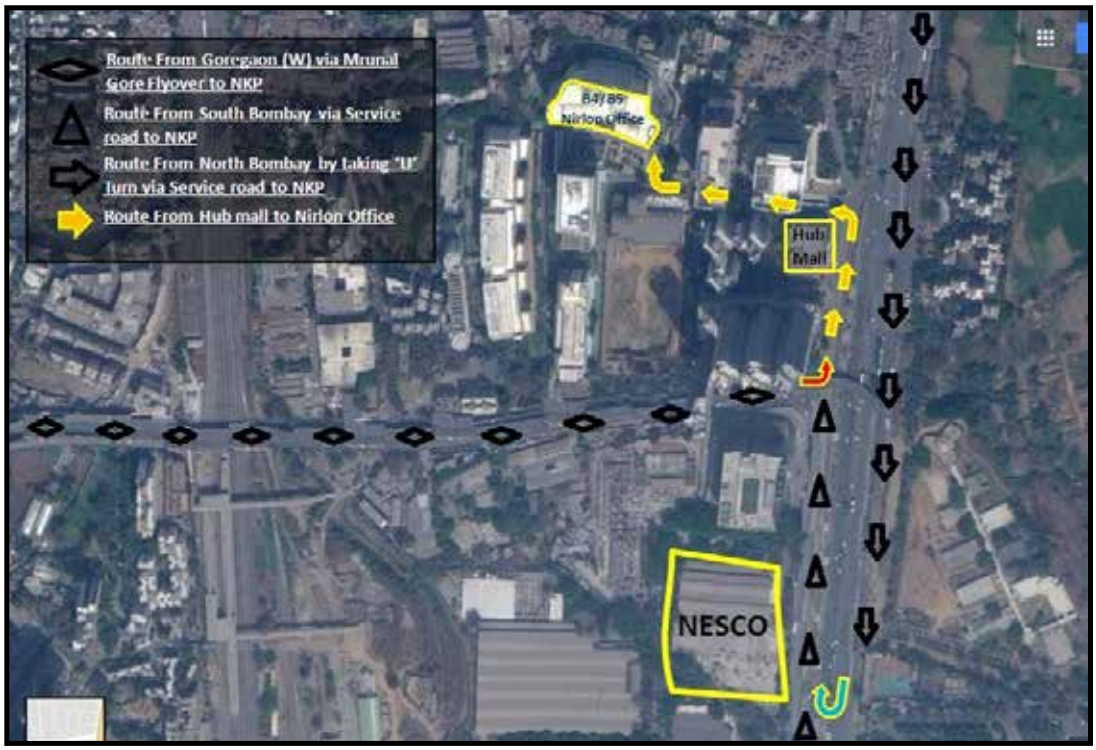
The Route Map for the venue of the 60th AGM is given below:



Board of Directors:
(As on May 13, 2019)

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

Key Managerial Personnel:

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

Legal Advisors:

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

Lenders
HDFC Limited

Auditors:

1. **Statutory**
   - S R B C & Co. LLP, Chartered Accountants, Mumbai (FRN 324982E / E300003)

2. **Internal**
   KPMG, Mumbai

3. **Cost**
   Vinay Mulay & Co., Cost Accountants, Mumbai

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

Registered Office:
Nirlon Limited, Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.
Tele : +91 (022) 4028 1919 / 2685 2257 / 58 / 59
Fax : +91 (022) 4028 1940
CIN : L17120MH1958PLC011045
E-mail id : info@nirlonltd.com
Website : **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 : U67190MH1999PTC118368
E-mail id : rnt.helpdesk@linkintime.co.in
Website : **www.linkintime.co.in**

NOTICE TO MEMBERS

NOTICE is hereby given that the 60th Annual General Meeting (**AGM**) of Nirlon Limited will be held on **Tuesday , September 3, 2019 at 12.00 noon** (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, 2019, including the Statement of Profit and Loss for the Year ended on that date, Audited Balance Sheet as at March 31, 2019 and Reports of the Directors' and Auditors' thereon.

2. To fix the remuneration of the Statutory Auditors for the remaining tenure of their appointment.

3. To declare a dividend of ₹0.75 paise per equity share of ₹10/- each (@7.5%) for the Financial Year ended on March 31, 2019.

4. To appoint a Director in place of Mr. Kunal V. Sagar (DIN 00388877), aged 51 years, who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

5. Appointment of **Mr. Rajinder Pal Singh (DIN 02943155)**, aged 67 years, as a Non- Executive Independent Director and in this regard to consider and if thought fit, to pass, with or without modification / s, the following Resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and 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 of the SEBI (Listing Obligations and Disclosure Requirements (Amendment) Regulations), 2018 as may be amended from time to time, **Mr. Rajinder Pal Singh (DIN 02943155)**, aged 67 years, who has been appointed as an additional Non- Executive Independent Director by the Board of Directors of the Company at their meeting held on May 13, 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 appointed as a Non- Executive Independent Director of the Company to hold office for a term of 5 (five) years with effect from May 13, 2019, not liable to retire by rotation."

6. Appointment of **Ms. Anjali Seth (DIN 05234352)**, aged 60 years, as a Non- Executive Independent Director and in this regard to consider and if thought fit, to pass, with or without modification / s, the following Resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and 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 of the SEBI (Listing Obligations and Disclosure Requirements (Amendment) Regulations), 2018 as may be amended from time to time, **Ms. Anjali Seth (DIN 05234352)**, aged 60 years, who has been appointed by the Board of Directors of the Company at their meeting held on May 13, 2019 as an additional Non- Executive Independent Director 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 her candidature for the office of a Director of the Company, be and is hereby appointed as a Non- Executive Independent Director of the Company to hold office for a term of 5 (five) years with effect from May 13, 2019, not liable to retire by rotation."

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

   Ratification of Remuneration payable to the Cost Auditor

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof, for the time being in force), the remuneration of ₹ 1.50 lakh (₹ One lakh Fifty Thousand only) payable to Vinay Mulay & Co., Mumbai, (FRN 101159) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, excluding GST, travelling and other out-of-pocket expenses incurred / to be incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed".

By Order of the Board of Directors
For **Nirlon Limited**
sd/-
Jasmin K. Bhavsar
Company Secretary, Vice President (Legal) & Compliance Officer
FCS 4178

Mumbai, July 1, 2019

Registered Office:
Nirlon Limited,
Pahadi Village,
Off the Western Express Highway,
Goregaon (East), Mumbai 400 063.
Tele : +91 (022) 4028 1919 / 2685 2257 / 58 / 59
Fax : +91 (022) 4028 1940
CIN : L17120MH1958PLC011045
E-mail id : info@nirlonltd.com
Website : **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 60th AGM Notice will also be transacted through an electronic voting system (e-voting) 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. Wednesday, August 28, 2019** 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. Wednesday, August 28, 2019**, 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. Wednesday, August 28, 2019**.

e. An electronic copy of the 60th Annual Report for the Financial Year 2018-19 along with the Notice calling the 60th AGM of the Company (Attendance Slip and Proxy Form) is being sent to Members whose E-mail IDs are registered with the Share Transfer Agent / Depository Participant/s for communication purposes.

The 60th Annual Report will also be available at the Company's **website 'www.nirlonltd.com'**.

For Members who have not registered their e-mail address, physical copies of the 60th Annual Report for the Financial Year 2018-19 along with the Notice calling the 60th AGM of the Company, inter alia, 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 **item nos. 5 to 7** to be transacted at the 60th AGM is annexed to the Notice.

5. a. In terms of Section 152 and all other applicable provisions of the Companies Act, 2013, **Mr. Kunal V. Sagar (DIN 00388877)**, aged 51 years, Director retires by rotation at the 60th AGM and being eligible, offers himself for re-appointment;

b. In terms of Sections 149, 152, 161 and Schedule IV and all other applicable provisions of the Companies Act, 2013, and Regulations 16, 17, and 25 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as may be amended from time to time, with respect to the following Non- Executive Independent Directors, who are meeting the criteria for independence as provided in Section 149 (6) of the Act, whose appointments as Non- Executive Independent Directors are proposed for a term of five (5) years with effect from May 13, 2019:

i. **Mr. Rajinder Pal Singh (DIN 02943155)**, aged 67 years; and

ii. **Ms. Anjali Seth (DIN 05234352)**, aged 60 years;

the Company has received notices in writing under Section 160 of the Companies Act, 2013 from a member proposing Mr. Singh's and Ms. Seth's candidature for the office of Directors of the Company to be appointed as Non- Executive Independent Directors for a term of five (5) years with effect from May 13, 2019.

c. 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 60th Annual Report.

d. The Board of Directors of the Company recommend the following:

i. Re-appointment of Mr. Kunal V. Sagar (DIN 00388877) aged 51 years, as a Director liable to retire by rotation. Mr. Sagar is a Promoter Director of Nirlon Limited, and is the brother of Mr. Rahul V. Sagar, Promoter and the Executive Director and C.E.O.

ii. Appointment of the following Non- Executive Independent Directors for a term of five (5) years with effect from May 13, 2019 :

- Mr. Rajinder Pal Singh (DIN 02943155), aged 67 years; and
- Ms. Anjali Seth (DIN 05234352), aged 60 years.

6. The following Registers will 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 60th AGM:

a. Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013;

b. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013;

c. Any other documents referred to in the 60th Annual Report shall also be available for inspection by Members.

7. a. Members may note that the Notice calling the 60th AGM and the 60th Annual Report for the F.Y. 2018-19 will also be available on the Company's website '**www.nirlonltd.com**' and also on the BSE Ltd.'s website '**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 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. Presently, Members may hold shares in Physical Form, but will be able to transfer the same only in Dematerialized Form as per the SEBI direction.

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 transposition 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 Finance and Accounts Department 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 advice 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:

   i. Change in their residential status on returning to India permanently.

   ii. Particulars of their bank accounts maintained in India with complete name, branch, type of account, number and address of the bank with the pin code number, if not furnished earlier.

m. The Securities and Exchange Board of India (**SEBI**) has mandated the submission of the Permanent Account Number (**PAN**) by every participant in the securities market. Members holding shares in Dematerialized Form are, therefore, requested to submit their PAN to their Depository Participant/s.

n. Members holding shares in Physical Form are required to submit their PAN details to the Share Transfer Agent.

o. **SEBI** and the Reserve Bank of India (**RBI**) have advised all listed companies to use the Electronic Clearing Services (**ECS**) mandate facility wherever possible for payment of dividend to Members. In view of this stipulation, the Company has implemented the ECS facility. Members holding shares in Physical Form are requested to provide the Company with ECS details for crediting future dividend payments directly to their respective bank accounts. The Company shall be able to co-ordinate with their bankers only on receipt of necessary information. Members holding shares in Dematerialized Form may instruct their Depository Participants accordingly.

p. As per the provisions of Section 124(5) of the Companies Act, 2013, any money transferred by the Company to unpaid dividend accounts of the Company and which is remaining unpaid / unclaimed over a period of seven (7) years from the date of such transfer is to be transferred to the 'Investor Education and Protection Fund' (**IEPF**) and no claim will be entertained thereafter by the Company. Members are therefore requested to expeditiously put in their claims for unclaimed dividends.

q. Pursuant to the provision of Section 72 of the Companies Act 2013, Member/s holding shares in Physical Form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders.

r. Member/s holding shares in Dematerialized Form may contact their respective Depository Participants for availing this facility. The Nomination Form can be downloaded from the Company's website under the section '**General Information - forms**'. 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@nirlonltd.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.

v. The SEBI by its Press Release nos. 49 & 51 / 2018 issued on December 3, 2018 extended the deadline for transfer of shares held in Physical Form from December 5, 2018 to March 31, 2019. Though Investors are permitted to hold the Share Certificates in Physical Form as long as they wish to, transfer of shares after March 31, 2019 are permitted only in Dematerialized Form.

w. Transmission, Name Deletion and Transposition of Physical Shares are still permitted to be carried out in Physical Form without any restrictions even after April 1, 2019.

x. Un-encashed dividend amounts are now to be directly credited into the Investor's bank account only. Investors holding shares in Physical Form are requested to submit a duly signed request letter of the Shareholder with original cancelled cheque leaf having their name printed on it along with copy of a recent utility bill for address verification and PAN.

y. Investors holding shares in Dematerialized Form are requested to submit the request letter duly signed with latest 'Client Master Form' duly stamped and signed by an authorized person of the Depository Participant. Investors are requested to ensure that correct bank details are captured in the 'Client Master Form' before submitting.

9. Pursuant to Section 91 of the Act, the Register of Members and Share Transfer books of the Company will remain closed from **Friday, August 23, 2019 to Tuesday, September 3, 2019** (both days inclusive) for the 60th AGM.

10. A dividend of ₹0.75 paise per equity share (@ 7.5%) has been recommended by the Board for the F.Y. 2018-19, subject to the approval of Members at this ensuing 60th AGM. If the dividend as recommended by the Board is approved at this 60th AGM, payment of such dividend will be made on or before **Tuesday, October 1, 2019** to Members as under:

    i. To all Beneficial Owners in respect of shares held in **Dematerialized Form**, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as on the close of business hours on **Thursday, August 22, 2019**.

    ii. To all Members in respect of shares held in **Physical Form**, whose names appear in the Register of Member as on **Thursday, August 22, 2019**.

11. Members holding shares:

    i. **In Dematerialized Form** are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Share Transfer Agent cannot act on any request received directly from Members holding shares in Dematerialized 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 60th 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 by way of 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 on 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. **Wednesday, August 28, 2019**.

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. Wednesday, August 28, 2019** 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 60th AGM and is holding shares as on the **cut-off date, i.e. Wednesday, August 28, 2019**, may obtain the User ID and password as per CDSL's instructions.

viii. If the Member is already registered with CDSL's e-voting platform, then he / she can use his / her existing User ID and password for casting a vote through remote e-voting.

ix. Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

To Download m-Voting Mobile App

Please scan QR Code given below:

How do you use the barcode scanner app?

Installing Barcode Scanner

1. Open the Play Store on your device. You can find the Play Store in your list of apps.
2. Tap the Search bar. This can be found at the top of the Play Store screen.
3. Type barcode scanner.
4. Tap QR & Barcode Scanner from Gamma Play.
5. Tap Install.
6. Tap Accept.
7. Tap Open.

How do I find the QR code on my phone?

To scan a QR code:

1. Open the QR code reader app installed on your device.
2. Scan the QR code by lining it up inside the window on your screen.
3. The barcode is decoded on your device and specific instructions are sent to the app for appropriate action (e.g. open a specific website).

x. 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.

xi. Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the day and date of the Meeting, i.e. **Tuesday, September 3, 2019**.

For Members (holding shares in Dematerialized Form or Physical Form) who receive Notice of the 60th 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), Friday, August 30, 2019**
- **End of remote e-voting: 5.00 p.m. (IST) on Monday, September 2, 2019**

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

ii. Shareholders / Members should log on to the remote e-voting website '**www.evotingindia.com**'

iii. Click on '**Shareholders**'

iv. Now enter your User ID

a. For CDSL: 16 digit beneficiary ID;

b. For NSDL: 8 Character DP ID followed by the 8 digit Client ID;

c. Members holding shares in Physical Form should enter the Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on '**LOGIN**'.

vi. If you are holding shares in Dematerialized Form and had logged on to '**www.evotingindia.com**' and voted in an earlier voting of any company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by the Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders) • 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. • 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.
DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter the member id / folio number in the '**Dividend Bank Details**' field as mentioned in instruction **iv**.

viii. After entering these details appropriately, click on the '**SUBMIT**' tab.

ix. Members holding shares in Physical Form will then directly reach the '**COMPANY SELECTION**' screen However, Members holding shares in Dematerialized Form will now reach the '**PASSWORD CREATION**' menu wherein they are required to mandatorily enter their login password in the '**New Password**' field. Kindly note that this password is to be also used by Dematerialized Members for voting resolutions of any other company on which they are eligible to vote, provided that that company too opts for e-voting through the CDSL platform (the Company has chosen the CDSL platform). It is strongly recommended not to share your password with any other person and take the utmost care to keep your password confidential.

x. For Members holding shares in Physical Form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant <**Company Name**> on which you choose to vote.

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

xiii. Click on the '**RESOLUTIONS FILE**' link if you wish to view the entire Resolution details.

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

xv. Once you '**CONFIRM**' your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take a print of the voting done by you by clicking on the '**CLICK HERE TO PRINT**' option on the Voting page.

xvii. If a Demat account holder has forgotten the password then enter the User ID and the image verification code and click on '**FORGOT PASSWORD**' 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**' and register themselves as Corporates and Custodians respectively. A scanned copy of the Registration Form bearing the entity stamp and signed by the entity should be e-mailed to '**helpdesk.evoting@cdslindia.com**'.

- After receiving the login details, they should create the compliance user using the admin login and password. The compliance user would be able to link the depository account/s / folio numbers on which they wish to vote.
- The list of accounts should be mailed to '**helpdesk.evoting@cdslindia.com**' and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (**POA**), which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

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

B. General Instructions:

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

ii. A Member can opt for only one mode of voting i.e. either through remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and the voting at the AGM shall be treated as invalid. However, Members who have cast their vote by remote e-voting prior to the meeting can attend the Meeting though they will not be entitled to cast their vote again.

iii. 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.

iv. The resolutions passed through e-voting shall be deemed to have been passed as on the date of the AGM, namely, **Tuesday, September 3, 2019**.

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

13. Information relating to Directors including Independent Directors seeking re-appointment and appointment at the AGM is given as follows:

a. **Mr. Kunal V. Sagar (DIN 00388877) - (Promoter & NED)**, aged 51 years (DOB 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 the 38th AGM 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 five (5) Board Meetings during the F.Y. 2018-19.

Mr. Sagar is a member of the Corporate Social Responsibility, Risk Management and POSH Committees of the Company.

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

b. **Mr. Rajinder Pal Singh (DIN 02943155)**, aged 67 years (D.O.B 10-10-1951), post graduated in Mathematics from Advanced Centre for Pure Mathematics, Punjab University, Chandigarh in 1973, and after a brief stint of teaching Pure Mathematics & Statistics to graduate classes, joined the Indian Administrative Service (**IAS**).

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

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

Secretary in the Department of Industrial Policy & Promotion, his major initiatives were:

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

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

At present, Mr. Singh is also holding the office of Director in reputed companies, i.e. Maruti Suzuki India Limited (Non-Executive Independent Director, Member of the Audit Committee), Bharti Infratel Limited (Non-Executive Independent Director, Member of the Audit Committee), IRB Infrastructure Pvt.Ltd. (Director) and Macrotech Developers Limited, earlier known as 'Lodha Developers Limited", (Non executive Director, Member of the Audit and Stakeholders Relationship Committee).

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

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

Mr. Singh was appointed as an additional Non-Executive Independent Director effective from May 13, 2019 and also appointed as a Member of the Audit, Nomination and Remuneration, Stakeholders Relationship and Risk Management Committees of the Company.

He does not hold any Equity Shares in the Company.

c. **Ms. Anjali Seth (DIN 05234352)**, aged 60 years (D.O.B. 25-10-1958) , graduated with B.A. and LL.B.

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

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

Ms. Seth worked with the International Finance Corporation and gained global experience in Project Financing, client negotiations, liaisoning with the Ministry of Finance, Reserve Bank of India and other Statutory and Regulatory authorities, interface with external Solicitors and Counsel, interaction with Headquarters on World Bank Group specific legal frame-work and advising Headquarters on local laws and regulations.

Ms. Seth was instrumental in getting the NBFC license for Swaadhar Finserve, a company in the Micro Finance business. She was responsible for drafting all application forms, loan documents, vendor agreements, and shareholders agreements. Ms. Seth was party to all negotiations with the investors.

Ms. Seth had the opportunity to work in the UAE with their largest Realty Company, Emmar Properties; the Company was in its infancy at the time. Responsibilities included vetting of drafts, entering into international contracts, negotiations, strategizing with the senior management, also framing some of the new laws and consulting with lawyers of other jurisdictions for setting new legislations on International Project Financing.

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

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

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

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

Ms. Seth is an Independent Director on the Board of Caprihans India Ltd. (Member of the Corporate Social Responsibility and Stakeholders Relationship Committee), JMC Projects (India) Ltd. (Member of the Audit and Stakeholders Relationship Committee), Kalpataru Power Transmission Limited, Kalpataru Ltd., ADF Foods Limited (member of the Corporate Social Responsibility and Nomination and Remuneration Committee) , Endurance Technologies Limited (CN) (Chairperson of the Stakeholders Relationship Committee and Member of the Audit and Nomination and Remuneration Committee), Centrum Housing Finance Limited (Chairperson of the Audit Committee and Member of the Nomination and Remuneration and the Risk Committee), and Centrum Capital Limited.

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

Ms. Seth was appointed as an additional Non-Executive Independent Director of the Company effective from May 13, 2019.

She does not hold any Equity Shares in the Company.

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. 5 to 7 of the accompanying Notice dated July 1, 2019

Item no. 5

Section I – Background

The terms of Mr. Rama Varma and Mrs. Aruna Makhan, Independent Directors, have expired on March 31, 2019 since they have each respectively completed their term of 5 (five) years.

As per the MCA DIN status, Mrs. Rajani Bhagat, Promoter Director, has been disqualified to act as a Director. The Company has filed the relevant form to that effect with the MCA on March 22, 2019, and also intimated the BSE Ltd. of this development.

In this context, the Company's Board as on April 1, 2019 consisted of five (5) Directors i.e. two (2) Non- Executive Independent Directors, two (2) Promoter Directors, and one (1) Nominee Director of Reco Berry Pvt. Ltd., Promoter of the Company.

At the Board meeting held on May 13, 2019, Mr. Rajinder Pal Singh has provided a declaration that he is qualified to act as a Director of the Company, and is also meeting 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. Singh has expressed his desire and willingness to be appointed as a Non - Executive Independent Director for a term of five (5) years from May 13, 2019 to May 12, 2024.

In the opinion of the Board, Mr. Singh fulfils the conditions for appointment as a Non- Executive Independent Director as specified in the Act, and the SEBI LODR. Mr. Singh is also independent of the Company's Management.

Accordingly, at the meeting held on May 13, 2019, the Board appointed Mr. Singh as an additional Non - Executive Independent Director subject to ratification by Members of the Company at their General Body Meeting.

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

1. Sections 149, 152 and 161 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 one (1) woman Director;

2. An Independent Director shall hold office for a term up to five (5) on the Board of a company and shall also be eligible for re-appointment for another term of (5) years (not to exceed ten (10) years in aggregate) by passing of a special resolution as required under the Act and SEBI LODR 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.

The Board of Directors of a listed entity shall have a minimum six (6) Directors with an optimum combination of Executive and Non- Executive Directors with at least one (1) woman Director and not less than fifty (50) percent of the Board of Directors shall comprise of Non- Executive Directors.

