



NIRLON LIMITED

(CIN: L17120MH1958PLC011045)

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

POSTAL BALLOT NOTICE

[Notice Pursuant to Section 110 of the Companies Act, 2013, read with rule 22 of the Companies (Management and Administration) Rules , 2014]

Dear Member(s),

Sub: - Passing of Special Resolutions by Postal Ballot including electronic means (e-voting)

Notice is hereby given to the Members of Nirlon Limited (**‘the Company’**) pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014 (including any statutory modification or re-enactments thereof) and relevant provisions of the SEBI Listing Obligations & Disclosure Requirements Regulations, 2015 (**LODR, 2015**) and other applicable laws and regulations, that the Company is seeking consent of its Members for the proposed draft special resolutions appended below to be passed by Members by way of a Postal Ballot including e-voting.

Pursuant to the provisions of section 102 of the Companies Act, 2013, the Explanatory Statement pertaining to the aforesaid draft special resolutions setting out all material facts and reasons for which each resolution is being proposed is annexed herewith.

The Postal Ballot form is enclosed for your consideration seeking the Members assent or dissent in writing or through e-voting within a period of thirty (30) days from the date of dispatch of the Notice.

The attached Postal Ballot Form is to be used by Members for the purpose of exercising their respective votes in respect of the said draft special resolutions.

In the event the resolutions as set out below are assented to by requisite majority of Members through this Postal Ballot, the same shall be deemed to have been passed as special resolutions at the general meeting of the Company. The date of announcement of the result shall be considered to be the date of the general meeting, and the date of passing of the said resolutions.

The Directors have appointed Mr. Alwyn D’souza, Practising Company Secretary (FCS No.5559 CP No.5137) of M/s. 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.

You are requested to carefully read instructions printed on the Postal Ballot Form, including for the e-voting, and ensure that the said Postal Ballot Form (no other form or photocopy thereof is permitted) duly completed, in the attached self-addressed postage pre-paid envelope or through e-voting, reaches the Scrutinizer on or before the close of working hours i.e. **5.00 p.m.(IST), on Tuesday, August 23, 2016,** failing which it will be strictly considered that no reply has been received from the Member.

The Scrutinizer will submit his report to the Director authorised by the Board of the Company after completion of the scrutiny of the Postal Ballot Forms and e-voting report submitted by the Central Depository Services (India) Limited (**CDSL**).

The result of the voting by Postal Ballot, including e-voting, shall be declared during working hours on **Monday, August 29, 2016,** and shall also be communicated to the BSE Limited and CDSL. The same would also be displayed on the Company’s website at **‘www.nirlonltd.com’**.

The Company is pleased to offer an e-voting facility as an alternate option to its Members to enable them to cast their votes electronically. E-Voting is optional. In case you desire to exercise your vote by using the e-voting facility, then you are required to carefully follow the instructions for e-voting printed on the Postal Ballot Form.

Item No. 1:-

To authorize the Board of Directors of the Company to borrow up to Rs. 1,500.00 Crore from Lending Agency/ies

To consider and if thought fit to accord assent / dissent to the following resolution as a Special Resolution:

“RESOLVED THAT the consent of the Members be and is hereby accorded in terms of **Section 180 (1) (c)** and all other applicable provisions, if any, of the Companies Act, 2013 (**‘the Act’**) (including any amendment thereto or re-enactments thereof), to the Board of Directors of the Company for borrowing for and on behalf of the Company, from time to time, any sum or sums of monies, on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the monies to be borrowed from time to time together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up share capital of the Company and its free reserves, i.e. reserves not set apart for any specific purpose, provided that the total amount up to which monies may be borrowed at any time shall not exceed Rs.1,500.00 Crore (Rupees Fifteen Hundred Crore only) in one or more tranches from time to time;

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such things, acts, deeds and things as may be required from time to time to give effect to the above resolution.”

Item No. 2:-

To authorize the Board of Directors of the Company to create charges /mortgages /hypothecations on the Company’s movable and / or immovable properties situate at Village Pahadi and Goregaon, Goregaon (East), Mumbai, both present and future, in order to create security in favor of Lending Agency/ies

To consider and if thought fit to accord assent / dissent to the following resolution as a Special Resolution:

“RESOLVED THAT the consent of the Members be and is hereby accorded in terms of **Section 180 (1) (a)** and all other applicable provisions, if any, of the Companies Act, 2013, (**‘the Act’**)(including any amendment thereto or re-enactments thereof), to the Board of Directors of the Company for creation of mortgages and/or charges and/or hypothecations in addition to the existing mortgages/charges/hypothecations created / to be created by the Company, in such form and manner and on such terms as the Board of Directors may determine on all or any part of the movable and/or immovable properties of the Company situate at Village Pahadi and Village Goregaon, Goregaon (East), Mumbai 400 063, both present and future, and/or the whole or any part of the undertaking or undertakings of the Company, in favour of Indian/Foreign Financial Institutions, Banks, Trusts and other Bodies Corporate (hereinafter referred to as the **‘the Lending Agency/ies’**) for securing the loan/credit facility availed/to be availed by the Company up to an aggregate value not exceeding Rs.1,500.00 Crore (Rupees Fifteen Hundred Crore only) together with interest thereon at the agreed rates, further interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys as may be payable by the Company to the Lending Agencies under the respective loan agreements and other documents to be executed by the Company in respect of the said borrowings from time to time;

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to prepare, finalize and execute all such deeds, documents and writings as may be necessary for creating the aforesaid mortgages and/or charges and/or hypothecations and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to the above resolution”.

Item No. 3:-

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

To consider and if thought fit to accord assent / dissent to the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of **Section 196, 197 and 198** read with **Schedule V** of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactments thereof for the time being in force), and other applicable provisions, if any, of the Companies Act, 2013 (**‘the Act’**) [including any statutory modification or re-enactments thereof for the time being in force], and subject to any approvals, consents, permissions or sanctions of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, while granting such approvals, consents, permissions or sanctions and which may be agreed to and accepted by the Board of Directors of the Company (herein after referred to as **‘the Board’** which expression shall include the Nomination and Remuneration Committee of the Board), consent of the Members be and is hereby accorded for the appointment and payment of remuneration to Mr. Rahul V. Sagar (**DIN 00388980**) as Executive Director of the Company for a period of 5 (five) years with effect from February 1, 2016 to January 31, 2021 on terms and conditions including the remuneration set out below to be incorporated in the agreement proposed to be entered between the Company and Mr. Rahul V. Sagar, with liberty to the Board of Directors to alter and vary the terms and conditions periodically as recommended by the Nomination and Remuneration Committee :-

• **Fixed Remuneration**

| Particulars | Amount (In Rupees) |
|--|----------------------------|
| A. SALARY | |
| Monthly Basic Salary | 5,33,333.33 |
| Gratuity | As per statute |
| Contribution to Provident Fund | As per statute |
| B. ALLOWANCE | |
| Monthly House rent allowance (50% of basic salary) | 2,66,666.66 |
| C. PERQUISITES | |
| Transport and driver | At actual |
| Telephones/mobile | At actual |
| Leave travel concession | 2,00,000/- p.a. |
| Medical insurance for self and family | As per the Company’s rules |

• **Variable Remuneration**

Proportionate variable pay, linked to performance ranging from 50% to 200% of basic salary, to be decided for each corporate financial year, i.e. from 2015-16 to 2020-2021 by the Board of Directors (which includes any Committee thereof);

“RESOLVED FURTHER THAT notwithstanding anything contained herein, where during the term of appointment of Mr. Rahul V. Sagar, in the event of loss or inadequacy of profit in the respective financial years as the case may be (i.e. financial year from 2015-16 to 2020-2021), unless otherwise approved by the Central Government, the remuneration payable to Mr. Rahul V. Sagar including salary, perquisites, any other allowances, variable remuneration etc. shall be governed and be subject to the ceiling provided under Schedule V to the Act or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration;

“RESOLVED FURTHER THAT Mr. Rahul V. Sagar shall not be liable to retire by rotation;

“RESOLVED FURTHER THAT Mr. Moosa Raza, Chairman, Mr. Arjan Gurbuxani, Director, and Mr. Jasmin K. Bhavsar, Company Secretary & Vice President (Legal) be and are hereby severally authorized to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto including but not limited to filing of an application with the Central Government and requisite e-forms with the Ministry of Corporate Affairs/ROC”.

Item No. 4:-

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

To consider and if thought fit to accord assent / dissent to the following resolution as a Special Resolution:

“RESOLVED THAT the Members of the Company do ratify the appointment of M/s. Link Intime India Pvt. Ltd., to act as the Share Transfer Agent (**STA**) of the Company in place of Sharepro Services India Private Limited;

“RESOLVED FURTHER THAT in supersession of the special resolution earlier passed by the Members at their 50th Annual General Meeting held on September 30, 2009, approval of the Members be accorded to the Company under section 94 of the Companies Act, 2013 (**‘the Act’**) to the Company to keep its Registers and Index of Members and copies of Annual Returns prepared under Section 94 of the Act, together with copies of certificates and documents required to be annexed thereto under section 92 of the Act, or one or more of them at the office premises of the Company’s Share Transfer Agent, viz. M/s. Link Intime India Pvt. Ltd., (**‘the STA’**) having their registered office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 and/or at such other places within the city of Mumbai where the STA may shift their office from time to time, and/or at the Registered Office of the Company at Pahadi Village, Goregaon (East), Mumbai - 400 063;

“RESOLVED FURTHER THAT all such acts, deeds, matters and things as may be necessary, desirable or expedient done by the authorised persons for giving effect to the above resolution be are hereby ratified”.