4. 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;

5. A person shall not serve as an Independent Director in more than seven (7) listed entities;

The tenure of an Independent Director, with the proposed appointment, shall be in accordance with the Act, and rules made thereunder and SEBI LODR, in this regard.

Section III – Recommendations & Justifications

In the opinion of the Board, Mr. Singh fulfils the conditions for appointment as an independent Director as prescribed in the Act, and the SEBI LODR.

The Directors placed on record that the appointment of Mr. Singh will bring significant contributions as well as valuable advice and guidance in steering the Company towards sustainable growth and greater profitability.

It is proposed that is in the best-interests of the Company to appoint Mr. Singh as a Non- Executive Independent Director under the Act, and SEBI LODR to hold office for a term of five (5) years effective May 13, 2019 as per the Act.

The Company has received an individual notice in writing under section 160 of the Act, proposing the candidature of Mr. Singh for the office of a Director of the Company.

Brief resume of Mr. Singh 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 **note no. 13(b) of the 60th AGM Notice**.

A copy of draft letter for the proposed appointment of Mr. Singh as an Independent Director, setting out the terms and conditions of his appointment, is available for inspection by any Member of the Company.

None of the other Directors / key managerial personnel of the Company / their relatives are in anyway concerned or interested, financially or otherwise, in this resolution save and except to the extent of their respective shareholding, if any.

The Board commends the Ordinary Resolution set out at **item no. 5** of this Notice for approval by Members under the Act, and as well as under the SEBI LODR.

Item no. 6

Section I – Background

As stated above, the Company's Board as on April 1, 2019 consisted of five (5) Directors i.e. two (2) Non - Executive Independent Directors, two (2) Promoter Directors, and one (1) Nominee Director of Reco Berry Pvt. Ltd., Promoter of the Company.

At the Board meeting held on May 13, 2019, Ms. Anjali Seth has provided a declaration that she is qualified to act as a Director of the Company, and is also meeting 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.

Ms. Seth has expressed her desire and willingness to be appointed as a Non - Executive Independent Director for a term of five (5) years from May 13, 2019 to May 12, 2024.

In the opinion of the Board, Ms. Seth fulfils the conditions for appointment as a Non - Executive Independent Director as specified in the Act, and the SEBI LODR. Ms. Seth is also independent of the Company's Management.

Accordingly, at meeting held on May 13, 2019, the Board appointed Ms. Seth as an additional Non - Executive Independent Director subject to ratification by Members of the Company at their General Body Meeting.

Section II – Statutory Provisions under the Act and the SEBI LODR (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 one (1) woman Director;

2. An Independent Director shall hold office for a term up to five (5) on the Board of a company and shall also be eligible for re-appointment for another term of (5) years (not to exceed ten (10) years in aggregate) by passing of a special resolution as required under the Act and SEBI LODR 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.

   The Board of Directors of a listed entity shall have a minimum six (6) Directors with an optimum combination of Executive and Non- Executive Directors with at least one (1) woman Director and not less than fifty (50) percent of the Board of Directors shall comprise of Non- Executive Directors.

4. 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;

5. A person shall not serve as an Independent Director in more than seven (7) listed entities;

The tenure of an Independent Director, with the proposed appointment, shall be in accordance with the Companies Act, 2013 and rules made thereunder and SEBI LODR, in this regard.

Section III – Recommendations & Justifications

In the opinion of the Board, Ms. Seth fulfils the conditions for appointment as an independent Director as prescribed in the Act, and the SEBI LODR.

The Directors placed on record that the appointment of Ms. Seth will bring significant contributions as well as valuable advice and guidance in steering the Company towards sustainable growth and greater profitability.

It is proposed that is in the best-interests of the Company to appoint Ms. Seth as a Non - Executive Independent Director under the Act, and SEBI LODR to hold office for a term of five (5) years from May 13, 2019 as per the Act.

The Company has received an individual notice in writing under section 160 of the Act, proposing the candidature of Ms. Seth for the office of a Director of the Company.

Brief resume of Ms. Seth containing the nature of expertise in specific functional areas, names of companies in which she 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 **note no. 13(c) of the 60th AGM Notice**.

A copy of draft letter for the proposed appointment of Ms. Seth as an Independent Director, setting out the terms and conditions of her appointment, is available for inspection by any Member of the Company.

None of the other Directors / key managerial personnel of the Company / their relatives are in anyway concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution set out at **item no. 6** of this Notice for approval by Members under the Act, and as well as under the SEBI LODR.

Item no. 7

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of Vinay Mulay & Co., Mumbai, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

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.7** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2020.

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.7** of the Notice.

The Board recommends the Resolution set out at **item no.7** 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, July 1, 2019

Registered Office:
Nirlon Limited,
Pahadi Village,
Off the Western Express Highway,
Goregaon (East), Mumbai 400 063.
Tele : +91 (022) 4028 1919 / 2685 2257 / 58 / 59
Fax : +91 (022) 4028 1940
CIN : L17120MH1958PLC011045
E-mail id : info@nirlonltd.com
Website : www.nirlonltd.com

DIRECTORS' REPORT

Your Directors present their 60th Annual Report along with the Audited Financial Accounts for the Financial Year ended March 31, 2019.

1. ***Financial Performance**

The Company's Financial Performance for the Year ended March 31, 2019 is summarized below:

(₹ in Crore)

Particulars	2018-19	2017-18
Gross Income from Operations	**299.97**	**293.57**
Gross Profit	**227.38**	**223.03**
Interest Paid	69.71	65.55
Cash Profit	**157.67**	**157.48**
Depreciation	58.88	72.22
Net Profit for the Year before Tax	**98.79**	**85.26**
Current tax	23.95	21.04
Deferred tax	11.56	8.53
Income tax adjustments for the earlier years	(0.40)	0.00
Net Profit for the Year after tax	**63.68**	**55.69**
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.

Your Company has been ranked by the BSE Limited at Sr. No. 560 out of the top 1,000 listed companies based on Market Capitalization as on March 31, 2019.

2. **Financial Operations (Summary)**

i. **Gross Income from Operations** for the Financial Year 2018-19 was ₹ **299.97 crore** as against ₹ 293.57 crore for the F.Y. 2017-18.

ii. **Gross Profit** for the Financial Year 2018-19 was ₹ **227.38 crore** as against ₹ 223.03 crore for the F.Y. 2017- 18.

iii. **Cash Profit** for the Financial Year 2018-19 was ₹ **157.67 crore** as against ₹ 157.48 crore for the F.Y. 2017- 18.

iv. **Net Profit** for the Financial Year 2018-19 (after taxes) was ₹ **63.68 crore** as against a profit of ₹ 55.69 crore for the F.Y. 2017-18.

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 2018-19.

4. **Dividend**

For the Year under review, the Board recommends a dividend of ₹0.75 paise per equity share of ₹10/- each (@ 7.5%) amounting to ₹8.14 crore (inclusive of tax of ₹1.38 crore), subject to the approval of Members of the Company at their 60th AGM.

Dividend will be paid to Members whose names appear in the Register of Members as on **Thursday, August 22, 2019.** 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 by the Company as on March 31, 2019.

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

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

ii. **License Fees**

During the Year under review, gross license fees aggregated approx. ₹ 255.57 crore (**as per Ind AS**) including license fees from Nirlon House, Worli, Central Mumbai.

iii. **Marketing**

Phases 1, 2, 3 and 4 of NKP continue to be approx. 99% licensed (as on April 30, 2019) 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 large part of the Phase 5 (re-development of Phase 0) construction from its internal accruals.

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

The outstanding loan amounts as on March 31, 2019 aggregate ₹ 854.86 crore (**as per IGAAP**) (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. A. Property Management Functions, Sale of specified Movable Assets and Name User

a. Reco Berry Private Limited (**Reco**) of Singapore, an affiliate of GIC, the Sovereign Wealth Fund of Singapore and Mr. Kunal V. Sagar, Mr. Rahul V. Sagar, Alfano Pte Limited and Deltron Pte Limited (**Promoters**) had entered into Share Purchase and Shareholders Agreements dated December 23, 2014, pursuant to which Nirlon Management Services Pvt. Ltd. (**NMSPL**) was incorporated under the provisions of the Companies Act, 2013 effective from October 7, 2015;

b. Thereafter, the Audit Committee and the Board of Directors of the Company approved, subject to Members' approval, the proposed Related Party Transactions with NMSPL in accordance with the Related Party Transactions Policy, and the provisions of the Companies Act;

c. The Company obtained Members' approval by way of an Ordinary Resolution on the proposed Related Party Transactions between the Company and NMSPL at its 57th AGM held on September 20, 2016.

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

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

i. Management Services Agreement appointing NMSPL as a provider of lease management, property management, marketing related, project management and general management services in respect of the properties of the Company on the terms set out in the said Agreement.

ii. Asset Sale Agreement with NMSPL recording:

a. the transfer of identified movable assets relating to the services to be provided from the Company to NMSPL for a consideration of ₹25.10 lakh from NMSPL.

b. the resignation of certain employees (save and except Key Managerial Personnel) from the Company and their employment with NMSPL on terms no less favourable than those given to them by the Company on the terms set out in the said Agreement.

c. Name User Agreement executed amongst NMSPL, Mr. Kunal V. Sagar, Mr. Rahul V. Sagar and the Company, under which the Company approved the use of the name and mark 'Nirlon' in the corporate name of NMSPL, on a royalty free basis, on the terms set out in the said Agreement.

7. B. Implementation / Commencement of Operations under various Agreements

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

a. Employees of the Company resigned from the services of the Company, and were employed by NMSPL at no less favourable terms; and

b. The Company upon receipt of the agreed consideration of ₹ 25.10 lakh (being not less than the market value of the assets) transferred the specified movable assets in favour of NMSPL.

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

The shareholding pattern of NMSPL is given below:

Class A Shares

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

Class B Shares

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

Class C Shares

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

8. The Board & its Committees

i. Board of Directors:

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

For more detail, please refer to the link:

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

a. Re-appointment / Appointment of Directors at the 60th AGM

A brief resume of the Directors seeking re-appointment and appointment at the 60th AGM respectively are as per the details given below:

- Re-appointment of Mr. Kunal V. Sagar , age 51 years , as a Director who retires by rotation;
- Appointment of Mr. Rajinder Pal Singh and Ms. Anjali Seth, Non- Executive Independent Directors each for a term of five (5) years with effect from May 13, 2019.

The Board recommends:

- re-appointment of Mr. Kunal V. Sagar as a Director to retire by rotation; and
- appointment of Mr. Rajinder Pal Singh and Ms. Anjali Seth as Non-Executive Independent Directors each for a term of five (5) years effective from May 13, 2019.

b. Changes in the Board during the Financial Year 2018-19.

There was no change in the Board of Directors during the F.Y. 2018-19 except Mrs. Rajani M. Bhagat who was disqualified to act as a Director as per the MCA.

The terms of Mr. Rama Varma and Mrs. Aruna Makhan, Independent Directors, have expired on March 31, 2019 on the completion of their term of 5 (five) years.

The nature of each Director's expertise, and the name of company / ies where they hold Chairmanships, Directorships and Memberships of Board / Committees and Shareholding if any, as stipulated under the required Regulation of the Listing Obligations & Disclosure Requirements Regulations, as well as the justification for re-appointment of Mr. Kunal V. Sagar, Director, who retires by rotation at the ensuing AGM, and appointment of Mr. Rajinder Pal Singh and Ms. Anjali Seth, Non-Executive Independent Directors appointed by the Board of Directors at their meeting held on May 13, 2019, is provided in this Report, and forms part of this Notice calling the 60th AGM.

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

The Board of Directors at their meeting held on May 13, 2019 have re-constituted various committees. Details of the same are given below:

a. Audit Committee
Mr. Moosa Raza, Chairman & NE & ID
Mr. Arjan Gurbuxani, NE & ID
Mr. Rajinder Pal Singh, NE & ID

b. Stakeholders Relationship Committee
Mr. Moosa Raza, Chairman & NE & ID
Mr. Arjan Gurbuxani, NE & ID
Mr. Rajinder Pal Singh, NE & ID

c. Nomination & Remuneration Committee
Mr. Arjan Gurbuxani, Chairman & NE & ID
Mr. Moosa Raza, NE & ID
Mr. Rajinder Pal Singh, NE & ID

d. Corporate Social Responsibility Committee
Mr. Moosa Raza, Chairman & NE & ID
Mr. Kunal V. Sagar, Promoter Director
Mr. Rahul V. Sagar, Executive Director & C.E.O.

e. Risk Management Committee
Mr. Arjan Gurbuxani, Chairman & NE & ID
Mr. Rajinder Pal Singh, NE & ID
Mr. Kunal V. Sagar, Promoter Director
Mr. Rahul V. Sagar, Executive Director & C.E.O.

*NE & ID means Non –Executive Independent Director
** C.E.O. means Chief Executive Officer

iii. Committees of the Board of Directors and their Role and Responsibilities

a. Audit Committee (AC)

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

b. Stakeholders Relationship Committee (SRC)

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

As on March 31, 2019, approx. 92.70 % of the Company's total paid up equity share capital was held in Dematerialized Form, and there were no investor grievances / complaints pending.

c. Corporate Social Responsibility Committee (CSRC)

The Board formed a Corporate Social Responsibility Committee on September 23, 2014 and based on its recommendations the Company implemented activities under its CSR policy during the Year under review as per the Act.

d. Nomination & Remuneration Committee (NRC)

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

e. Risk Management Committee (RMC)

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

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

http://nirlonltd.com/pdf/audit.pdf

http://nirlonltd.com/pdf/stackholders_relationship.pdf

http://nirlonltd.com/pdf/csr.pdf

http://nirlonltd.com/pdf/nomination_remuneration.pdf

http://nirlonltd.com/pdf/risk_management.pdf

f. Prevention of Sexual Harassment (POSH) Committee

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, your Company has constituted a committee which is responsible for redressal of complaints related to sexual harassment.

During the Year under review, there were no complaints pertaining to sexual harassment.

For more detail, please refer to the link:

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

9. Policies & Codes

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

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

I. Policies

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

Aims of the DMEI Policy

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

a. ensuring that all investors have equal access to important information that may affect their investment decisions;

b. ensuring that adequate and timely information is provided to investors;

c. avoiding establishment of a false market in the securities of the Company; and

d. Communicating the principles of materiality based on which the Company shall make disclosures of events or information.

For more detail, kindly refer to the link:

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

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

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

Aims of the RPT Policy

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

For more detail, kindly refer to the link:

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

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

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

Aims of the WB Policy

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

For more detail, kindly refer to the link:

http://nirlonltd.com/pdf/whistle_blower_policy_nov_18_v2.pdf

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

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

Aims of the CSR Policy:

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 two (2) % of the average net profits of the Company made during the three (3) preceding financial years.

Details are given in the table overleaf:

For more detail, kindly refer to the link:

http://www.nirlonltd.com/pdf/csr_policy_ mar_16.pdf

The Composition of the CSR Committee during the F.Y. 2018-19 was as follows:

The CSR Committee was comprised of Mr. Moosa Raza (Chairman and Non Executive Independent Director), Mr. Rama Varma, (Non-Executive Independent Director up to March 31, 2019), Mrs. Rajani M. Bhagat (up to March 21, 2019), Mr. Kunal V. Sagar and Mr. Rahul V. Sagar (Promoters and Directors).

(₹ in Lakh)

1.	**Average Net Profit of the Company for the last three financial years**	7,815.45
2.	**Prescribed CSR Expenditure @ two (2) % of the amount as in item 3 below:**	156.31
3.	**Details of CSR spent during the Financial Year**	
	a. Total amount to be spent for the Financial Year	156.50
	b. Amount unspent, if any	Nil
	c. Manner in which the amount was 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 up to to the reporting period (₹ in Lakh)**	**Amount spent: Direct or through implementing agency (₹in Lakh)**
1	Jalayukta Shivar Abhiyan (JSA)	Water conservation	Nagpur , Maharashtra	80	80	80	80
2	EmancipAction India Foundation	Providing Counsellors to the Government and private care homes to test a holistic, trauma informed model of care to help children transform their lives. Core modules include wellness, vocational planning and job placement	Mumbai, Maharashtra	10	10	10	10
3	Society for Rehabilitation of Crippled Children	Helping children with learning disorders and developmental disabilities by providing therapy services	Mumbai, Maharashtra	5	5	5	5
4	Chennai Liver Foundation	Medical (Liver ailments)	Chennai, Tamil Nadu	10	10	10	10
5	Ramakrishna Mission Ashrama	Medical treatment for curable and preventable blindness	Dehra Dun, Uttarakhand	10	10	10	10

1.	2.	3.	4.	5.	6.	7.	8.
Sr. No.	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or programmes (1) Local area or other (2) Specify the State and district where projects or a programme was undertaken**	**Amount outlay (budget / limit) project or programmes wise (₹ in Lakh)**	**Amount spent on the projects or programmes Sub-heads: Direct expenditure on projects or programmes Overheads: (₹ in Lakh)**	**Cumulative expenditure up to to the reporting period (₹ in Lakh)**	**Amount spent: Direct or through implementing agency (₹in Lakh)**
6	Konark Cancer Foundation	Logistical, emotional and financial support to the underprivileged cancer patients	Mumbai, Maharashtra	10	10	10	10
7	Rotary & Blood Bank Society Resource Centre	100% voluntary blood donations by means of either indoor or outdoor blood donation camps.	Chandigarh	10	10	10	10
8	The Aangan Trust	Children protection service / promotion of education	Mumbai, Maharashtra	7.5	7.5	7.5	7.5
9	Dignity Foundation	Eradication of hunger and poverty / food rations	Mumbai, Maharashtra	7	7	7	7
10	Saraswati Vidyak Trust	Education to under privileged children.	Patiala, Punjab	7	7	7	7
				Total	**156.5**	**156.5**	**156.5**

The Company contributed ₹ 156.50 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 / programs. The Company shall endeavor to identify more eligible projects for utilization of the allocated budget for CSR activities in the coming years.

Responsibility Statement

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

Sd/-

Moosa Raza	**Rahul V. Sagar**
Chairman	**Executive Director & C.E.O.**
DIN: 00145345	**DIN: 00388980**

Mumbai, May 13, 2019

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

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

Aims of the NR Policy:

a. To guide the Board in relation to appointment and removal of Directors and Key Managerial Personnel;

b. To evaluate the performance of the Members of the Board, and to provide necessary reports to the Board for further evaluation of the Board;

c. To recommend to the Board levels of remuneration / compensation payable to Directors and Key Managerial Personnel; and

d. ESOP and other related matters.

For more detail, kindly refer to the link:

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

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

The Regulation 21 of the SEBI 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 for better safeguarding of business continuity, operations and timely assessment of potential risk, as well as mitigation and minimization procedures for the same.

For more detail, kindly refer to the link:

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

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

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

Aims of the POD Policy

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

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

For more detail, kindly refer to the link:

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

viii. **Board Diversity (BD) Policy**

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

Aims of the BD Policy

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

a. Enhance the quality of decision making and facilitate better business performance;

b. Encourage diversity of perspective, thereby fueling creativity and innovation;

c. Complement and expand the skills, knowledge and experience of the Board as a whole; and

d. Provide better Corporate Governance.

For more detail, kindly refer to the link:

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

ix. **Prevention of Sexual Harassment (POSH) Policy**

Aims of the POSH Policy

The Company provides an equal employment opportunity and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. All employees of the Company are covered under the Policy. Sexual harassment at the work place or other than work place if involving employees is a grave offence, and is therefore, punishable. The Company has constituted an Internal Complaint Committee as required under the Sexual Harassment of Women at work place (Prevention, Prohibition & Redressal) Act, 2013.

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

For more detail, kindly refer to the link:

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

x. **Succession Policy (SP)**

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

a. A specific arrangement exists under the Management Services Agreement executed by and between the Company and Nirlon Management Services Pvt. Ltd. (**NMSPL**) wherein all services are required to be provided by NMSPL;

b. The Company has senior management to the extent required for statutory compliance only.

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

II. Codes

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

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

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

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

For more detail, kindly refer to the link:

http://nirlonltd.com/pdf/iccpit_apr_19.pdf

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

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

Aims of CCBE

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

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

For more detail, kindly refer to the link: http://nirlonltd.com/pdf/ccbe_nov_18_v1.pdf

iii. Code of Conduct for Independent Directors (CCID)

The Board adopted the Code of Conduct for Independent Directors (CCID) and the same was effective from November 13, 2014. As the SEBI LODR 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, regulators etc.

For more detail, kindly refer to the link: http://www.nirlonltd.com/pdf/ccid_mar_16.pdf

10. i. <u>Formal Annual Evaluation by the Directors</u>

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

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

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

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

ii. Familiarization Programme for Independent Directors

The Company's Board is diverse with Independent Directors (**IDs**), who are highly qualified with rich experience. IDs had / have been associated with various Government agencies and departments, and have been associated with various corporate and business organizations including the Company. They are familiar with the Company's business activities. Moreover, the Company provides them updates by providing a regular brief on the operations as well making suitable arrangements for visits by the Independent Directors to the NKP site.

For more detail, kindly refer to the link:

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

iii. Declaration by and Tenure of the Independent Directors (IDs)

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

Letters of appointment were issued to IDs and the same were uploaded on the Company's website.

For more detail, kindly refer to the links:

a. http://nirlonltd.com/pdf/appt_letter_mr_moosa_raza_apr_2019.pdf

b. http://nirlonltd.com/pdf/appt_letter_mr_arjan_gurbuxani_apr_2019.pdf

c. http://nirlonltd.com/pdf/appt_letter_mr_rajinder_pal_singh_may_2019.pdf

d. http://nirlonltd.com/pdf/appt_letter_ms_anjali_seth_may_2019.pdf

iv. Directors' Responsibility Statement

To the best of your Directors' knowledge and belief and according to the information and explanations obtained by them, your Directors make the following Statements in terms of Section 134 (3) (c) and 134 (5) of the Act:

a. that in the preparation of the Annual Financial Statements for the Year ended March 31, 2019, 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, 2019, and of the Profit of the Company for the Year ended on that date;

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the Directors have prepared the annual Financial Statements on a going concern basis;

e. that the Directors have laid down proper internal financial controls to be followed by the Company, and that such internal financial controls are adequate and were operating effectively; and

f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

v. Number of Board & Audit Committee Meetings

A calendar of Meetings is prepared and circulated in advance to Directors. During the Year, five (5) Board Meetings and four (4) Audit Committee Meetings were convened and held.

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

11. <u>Promoters & Key Managerial Personnel</u>

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 & C.E.O.

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, except Mrs. Rajani M. Bhagat who was disqualified to act as a Director as per the MCA and the Company filed the requisite form with the MCA on March 22, 2019, and Mr. Rama Varma and Mrs. Aruna Makhan, who have successfully completed their tenure on March 31, 2019 as Non-Executive Independent Directors. There was no change in the Key Managerial Personnel of the Company during the Financial Year 2018-19.

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

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

14. Fixed Deposits & Debentures

The Company has neither accepted, nor invited any fixed deposits during the 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.

As on **March 31, 2019**, there are amounts of ₹17.43 lakh; ₹ 16.68 lakh; ₹ 17.47 lakh; ₹ 16.33 lakh and ₹ 16.32 lakh lying with HDFC Bank Limited in a special account named the 'Nirlon Limited - Dividend unpaid / unclaimed Dividend Account – '2013-14', '2014-15', '2015-16', '2016-17' and '2017-18' respectively, which pertains only to Members who hold their shares in Physical Form.

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

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

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

Please Note:

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

   For more detail, kindly refer to the links:

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

   b. http://www.nirlonltd.com/pdf/newspaper_24_ may_2017.pdf

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

17. Fraud Reporting

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

18. Related Party Transactions

The Company had the following related party transactions during the Financial Year 2018-19:

i. The payment of Managerial remuneration to Mr. Rahul V. Sagar, Executive Director & C.E.O. and KMPs of the Company;

ii. Recovery of CAM from Manisha Trading and Investment Pvt. Ltd.;

iii. Payment of dividend declared by Members of the Company; and

iv. Obligations under Management Services Agreement (**MSA**), leave and license agreement, fees payable to Nirlon Management Services Pvt. Ltd. (**NMSPL**). **Please Note:** these transactions were already approved by Shareholders of the Company i.e. at the 57th AGM held on September 20, 2016, effective from October 1, 2016 to September 30, 2020).

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

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

As required by the Companies Act, 2013, complete details of all related party transactions are provided for in Form AOC-2 are attached as ***Annexure 5A*** to this Report.

Related Party Disclosures under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2014, are attached as ***Annexure 5B*** to this Report.

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 2018-19, two (2) % of the average net profits of the Company made during the three (3) preceding financial year amounts to ₹ 156.31 lakh.

The Company spent ₹ 156.50 lakh during the Financial Year 2018-19 as per Section 135 of the Companies Act, 2013.

21. Intellectual Property Rights

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

22. Auditors

i. Statutory Auditors & their Report

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

Members are requested to fix the remuneration of the Statutory Auditors for the remaining tenure of their appointment.

ii. Statutory Report

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

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

iii. During the F.Y. 2018-19, the Company paid ₹37.97 lakh (being the total fees paid for all services on a consolidated basis to the Statutory Auditors of the Company).

iv. Internal Auditors

KPMG India have been appointed as the Internal Auditors of the Company by the Board, based on the recommendation of the Audit Committee for the Financial Year 2019-20.

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 2019-20.

The Secretarial Audit Report for the Financial Year 2018-19 is annexed as ***Annexure 2***.

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

vi. Cost Auditors & Cost Audit Records

The Companies (Cost Records and Audit) Rules, 2014 read along with Companies (Cost Records and Audit) Amendment Rules 2014, specifies criteria for specified industries which are required to maintain cost records and get them audited.

The Company's business as an Industrial Park is covered under Clause 5(a) of Schedule VI of the Companies Act, 2013 and its turnover is also in

excess of ₹100.00 crore. It is, therefore, required to maintain cost records which should be audited by a practicing Cost Auditor.

a. In view of the above provisions of the Act, the Board, based on the recommendation of the Audit Committee, has approved the appointment and remuneration of Vinay Mulay & Co., Mumbai to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

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

c. Accordingly, the consent of Members is sought for passing an Ordinary Resolution as set out at **item no.7** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2020.

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 ₹**0.69 lakh** towards travel expenses in foreign currencies, and the Company has no foreign earnings.

d. The Company has incurred professional fee expenses in foreign currency aggregating to ₹ **78.28 lakh**.

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

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

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

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

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

26. Employees Stock Option Scheme (Nirlon ESOP 2012)

a. The Nirlon ESOP Plan 2012 (**Plan**) which was approved by Members on May 23, 2012 was closed during the financial year ended March 31, 2018 as all the options granted under the Plan were already exercised by the eligible employees.

b. During the Financial Year no other Employee Stock Option Scheme / Plan existed.

c. Further, as the objective for which the Nirlon Employees Stock Option Trust (**Trust**) was incorporated were already fulfilled, based on the resolution passed by the Board of Directors on Febraury 6, 2018, the Trust was dissolved during the Financial Year ended March 31, 2019.

d. During the Financial Year no amounts were disbursed by the Company to the Trust.

e. The amount of Loan repayable to the Company by the Trust as at the beginning and end of the year ended March 31, 2019 was ₹ NIL.

With the above facts no further disclosures as stated under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are required for the current financial year and onwards.

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://nirlonltd.com/pdf/letter_dtd_21_mar_18_reg_esop_2012.pdf

27. Corporate Governance Disclosure

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

A separate section on Corporate Governance, Annexure 6 to this Report, and a certificate from Alwyn Jay & Co., the Practicing Company Secretaries confirming compliance

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

28. Management Discussion & Analysis

Details are provided in **Annexure 7** 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 8**.

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 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**'.

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

b. http://nirlonltd.com/pdf/postal_ballot_form_apr_18.pdf

c. http://nirlonltd.com/pdf/postal_ballot_voting_results_18_jun_18.pdf

d. http://nirlonltd.com/pdf/moa_and_aoa_nirlonltd.pdf

33. 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.

34. Amendment to Regulation 40 of the SEBI LODR and important update

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

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

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

A copy of the Form and letter are attached in this Report.

Please refer to link 'http://nirlonltd.com/pdf/updating_kyc_details_aug_2018.pdf' attached with the KYC updation form.

35. Acknowledgements

Your Directors record their appreciation for the services rendered by KMPs. They acknowledge and record their appreciation for the co- operation and assistance rendered by HDFC Limited, Banks and various Government authorities at State and Central levels. Your Directors thank all stakeholders for their continued support.

Your Directors would also like to place on record their sincere appreciation for the co-operation received from the RBI, SEBI, BSE Limited, CDSL, NSDL, SHCIL, MCGM and all other statutory and / or regulatory bodies.

For and on behalf of the Board of Directors
Nirlon Limited
Sd/-
Moosa Raza
Chairman
(DIN 00145345)

Mumbai, May 13, 2019

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, 2019.

Annexure 2 to the Directors' Report

FORM NO. MR.3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of Nirlon Limited,

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

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

Based on our verification of the Company's statutory books, legal papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also 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 31st March, 2019 according to the provisions of:

i. The Companies Act, 2013 (**'the Act'**) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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, 2016 (Not applicable to the Company) ; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (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 decisions 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:

The Company has obtained approval of members by way of Special Resolution for alteration to Articles 71 (C) and Article 71 (D) of the Articles of Association of the Company through postal ballot.

For ALWYN JAY & CO.,
Company Secretaries

Place : Mumbai,
Date: May 13, 2019
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)]

Salary paid to Managerial Personnel* and Top 10 Employees of the Company during the F.Y. 2018-19**

Sr. No.	Name of Employee	Gross Salary (in ₹)	Net Salary (in ₹)	Age (in years)	Designation	Qualification	Experience (in years)	Date of commencement of Employment	Last Employment held prior to joining the Company
*1.	Mr. Rahul V. Sagar	2,33,68,000	1,50,88,903	48	Executive Director & C.E.O.	BA (Economics)	25	1/7/2009	Sempertrans Nirlon Pvt. Ltd.
2.	Mr. Jasmin K. Bhavsar**	1,13,72,893	59,95,431	47	Company Secretary, Vice President (Legal), & Compliance Officer	B.Com, M.Com, LL.B, LL.M, FCS, MBA and Diploma in Real Estate Management	27	6/3/2006	Enercon (India) Limited
3.	Mr. Manish B. Parikh**	56,13,793	33,43,367	57	Chief Financial Officer	B. Com	35	1/9/2004	Nirlon Limited

Notes :

1. The Company has only three (3) employees, one of which 1 (one) is Managerial Personnel as stated above.
2. Salaries include Exgratia / variable performance linked pay, the Company's contribution to Provident Fund.
3. None of the Employees is a relative of any Directors of the Company except Mr. Rahul V. Sagar, who is the brother of Mr. Kunal V. Sagar, Director.
4. Employees were employed on a permanent basis
5. Mr. Rahul V. Sagar holds 13,29,750 shares, Mr. Jasmin K. Bhavsar holds 30,000 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 2018-19:

Executive Director	**Ratio to Median (No. of times)**
Mr. Rahul V. Sagar	2.05
Non-Executive Directors	**Ratio to Median (No. of times)**
Mr.Moosa Raza	0.09
Mr.Rama Varma	0.07
Mr.Arjan Gurbuxani	0.08
Mrs.Rajani Bhagat	0.04
Mrs.Aruna Makhan	0.08
Mr.Kunnasagaran Chinniah	0.02
Mr.Kunal V. Sagar	0.04

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

2. The percentage increase in remuneration of each Director, Chief Financial Officer and the Company Secretary in the Financial Year 2018-19:

Name	Designation	Percentage Increase / (Decrease)
Mr. Rahul V. Sagar	Executive Director & Chief Executive Officer	0.86 %
Mr. Kunal V. Sagar	Non-Executive Director	28.57 %
Mr. Moosa Raza	Non-Executive Director	0.00 %
Mr. Rama Varma	Non-Executive Director	(21.05) %
Mr. Arjan Gurbuxani	Non-Executive Director	0.00 %
Mrs. Rajani Bhagat	Non-Executive Director	33.33 %
Mrs. Aruna Makhan	Non-Executive Director	0.00 %
Mr. Kunnasagaran Chinniah	Non-Executive Director	0.00 %
Mr. Manish B. Parikh	Chief Financial Officer	11.16 %
Mr. Jasmin K. Bhavsar	Company Secretary	12.47 %

Note:

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

3. The percentage increase in the median remuneration of employees in the financial year was 12.47%.

4. The number of permanent employees (i.e. Key Managerial Personnel) on the rolls of Company as on March 31, 2019 was 3 (three).

5. The Company did not have any employees other than key managerial personnel in the current and last financial year. Percentile increase in the key managerial remuneration was 5.28%.

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 5A to the Directors' Report

FORM NO. AOC -2

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

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

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

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

a.	Name/s of the related party and nature of relationship	Nirlon Management Services Pvt. Ltd., a related party of the Company	Nirlon Management Services Pvt. Ltd., a related party of the Company	Nirlon Management Services Pvt. Ltd., a related party of the Company
b.	Nature of contracts / arrangements / transactions	Management Services Agreement	Asset Sale Agreement	Name User Agreement
c.	Duration of the contracts / arrangements / transactions	October 1, 2016 to September 30, 2020	October 1, 2016 (one time)	Until the Name User Agreement terminates in accordance with its terms.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	• **Services:** NMSPL will provide lease management, property management, marketing, project management and general management services in respect of the properties of the Company (**'Services'**).	• **Assets:** Movable assets (furniture, fixtures, computers, software, cars, two wheelers, etc.) were transferred to NMSPL by the Company to enable NMSPL to better provide the Services under the Management Services Agreement.	• **License:** A royalty free, non-assignable and non-transferable license is granted to NMSPL to use the Name 'Nirlon'. Subject to the terms of the Name User Agreement, NMSPL can promote the Name through advertisements, branding and sports initiatives.
		• **Properties:** The Services will be provided by NMSPL in relation to the properties owned by the Company on the date of the Management Services Agreement, including Nirlon Knowledge Park and Nirlon House.	• **Consideration:** A consideration of ₹25.10 lakh (Rupees Twenty Five Lakh and ten thousand only) was paid by NMSPL to the Company as and by way of consideration for the asset transfer. The consideration was paid on the basis of the book value of the assets.	• **Owner:** The Company remains the sole and exclusive owner of the Name including the trademark and copyrights in the Name. The Company can continue to use the Name as the owner in any manner it deems appropriate.
		• **Fees :** Fees will be paid to NMSPL by the Company in the following manner: ► **For Lease Management Services** A monthly fee equal to 1% (one percent) of the gross revenue of the property for such month; ► **For Property Management Services** A monthly fee equal to 2% (two percent) of the gross revenue of the property for such month;	• **Employees:** Identified employees who were involved in the provision of Services to the Company were offered employment by NMSPL on terms no less favorable than those on which they were engaged in the Company. Employees were provided by the Company with no-dues letters at the time of their resignation. End-of-service gratuity was paid by the Company to those employees who have completed service of 5 (five) years or more with the Company. Ex-gratia payments were made by the Company to those employees who have not completed 5 (five) years' service with the Company.	• **Restrictions on Use:** NMSPL will stop using the name under various circumstances (including if such use brings disrepute to the Company or jeopardizes the rights of the Company to the Name, if such use is in breach of any contractual obligations of NMSPL, etc.). NMSPL is not permitted to register any trademark, or other intellectual property using the Name.

		► **For Marketing Services** A percentage based commission based on the term of the lease / license and the license fee / lease rent payable for the first month thereof (including commission for additional space taken up by a licensee / lessee). Commission is also payable on renewal of an existing lease / license; ► **For Project Management Services** ₹ 60/- crore (Rupees Sixty Crore) payable in 48 (forty eight) equal monthly installments, as construction / project management fees for Phase 5 of Nirlon Knowledge Park. Of this amount, an advance of ₹6/- crore (Rupees Six Crore) is paid on the execution of the agreement, which advance is to be adjusted against the 42nd (forty second) to the 48th (forty eighth) monthly installments referred to above. ► All fees are exclusive of applicable service tax, which will be borne by the Company.	• The transaction was completed post approval of the shareholders at their Meeting held on September 20, 2016, simultaneously with the Management Services Agreement becoming effective (i.e., on October 1, 2016.	• **Termination:** Either party can terminate the agreement after giving a prior written notice if the Sagar Brothers cease to remain in control / majority ownership interest of NMSPL, or if Reco / its affiliates cease to have control / majority ownership interest over the Company. • **Right to Injunctive Relief:** The Company can claim injunctive and other reliefs available to it under law in the event NMSPL or the Sagar Brothers are in breach of the Name Use Agreement.
		• **Term:** 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.		
		• **Indemnity:** NMSPL has agreed to indemnify and hold the Company harmless for any loss suffered by reason of NMSPL's, or if applicable NMSPL's employees', fraud or willful misconduct.		
		• **Leave and license agreement:** 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.		

		• **Termination rights:** Termination rights under the Management Services Agreement include breaches by a party of the Management Services Agreement, change in control of the Company, or a party becoming the subject of any insolvency proceedings and other matters. • The fees agreed to be paid to NMSPL under the Management Services Agreement are in consonance with current industry rates and practice. Furthermore, by out- sourcing the project / property and other management services to NMSPL, it is expected that the operational costs of the Company in respect of its current projects are likely to be limited in accordance with the terms of the Management Services Agreement.		
e.	Date/s of approval by the Board, if any:	August 10, 2016		
f.	Amount paid as advances, if any:	₹ 6/- crore	NIL	NIL

Annexure 5B to the Directors' Report

A. Disclosures in compliance with the Accounting Standard on 'Related Party Disclosures'- Please refer to Note no.35 of the Audited Financial Accounts as on March 31, 2019.

B. Additional Disclosure Requirements:

Sr. No.	In the accounts of:	Disclosures of amounts at the Year end and the maximum amount of loans / advances / Investments outstanding
1.	Holding Company	• Loans and advances in the nature of loans to subsidiaries by name and amount: **NIL**
		• Loans and advances in the nature of loans to associates by name and amount: **NIL**
		• Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount: **NIL**
2.	Subsidiary Company	Same disclosures as applicable to the parent company in the accounts of subsidiary company: **NIL**
3.	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan: **NIL**

Annexure 6 to the Directors' Report

Corporate Governance Report

[Information given in this Report relates to the Financial Year ended March 31, 2019]

1. The Company's Philosophy on Code of Governance

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

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

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

2. Board of Directors

A. Directors

i. Padma Bhushan Mr. Moosa Raza (Chairman – ID* & NED*)

ii. Mr. Arjan R. Gurbuxani (ID* & NED*)

iii. Mr. Kunnasagaran Chinniah (NED* - Director

Nominated by Reco Berry Pvt. Ltd. - Promoter) w.e.f. April 28, 2016

iv. Mr. Rama Varma (ID*&NED* up to March 31,2019)

v. Mrs. Aruna Makhan (ID*&NED* up to March 31,2019)

vi. Mrs. Rajani Bhagat (Promoter & NED* up to March 21, 2019)

vii. Mr. Kunal V. Sagar (Promoter & NED*)

viii. Mr. Rahul V. Sagar (Promoter & Executive Director & CEO)

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

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

B. Brief Resume of Directors

i. **Padma Bhushan Mr. Moosa Raza (DIN 00145345) Chairman – ID & NED,** aged 82 years (D.O.B 27-02-1937), has been a civil servant for 35 years, and is a recipient of the Padma Bhushan awarded by the Hon'ble President of India for his distinguished civil service to the Nation.

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

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

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

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

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

Mr. Raza 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 POSH 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 Five (5) Board Meetings during the F.Y. 2018-19 including one (1) through a video conference.

He does not hold any Equity Shares in the Company.

ii. **Mr. Arjan R. Gurbuxani (DIN 00425885) - ID & NED,** 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 55th AGM held on September 23, 2014, Mr. Gurbuxani was appointed as an Independent Director, not liable to retire by rotation, to hold office up to March 31, 2019.

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

Since 2006, Mr. Gurbuxani is the CEO of a Public Charitable Trust established 1903, which manages in Rishikesh (Uttarakhand) two CBSE affiliated Public Schools with more than 3,200 students. The said Trust also manages two Hospitals with more than 280 Beds. One of the Hospitals is dedicated to Eye Care only and has performed more than 1,25,000 free Eye Surgeries since 2007.

Mr. Gurbuxani is the Chairman of the Nomination and Remuneration Committee and Risk Management Committee, and is also a member of the Audit, Stakeholder Relationship and POSH Committee 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. 2018-19.

He holds 724 Equity Shares in the Company.

iii. **Mr. Kunnasagaran Chinniah (DIN 01590108),** aged 62 years (D.O.B 10-05-1957), was nominated as Director, by Reco Berry Pvt. Ltd., a Promoter of the Company, w.e.f. April 28, 2016. Thereafter, Members of the Company appointed Mr. Chinniah as a Director retiring by rotation at their 57th AGM held on September 20, 2016.

Mr. Chinniah is a qualified Chartered Financial Analyst (CFA) and his other academic qualifications include a Bachelor's Degree in Electrical Engineering from the National University of Singapore and an MBA from the University of California, Berkeley, USA.

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

Mr. Chinniah also serves on the Boards of various companies including Indian companies such as Edelweiss Financial Services Ltd. (Member of the Audit and Stakeholders Relationship Committee), Edelweiss Rural and Corporate Services Ltd. (Chairman of the Audit Committee), ECL Finance Ltd., Edelweiss Tokio Life Insurance Company Ltd. (Member of the Audit Committee), Edelweiss Finvest Pvt. Ltd. (Member of the Audit Committee), and Edelweiss Securities Ltd. (Member of the Audit Committee) .

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

He attended 5 (five) Board Meetings during the F.Y. 2018-19.

He does not hold any equity shares in the Company.

iv. **Mr. Rama Varma (DIN 00031890) - ID & NED,** 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 55th AGM held on September 23, 2014 appointed Mr. Varma as an Independent Director to hold office up to March 31, 2019, and not liable to retire by rotation.

He is holding the position of Managing Director of Aspinwall & Co. Limited, and also holds Membership of the Corporate Social Responsibility Committee.

He attended 4 (four) Board Meetings during the F.Y. 2018-19.

He holds 1,925 Equity Shares in the Company.

Mr. Varma had successfully completed his tenure of five (5) years as Non Executive Independent Director on March 31, 2019.

v. **Mrs. Aruna Makhan (DIN 00025727) - ID & NED,** 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, TTCI, PEC and Prasar Bharati (Broadcasting Corporation of India), besides having held several directorial posts in various Government Undertakings and Autonomous Bodies.

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

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

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

She is also an Independent Director of Mangalam Cement Limited (Member of the Audit, Stakeholders Relationship and Nomination and Remuneration Committee)

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

She did not hold any Equity Shares in the Company.

Mrs. Makhan had successfully completed her tenure of five (5) years as Non Executive Independent Director on March 31, 2019.

vi. **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 51st, 54th, 55th, 56th and 58th 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 was a member of the Corporate Social Responsibility Committee of the Company.

Mrs. Bhagat is not related to any Director / KMP of the Company.

She attended 5 (five) Board Meetings during the F.Y. 2018-19.

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

Mrs. Bhagat was disqualified to act as a Director under the Companies Act, and the Company has filed the relevant form with the MCA on March 22, 2019.

vii. **Mr. Kunal V. Sagar (DIN 00388877) - (Promoter & NED),** aged 51 years (DOB 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, Executive Director and CEO of the Company.

He attended 5 (five) Board Meetings during the F.Y. 2018-19.

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

viii. **Mr. Rahul V. Sagar (DIN 00388980), Promoter & Executive Director,** aged 47 years (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 Sempertrans Nirlon Private Limited.

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

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

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. 2018-19.

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

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

Sr. No.	Name of the Director	Education / Professional qualifications	Experience (approx. in Years)	Core skills / expertise / competencies in the context of business and sector in which the Company operates	Name of the other public limited companies in which Director held Chairmanships / Memberships
1.	Mr. Moosa Raza -Chairman -Non Executive Independent Director	Padma Bhusan recipient, IAS (Retired)	35 years	Yes, Administration, Management, Finance, Real Estate, production, operation Accounts and Audits	None
2.	Mr. Arjan Gurbuxani -Non Executive Independent Director	B.A. (Hons.), LL.B, C.A.I.I.B.	42 years	Yes, Administration, Management, Finance, Real Estate, Accounts and Audits	None
3.	Mr. Kunnasagaran Chinniah- Promoter Director	Chartered Financial Analyst , Bachelor in Electrical Engineering, MBA	30 years	Yes, Management, Finance Accounts, Audit, and Real Estate	1. Edelweiss Financial Services Ltd. (Member of AC and SRC), 2. ECL Finance Ltd., 3. Edelweiss Securities Ltd. (Member of AC) 4. Edelweiss Agri Value Chain Ltd. 5. Edelweiss Rural and Corporate Services Ltd., (Chairman of AC) 6. Edelweiss Tokyo life Insurance Co. Ltd., (Member of AC)
4.	Mr. Kunal V.Sagar-Promoter & Director (Brother of Mr. Rahul V. Sagar)	B.A. in Economics	30 years	Yes, Administration, Management, Real Estate, Finance, Accounts, Audits, Production and Operation	None
5.	Mr. Rahul V.Sagar -Promoter & Executive Director & Chief Executive Officer (Brother of Mr. Kunal V. Sagar)	B.A. in Economics	25 years	Yes, Administration, Management, Real Estate, Finance, Accounts, Audits, Production and Operation	None

Sr. No.	Name of the Director	Education / Professional qualifications	Experience (approx. in Years)	Core skills / expertise / competencies in the context of business and sector in which the Company operates	Name of the other public limited companies in which Director held Chairmanships / Memberships
6.	Mr. Rama Varma - Non Executive Independent Director (up to March 31, 2019)	B.Sc.	38 years	Yes, Administration, Management, Real Estate, Finance, Accounts, Audits, Production and Operation	Aspinwall & Co. Ltd.; Managing Director and Member of CSRC
7.	Mrs. Aruna Makhan- Non Executive Independent Director (up to March 31,2019)	Comptroller Auditor General of India (retired)	37 years	Yes, Finance, Tax, Audit and Real Estate	Director of Mangalam Cement Ltd., and also Member of AC , SRC & NRC
8.	Mrs. Rajani Bhagat ,Promoter (up to March 21, 2019)	B.A. (Hons.), B.Com., B.Sc. in Economics	40 years	Yes, Administration, and Management,	1. The Bombay Garage (Ahmedabad) Ltd. 2. Pharma Fill Limited

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 including Independent Directors, no Director of the Company was holding the office of Director in more than seven (7) listed entities, and was not a member of the more than 10 (ten) Committees or acted as Chairperson of more than five (5) Committees, across all the companies in which he / she was a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

c. None of the Directors held Directorships in more than twenty (20) Indian companies including ten (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.

h. The meeting of the Independent Directors of the Company was held on Friday, February 8, 2019.

C. Particulars of Directors' attendance at Board Meetings during the Financial Year 2018-19, 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, 2019:

Sr. No.	Name of the Director	Category	Relationship with other Directors	Meeting Attendance Particulars		Directorships in other Public Ltd. Company / ies	Director-ships in other Listed Company / ies	Audit and Stakeholders Relationship Committee Memberships in other Companies		Share-holding in Nirlon Limited
				Board	Last AGM			Chairman	Member	
1.	Mr. Moosa Raza	ID & C*	None	5*	Yes	-	-	-	-	Nil
2.	Mr. Rama Varma	ID & NED*	None	4	Yes	1		-	-	1,925
3.	Mr. Arjan R. Gurbuxani	ID & NED*	None	5	Yes	-	-	-	-	724
4.	Mrs. Aruna Makhan	ID & NED*	None	5	Yes	1	1	-	2 (1 AC & 1 SRC)	Nil
5.	Mrs. Rajani M. Bhagat (up to March 21, 2019)	NED* & P*	None	5	No	2	-	-	-	6,73,349
6.	Mr. Kunal V. Sagar	NED* & P*	Brother of Mr. Rahul Sagar	5	Yes	-	-	-	-	13,29,750
7.	Mr. Rahul V. Sagar	ED* & P*	Brother of Mr. Rahul Sagar	5	Yes	-	-	-	-	13,29,750
8.	Mr. Kunnasagaran Chinniah	NED*	None	5	Yes	6	1	1 (AC)	4 (3 AC & 1 SRC)	Nil

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

i. Mr. Moosa Raza is the Chairman of the Board. Mr. Raza participated the Board meeting held on November 12, 2018 through a video conference.

ii. Mr. Kunal V. Sagar held the position of Promoter & Executive Vice Chairman up to September 25, 2015, and thereafter he continues as a Promoter and NED.

iii. Mr. Rahul V. Sagar is the Executive Director & C.E.O. 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. Mrs. Rajani Bhagat was disqualified by the MCA, and the Company has accordingly filed the required form DIR 12 with MCA on March 22, 2019, and has informed the BSE Ltd. about the same.

vii. Based on the respective disclosures made by the Directors, none of the Directors is a member in more than ten (10) committees and acts as a Chairman in more than five (5) committees across all companies in which he / she is a Director

During the Financial Year 2018-19, the Board met five (5) times on the following dates:

Sr. No.	Date of Board Meetings
1.	May 14, 2018
2.	August 6, 2018
3.	September 26, 2018
4.	November 12, 2018
5.	February 8, 2019

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

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

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

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

D. Training of Board Members

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

E. Mechanism for Evaluating Board Members

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

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

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

a. Ability to contribute to and monitor corporate governance practices;

b. Ability to contribute by introducing international best practices to address senior management issues;

c. Active participation in long term strategic planning; and

d. Commitment to the fulfilment of Directors' obligations and fiduciary responsibilities, which include to attend and participate in Board, Committee and separate Independent Directors' Meetings as well to attend the Annual General Meeting.

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

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

CERTIFCATE

[Pursuant to Regulation 34(3) read with Sub Clause 10(i) of Clause C of Schedule V of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors of Nirlon Limited,
Pahadi Village, Goregaon (East),
Mumbai – 400 063.

We have examined the Register and other records / documents maintained by **Nirlon Limited** (CIN: L17120MH1958PLC011045) hereinafter referred to as 'the Company') for issuing this certificate, in accordance with Regulation 34(3) read with Sub Clause 10(i) of Clause C of Schedule V of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and according to the information and explanations given to us and based on such verification as considered necessary, we hereby certify the following Directors on the Board of the Company are not debarred or disqualified from being appointed or continuing as directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority for the year ended 31st March, 2019:

Sr. No.	Name of Director	DIN	Designation	Address
1.	Moosa Raza	00145345	Director	15/6, Chari Street, Off. North Usman Road, T. Nagar, Chennai – 600 017
2.	Kunal Virenchee Sagar	00388877	Director	Wind Tower Compound Villa, 15 Road 26B Jumeirah, First Plot No. 819-0 Land DM UAE Dubai – 332 825
3.	Rahul Virenchee Sagar	00388980	Wholetime Director	Kumaram 10 Worli Sea Face Worli, Mumbai – 400 018
4.	Arjan Ramchand Gurbuxani	00425885	Director	Flat No. 33, Gulmarg, 6th Floor, Nepeansea Road, Mumbai – 400 006
5.	Kunnasagaran Chinniah	01590108	Nominee Director	12, Countryside Grove, Singapore City 789 967

For ALWYN JAY & CO.,
Company Secretaries

Place : Mumbai,
Date: May 13, 2019
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]

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

3. <u>Audit Committee (AC)</u>

i. Role of the Audit Committee is as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that Financial Statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms for Auditors of the Company;
3. Approval of payment to the Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the Management the Annual Financial Statements and the Auditors Report before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134 (3) (c) of the Companies Act, 2013;

b. Changes, if any, in accounting policies, practices, and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by the Management;

d. Significant adjustments made in the Financial Statements arising out of audit findings;

e. Compliance with the SEBI LODR and other legal requirements relating to the Financial Statements;

f. Disclosure of any related party transactions;

g. Draft audit report;

5. Reviewing with the Management the Quarterly Financial Statements before submission to the Board for approval;

6. Reviewing with the Management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in the matter as may be required;

7. Review and monitor the Auditors' independence and performance, and effectiveness of the audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing with the Management the performance of the Statutory and the Internal Auditors, and adequacy of the internal control systems;

13. Reviewing the adequacy of the internal audit function including the structure of the appointment of the Internal Auditor, remuneration, internal audit department, reporting structure, coverage and frequency of the internal audit;

14. Discussion with the Internal Auditors on any significant findings and follow up thereon;

15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any areas of concern;

17. To look into reasons for substantial defaults in the payment to lenders, depositors, debenture holders, Shareholders / Members (in case of non-payment of declared dividends) and creditors, if any;

18. To review the functioning of the Whistle Blower Mechanism;

19. Approval of appointment of the CFO (i.e., the whole- time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

iii. The constitution of this Audit Committee meets with the requirement of the Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as applicable. The terms of reference for the Audit Committee and frequency of Meetings meet the requirements of law.

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

v. During the Financial Year 2018-19, the Audit Committee met four (4) times on the following dates and the details of the Directors' attendance are as stated below:

Sr. No.	Name of Members	May 14, 2018	August 6, 2018	November 12, 2018	February 8, 2019	Total
1.	Mr. Moosa Raza (Chairman)	Yes	Yes	Yes*	Yes	**4**
2.	Mr. Rama Varma	Yes	Yes	No	Yes	**3**
3.	Mr. Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	**4**
4.	Mrs. Aruna Makhan	Yes	Yes	Yes	Yes	**4**

*Participated through video conference

4. <u>Stakeholders Relationship Committee (SRC)</u>

i. Role of the SRC as under:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;

2. Review of measures taken for effective exercise of voting rights by Shareholders;

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Share Transfer Agent; and

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by Shareholders of the Company.

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

iii. The Committee specifically looks into redressing of Members complaints like transfer of shares, non-receipt of balance sheet, etc. The Committee ensures that the grievances of investors are attended to promptly, besides taking pro-active action for a high level of investor service. The Committee aims to focus the attention of the Company on Members' grievances and helps the Management in the redressal of their grievances.

iv. The Committee also looks after redressal of investors' grievances and performance of the Share Transfer Agent of the Company.

v. During the Financial Year 2018-19, 10 (ten) number of complaints were received; 0 (zero) number of complaints were not solved to the satisfaction of the shareholders, and 0 (zero) number of complaints were pending during the Financial Year.

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

vii. During the Financial Year 2018-19, the Stakeholders Relationship Committee met four (4) times on the following dates and the details of the Directors' attendance are as stated below:

Sr. No.	Name of Members	May 14, 2018	August 6, 2018	November 12, 2018	February 8, 2019	Total
1.	Mr. Moosa Raza (Chairman)	Yes	Yes	Yes*	Yes	**4**
2.	Mr. Rama Varma	Yes	Yes	No	Yes	**3**
3.	Mr. Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	**4**
4.	Mrs. Aruna Makhan	Yes	Yes	Yes	Yes	**4**

*Participated through video conference

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

ix. The Company has designated an e-mail address: **'share@nirlonltd.com'** for registering complaints by Members. The Company's details are displayed at the Company's website **'www.nirlonltd.com'.**

5. <u>Nomination and Remuneration Committee (NRC)</u>

i. Role of the NRC is as under:

1. To formulate a criteria for determining qualifications, positive attributes and independence of a Director;

2. To recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees;

3. To recommend to the Board the appointment and removal of Key Managerial Personnel and Senior Management;

4. To identify persons who are qualified to become Directors and who may be appointed to senior management in accordance with the criteria laid down, and recommending to the Board their appointment and / or removal;

5. To recommend extending or continuing the term of appointment of the Independent Directors, on the basis of the report on performance evaluation of Independent Directors;

6. To carry out evaluation of a Director's performance and recommend to the Board appointment / removal based on his / her performance;

7. To recommend to the Board :

   a. the policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management; and

   b. the Executive Director / s remuneration and incentive structure;

8. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of law and the service contract;

9. To ensure that the level and composition of remuneration is reasonable and sufficient, and meets appropriate benchmarks;

10. To devise a policy on Board diversity;

11. To develop a succession plan for the Board and to regularly review the plan;
12. To monitor the Company's ESOP Plan;
13. To ensure that there is an appropriate induction and training programme in place for new Directors and Members of Senior Management and reviewing its effectiveness;
14. To ensure that on appointment to the Board, Non- Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
15. To identify and recommend Directors who are to be put forward for retirement by rotation;
16. To determine the appropriate size, diversity and composition of the Board;
17. To set a formal and transparent procedure for selecting new Directors for appointment to the Board;
18. To evaluate the performance of the Board Members and Senior Management in the context of the Company's performance from a business and compliance perspective;
19. To delegate any of its powers to one or more of its Members or to the Secretary of the NRC;
20. To recommend any necessary changes to the Board;
21. To review Directors' and Officers' liability insurance taken by the Company for Directors, Key Managerial Personnel and Senior Management; and
22. To consider any other matters as may be requested by the Board

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

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

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

v. During the Financial Year 2018 - 2019, the Nomination & Remuneration Committee met three (3) times on the following dates and the details of the Directors' attendance are as stated below:

Sr. No.	Name of the Members	May 14, 2018	November 12, 2018	February 8, 2019	Total
1.	Mr. Arjan R. Gurbuxani (Chairman)	Yes	Yes	Yes	**3**
2.	Mr. Moosa Raza	Yes	Yes*	Yes	**3**
3.	Mr. Rama Varma	Yes	No	Yes	**2**
4.	Mrs. Aruna Makhan	Yes	Yes	Yes	**3**

*Participated through video conference

vi. Details of Remuneration paid to all Directors for the Financial Year ended March 31, 2019 are as follows:

(₹ in Lakh)

Sr. No.	Name of the Director	Salary	PF*	VC*	Sitting fees**	Total	Service contract / Notice period / severance fees
1.	Mr. Moosa Raza	0	0	0	10.00	**10.00**	N.A.
2.	Mr. Rama Varma	0	0	0	7.50	**7.50**	N.A.
3.	Mr. Arjan R. Gurbuxani	0	0	0	9.00	**9.00**	N.A.
4.	Mrs. Rajani M. Bhagat (up to March 21,2019)	0	0	0	4.00	**4.00**	N.A.
5.	Mrs. Aruna Makhan	0	0	0	9.00	**9.00**	N.A.
6.	Mr. Rahul V. Sagar	98.00	7.68	128.00	0.00	**233.68**	Agreement for a period of five years w.e.f. February 1, 2016 - Three month notice.
7.	Mr. Kunal V. Sagar	0	0	0	4.50	**4.50**	N.A.
8.	Mr. Kunna-sagaran Chinniah	0	0	0	2.50	**2.50**	N.A.

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

VC paid to the Executive Director & CEO on the basis of performance and achievements (@ 200% of basic salary paid for the F.Y. 2018-19) approved by the Board based on recommendations given by the Nomination & Remuneration Committee.

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

** 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. POSH Committee

The POSH 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.

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
57th	2015 -2016	Tuesday , September 20, 2016	Registered Office of the Company	11.30 a.m. (IST)
58th	2016 -2017	Friday , September 29, 2017	Registered Office of the Company	11.30 a.m. (IST)
59th	2017 -2018	Wednesday, September 26, 2018	Registered Office of the Company	11.30 a.m. (IST)

ii. There were no Special Resolutions passed in the previous three (3) AGMs except in the last AGM of the Company.

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

a. Re-appointment of Mr. Moosa Raza (DIN 00145345), aged 81 years, as a non Executive Independent Director for period of eighteen (18) months effective from April 1, 2019.

b. Re-appointment of Mr. Arjan Gurbuxani (DIN 00425885), aged 84 years, as a non Executive Independent Director for period of eighteen (18) months effective from April 1, 2019.

c. Continuation of Mrs. Rajani Bhagat (DIN 00870716), aged 79 years as a Director of the Company.

B. Postal Ballot

Postal Ballot conducted by the Company during the Financial Year 2018 – 2019.

i. The Company issued Postal Ballot notice dated April 28, 2018 seeking Members' approval by way of a Special Resolution for adoption of the proposed alteration to Articles 71 (C) and (D) of the Articles of Association of the Company.

ii. The Board of Directors appointed Mr. Alwyn D'souza, Partner of Alwyn Jay & Co., Company Secretaries as scrutinizer for conducting the Postal Ballot process for seeking Members assent / dissent for the above stated business as contained in the Postal Ballot Notice dated April 28, 2018.

iii. Mr. Alwyn D'souza has carried out the work as a Scrutinizer from the close of working hours on June 12, 2018 to June 13, 2018.

iv. The Specimen Signatures have been verified with the specimen signature records maintained by the Company's Share Transfer Agent, Link Intime India Pvt. Ltd., and the Scrutinizer relied upon the certification provided by them for the same;

v. The Company has appointed Central Depository Services (India) Limited, ('CDSL') to provide an e-voting facility to its members whereby Members having shares in Demat Form and in Physical Form may vote either by way of a physical Postal Ballot Form or by way of e-voting.

vi. The result was declared on June 18, 2018 and the same was filed with the BSE Ltd. , and also uploaded at the Company's website.

The detail of the Postal Ballot result is given below:

By way of a Special Resolution

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

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

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

(ii) Voted **against** the resolution:

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

(iii) **Invalid / Abstained** votes:

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

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

8. Means of Communication:

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

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

iv. Official News released

Whenever applicable, the Company also displays official news releases

v. Presentations made to institutional investors / analysts

None

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

10. General Shareholder Information:

i. 60th Annual General Meeting:

Day & Date : Tuesday, September 3, 2019

Time : 12.00 noon (IST)

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

ii. 61st Annual General Meeting: on or before September 30, 2020 (tentative)

iii. Financial Year: April 1, 2019 to March 31, 2020

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

- 1st Quarter of 2019-20 :

  April – June 2019 quarter results – Meeting to be held on Tuesday, August 13, 2019

- *2nd Quarter of 2019-20:

  July – September 2019 quarter results – on or before Wednesday, November 13, 2019

- *3rd Quarter of 2019-20:

  December 2019 quarter results – on or before Tuesday, February 11, 2020; and

- *4th Quarter of 2019-20 (also for the full financial year 2019-20):

  Audited results for the year ended March 31, 2020 – on or before Wednesday, May 13, 2020.

v. Date of Book closure for the 60th AGM

Friday, August 23, 2019 to Tuesday, September 3, 2019 (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 Tuesday, October 1, 2019.

vii. Listing on Stock Exchange

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

viii. Payment of Annual Custodial fees

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

ix. Stock Scrip Code

a. BSE Code: 500307; and

b. ISIN no. in NSDL and CDSL for equity Shares: INE910A01012

x. Suspension of securities from trading during the Year

No

xi. Share Transfer System

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

xii. Share Transfer Agent (STA) - Effective from June 3, 2016 Link Intime India Pvt. Ltd.

C 101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai 400 083.
Tele : +91 (022) 49186000
Fax : +91 (022) 49186060
CIN : U67190MH1999PTC118368
E-mail id : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

xiii. Dematerialization of Shares

As per notification issued by SEBI, the shares of the Company are traded in Dematerialized Form. As on March 31, 2019, approx. 92.70% of the paid-up Equity Share Capital of the Company has been dematerialized.

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

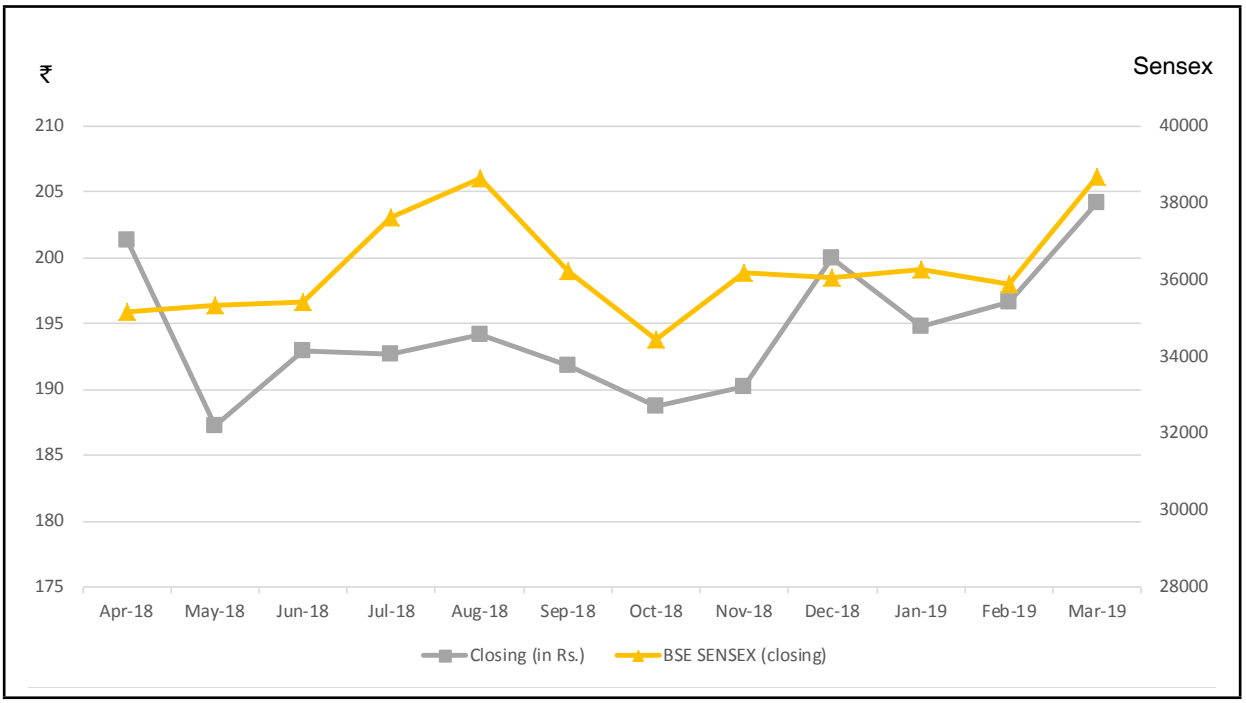
Not Applicable

xv. * Stock Market Data: April 1, 2018 to March 31, 2019

Month	Low (in ₹)	High (in ₹)	Closing (in ₹)	*BSE SENSEX (closing)
April-18	197.00	222.00	201.35	35160.36
May-18	185.00	214.00	187.20	35322.38
June-18	180.05	196.90	192.95	35423.48
July-18	176.00	206.00	192.65	37606.58
August-18	185.00	198.85	194.20	38645.07
September-18	181.50	204.00	191.85	36227.14
October-18	181.00	200.00	188.75	34442.05
November-18	185.00	200.00	190.25	36194.3
December-18	190.20	204.00	200.00	36068.33
January-19	191.00	204.00	194.85	36256.69
February-19	165.10	200.00	196.60	35867.44
March-19	195.00	223.20	204.20	38672.91

* Data are sourced from the BSE Limited

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



*Based on closing of BSE Sensex and Share Price

xvii. Distribution of Shareholding (As on March 31, 2019)

Range of equity Shares	No. of Shareholders	Percentage of Shareholders to total (%)	No. of Equity Shares	Percentage of Shares amount to total (%)
Up to 500	34,481	93.24	35,71,099	3.96
501-1,000	1,464	3.96	11,47,931	1.27
1,001-2,000	562	1.52	8,47,856	0.94
2,001-3,000	154	0.42	3,88,180	0.43
3,001-4,000	72	0.19	2,57,989	0.29
4,001-5,000	55	0.15	2,59,714	0.29
5,001-10,000	90	0.24	6,39,438	0.71
10,001 and above	103	0.28	8,30,05,833	92.11
Total	**36,981**	**100**	**9,01,18,040**	**100**

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

Derivative instruments :

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

Derivative instruments are acquired to hedge buyers credit facilities as required.

	2018-19	2017-18
a. Hedged		
Amount in USD (in lakh)	0	0
Amount in ₹(in lakh)	0	0
b. Un-hedged foreign currency exposure :		
• **Buyers credit**		
Amount in USD (in lakh)	0	0
Amount in ₹ (in lakh)	0	0
• **Vendors**		
Amount in USD (in lakh)	0	0
Amount in ₹ (in lakh)	0	0

xix. Industrial Park / IT Park Location and NIC code

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

b. NIC code: 42901

xx. Address for Communication

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

Nirlon Limited, Share Dept., Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.
Tel : + 91 (022) 4028 1919 / 2685 2257 / 58 / 59
Fax No. : + 91 (022) 4028 1940
CIN : L17120MH1958PLC011045
E-mail : share@nirlonltd.com
Website : www.nirlonltd.com

xxi. Shareholding Pattern (As on March 31, 2019)

A.	Promoters and Promoter Group	No. of Equity Shares	Percentage (%)
	a. Indian	35,15,970	3.90
	b. Foreign	6,07,82,426	67.45
	Sub-total A = (a+b)	**6,42,98,396**	**71.35**
***B.**	**Public Shareholding**		
	a. Bank / MFs / Insurance Cos.	26,850	**0.02**
	b. Foreign Portfolio Investors / FIIs	1,01,72,956	**11.29**
	c*. Others	1,56,19,838	**17.34**
	Sub- total : *B = (a+b+*c)	**2,58,19,644**	**28.65**
Grand Total A+*B		**9,01,18,040**	**100**
Total no. of Members: 36,981			

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

xxii. Reconciliation of the Share Capital Audit

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

xxiii. Other Disclosures:

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

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

Attention of Members is drawn to the disclosure of transactions with related parties set out in Note 35 of the Audited Financial Statements, and Annexures 5A & 5B hereof forming part of this Annual Report. The said transactions were fully disclosed at the concerned Meeting of the Board of Directors, which were subsequently approved by Members of the Company by way of Special and Ordinary Resolution / s as applicable.

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

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

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

Not Applicable

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

http://www.nirlonltd.com/pdf/related_ party_ transaction_policy_mar_16.pdf

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

*Attention of Members is drawn to the disclosure of transactions with regard to derivative instruments as set out in **Note 39 (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.*

xxiv. Discretionary Requirements

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

a. Qualification /s in Audit Report

There is no qualification in the Audit Report.

b. Separate posts of Chairperson and Chief Executive Officer

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

c. Reporting of the Internal Auditor

The Internal Auditor may report directly to the Audit Committee.

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

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

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

NIL

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

We, Rahul V. Sagar, Executive Director & Chief Executive Officer, and Manish B. Parikh, Chief Financial Officer, hereby certify for the Financial Year ended March 31, 2019 that :

a. We have reviewed the Financial Statements and the Cash Flow Statement for the Year and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There were, to the best of our knowledge and belief, no transactions entered into by the Company during the Year which are fraudulent, illegal or violate the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:

i. That there are no significant changes in internal control over financial reporting during the Year;

ii. That there are no significant changes in accounting policies during the Year and that the same have been disclosed in the notes to the financial statements; and

iii. That there are no instances of fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

For Nirlon Limited
sd/-
Rahul V. Sagar
Executive Director & C.E.O.
(DIN 00388980)
Mumbai, May 13, 2019

Manish B. Parikh
Chief Financial Officer

xxviii.Declaration – Code of Conduct

All Board Members and KMPs have, for the Financial Year ended March 31, 2019, affirmed compliance with the Code of Conduct laid down by the Board of Directors pursuant to the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

For Nirlon Limited
sd / -
Rahul V. Sagar
Executive Director & C.E.O.
(DIN 00388980)
Mumbai, May 13, 2019

Manish B. Parikh
Chief Financial Officer

xxix. Compliance certificate of Alwyn Jay & Co., Practicing Company Secretaries regarding compliance with conditions of Corporate Governance for the Financial Year 2018-19 is attached with the Directors Report :

To,

The Members of Nirlon Limited,

1. We have examined the compliance of the conditions of Corporate Governance by Nirlon Limited (**'the Company'**) for the Financial Year ended March 31, 2019, as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46 (2) and para C, D and E of Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (**'Listing Regulations'**).
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

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

Mumbai, May 13, 2019
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 7 to the Directors' Report
Management Discussion Analysis

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

As also mentioned in the last Annual Report, the various related party agreements between the Company and Nirlon Management Services Pvt. Ltd. (**NMSPL**) approved by Members in the 57th AGM held on September 20, 2016 were given effect to from October 1, 2016. In accordance with the relevant agreement, all employees of the Company (except the 3 Key Managerial Personnel as required under the Act) resigned from the Company effective September 30, 2016 upon payment of their dues. The Company is receiving the services under the relevant agreement / s executed with NMSPL (summarized in Annexure 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 during 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. ₹1,198/- Crore, and the Company estimates Phase 5 to be within this budget at the present time.

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

b. Occupancy & License Fee Renewals / Escalations

During the Year under review, the Company has been successful in ensuring that approx. 99% of licensable area in Phases 1, 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 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 is resulting 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 March 31, 2019 aggregated ₹ 854.86 Crore (as per IGAAP), on which the Company is presently paying a competitive rate of interest.

d. Profitability and Cash Flow

As a result of the almost full occupancy in NKP, 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. 14 % (***as per Ind AS***) when compared to the previous year. This is due to the increased license fee income from Phases 1 – 4 and reduced 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 ₹0.75 per share (@ 7.5%) for the Year under review.

e. Priorities

Key priorities for the Company during the Financial Year 2019 – 20 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 market and enter into binding contracts for licensing Phase 5 (redevelopment of Phase 0) to successful and well regarded corporates within the IT / ITES space, with a similar profile to existing NKP occupants in Phases 1 - 4;

iii. 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;

iv. To ensure the ongoing scheduled interest servicing of its loans; and

v. 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

Within India

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

The present State Government's continuing efforts to simplify the regulatory frame work is welcome and much needed. The successful implementation of this initiative, combined with improving governance and the now increasingly visual evidence of improving transport infrastructure, should help Mumbai move toward consolidating its pre-eminent position as a preferred business / investment destination in India.

The traditional strengths of Mumbai, including its Financial Services Industry, business ethos and a large, cosmopolitan, and educated work force remain very relevant, and should also continue to enhance the City's desirability as a dynamic and competitive international investment destination.

At the Central Government level too, investors and entrepreneurs will look forward to the results of the ongoing elections, and to a stable, pro investment and business supportive administration, which incrementally builds on existing legislation and / or introduces fresh policies targeted to accelerate investment, job creation and economic growth.

From a real estate perspective, constructive amendments to the FDI policy and 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.

Globally

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.

A positive aspect is the continued robustness of the economy of the United States. However the diminishing prospects for an early resolution to the damaging tariff war between the United States and China, the World's two largest economies, is casting an increasingly dark shadow over global economic forecasts. Both these countries are already major trading partners for India, which is looking to continue to appreciably increase business with them.

Investors are also closely watching the ongoing debate on interest rates the United States, which has potentially wide ranging implications for the global economy in the coming months.

For India, the recent trend of rising oil prices remains a concern for a country that needs to import an increasing quantity of its oil. This is true not just from the point of view of an increased deficit but also from an inflationary / interest rate perspective.

The European Union will need to take a sensitive and realistic view of the results of its parliamentary elections scheduled in late May 2019, especially if the same results in an increased number of seats for Eurosceptic and Far Right parties as projected. Brussels will have to show flexibility towards addressing the increasingly divergent views of its members, yet still hold true to its core principals, if the future of the Eurozone and the Union is not to be compromised.

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 also remain consequential.

Perhaps most relevant in an increasingly polarized and nationalistic global environment, where the established rules based, post Second World War international order continues to be dismantled by the withdrawal of United States from the multilateral organisations it was instrumental in creating, geopolitics is likely to continue play a 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, the implications of which need to be monitored and understood, so that service providers to these industries can evolve in parallel to avoid falling behind the curve. Innovative and Disruptive ideas and technologies are the norm, and have spread to almost every industry and business. Real Estate is increasingly not exempt from this trend Companies like WeWork, CoWork and their myriad competitors are increasingly visible in India today. Their impact on the office leasing market needs to be regularly and carefully evaluated 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, and in other cities in India like Pune and Bangalore. These markets could keep commercial rates under pressure in the Company's micro market.

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

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, 2019.

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

i. Debtors Turnover : (30.19 %) *gone up due to speedy recovery of trade receivables by the Company*

ii. Inventory Turnover : *Not Applicable*

iii. Interest Coverage Ratio : *No Significant Change*

iv. Current Ratio : (-67.95%) gone down mainly due to the following reasons:

   a. *Decrease in Cash & Cash Equivalents from Rs. 3,744,64 lakh in F.Y. 2017-18 to Rs. 415.55 lakh in F.Y. 2018-19 due to surplus cash being used for development of Phase 5.*

   b. *Increase in Creditors for capital goods from 352.41 lakh in F.Y. 2017-18 to Rs. 2,521.38 lakh in F.Y. 2018-19 due to further contracts being awarded for development of Phase 5.*

v. Debt Equity Ratio - *No Significant Change*

vi. Operating Profit Margin (%) - *No Significant Change*

vii. Net Profit Margin (%) - *No Significant Change*

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

Return on Net Worth : (- 3.68%) - No significant change

This ratio has changed marginally due to a slight decrease in the proportion of net profit to net worth in the F.Y. 2018-19 as compared to the immediate previous financial year.

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 8 to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN of NIRLON LIMITED

As on Financial Year ended on 31.3.2019

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L17120MH1958PLC011045
2.	Registration Date	12.3.1958
3.	Name of the Company	**NIRLON LIMITED**
4.	Category / Sub-category of the Company	Company limited by shares / Indian Non-Government
5.	Address of the Registered Office & contact details	Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063. Tel : +91 (022) 4028 1919, 2685 2257 Fax : +91 (022) 402819140 Email id : info@nirlonltd.com Website : www.nirlonltd.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd., C 101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai, Maharashtra, 400083. Tele : +91 (022) 49186000 Fax : +91 (022) 49186060 CIN : U67190MH1999PTC118368 Email id :rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Industrial Park	42901	98.19 (AS PER IGAAP)

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

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Reco Berry Pvt. Ltd. 168, Robinson Road, 37-01 Capital Tower, Singapore 068912.	N.A.	Holding	63.92	**Section 2(46) - Definition of 'Holding Company'** The term 'holding company', 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	
A. Promoters									
1. Indian									
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.	7,74,764	0	7,74,764	0.86	6,02,785	0	6,02,785	0.67	(0.19)
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total A1:	**36,87,949**	**0**	**36,87,949**	**4.09**	**35,15,970**	**0**	**35,15,970**	**3.90**	**(0.19)**
2. Foreign									
a. NRIs-Individuals	13,29,750	0	13,29,750	1.48	13,29,750	0	13,29,750	1.48	0
b. other- Individuals	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	5,94,52,676	0	5,94,52,676	65.97	5,94,52,676	0	5,94,52,676	65.97	0
d. Banks / FI	0	0	0	0	0	0	0	0	0
e. Any other	0	0	0	0	0	0	0	0	0
Sub-total A2:	**6,07,82,426**	**0**	**6,07,82,426**	**67.45**	**6,07,82,426**	**0**	**6,07,82,426**	**67.45**	**0**
Total shareholding of Promoter A=A1+A2	**6,44,70,375**	**0**	**6,44,70,375**	**71.54**	**6,42,98,396**	**0**	**6,42,98,396**	**71.35**	**(0.19)**
B. Public Shareholding									
1. Institutions									
a. Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b. Banks / FI	5,846	16,308	22,154	0.02	1,892	16,308	18,200	0.02	0
c. Central Government / state government / President of India	824	0	824	0	1,77,171	0	1,77,171	0.20	0.20
d. Venture Capital Funds	0	0	0	0	0	0	0	0	0
e. Insurance Companies	0	8,650	8,650	0.01	0	8,650	8,650	0.01	0
f. Foreign Portfolio investors (FII / FPI)	94,24,311	0	94,24,311	10.46	1,01,72,956	0	1,01,72,956	11.29	0.83
g. Alternate Investments funds	0	0	0	0	1,60,577	0	1,60,577	0.18	0.18
Sub-total B1:	**94,30,981**	**24,958**	**94,55,939**	**10.49**	**1,05,12,596**	**24,958**	**1,05,37,554**	**11.69**	**1.2**

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a. Bodies Corporate (including clearing member)	32,22,418	0	32,22,418	3.58	28,56,252	0	28,56,252	3.17	(0.41)
i. Indian	0	0	0	0	0	0	0	0	0
ii. Overseas	0	0	0	0	0	0	0	0	0
b. Individuals									
Individual shareholders holding nominal share capital up to ₹1 lakh	42,37,021	30,55,662	72,92,683	7.83	40,71,626	28,76,832	69,48,458	7.71	(0.12)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	18,22,615	9,01,796	27,24,411	3.02	16,30,504	9,01,796	25,32,300	2.81	(0.21)
c. Others (specify)									
i. Non Resident Individual	1,75,480	26,81,422	28,56,902	3.17	1,68,496	26,81,272	28,49,768	3.16	(0.01)
ii. Overseas Bodies Corporates	5,650	89,600	95,250	0.11	5,650	89,600	95,250	0.11	0
iii. Foreign Nationals	62	0	62	0	62	0	62	0	0
iv. Trusts	0	0	0	0	0	0	0	0	0
Sub-total B2:	**94,63,246**	**67,28,480**	**1,61,91,726**	**17.97**	**87,32,590**	**65,49,500**	**1,52,82,090**	**16.96**	**(1.01)**
Total Public Shareholding B= B1+B2	**1,88,94,227**	**67,53,438**	**2,56,47,665**	**28.46**	**1,92,45,186**	**65,74,458**	**2,58,19,644**	**28.65**	**0.19**
C. shares held by Custodian for GDRs and ADRs									
Promoter and Promoter group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Grand Total A+B+C	**8,33,64,602**	**67,53,438**	**9,01,18,040**	**100.00**	**8,35,43,582**	**65,74,458**	**9,01,18,040**	**100.00**	**0.00**

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 / encum-bered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encum-bered 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	0.75	0

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

Sr. No.	Particulars	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
For Each Promoter					
At the beginning of the Year					
1.	Reco Berry Pvt. Ltd.	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	#	#
	Total	**6,09,39,123**	**67.63**	**#**	**#**
Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			There is no change		
#1.	Reco Berry Pvt. Ltd.	0	0	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
	Total	**0**	**0**	**6,09,39,123**	**67.63**
	At the end of the Year	**0**	**0**	**6,09,39,123**	**67.63**

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the Year					
1.	Albula Investment Fund Ltd.	42,21,838	4.68	#	#
2.	Gulu C.Waney	26,70,247	2.96	#	#
3.	Arial Holdings 1	15,58,086	1.73	#	#
4.	Ares Diversified	11,57,630	1.28	#	#
5.	Sadafuli Finvest Pvt. Ltd.	10,69,040	1.19	#	#
6.	TVF fund Ltd.	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.	4,84,177	0.64	#	#
10.	Hongkong Bank Agency Pvt Ltd.	4,54,826	0.50	#	#
Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)		As given below:			
		At the end of the Year			
#1.	Albula Investment Fund Ltd.	42,21,838	4.68	50,63,701	5.619
	i) On 6/4/2018 – Purchase of 478 shares ii) On 21/4/2018 – Purchase of 6,000 shares iii) On 27/4/2018 – Purchase of 1,776 shares iv) On 4/5/2018 – Purchase of 11,963 shares v) On 11/5/2018 – Purchase of 10,532 shares vi) On 18/5/2018 – Purchase of 13,957 shares vii) On 25/5/2018 – Purchase of 7,673 shares viii) On 1/6/2018 – Purchase of 4,330 shares ix) On 8/6/2018 – Purchase of 16,032 shares x) On 15/6/2018 – Purchase of 3,894 shares xi) On 22/6/2018 – Purchase of 2,140 shares xii) On 30/6/2018 – Purchase of 4,103 shares xiii) On 6/7/2018 – Purchase of 56,794 shares xiv) On 13/7/2018 – Purchase of 9,912 shares xv) On 20/7/2018 – Purchase of 10,716 shares xvi) On 27/7/2018 – Purchase of 5,742 shares xvii) On 3/8/2018 – Purchase of 19,386 shares xviii) On 10/8/2018 – Purchase of 24,990 shares xix) On 17/8/2018 – Purchase of 56,049 shares				

	xx) On 31/8/2018 – Purchase of 10,101 shares xxi) On 7/9/2018 – Purchase of 11,253 shares xxii) On 14/9/2018 – Purchase of 1,084 shares xxiii) On 21/9/2018 – Purchase of 2,850 shares xxiv) On 29/9/2018 – Purchase of 30,855 shares xxv) On 5/10/2018 – Purchase of 83,862 shares xxvi) On 12/10/2018 – Purchase of 54,335 shares xxvii) On 19/10/2018 – Purchase of 1,480 shares xxviii) On 26/10/2018 – Purchase of 22,667 shares xxix) On 2/11/2018 – Purchase of 1,40,576 shares xxx) On 9/11/2018 – Purchase of 36,078 shares xxxi) On 16/11/2018 – Purchase of 37,555 shares xxxii) On 30/11/2018 – Purchase of 6,585 shares xxxiii) On 7/12/2018 – Purchase of 2,824 shares xxxiv)On 14/12/2018 – Purchase of 14,602 shares xxxv) On 21/12/2018 – Purchase of 14,015 shares xxxvi) On 28/12/2018 – Purchase of 15,410 shares xxxvii) On 31/12/2018 – Purchase of 5,415 shares xxxviii) On 11/1/2019 – Purchase of 1,300 shares xxxix) On 18/1/2019 – Purchase of 411 shares xl) On 1/2/2019 – Purchase of 2,850 shares xli) On 8/2/2018 – Purchase of 26,685 shares xlii) On 15/2/2018 – Purchase of 4,198 shares xliii) On 22/2/2018 – Purchase of 22,166 shares xliv) On 1/3/2018 – Purchase of 3,781 shares xlv) On 8/3/2018 – Purchase of 7,169 shares xlvi) On 15/3/2018 – Purchase of 1,003 shares xlvii) On 22/3/2018 – Purchase of 14,286 shares				
#2.	Gulu C Waney (Nil movement)	0	0	26,70,247	2.96
#3.	Arial Holdings 1 (Nil movement)	0	0	15,58,086	1.73
#4.	Ares Diversified (Nil movement)	0	0	11,57,630	1.28
#5	Sadafuli Finvest Pvt Ltd. (Nil movement)	0	0	10,69,040	1.19
#6.	Tvf Fund Ltd. (Nil movement)	0	0	10,46,528	1.16
#7.	Chatterjee Management Services Private Ltd. (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.	4,84,177	0.54	5,16,533	0.57
	i) On 6/4/2018 – Purchase of 1,000 shares ii) On 13/4/2018 – sale of 1,000 shares iii) On 20/4/2018 – Purchase of 200 shares iv) On 11/5/2018 – sale of 100 shares				

	v) On 25/5/2018 – sale of 100 shares vi) On 1/6/2018 – Purchase of 564 shares vii) On 15/6/2018 – Purchase of 854 shares viii) On 22/6/2018 – Purchase of 7,655 shares ix) On 30/6/2018 – purchase of 18,635 shares x) On 6/7/2018 – sale of 698 shares xi) On 13/7/2018 – Purchase of 500 shares xii) On 20/7/2018 – Purchase of 347 shares xiii) On 27/7/2018 – Purchase of 5,999 shares xiv) On 3/8/2018 – sale of 804 shares xv) On 10/8/2018 – sale of 196 shares xvi) On 29/9/2018 – sale of 500 shares xvii) On 30/11/2018 – Purchase of 62 shares xviii) On 7/12/2018 – sale of 62 shares				
#10.	Hongkong Bank Agency Pvt Ltd. (Nil movement)	0	0	4,54,826	0.50

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the Year **Directors:**					
1.	Padma Bhushan Mr. Moosa Raza	0	0.00	0	0.00
2.	Mr. Rama Varma	1,925	0.002	1,925	0.002
3.	Mr. Arjan R. Gurbuxani	724	0.00	724	0.00
4.	Mrs. Rajani M. Bhagat	6,73,349	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
Key Managerial Personnel:					
1.	Mr. Jasmin K. Bhavsar	37,000	0.04	30,000	0.03
2.	Mr. Manish B. Parikh	50	0.00	50	0.00
At the end of the year **Directors:**					
1.	Padma Bhushan Mr. Moosa Raza			0	0.00
2.	Mr. Rama Varma			1,925	0.002
3.	Mr. Arjan R. Gurbuxani			724	0.00

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
4.	Mrs. Rajani M. Bhagat			6,73,349	0.75
5.	Mrs. Aruna Makhan			0	0.00
6.	Mr. Kunnasagaran Chinniah			0	0.00
7.	Mr. Kunal V. Sagar			13,29,750	1.48
8.	Mr. Rahul V. Sagar			13,29,750	1.48
Key Managerial Personnel:					
1.	Mr. Jasmin K. Bhavsar			30,000	0.03
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
Indebtedness at the beginning of the Financial Year				
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
Total (i+ii+iii)	**61,334.26**	**0**	**0**	**61,334.26**
Change in Indebtedness during the Financial Year				
Addition	24,400.00	0	0	24,400.00
Reduction	0.00	0	0	0.00
Net Change	**24,400.00**	**0**	**0**	**24,400.00**
Indebtedness at the end of the Financial Year				
i) Principal Amount	85,486.57	0	0	85,486.57
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	371.18	0	0	371.18
Total (i+ii+iii)	**85857.75**	**0**	**0**	**85857.75**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr. No.	Particulars of Remuneration	Mr. Rahul V. Sagar (Executive Director & C.E.O) (In ₹)
1.	Gross salary	
	Basic* + HRA + LTA	98,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	
	(b) Value of perquisites u / s 17(2) Income tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	
2.	Stock Option	0
3.	Sweat Equity	0
4.	Commission As % of profit / others, specify…	0
5.	Others, please specify	
	i. Bonus / Variable Compensation	1,28,00,000
	ii. Provident Fund	7,68,000
	Total (A) (i.e. Gross salary)	**2,33,68,000**

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	7,50,000	9,00,000	**35,50,000**
2.	Commission	0	0	0	0	**0**
3.	Others, please specify	0	0	0	0	**0**
	Total (B)(1)	**10,00,000**	**9,00,000**	**7,50,000**	**9,00,000**	**35,50,000**

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	4,00,000	4,50,000	2,50,000	**11,00,000**
- Commission	0	0	0	**0**
- Other please specify	0	0	0	**0**
Total (B)(2)	**4,00,000**	**4,50,000**	**2,50,000**	**11,00,000**
Total (B) = (B)(1)+ (B)(2)				**46,50,000**

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

(Amt in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Jasmin K. Bhavsar (Company Secretary V.P. (legal) & Compliance Officer)	Mr. Manish B. Parikh (Chief Financial Officer)	Total Amount
1	Basic Salary + HRA + Medical Allowance + Conveyance + Lunch Allowance	87,61,880	43,40,082	**1,31,01,962**
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u / s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	0	0	**0**
3	Sweat Equity	0	0	**0**
4	Commission- as% of profit	0	0	**0**
	Others specify… Perquisites / value of ESOP shares	0	0	
5	Others, please specify			
	i. Exgratia	16,40,208	8,02,698	**24,42,906**
	ii. Provident Fund	9,70,805	4,71,013	**14,41,818**
	Total	**1,13,72,893**	**56,13,793**	**1,69,86,686**

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)
A. COMPANY					
Penalty	**NONE**				
Punishment					
Compounding					
B. Directors					
Penalty	**NONE**				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	**NONE**				
Punishment					
Compounding					

INDEPENDENT AUDITORS' REPORT

To,

The Members of Nirlon Limited,

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of Nirlon Limited ('**the Company**'), which comprise the Balance Sheet as at March 31, 2019, 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 notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ('**the Act**') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its Cash Flows and the Changes in Equity for the Year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our Audit of the Ind AS Financial Statements for the Financial Year ended March 31, 2019. These matters were addressed in the context of our Audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our Audit addressed the matter is provided in that context.

We have determined the matter described below to be the key Audit matter to be communicated in our Report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the Audit of the Ind AS Financial Statements section of our Report, including in relation to this matter. Accordingly, our Audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS Financial Statements. The results of our Audit procedures, including the procedures performed to address the matter below, provide the basis for our Audit opinion on the accompanying Ind AS Financial Statements.

Key Audit Matter	How our Audit addressed the key Audit Matter
Related party transactions with Nirlon Management Services Private Limited	

As disclosed in Note 35 of the Ind AS Financial Statements, the Company has entered into following transactions with Nirlon Management Services Private Limited ('**NMSPL**'), a related party:
• property and lease Management services
• project Management services
Determination of transaction price for such related party transactions is a key Audit matter considering the significance of the transaction value and the judgements involved in determining the transaction value.
	• Our Audit procedures included considering the compliance with the various requirements for entering in to such related party transactions.
	• We performed test of controls over related party transactions through inspection of evidence of performance of these controls.
	• We performed the following tests of details:
	  • We have read the Reports obtained by Management from external experts.
	  • We have read the approvals obtained from Audit Committee, Board of Directors and Shareholders for the transactions
	  • We have assessed disclosures in the Financial Statements for compliance with relevant accounting standards and other regulations.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Ind AS Financial Statements and our Auditor's Report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our Audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the Audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to Report that fact. We have nothing to Report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive 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 (**Ind AS**) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform Audit procedures responsive to those risks, and obtain Audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the Audit

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the Audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the Audit of the Ind AS Financial Statements for the financial Year ended March 31, 2019 and are therefore the key Audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our Report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Ind AS Financial Statements of the Company for the Year ended March 31, 2018, included in these Ind AS Financial Statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 14, 2018.

We audited the adjustments, as fully described in Note 41 to the Ind AS Financial Statements, which have been made to the comparative Ind AS Financial Statements presented for the years prior to Year ended March 31, 2018. In our opinion, such adjustments are appropriate and have been properly applied.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('**the Order**'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure 1'** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we Report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in '**Annexure 2'** to this Report;

(g) In our opinion, the managerial remuneration for the Year ended March 31, 2019 has been paid / provided by the Company to its Directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer Note 32 to the Ind AS Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 19112773AAAABW2350

Mumbai, May 13, 2019

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the Management during the Year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the Management, the title deeds of immovable properties, included in investment property are held in the name of the Company, except for the following :

INR
(in Lakh)

Sr. No.	Asset Category	Carrying Value as at March 31, 2019	Remarks
1.	Land	19.00	The title deeds are in the erstwhile name of the Company
2.	Building	43.50	

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies, Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the leasing service, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues were outstanding, at the Year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of excise duty and service tax on account of any dispute are as follows:

Name of Statue	Nature of the Dues	INR (in lakh)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Interest on Excise Duty	20.95	Financial Year 1999-00 and February 1995 to April 1999	High Court
Central Excise Act, 1944	Excise Duty and Penalty thereon	88.70	April 1998 to June 1999 and May 2003 to August 2005	Customs, Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	821.88	Financial years 2010-12	High Court

(viii) In our opinion and according to the information and explanations given by the Management, the Company has not defaulted in repayment of loans or borrowing to a financial institution.

(ix) In our opinion and according to the information and explanations given by the Management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer, debt instruments or further public offer.

(x) Based upon the Audit procedures performed for the purpose of reporting the true and fair view of the Ind AS Financial Statements and according to the information and explanations given by the Management, we Report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the Year.

(xi) According to the information and explanations given by the Management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the Management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS Financial Statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the Year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the Management, the Company has not entered into any non-cash transactions with Directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 19112773AAAABW2350

Mumbai, May 13, 2019

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Nirlon Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Nirlon Limited ('**the Company**') as of March 31, 2019 in conjunction with our Audit of the Ind AS Financial Statements of the Company for the Year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

A company's internal financial control over financial reporting with reference to these Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting With Reference to these Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these Ind AS Financial Statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 19112773AAAABW2350

Mumbai, May 13, 2019

Balance Sheet as at March 31, 2019

INR (in lakh)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Non-Current Assets				
(a) Property, plant and equipments	2	50.68	54.97	62.42
(b) Capital work-in-progress	2	55,933.11	14,122.51	5,537.55
(c) Investment properties	3	79,093.17	83,464.09	90,218.01
(d) Intangible assets	4	1.83	0.31	0.91
(e) Financial assets				
i. Loans	5	219.08	219.08	218.63
ii. Other financial assets	6	115.00	51.89	14.82
(f) Non current tax assets (Net)	7(A)	369.58	74.44	328.86
(g) Other non-current assets	8	7,637.76	8,254.71	7,161.09
Total Non-Current Assets		**143,420.21**	**106,242.00**	**103,542.29**
Current Assets				
(a) Financial assets				
i. Trade receivables	9	237.27	256.60	384.21
ii. Cash and cash equivalents	10	415.55	3,711.64	1,662.89
iii. Bank balances other than (ii) above	11	88.73	67.91	73.95
iv. Other financial assets	6	178.90	200.47	103.50
(b) Other current assets	12	1,383.56	1,483.04	994.10
Total Current Assets		**2,304.01**	**5,719.66**	**3,218.65**
Total Assets		**145,724.22**	**111,961.66**	**106,760.94**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13	9,011.80	9,011.80	9,010.84
(b) Other Equity	14	26,234.39	20,679.39	15,926.52
Total Equity		**35,246.19**	**29,691.19**	**24,937.36**
LIABILITIES				
Non-Current Liabilities				
(a) Financial liabilities				
i. Borrowings	15	85,339.07	61,086.57	51,400.08
ii. Other financial liabilities	16	8,951.00	7,981.65	10,015.15
(b) Provisions	17	40.40	30.36	15.24
(c) Deferred tax liabilities (Net)	18	4,932.35	3,816.88	2,963.09
(d) Other non-current liabilities	19	1,827.31	2,033.85	2,477.01
Total Non-Current Liabilities		**101,090.13**	**74,949.31**	**66,870.57**
Current Liabilities				
(a) Financial liabilities				
i. Borrowings	20	-	-	1,487.70
ii. Trade payables	21			
(a) Total outstanding dues of micro enterprises and small enterprises		2.45	10.30	87.66
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises		770.34	831.16	584.99
iii. Other financial liabilities	16	7,074.20	5,024.97	11,399.18
(b) Other current liabilities	22	1,516.77	1,423.73	1,154.45
(c) Provisions	17	9.55	16.41	14.85
(d) Current tax liabilities (Net)	7 (B)	14.59	14.59	224.18
Total Current Liabilities		**9,387.90**	**7,321.16**	**14,953.01**
Total Liabilities		**110,478.03**	**82,270.47**	**81,823.58**
Total Equity and Liabilities		**145,724.22**	**111,961.66**	**106,760.94**

*Restated (Refer Note 41)

See accompanying notes forming part of the Financial Statements

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

ABHISHEK AGARWAL
Partner
Membership No. : 112773

Mumbai, May 13, 2019

MOOSA RAZA
Chairman
DIN : 00145345

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

MANISH B. PARIKH
Chief Financial Officer

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

Directors

KUNAL V. SAGAR	DIN : 00388877
ARJAN R. GURBUXANI	DIN : 00425885
KUNNASAGARAN CHINNIAH	DIN : 01590108
RAJINDER PAL SINGH	DIN : 02943155

Statement of Profit and Loss for the Year ended March 31, 2019

INR (in lakh)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue from operations	23	29,866.50	29,077.67
II. Other income	24	130.48	279.02
III Total Income		**29,996.98**	**29,356.69**
IV. Expenses			
(a) Employee benefits expense	25	473.08	571.55
(b) Finance costs	26	6,971.66	6,555.54
(c) Depreciation and amortisation expense	27	5,888.41	7,221.50
(d) Property Management expenses	28	3,256.25	3,165.32
(e) Other expenses	29	3,527.81	3,316.62
Total expenses		**20,117.21**	**20,830.53**
V. Profit before tax (III- IV)		**9,879.77**	**8,526.16**
VI. Tax expense	30		
(a) Current tax		2,396.88	2,103.72
(b) Deferred tax		1,115.10	853.42
Total tax expenses		**3,511.98**	**2,957.14**
VII. Profit after tax (V- VI)		**6,367.79**	**5,569.02**
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit obligation		1.09	1.06
(b) Tax adjustments on above		(0.38)	(0.37)
Other comprehensive income for the Year, net of tax		**0.71**	**0.69**
IX. Total comprehensive income for the Year (VII+VIII)		**6,368.50**	**5,569.71**
Earnings per Equity share of face value of INR 10 /- each:	31		
(a) Basic earnings per share (in INR)		7.07	6.18
(b) Diluted earnings per share (in INR)		7.07	6.18

See accompanying notes forming part of the Financial Statements

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

ABHISHEK AGARWAL
Partner
Membership No. : 112773

Mumbai, May 13, 2019

MOOSA RAZA
Chairman
DIN : 00145345

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

MANISH B. PARIKH
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RAJINDER PAL SINGH DIN : 02943155

Statement of Cash Flows for the Year ended March 31, 2019

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash Flow from operating activities:		
Profit before Income Tax	**9,879.77**	**8,526.16**
Adjustments for:		
Depreciation and amortisation expense	5,888.41	7,221.50
Amortisation of marketing fees	665.83	306.56
Loss/ (Gain) on assets sold/discarded	24.79	195.88
Finance costs (net of capitalisation)	6,971.66	6,555.54
Interest income	(118.16)	(134.43)
Foreign exchange/(gain)	-	27.08
Sundry balances written off/(back)	34.01	(84.58)
	23,346.31	**22,613.71**
Working Capital Adjustments:		
(Increase)/Decrease in assets:		
Trade receivables	19.33	127.61
Other current financial asset	21.57	(96.97)
Other non current financial asset	7.41	7.41
Other current asset	99.48	(488.94)
Other non current asset	1,088.96	1,255.46
Loans	-	(0.45)
Increase/(Decrease) in liabilities:		
Trade payables	(102.68)	253.38
Other current financial liabilities	(248.36)	1,807.12
Other non current financial liabilities	969.35	(2,033.50)
Other current liabilities	93.03	269.29
Other non current liabilities	(206.53)	(443.16)
Provisions	4.26	17.74
Net Cash Flow from/(used) in operations	**25,092.13**	**23,288.70**
Income taxes paid	(2,694.06)	(2,058.89)
Net cash inflow from/(used) in operating activities	**22,398.07**	**21,229.81**
Cash flows from investing activities		
Purchase of property, plant and equipments & investment properties including capital work in progress	(40,538.52)	(12,067.90)
Proceeds from sale of property, plant and equipments & investment properties	9.45	143.47
Interest received	118.16	134.43
Fixed deposits (placed)/matured with a bank	(70.52)	(44.48)
Other bank balances	(4.48)	22.07
Net cash outflow from investing activities	**(40,485.91)**	**(11,812.41)**
Cash flows from financing activities		
Repayment of short term borrowings	-	(1,487.70)
Proceeds from non current borrowings	24,252.50	9,686.49
Repayment of non current borrowings	-	(7,956.71)
Proceeds from issue of shares	-	3.98
Interest and other borrowings cost including interest capitalized	(8,669.44)	(6,794.85)

Statement of Cash Flows for the Year ended March 31, 2019

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Dividends paid to company's shareholders (including DDT)	(675.88)	(682.24)
Dividend Distribution Tax	(137.62)	(137.62)
Net cash inflow (outflow) from financing activities	**14,769.56**	**(7,368.65)**
Net increase (decrease) in Cash and Cash Equivalents	**(3,318.28)**	**2,048.75**
Cash and cash equivalents as at April 1 (Opening Balance)	3,711.64	1,662.89
Cash and Cash Equivalents as at March 31 (Closing Balance)	**393.36**	**3,711.64**

Reconciliation of Cash and Cash Equivalents as per the Cash Flow Statement

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

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in current accounts	265.55	2,757.89
Bank Deposits (Deposits with original maturity of less than 3 months)	150.00	953.75
Book Overdraft	(22.19)	-
Total Cash and Cash Equivalents	**393.36**	**3,711.64**

See accompanying notes forming part of the Financial Statements

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

ABHISHEK AGARWAL
Partner
Membership No. : 112773

Mumbai, May 13, 2019

MOOSA RAZA
Chairman
DIN : 00145345

JASMIN K. BHAVSAR
Company Secretary & Vice President (Legal)
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RAJINDER PAL SINGH DIN : 02943155

Statement of Changes in Equity as at March 31, 2019

A. Equity Share Capital

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the reporting Year	9,011.80	9,010.84
Changes in Equity Share capital during the Year	-	0.96
Balance at the end of the reporting period	**9,011.80**	**9,011.80**

B. Other Equity

INR (in lakh)

Particulars	Securities Premium Reserve	Retained Earnings	Total
Balance as on April 1, 2017*	**12,537.14**	**3,389.38**	**15,926.52**
Profit 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	3.02	-	3.02
Dividend paid	-	(813.50)	(813.50)
Balance as on March 31, 2018	**12,540.16**	**8,139.23**	**20,679.39**
Balance as on April 1, 2018	**12,540.16**	**8,139.23**	**20,679.39**
Profit for the Year	-	6,367.79	6,367.79
Other comprehensive income for the Year, net of tax	-	0.71	0.71
Dividend paid	-	(813.50)	(813.50)
Balance as on March 31, 2019	**12,540.16**	**13,694.23**	**26,234.39**

*Restated (Refer Note 41)

See accompanying notes forming part of the Financial Statements

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

ABHISHEK AGARWAL
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Mumbai, May 13, 2019

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RAJINDER PAL SINGH DIN : 02943155

Notes to Financial Statements as at and for the Year ended March 31, 2019

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.

The Financial Statements were approved for issue by the Board of Directors on May 13, 2019.

Note 1: Significant Accounting Policies followed by the Company

(a) Basis of preparation

(i) Compliance with Ind AS

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

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

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

The Financial Statements are presented in Indian Rupees **('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 equivalents 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 & Equipments

All items of Property, Plant and Equipments 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 Equipments 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 and Equipments has been provided on written down value method over the estimated useful lives of the assets, based on technical evaluation done by the 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 :

Asset class	Useful Life
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, Buildings, Plant & Equipments, Office Equipments and Furniture & Fixtures, which is depreciated using the written down value method over the estimated useful lives of the assets, based on technical evaluation done by the Management's expert, which is at a variance than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

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

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

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

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

(d) Intangible Assets

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

On transition to Ind AS

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

Amortisation

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

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

Asset class	Useful Life
Software & Licenses	3 years

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

(e) Impairment of Non-financial assets

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

a) **Business Model Test:** The objective is to hold the debt instrument to collect the contractual Cash Flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

b) **Cash flow characteristics test:** The contractual terms of the debt instrument give rise on specific dates to Cash Flows that are solely payments of principal and interest on principal amount outstanding.

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

Debt instruments at fair value through OCI

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

a) **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual Cash Flows and 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

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

(g) Fair Value Measurement

The Company measures certain financial instruments at fair value.

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

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

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

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

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

(h) Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

Deferred income tax is provided in full, using the liability method on temporary differences arising between the

tax bases of assets and liabilities and their carrying amount in the Financial Statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

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

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

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

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

Deferred tax assets include Minimum Alternative Tax (**MAT**) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal 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**).

(iv) Termination benefits

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

Gratuity Obligations

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

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

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

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

Defined Contribution plans

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

(j) Cash and cash equivalents

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

(k) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

(l) 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.

(m) Foreign currency translation

Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. functional currency). The Financial Statements are presented in Indian rupee (**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.

(n) 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.

(o) 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.

(p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer Note 34 for segment information presented.

(q) Revenue Recognition

i. Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Contract assets are transferred to receivables when the rights become unconditional. Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are recognised as revenue as and when the performance obligation is satisfied. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

ii. Rental Income

License fee/Lease income and income incidental to it, arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

iii. Other Operating Revenue

It comprises of car parking charges which are recognised as income as per the terms and conditions of the agreement with lessees.

iv. Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Insurance claims and scrap sales are accounted for in the books on an accrual basis.

(r) Dividend distribution to Equity shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

(s) 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 36)
- Estimation of Useful life of Property, Plant and Equipments, Investment properties 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 38)
- Determination of arm's length price for related party transactions (Note 35)

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.

(t) New and amended standards and interpretations

The Company applied for the following first time amendment to the standard, which are effective for annual periods beginning on or after April 1, 2018. The nature and the impact of the amendment is described below:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 supersedes Ind AS 11 Construction Contracts, Ind AS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company adopted Ind AS 115 using the partial retrospective method of adoption. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures. There is no significant impact on account of adoption of Ind AS 115 on the Financial Statements of the Company.

Prior to April 1, 2018, revenue was 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 was recognised to the extent that it was 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.

(u) Standard issued but not effective

Ind AS 116 – Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-Balance Sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its Financial Statements.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

Notes to Financial Statements as at and for the Year ended March 31, 2019

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or Equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to Equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its Financial Statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its Financial Statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its Financial Statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company is in the process of evaluating the requirements of the amendment and its impact on its Financial Statements.

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

ABHISHEK AGARWAL
Partner
Membership No. : 112773

Mumbai, May 13, 2019

MOOSA RAZA
Chairman
DIN : 00145345

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

MANISH B. PARIKH
Chief Financial Officer

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

Directors

KUNAL V. SAGAR	DIN : 00388877
ARJAN R. GURBUXANI	DIN : 00425885
KUNNASAGARAN CHINNIAH	DIN : 01590108
RAJINDER PAL SINGH	DIN : 02943155

Notes to Financial Statements as at and for the Year ended March 31, 2019

2. PROPERTY, PLANT AND EQUIPMENT

INR (in lakh)

Particulars	Furniture & Fixtures	Office Equipment	Total
Year Ended March 31, 2018			
GROSS CARRYING AMOUNT			
As at April 1, 2017	68.00	9.28	77.28
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2018	**68.00**	**9.28**	**77.28**
ACCUMULATED DEPRECIATION			
As at April 1, 2017	13.48	1.38	14.86
Depreciation charge for the Year	5.21	2.24	7.45
As at March 31, 2018	**18.69**	**3.62**	**22.31**
Net carrying amount as at March 31, 2018	**49.31**	**5.66**	**54.97**
Year Ended March 31, 2019			
GROSS CARRYING AMOUNT			
As at April 1, 2018	68.00	9.28	77.28
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	**68.00**	**9.28**	**77.28**
ACCUMULATED DEPRECIATION			
As at April 1, 2018	18.69	3.62	22.31
Depreciation charge for the Year	4.05	0.24	4.29
Closing accumulated depreciation as at March 31, 2019	**22.74**	**3.86**	**26.60**
Net carrying amount as at March 31, 2019	**45.26**	**5.42**	**50.68**

Note:

(i) Capital work in progress INR 55,933.11 lakh (March 31, 2018: INR 14,122.51 lakh; April 1, 2017: INR 5,537.55 lakh) mainly comprises of assets under construction for Phase 5 at Nirlon Knowledge Park.

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

Notes to Financial Statements as at and for the Year ended March 31, 2019

3. INVESTMENT PROPERTY

INR (in lakh)

Particulars	Land	Buildings	Plant and Equipments	Furniture & Fixtures	Office Equipments	Total
Year ended March 31, 2018						
GROSS BLOCK						
As at April 1, 2017	**19.00**	**92,134.49**	**26,128.57**	**12,993.25**	**189.60**	**131,464.91**
Additions	-	421.14	-	282.37	-	703.51
Disposals	-	(455.51)	-	-	-	(455.51)
Capitalisation of marketing fees	-	401.93	-	-	-	401.93
As at March 31, 2018	**19.00**	**92,502.05**	**26,128.57**	**13,275.62**	**189.60**	**132,114.84**
ACCUMULATED DEPRECIATION						
As at April 1, 2017	-	19,378.71	12,217.64	9,549.44	101.11	41,246.90
Depreciation charge for the Year	-	3,949.04	2,448.29	810.62	5.50	7,213.45
Disposals	-	(116.16)	-	-	-	(116.16)
Amortisation of marketing fees (Refer Note 29)	-	306.56	-	-	-	306.56
Closing accumulated depreciation as at March 31, 2018	**-**	**23,518.15**	**14,665.93**	**10,360.06**	**106.61**	**48,650.75**
Net carrying amount as at March 31, 2018	**19.00**	**68,983.90**	**11,462.64**	**2,915.56**	**82.99**	**83,464.09**
Year ended March 31, 2019						
GROSS BLOCK						
As at April 1, 2018	**19.00**	**92,502.05**	**26,128.57**	**13,275.62**	**189.60**	**132,114.84**
Additions	-	199.61	-	130.92	79.00	409.53
Disposals	-	-	(105.55)	(57.19)	-	(162.74)
Capitalisation of marketing fees	-	1,803.22	-	-	-	1,803.22
As at March 31, 2019	**19.00**	**94,504.88**	**26,023.02**	**13,349.35**	**268.60**	**134,164.85**
ACCUMULATED DEPRECIATION/ IMPAIRMENT						
As at April 1, 2018	**-**	**23,518.15**	**14,665.93**	**10,360.06**	**106.61**	**48,650.75**
Depreciation charge for the Year	-	3,679.38	1,550.85	639.15	14.22	5,883.60
Disposals	-	-	(76.30)	(52.20)	-	(128.50)
Amortisation of Marketing Fees (Refer Note 29)	-	665.83	-	-	-	665.83
Closing accumulated depreciation as at March 31, 2019	**-**	**27,863.36**	**16,140.48**	**10,947.01**	**120.83**	**55,071.68**
Net carrying amount as at March 31, 2019	**19.00**	**66,641.52**	**9,882.54**	**2,402.34**	**147.77**	**79,093.17**

Note:

(i) Buildings include building purchased at Worli, Mumbai having a written down value of INR 43.50 lakh as at March 31, 2019 (March 31, 2018 : INR 45.50 lakh, April 1, 2017: INR 47.60 lakh), being the share of the Company (75%) in the property which is jointly owned with Nirlon Foundation Trust.

(ii) Amount recognised in the Statement of Profit and Loss for investment properties

Notes to Financial Statements as at and for the Year ended March 31, 2019

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations (Refer Note 23)	29,866.50	29,077.67
Miscellaneous receipts (Refer Note 24)	2.02	7.26
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income	(5,779.72)	(5,344.21)
Net amount recognised in the Statement of Profit and Loss before depreciation	**24,088.80**	**23,740.72**
Depreciation expense	(5,883.60)	(7,213.45)
Net amount recognised in the Statement of Profit and Loss after depreciation	**18,205.20**	**16,527.27**

(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, 2019	March 31, 2018	April 1, 2017
Within one year	10,090.78	4,649.18	5,866.97
Later than one year and not later than five years	11,490.47	4,869.09	11,040.23

(iv) Contractual obligations

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

(v) Investment property pledged as security

Refer to Note 15 and Note 20 (Non current and short term borrowings) for information on investment properties pledged as security by the entity.

(vi) Fair Value

As at March 31, 2019, March 31, 2018 and April 1, 2017, the fair value of the properties are INR 363,623.52 lakh, INR 350,689.32 lakh and INR 349,655.19 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.

Notes to Financial Statements as at and for the Year ended March 31, 2019

4. INTANGIBLE ASSETS

INR (in lakh)

Particulars	Computer software
Year ended March 31, 2018	
GROSS BLOCK	
As at April 1, 2017	**2.05**
Additions	-
Disposals	-
As at March 31, 2018	**2.05**
ACCUMULATED AMORTISATION	
As at April 1, 2017	**1.14**
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**
Year ended March 31, 2019	
GROSS BLOCK	
As at April 1, 2018	**2.05**
Additions	2.05
Disposals	-
As at March 31, 2019	**4.10**
ACCUMULATED AMORTISATION	
As at April 1, 2018	**1.74**
Amortisation charge for the Year	0.53
Closing accumulated amortisation as at March 31, 2019	**2.27**
Net carrying amount as at March 31, 2019	**1.83**

5. LOANS

INR (in lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Current	Non- current	Current	Non- current	Current	Non- current
Unsecured, considered good						
Security Deposits	-	219.08	-	219.08	-	218.63
Total	**-**	**219.08**	**-**	**219.08**	**-**	**218.63**

6. OTHER FINANCIAL ASSETS

INR (in lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Current	Non- current	Current	Non- current	Current	Non- current
Unsecured, considered good						
Receivables	178.90	-	200.47	7.41	89.16	14.82
Other Recoverable	-	-	-	-	14.34	-
Balance with bank (Margin Money kept as deposits) #	-	115.00	-	44.48	-	-
Total	**178.90**	**115.00**	**200.47**	**51.89**	**103.50**	**14.82**

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

Notes to Financial Statements as at and for the Year ended March 31, 2019

7(A). NON CURRENT TAX ASSETS (NET)

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance Income tax (net of provision of INR 4,512.21 lakh (as at March 31, 2018 INR 3,595.76 lakh, as at April 1, 2017 INR 2,483.52)	369.58	74.44	328.86
	369.58	**74.44**	**328.86**

7(B). CURRENT TAX LIABILITIES (NET)

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Income tax provision (net of advance tax of INR 1,735.57 lakh (as at March 31, 2018 INR 1,735.57 lakh, as at April 1, 2017 INR 1,525.82 lakh)	14.59	14.59	224.18
	14.59	**14.59**	**224.18**

8. OTHER NON-CURRENT ASSETS

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Other deposits	1.15	11.15	11.15
Long term prepaid expenses	40.29	67.80	96.72
Lease equalisation	4,085.23	5,136.68	6,363.22
Capital advances (Refer Note 36)	3,511.09	3,039.08	690.00
Total	**7,637.76**	**8,254.71**	**7,161.09**

9. TRADE RECEIVABLES

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade Receivable*			
- Secured, considered good	233.40	249.04	348.14
- Unsecured considered good	3.87	7.56	36.07
Total	**237.27**	256.60	384.21

*Refer Note 35 for receivables from related party

10. CASH AND CASH EQUIVALENTS

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Balance with banks on current accounts	265.55	2,757.89	762.35
Bank deposits (Deposits with original maturity of less than 3 months)	150.00	953.75	900.54
Total	**415.55**	**3,711.64**	**1,662.89**
Book Overdraft	(22.19)	-	-
As per Statement of Cash Flows	**393.36**	3,711.64	1,662.89

RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

INR (in lakh)

Particulars	Non Current Borrowings *	Short Term Borrowings	Total
Balance as at April 1, 2017	59,356.79	1,487.70	60,844.49
Proceeds during the Year	9,686.49	-	9,686.49
Repaid during the Year	(7,956.71)	(1,487.70)	(9,444.41)
Balance as at March 31, 2018	**61,086.57**	**-**	**61,086.57**
Proceeds during the Year	24,252.50	-	24,252.50
Repaid during the Year	-	-	-
Balance as at March 31, 2019	**85,339.07**	-	85,339.07

*Including Current Maturities of Non Current Borrowings

11. BANK BALANCES OTHER THAN ABOVE

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Earmarked balances with banks for:			
- Unpaid Dividend	84.25	67.91	51.88
- Margin Money kept as deposits #	4.48	-	16.44
Bank Deposits (Deposits with maturity of more than 3 months but less than 12 months)	-	-	5.63
Total	**88.73**	67.91	73.95

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

12. OTHER CURRENT ASSETS

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Prepaid expenses	103.27	101.15	117.43
Balances with government authorities	59.75	160.92	37.93
Advances to vendors	2.56	5.45	49.69
Lease equalisation	1,217.98	1,215.52	789.05
Total	**1,383.56**	1,483.04	994.10

Notes to Financial Statements as at and for the Year ended March 31, 2019

13. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	No. of shares	No. of shares	No. of shares	INR (in lakh)	INR (in lakh)	INR (in lakh)
(a) Authorised Share Capital:						
Equity shares of the par value of INR 10/- each	**150,000,000**	150,000,000	150,000,000	**15,000.00**	15,000.00	15,000.00
(b) Issued Share Capital						
Outstanding at the beginning and end of the Year [including 14,022 shares (March 31, 2018 - 14,022 shares) not allotted but held in abeyance]	**90,132,062**	90,132,062	90,132,062	**9,013.21**	9,013.21	9,013.21
(c) Subscribed and fully paid up (A)						
Outstanding at the beginning and end of the Year [excluding 14,022 shares (March 31, 2018 - 14,022 shares) not allotted but held in abeyance]	**90,118,040**	90,118,040	90,118,040	**9,011.80**	9,011.80	9,011.80
Shares held under ESOP Trust (B)						
Less: Treasury shares at the end of the Year	**-**	-	(9,656)	**-**	-	(0.96)
Total Subscribed and paid up (Net of treasury shares) (A - B)	**90,118,040**	90,118,040	90,108,384	**9,011.80**	9,011.80	9,010.84

Movement in Treasury Shares :

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	No. of shares	No. of shares	INR (in lakh)	INR (in lakh)
Shares held under ESOP trust				
Equity shares of INR 10 /- each fully paid up as on 1 April	**-**	9,656	**-**	0.96
Issued during the Year	**-**	(9,656)	**-**	(0.96)
Equity shares - closing as on 31 March	**-**	**-**	**-**	**-**

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

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Reco Berry Private Limited	57,606,274	57,606,274	57,606,274

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Reco Berry Private Limited	**57,606,274**	**63.92%**	57,606,274	63.92%	57,606,274	63.92%
Albula Investment Fund Limited	**5,063,701**	**5.62%**	-	-	-	-

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.

Note (iv): For the details of shares reserved for issue under the employee stock option (ESOP) plan of the Company (Refer Note 37)

14. OTHER EQUITY

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Securities premium reserve	12,540.16	12,540.16	12,537.14
Retained earnings	13,694.23	8,139.23	3,389.38
Total	**26,234.39**	**20,679.39**	**15,926.52**

14 (i): Movement in Other Equity

Securities Premium:

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

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	12,540.16	12,537.14
Shares issued during the Year	-	3.02
Closing balance	**12,540.16**	**12,540.16**

Retained earnings :

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

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	8,139.23	3,389.38
Add: Net profit for the Year	6,367.79	5,569.02
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of defined benefit obligations, net of tax	0.71	0.69
Impact of ESOP trust consolidation	-	(6.36)
Dividend paid (including dividend distribution tax)	(813.50)	(813.50)
Closing balance	**13,694.23**	**8,139.23**

Notes to Financial Statements as at and for the Year ended March 31, 2019

15. NON CURRENT BORROWINGS

INR (in lakh)

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Secured				
Term loans				
Loans from a financial institution	**(a)**	85,339.07	61,086.57	59,356.79
Less: Current maturities of non current borrowings (Included in note 16)		-	-	(7,956.71)
Total		**85,339.07**	**61,086.57**	**51,400.08**

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 :	Interest is paid on a monthly basis and for prinicipal, HDFC Limited has granted moratorium for repayment of principal amount with effect from June 2017 till June 2022. Post June 2022, principal will be repaid by way of 84 equated monthly instalments.		

Floating interest rate at each reporting date :	
March 31, 2019	10.15%
March 31, 2018	9.15%
April 1, 2017	9.00%

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

16. OTHER FINANCIAL LIABILITIES

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Non-current			
Security deposit received from Licensees	8,399.69	7,278.65	9,212.15
Other Payables	551.31	703.00	803.00
Total	**8,951.00**	**7,981.65**	**10,015.15**
Current			
Current maturities of non current borrowings (Refer Note 15)	-	-	7,956.71
Interest accrued but not due on borrowings	337.88	247.69	272.90
Unpaid dividends	84.25	67.91	51.88
Security deposit received from licensees	3,792.78	3,976.81	2,089.28
Other Accruals (Refer Note below)	9.35	123.58	219.70
Book Overdraft	22.19	-	-
Derivative liability / Forward contract not designated as hedge	-	-	27.08
Payable to Employees (Refer Note 36)	178.29	152.41	153.87
Creditors for capital goods	2,521.38	352.51	595.03
Other Payables	128.08	104.06	32.73
Total	**7,074.20**	**5,024.97**	**11,399.18**

NOTE : SIGNIFICANT MOVEMENT IN CONTRACT LIABILITIES

INR (in lakh)

Particulars	As at March 31, 2019
Opening Balance	33.60
Add : Advance received during the Year	3,490.10
Less : Revenue recognized during the Year from opening balance	(33.60)
Less : Revenue recognized from advance received during the Year	(3,480.75)
Closing Balance	**9.35**

17. PROVISIONS

INR (in lakh)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Provision for employee benefits (Refer Note 36)									
Provision for compensated absences	8.34	7.96	16.30	14.38	-	14.38	13.91	-	13.91
Provision for gratuity	1.21	32.44	33.65	2.03	30.36	32.39	0.94	15.24	16.18
Total	**9.55**	**40.40**	**49.95**	**16.41**	**30.36**	**46.77**	**14.85**	**15.24**	**30.09**

18. DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary difference attributable to:

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred Tax Liabilities on account of:			
Timing Difference between book and tax depreciation	5,476.87	4,890.65	4,529.43
Lease Equalisation	1,853.15	2,198.37	2,475.25
Financial Liabilities measured at amortized cost	158.67	211.97	244.99
Total	**7,488.69**	**7,300.99**	**7,249.67**
Deferred Tax Assets on account of:			
Accrual for expenses allowable only on payment	(253.37)	(294.09)	(298.41)
Total	**(253.37)**	**(294.09)**	**(298.41)**
Deferred tax liabilities	7,235.32	7,006.90	6,951.26
Less: Minimum Alternate Tax (MAT) credit entitlement	2,302.97	3,190.02	3,988.17
Net Deferred tax liabilities	**4,932.35**	**3,816.88**	**2,963.09**

Notes to Financial Statements as at and for the Year ended March 31, 2019

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	MAT	Accrual for expenses allowable only on payment	Total
As at April 1, 2017	**4,529.43**	**2,475.25**	**244.99**	**(3,988.17)**	**(298.41)**	**2,963.09**
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
As at March 31, 2018	**4,890.65**	**2,198.37**	**211.97**	**(3,190.02)**	**(294.09)**	**3,816.88**
Charged / (Credited)						
- to profit or loss	586.22	(345.22)	(53.30)	887.05	40.35	1,115.10
- to other comprehensive income	-	-	-	-	0.37	0.37
As at March 31, 2019	**5,476.87**	**1,853.15**	**158.67**	**(2,302.97)**	**(253.37)**	**4,932.35**

19. OTHER NON-CURRENT LIABILITIES

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred licence fees pending amortization	1,827.31	2,033.85	2,477.01
Total	**1,827.31**	**2,033.85**	**2,477.01**

20. SHORT TERM BORROWINGS

INR (in lakh)

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Secured				
Loans repayable on demand				
Buyer's credit from a Bank	(a)	-	-	1,487.70
Total		**-**	**-**	**1,487.70**

Note (a): The amount was secured by way of earmarking facilities to the extent of outstanding amount, (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.

21. TRADE PAYABLES

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Current			
Trade payables (Refer Note 35 for payables to related party)	772.79	841.46	672.65
Total	**772.79**	**841.46**	**672.65**

Notes to Financial Statements as at and for the Year ended March 31, 2019

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

INR (in lakh)

Particulars		As at March 31, 2019	As at March 31, 2018
(i)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at Year end	2.45	10.30
(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, 2019	As at March 31, 2018	As at April 1, 2017
Statutory dues payable	477.64	459.08	50.19
Advance received from Licensees	1.72	3.38	2.86
Deferred licence fees pending amortization	1,037.41	961.27	1,101.40
Total	**1,516.77**	**1,423.73**	**1,154.45**

23. REVENUE FROM OPERATIONS

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Leasing Income		
Licence fees	25,557.05	24,856.81
Other operating revenue	362.05	414.87
Revenue from contracts with customers (Refer Note below)		
Common area maintenance charges	3,514.35	3,421.31
Recovery of administrative costs	433.05	384.68
Total	**29,866.50**	**29,077.67**

The Company recognizes revenue over time based on satisfaction of its performance obligation pertaining to maintenance of common area of properties given on lease and recovery of administrative costs. There is no other source of revenue from customers and accordingly, no further disaggregation is required. Customers are billed on monthly basis. Further, the Company has no remaining performance obligation outstanding as at March 31, 2019.

Notes to Financial Statements as at and for the Year ended March 31, 2019

24. OTHER INCOME

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income from bank deposits	96.11	75.34
Interest on income tax refund	2.04	48.99
Interest income - others	20.01	10.10
Net gain on disposal of scrap	10.30	21.65
Foreign exchange gain (Net)	-	31.10
Miscellaneous receipts	2.02	7.26
Excess provision/liability no longer required written back (Net)	-	84.58
Total	**130.48**	**279.02**

25. EMPLOYEE BENEFITS EXPENSE

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and bonus	413.75	366.89
Contributions to provident and other funds (Refer Note 36)	34.43	167.55
Gratuity (Refer Note 36)	2.35	17.27
Staff welfare expenses	22.55	19.84
Total	**473.08**	571.55

26. FINANCE COSTS

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense on financial liabilities measured at amortized cost	5,736.33	5,271.40
Unwinding of discount on financial liabilities	1,234.80	1,276.60
Interest on Income tax, Excise etc.	-	0.17
Other borrowing costs	0.53	7.37
Total	**6,971.66**	**6,555.54**

The amount of borrowing costs capitalised during the Year ended March 31, 2019 was INR 1,787.97 lakh (March 31, 2018: INR 214.10 lakh). The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.88%, which is the effective interest rate of the specific borrowing.

27. DEPRECIATION AND AMORTISATION EXPENSE

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of Property, Plant and Equipments & investment properties (Refer Note 2 and 3)	5,887.88	7,220.90
Amortisation of intangible assets (Refer Note 4)	0.53	0.60
Total	**5,888.41**	**7,221.50**

Notes to Financial Statements as at and for the Year ended March 31, 2019

28. PROPERTY MANAGEMENT EXPENSES

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Repairs and maintenance	826.06	826.92
Professional fees	481.86	499.02
Security expenses	506.51	515.64
House keeping expenses	317.90	321.80
Consumption of stores and spares	107.86	98.73
Miscellaneous expenses	1,016.06	903.21
Total	**3,256.25**	**3,165.32**

29. OTHER EXPENSES

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power, fuel and water charges (net of recoveries, March 31, 2019 - INR 2,373.51 lakh; March 31, 2018 - INR 2,777.86 lakh)	69.34	25.23
Insurance	101.41	97.20
Rates and taxes	888.50	870.39
Directors' sitting fees	46.50	46.50
Legal and professional expenses	280.99	404.15
Repairs and maintenance	111.95	152.45
Travelling expenses	50.07	36.56
Amortisation of marketing fees (Refer Note 3)	665.83	306.56
Security expenses	94.46	93.08
Property Management & other services fees	788.27	759.35
Corporate social responsibility expenditure (Note a)	156.50	111.00
Loss on assets discarded (Net)	24.79	195.88
Payments to Auditors (Note b)	37.97	44.21
Miscellaneous expenses	211.23	174.06
Total	**3,527.81**	**3,316.62**

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

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount required to be spent as per Section 135 of the Act	**156.31**	111.00
Amount spent during the Year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	156.50	111.00
Total	**156.50**	**111.00**

Notes to Financial Statements as at and for the Year ended March 31, 2019

Notes (b): DETAILS OF PAYMENT TO AUDITORS

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
For Statutory Audit	20.00	19.00
For taxation matters	5.50	12.00
For limited reviews	11.50	12.90
For reimbursement of expenses	0.97	0.31
Total	**37.97**	**44.21**

30. INCOME TAX EXPENSE

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	2,395.97	2,115.57
Current tax adjustments pertaining to earlier Years	0.91	(11.85)
Total current tax expenses	**2,396.88**	**2,103.72**
Deferred tax	1,156.85	853.42
Deferred tax adjustments pertaining to earlier Years	(41.75)	-
Total deferred tax expenses	1,115.10	853.42
Income tax expenses	**3,511.98**	2,957.14

(a) Reconciliation of effective tax rate:

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax expenses	9,879.77	8,526.16
Income tax expense calculated at enacted income tax rate	**3,452.39**	**2,950.74**
Tax effect of:		
Non deductible expenses	61.94	15.57
Tax in respect of earlier years	(40.84)	(11.85)
Others	38.49	2.68
Income tax expense	**3,511.98**	**2,957.14**

Note : The tax rate used for the Year ended March 31, 2019 and March 31, 2018 reconciliations above is the corporate tax rate of 34.944% and 34.608% respectively payable by corporate entities in India on taxable profits under the Indian tax law.

(b) Amounts recognised directly in Equity

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised directly in Equity.

31. EARNINGS PER SHARE

Particulars	March 31, 2019	March 31, 2018
Profit attributable to the Equity holders of the Company (A) INR (in lakh)	6,367.79	5,569.02
Weighted average number of shares (B)	90,118,040	90,114,881
Basic and Diluted Earnings per share of INR 10/- each (A/B)	**7.07**	**6.18**

32. CONTINGENT LIABILITIES

(i) Claims against the Company not acknowledged as debts INR Nil (March 31, 2018: INR 12.81 lakh, April 1, 2017: INR 12.81 lakh)

(ii) Contingent liabilities not provided for:

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Transaction value determination for the purpose of excise duty	109.66	140.98	146.25
Eligibility of Input tax credit of Service Tax*	821.88	821.88	821.88
Income Tax	-	-	55.33
Value Added Tax	-	0.06	35.40

* The Central Excise and Service Tax Appellate Tribunal (**CESTAT**) has decided the matters in favour of the Company. However, the service tax authorities has preferred appeals in High Court against the orders which are pending for final hearing.

(iii) There are numerous interpretative issues relating to the Supreme Court (**SC**) judgement dated February 28, 2019 on Provident Fund (**PF**) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company will update its provision, on receiving further clarity on the subject.

Future cash flow in respect of the above, if any, is determinable only on receipt of judgements / decisions pending with the relevant authorities.

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, 2019	As at March 31, 2018	As at April 1, 2017
Investment property	29,393.52	24,195.12	31,369.77

34. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('**CODM**') of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director and Chief Executive Officer of the Company. The Company has determined 'licensing of investment properties' as a reportable segment as evaluated by the chief operating decision maker for allocation of resources and assessing the performance. There are no other reportable segment as per Ind AS 108 - Operating Segments. All the assets of the Company and source of revenue of the Company is within India and hence, no separate geographical segment is identified. Revenue from five customers amouting to INR 23,830.87 lakh accounts for more than 10% of total revenue with whom the Company has entered into leasing agreements.

Notes to Financial Statements as at and for the Year ended March 31, 2019

35. RELATED PARTY DISCLOSURES

Related Party Disclosures, as required by Ind AS 24 Related Party Disclosures, are given below :

A. Names of related parties and nature of relationship:

I. Ultimate Holding Company:	GIC (Realty) Private Limited, Singapore
II. Holding Company:	Reco Berry Private Limited, Singapore
III. Other Related Parties with whom transactions have taken place :	
Entities in which Key Managerial Personnel (KMP) along with its relatives have control:	Nirlon Management Services Private Limited, India Manisha Trading and Investments Private Limited, India Shital Trading & Interiors Private Limited, India Alfano Pte. Limited , Singapore Deltron Pte. Limited, Singapore
IV. Key Managerial Personnel :	
(i) Executive Director and Chief Executive Officer	Mr. Rahul V. Sagar
(ii) Non Executive & Non Independent Directors	Mr. Kunal V. Sagar Mrs. Rajani Manhar Bhagat (Upto March 21, 2019) Mr. Kunnasagaran Chinniah (Director Nominated by Reco Berry Private Limited)
(iii) Non-Executive & Independent Directors	Padma Bhushan Moosa Raza Mr. Rama Varma (Upto March 31, 2019) Mr. Arjan R. Gurbuxani Mr. Aruna Makhan (Upto March 31, 2019)
V. Post Employment Benefit Funds:	Ms. Poonam Manhar Bhagat Ms. Sheetal Manhar Bhagat
VI. Post Employment Benefit Funds:	Nirlon Pension Trust

B. Details of related party transactions:

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
I. Holding Company		
i. Dividend paid	432.05	432.05
II. Entities in which KMP's along with its relatives having control:		
(a) Nirlon Management Services Private Limited		
Licence fees income	91.09	91.09
Other Operating Revenue	433.05	384.68
Recovery of utility	8.37	10.26
Property Management fees & other services expenses	788.27	759.35
Marketing fees expenses	299.84	66.99
Project Management fees capitalized	1,500.00	1,500.00
(b) Manisha Trading & Investments Private Limited		
Common Area Maintenance charges	2.04	2.11
(c) Shital Trading & Interiors Private Limited		
Dividend paid	4.52	4.52

Notes to Financial Statements as at and for the Year ended March 31, 2019

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(d) Alfano Pte. Limited		
Dividend paid	6.92	6.92
(e) Deltron Pte. Limited		
Dividend paid	6.92	6.92
III. KMP		
(a) Executive Director and Chief Executive Officer - Rahul V. Sagar		
Remuneration	226.00	224.00
Contribution to Provident and Other Funds*	7.68	7.68
Dividend Paid	9.97	9.97
Reimbursement of expenses	10.67	1.24
*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		
Sitting Fees		
Mr. Kunal V. Sagar	4.50	3.50
Mrs. Rajani Manhar Bhagat	4.00	3.00
Mr. Kunnasagaran Chinniah	2.50	2.50
Padma Bhushan Moosa Raza	10.00	10.00
Mr. Rama Varma (Upto March 31, 2019)	7.50	9.50
Mr. Arjan R. Gurbuxani	9.00	9.00
Mr. Aruna Makhan (Upto March 31, 2019)	9.00	9.00
Dividend paid		
Mr. Kunal V Sagar	9.97	9.97
Mrs. Rajani Manhar Bhagat	5.05	5.05
Reimbursement of expenses		
Mr. Kunal V. Sagar	12.38	2.95
Mr. Kunnasagaran Chinniah	7.52	10.18
Padma Bhushan Moosa Raza	11.75	12.94
Mr. Rama Varma (Upto March 31, 2019)	0.89	0.67
Mr. Arjan R. Gurbuxani	3.57	3.5
Mr. Aruna Makhan (Upto March 31, 2019)	2.84	4.86
IV. Relatives of KMP		
Dividend paid	6.82	6.82
Ms. Poonam Manhar Bhagat	@	@
Ms. Sheetal Manhar Bhagat		
V. Post Employment Benefit Fund		
Pension to Nirlon Pension Trust	-	147.34

@ Denotes amount less than INR 50,000/-

Notes to Financial Statements as at and for the Year ended March 31, 2019

C. Outstanding balances of related party:

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
i) Nirlon Management Services Private Limited			
Capital Advance (Receivable)	600.00	600.00	600.00
Other receivable (included in Note 6)	156.00	128.00	64.00
Trade Payable	-	37.73	-
Security Deposit (Payable)	22.70	22.70	22.70
ii) Manisha Trading & Investments Private Limited			
Trade Receivable	0.02	0.03	-
Trade Payable	-	-	0.44
iii) Remuneration payable to KMP			
Rahul Sagar	128.00	128.00	64.00
iv) Post Employment Benefit Funds			
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. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business. Outstanding balances at the Year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Transactions relating to dividends were on the same terms and conditions that applied to other Shareholders.

36: Employee Benefits

I) Defined contribution plans

The expense recognised during the period towards defined contribution plan -

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employer's Contribution to Provident Fund	21.68	19.76
Total	**21.68**	**19.76**

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.

Notes to Financial Statements as at and for the Year ended March 31, 2019

INR (in lakh)

Particulars	Present value of obligation
As at April 1, 2017	**16.18**
Past Service Cost	16.19
Interest expense/(income)	1.08
Total amount recognised in Statement of Profit and Loss	**17.27**
Remeasurements	
Gain from change in financial assumptions	(1.60)
Experience gain	0.54
Total amount recognised in other comprehensive income	**(1.06)**
Benefit payments	-
As at March 31, 2018	**32.39**

INR (in lakh)

Particulars	Present value of obligation
As at April 1, 2018	**32.39**
Interest expense	2.35
Total amount recognised in Statement of Profit and Loss	**2.35**
Remeasurements	
Gain from change in financial assumptions	(0.37)
Experience gain	(0.72)
Total amount recognised in other comprehensive income	**(1.09)**
Benefit payments	-
As at March 31, 2019	**33.65**

The net liability disclosed above relates to gratuity are as follows:

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Fair value of plan assets	-	-	-
Present value of obligations	33.65	32.39	16.18
(Deficit) of gratuity plan	**(33.65)**	**(32.39)**	**(16.18)**

Notes to Financial Statements as at and for the Year ended March 31, 2019

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
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	**7.49%**	7.33%	6.69%
Salary growth rate	**8.00%**	8.00%	8.00%

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	1%	1%	31.47	30.08	36.06	34.92
Salary growth rate	1%	1%	33.65	32.37	33.65	32.37

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 and 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.

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 7.66 years (2018 – 8.55 years, 2017 - 9.45 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
March 31, 2019					
Defined benefit obligation (gratuity)	1.22	1.22	21.35	36.22	60.01
March 31, 2018					
Defined benefit obligation (gratuity)	2.03	2.06	25.49	10.19	39.77
April 01, 2017					
Defined benefit obligation (gratuity)	0.94	1.00	3.17	15.36	20.47

III) Other Employee Benefit

The liability for Compensated Absences as at the Year end is INR. 16.30 lakh (March 31, 2018 INR 14.38 lakh, April 1, 2017 INR 13.91 lakh).

37. EMPLOYEE STOCK OPTION PLAN (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 717,656 shares of INR 10/- each at a premium of INR 31.30 per share to Nirlon Employees Stock Option Trust. As on April 1, 2017, 7,08,000 options have been exercised equal to 708,000 number of shares.

Nirlon ESOP Plan 2012

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

The weighted average contractual life for the stock options was 5 years and they vested at the rate of 15%, 20%, 25%, 40% at the end of 15 months, 30 months, 42 months, 54 months respectively from the date of grant. During the Year 2014-15, the Nomination and Remuneration committee has vide its Resolution dated February 9, 2015, accelerated the vesting period for all the unvested options to February 15, 2015 and accelerated the exercise period for all the options upto September 30, 2016.

Accordingly all the options granted have been already vested. Further, the Board of Directors vide their circular Resolution dated October 8, 2016 extended the exercise period for all the options granted upto September 30, 2017.

Details regarding the number of stock options are as follows :

Particulars	March 31, 2019	March 31, 2018
i) Outstanding options at beginning of the period	-	7,000
ii) Granted during the Year	-	-
iii) Forfeited during the period	-	-
iv) Exercised during the period	-	7,000
v) Expired during the period	-	-
vi) Outstanding at the end of the period	-	-
vii) Exercisable, Vested at the end of the period	-	-

The weighted average share price at the dates of exercise of options exercised during the Year ended March 31, 2018 was INR 201.93.

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

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 . 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.

38. 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.

INR (in lakh)

Particular	Carrying value			Fair value		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Financial Assets at amortised cost						
Loans	219.08	219.08	218.63	219.08	219.08	218.63
Trade receivable	237.27	256.60	384.21	237.27	256.60	384.21
Cash and Cash equivalents	415.55	3,711.64	1,662.89	415.55	3,711.64	1,662.89
Other Bank Balance	88.73	67.91	73.95	88.73	67.91	73.95
Other Financial Assets	293.90	252.36	118.32	293.90	252.36	118.32
Total	**1,254.53**	**4,507.59**	**2,458.00**	**1,254.53**	**4,507.59**	**2,458.00**
Financial Liabilities at amortised cost						
Borrowings (Including current maturities of long term debt)	85,339.07	61,086.57	60,844.48	85,339.07	61,086.57	60,844.48
Trade Payables	772.79	841.46	672.65	772.79	841.46	672.65
Security Deposit received	12,192.47	11,255.46	11,301.43	12,192.47	11,255.46	11,301.43
Other Financial Liabilities	3,832.73	1,751.16	2,129.12	3,832.73	1,751.16	2,129.12
Financial Liabilities at fair value						
Derivative Liability (Forward contract)	-	-	27.08	-	-	27.08
Total	**102,137.06**	**74,934.65**	**74,974.76**	**102,137.06**	**74,934.65**	**74,974.76**

Financial liabilities measured at fair value	As at March 31, 2019				
	Date of Valuation	Level 1	Level 2	Level 3	Total
Derivative Liability (Forward contract)	March 31, 2019	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Financial liabilities measured at fair value	As at March 31, 2018				
	Date of Valuation	Level 1	Level 2	Level 3	Total
Derivative Liability (Forward contract)	March 31, 2018	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Financial liabilities measured at fair value	As at April 1, 2017				
	Date of Valuation	Level 1	Level 2	Level 3	Total
Derivative Liability (Forward contract)	April 1, 2017	-	27.08	-	27.08
Total	**-**	**-**	**27.08**	**-**	**27.08**

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.

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, 2019, March 31, 2018 and April 1, 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.

39. 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

Notes to Financial Statements as at and for the Year ended March 31, 2019

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables.

The carrying amounts of financial assets represent the maximum credit risk exposure.

i. Trade and Other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is not significant for the Company as the Company keeps 3 to 12 months rental as deposit from the occupants.

ii. Cash and bank balances

The Company held cash and cash equivalent and other bank balance of INR 504.28 lakh at March 31, 2019 (March 31, 2018: INR 3,779.55 lakh; April 1, 2017: INR 1,736.84 lakh). The same are held with banks and financial institution counterparties with good credit rating. Also, company invests its short term surplus funds in bank fixed deposit which carry no mark to market risks for short duration, therefore does not expose the Company to credit risk.

iii. 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.

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade receivables	237.27	256.60	384.21
Loans	219.08	219.08	218.63
Other financial assets	293.90	252.36	118.32
Total	**750.25**	**728.04**	**721.16**

(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.

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)

Contractual maturities of financial liabilities March 31, 2019	1 year or less	1-2 years	More than 2 years	Total	Carrying Value
Non-derivatives					
Borrowings including current maturities and accrued interest	8,661.92	8,661.92	129,667.28	146,991.12	85,676.95
Trade payables	772.79	-	-	772.79	772.79
Other financial liabilities	7,074.20	991.00	7,960.00	16,025.20	16,025.20
Total non-derivative liabilities	**16,508.91**	**9,652.92**	**137,627.28**	**163,789.11**	**102,474.94**

INR (in lakh)

Contractual maturities of financial liabilities March 31, 2018	1 year or less	1-2 years	More than 2 years	Total	Carrying Value
Non-derivatives					
Borrowings including current maturities and accrued interest	5,589.42	5,589.42	95,059.10	106,237.94	61,334.26
Trade payables	841.46	-	-	841.46	841.46
Other financial liabilities	5,024.97	-	7,981.65	13,006.62	13,006.62
Total non-derivative liabilities	**11,455.85**	**5,589.42**	**103,040.75**	**120,086.02**	**75,182.34**

INR (in lakh)

Contractual maturities of financial liabilities April 1, 2017	1 year or less	1-2 years	More than 2 years	Total	Carrying Value
Non-derivatives					
Borrowings including current maturities and accrued interest	14,462.33	13,003.15	54,793.03	82,258.51	61,117.39
Trade payables	672.65	-	-	672.65	672.65
Other financial liabilities	3,415.40	1,955.21	8,059.94	13,430.55	13,430.55
Total non-derivative liabilities	**18,550.38**	**14,958.36**	**62,852.97**	**96,361.71**	**75,220.59**
Derivatives (net settled)					
Foreign exchange forward contracts	27.08	-	-	27.08	27.08
Total derivative liabilities	**27.08**	**-**	**-**	**27.08**	**27.08**

(ii) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

INR (in lakh)

	March 31, 2019	March 31, 2018	April 1, 2017
Expiring beyond one year (loan from HDFC Limited)	35,500.00	9,912.81	11,425.11

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.

Notes to Financial Statements as at and for the Year ended March 31, 2019

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)

Particulars	Currency	March 31, 2019	March 31, 2018	April 1, 2017
Financial liabilities				
Buyer's Credit	USD	-	-	1,516.23
Capital Goods	USD	-	-	61.20
Gross Exposure in USD		**-**	**-**	**1,577.43**
Less: Exposure hedged using derivatives (Forward contract)		-	-	531.17
Net Exposure in USD		**-**	**-**	**1,046.26**

Sensitivity:

There is no impact on profit after tax due to change in foreign currency for the Year ended March 31, 2019 and March 31, 2018

(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, 2019	March 31, 2018	April 1, 2017
Variable rate borrowings	**85,339.07**	61,086.57	59,356.79
Fixed rate borrowings	**-**	-	1,487.70
Total borrowings	**85,339.07**	61,086.57	60,844.49

Sensitivity:

A change of 100 basis points in interest rates would have following Impact on profit after tax -

INR (in lakh)

	March 31, 2019	March 31, 2018
Interest rates – increase by 100 basis points *	**(377.89)**	(364.92)
Interest rates – decrease by 100 basis points *	**377.89**	364.92

* Holding all other variables constant

40. CAPITAL MANAGEMENT

a. Risk Management

For the purpose of the 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, 2019 and March 31, 2018.

The Company monitors capital using a ratio of 'adjusted net debt' to 'Equity'. For this purpose, adjusted net debt is defined as interest-bearing loans and accrued interest thereon less cash and bank balances. Equity comprises all components of Equity including share premium and all other Equity reserves attributable to the Equity share holders.

The Company's adjusted net debt to Equity ratio is as follows.

INR (in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Borrowings including accrued interest	85,676.95	61,334.26	53,160.68
Current maturities of non current borrowings	-	-	7,956.71
Less: Cash and Bank balances	(504.28)	(3,779.55)	(1,736.84)
Adjusted net debt	**85,172.67**	57,554.71	59,380.55
Total Equity	**35,246.19**	29,691.19	24,937.36
Adjusted net debt to adjusted Equity ratio	**2.42**	1.94	2.38

b. Dividends

INR (in lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Dividend declared and paid during the Year:		
Final Dividend paid for the Year ended March 31, 2018 INR 0.75/- (April 1, 2017: INR 0.75/-) per share	675.88	675.88
Dividend Distribution Tax on Final Dividend	137.62	137.62
	813.50	**813.50**
Proposed Dividends on Equity shares not recognised at the end of the reporting period:		
Final Dividend for the Year ended March 31, 2019 INR 0.75/- (March 31, 2018: INR 0.75/-) per share #	675.88	675.88
Dividend Distribution Tax on Final Dividend	137.62	137.62
	813.50	**813.50**

This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

Notes to Financial Statements as at and for the Year ended March 31, 2019

41. RESTATED BALANCE SHEET AS AT MARCH 31, 2018 AND APRIL 1, 2017

INR (in lakh)

Particular	As at March 31, 2018			As at April 1, 2017		
	Reported	Restatements	Restated	Reported	Restatements	Restated
ASSETS						
Non-current assets						
(a Property, plant and equipments	54.97	-	54.97	62.42	-	62.42
(b) Capital work-in-progress (Refer Note 2 below)	16,471.59	(2,349.08)	14,122.51	5,537.55	-	5,537.55
(c) Investment properties (Refer Note 1 below)	95,814.09	(12,350.00)	83,464.09	102,568.01	(12,350.00)	90,218.01
(d) Other intangible assets	0.31	-	0.31	0.91	-	0.91
(e) Financial assets						
i. Loans	219.08	-	219.08	218.63	-	218.63
ii. Other financial assets	51.89	-	51.89	14.82	-	14.82
(f) Non current tax assets (Net)	74.44	-	74.44	328.86	-	328.86
(g) Other non-current assets (Refer Note 2 below)	5,905.63	2,349.08	8,254.71	7,161.09	-	7,161.09
Total non-current assets	**118,592.00**	**(12,350.00)**	**106,242.00**	**115,892.29**	**(12,350.00)**	**103,542.29**
Current assets						
(a) Financial assets						
i. Trade receivables	256.60	-	256.60	384.21	-	384.21
ii. Cash and cash equivalents	3,711.64	-	3,711.64	1,662.89	-	1,662.89
iii. Bank balances other than (ii) above	67.91	-	67.91	73.95	-	73.95
iv. Other financial assets	200.47	-	200.47	103.50	-	103.50
(b) Other current assets	1,483.04	-	1,483.04	994.10	-	994.10
Total current assets	**5,719.66**	**-**	**5,719.66**	**3,218.65**	**-**	**3,218.65**
Total assets	**124,311.66**	**(12,350.00)**	**111,961.66**	**119,110.94**	**(12,350.00)**	**106,760.94**
EQUITY AND LIABILITIES						
EQUITY						
(a) Equity share capital	9,011.80	-	9,011.80	9,010.84	-	9,010.84
(b) Other Equity (Refer Note 1 below)	33,029.39	(12,350.00)	20,679.39	28,276.52	(12,350.00)	15,926.52
Total Equity	**42,041.19**	**(12,350.00)**	**29,691.19**	**37,287.36**	**(12,350.00)**	**24,937.36**
LIABILITIES						
Non-current liabilities						
(a) Financial liabilities						
i. Borrowings	61,086.57	-	61,086.57	51,400.08	-	51,400.08
ii. Other financial liabilities	7,981.65	-	7,981.65	10,015.15	-	10,015.15
(b) Provisions	30.36	-	30.36	15.24	-	15.24
(c) Deferred tax liabilities (Net)	3,816.88	-	3,816.88	2,963.09	-	2,963.09
(d) Other non-current liabilities	2,033.85	-	2,033.85	2,477.01	-	2,477.01
Total non-current liabilities	**74,949.31**	**-**	**74,949.31**	**66,870.57**	**-**	**66,870.57**

Notes to Financial Statements as at and for the Year ended March 31, 2019

INR (in lakh)

Particular	As at March 31, 2018			As at April 1, 2017		
	Reported	Restatements	Restated	Reported	Restatements	Restated
Current liabilities						
(a) Financial liabilities						
i. Borrowings	-	-	-	1,487.70	-	1,487.70
ii. Trade payables (Refer Note 3 below)	657.57	183.89	841.46	672.65	-	672.65
iii. Other financial liabilities (Refer Note 3 below)	5,208.86	(183.89)	5,024.97	11,399.18	-	11,399.18
(b) Other current liabilities	1,423.73	-	1,423.73	1,154.45	-	1,154.45
(c) Provisions	16.41	-	16.41	14.85	-	14.85
(d) Current tax liabilities (Net)	14.59	-	14.59	224.18	-	224.18
Total current liabilities	**7,321.16**	**-**	**7,321.16**	**14,953.01**	**-**	**14,953.01**
Total liabilities	**82,270.47**	**-**	**82,270.47**	**81,823.58**	**-**	**81,823.58**
Total Equity and liabilities	**124,311.66**	**(12,350.00)**	**111,961.66**	**119,110.94**	**(12,350.00)**	**106,760.94**

RECONCILIATION OF TOTAL EQUITY AS AT MARCH 31, 2018 AND APRIL 1, 2017

Particulars	As at March 31, 2018	As at April 1, 2017
Total Equity as per Reported Financial Statements	**42,041.19**	37,287.36
Reversal of revaluation surplus on freehold land (Refer Note 1 below)	(12,350.00)	(12,350.00)
Total Equity as per Restated Financial Statements	**29,691.19**	24,937.36

Notes:

1. The original cost and carrying value of freehold land, included in Investment Properties, as per previous GAAP* amounted to INR 19.00 lakh and INR 1,29,906.11 lakh respectively. On transition to Ind AS on April 1, 2016, the Company elected to apply Ind AS 40 - 'Investment Property' retrospectively and accordingly carry the investment properties at its original cost of acquisition. However, the Company had reversed INR 1,17,537.11 lakh (the unutilized amount of revaluation reserves existing at the date of transition to Ind AS) from the carrying value of land as against INR 1,29,887.11 lakh being the total revaluation adjustment recognised in the earlier years. During the Year, the Company has reversed remaining INR 12,350.00 lakh from the carrying value of freehold land with a corresponding adjustment to retained earnings as at April 1, 2017. There is no impact in the Statement of Profit and Loss for the Year ended March 31, 2018.

   *Accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014

2. The Company has reclassified Capital Advances from 'Capital work in progress' to 'Other non-current assets' amounting to INR 2,349.08 lakh as at March 31, 2018.

3. The Company has reclassified Creditors for Capital Goods from 'Other current financial liabilities' to 'Trade Payables' amounting to INR 183.89 lakh as at March 31, 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: | | | | | | | | | | |

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

NOTES

NIRLON

NIRLON LIMITED

CIN No.: L17120MH1958PLC011045
Regd. Office: Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai: 400 063.
Tel. No.: + 91 (022) 4028 1919 / 2685 2257/58/59 • E-mail id: info@nirlonltd.com • Website: www.nirlonltd.com.

ATTENDANCE SLIP

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

Folio No. / Client ID:

I/We hereby record my/our presence at the 60th Annual General Meeting of the Company to be held on **Tuesday, September 3, 2019 at 12.00 noon (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 60th Annual General Meeting of the Company to be held on Tuesday, September 3, 2019 at 12.00 noon (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
Ordinary Business:			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019, including the Statement of Profit and Loss for the Year ended on that date, Audited Balance Sheet as at March 31, 2019 and Reports of the Directors' and Auditors' thereon.		
2.	To fix the remuneration of the Statutory Auditors for the remaining tenure of their appointment.		
3.	To declare a dividend of ₹0.75 paise per equity share of ₹10/- each (@7.5%) for the Financial Year ended on March 31, 2019.		
4.	To appoint a Director in place of Mr. Kunal V. Sagar (DIN 00388877), aged 51 years, who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment.		
Special Business:			
5.	Appointment of Mr. Rajinder Pal Singh (DIN 02943155), aged 67 years, as a Non- Executive Independent Director and in this regard to consider and if thought fit, to pass, with or without modification / s, the following Resolution as an Ordinary Resolution.		
6.	Appointment of Ms. Anjali Seth (DIN 05234352), aged 60 years, as a Non- Executive Independent Director and in this regard to consider and if thought fit, to pass, with or without modification / s, the following Resolution as an Ordinary Resolution.		
7.	Ratification of Remuneration payable to the Cost Auditor.		

Signed this_____day of_____2019

Affix Revenue Stamp of ₹ 1/-

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

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.

NIRLON LIMITED

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