**By Order of the Board of Directors
For Nirlon Limited**

Sd/-

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

Mumbai, July 09, 2016

Registered Office:

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

CIN No: L17120MH1958PLC011045

E-mail id: info@nirlonltd.com

Website: www.nirlonltd.com

NOTES

1. The relevant Explanatory Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 in respect of Item No. 1, 2, 3 and 4 set out in the Notice is annexed hereto.
2. The Postal Ballot Notice along with the required annexures is being sent to the Members whose names appear on the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited (**NSDL**) and Central Depository Services (India) Limited (**CDSL**) as on **Friday, July 15, 2016**, and will be considered for the purpose of voting. The Postal Ballot Notice is being sent to Members in electronic form to the e-mail address registered with their Depository Participant (in case of electronic shareholding)/the Company’s Share Transfer Agents (in case of physical shareholding). In case of Members whose e-mail id is not registered, a physical copy of Postal Ballot Notice is being sent by permitted mode along with a postage pre-paid self addressed Business Reply Envelope.
3. Resolutions passed by Members through the Postal Ballot including e-voting are deemed to have been passed as if the same have been passed at a general meeting of the Members.

4. In case a Member is desirous of obtaining the Postal Ballot Form in a printed form or a duplicate, the Member may send an e-mail to **'evoting.investors@linkintime.co.in'**. The Share Transfer Agent/ Company shall forward the same along with the postage pre-paid self addressed Business Reply Envelope to the Member.
5. For any grievances connected with the voting by Postal Ballot including voting by electronic means, contact Mr. Jasmin K. Bhavsar, Company Secretary, Vice President (Legal) & Compliance Officer at e-mail address **'share@nirlonltd.com'** / write a letter at the Company's Registered Office at Pahadi Village, Off the Western Express Highway, Goregaon (East), Mumbai: 400 063.
6. The Directors of the Company have appointed Mr. Alwyn D'souza, Practising Company Secretary (FCS No.5559 CP No.5137) of M/s. Alwyn Jay & Co., Company Secretaries, Mumbai as the Scrutinizer for Scrutinizing the Postal Ballot Forms and e-voting in a fair and transparent manner. Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. Postal Ballot Form/s, if sent by courier or by registered post/speed post at the expense of the Members, will also be accepted.

The Postal Ballot Form/s may also be deposited personally at the address given thereon. The duly completed Postal Ballot Form/s should reach the Scrutinizer **not later than 5.00 p.m.(IST) on Tuesday, August, 23, 2016** to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.

7. The Scrutinizer will submit his report to the Director after the completion of the scrutiny of the Postal Ballot including e-voting. The result of the Postal Ballot including e-voting shall be declared on **Monday, August 29, 2016** and be communicated to the BSE Limited and CDSL. The same would also be displayed on the Company's website at **'www.nirlonltd.com'**.
8. **Voting through electronic means (e-voting):**

In terms of the provisions of Section 108 of the Companies Act, 2013 (**'the Act'**) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called **'the Rules'** for the purpose of this section of the Notice) and the SEBI Listing Obligations & Disclosure Requirements Regulations, 2015 (**'LODR, 2015'**), the Company is also providing an e-voting facility to Members as an alternative facility to voting physically through the Postal Ballot, to exercise their votes on the items of business given in the Postal Ballot Notice. This is facilitated through an electronic voting system through the e-voting platform provided by the Central Depository Services (India) Limited (**'CDSL'**) to those members holding shares as on **Friday, July 15, 2016** being the Cut-off date (Record date for the purpose of Rule 20(3)(vii) of the Rules) fixed for determining the voting rights of Members entitled to participate in the voting process.

The instructions for e-voting are as under:

- A. **For Members (holding shares in Dematerialized form or Physical form) who receive the Postal Ballot notice, including though an e-mail**

The instructions for the Members voting electronically are as under:

- (i) The voting period begins on **9.00 a.m. (IST), Monday, July 25, 2016** and ends at **5.00 p.m. (IST) on Tuesday, August 23, 2016**. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. **Friday July 15, 2016** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members should log on to the e-voting website **'www.evotingindia.com'**.
- (iii) Click on **'Shareholders'**.
- (iv) Enter your User ID:-
 - a. For CDSL: 16 digit Beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digit Client ID,
 - c. Members holding shares in Physical Form should enter the Folio Number registered with the Company.

- (v) Enter the Image Verification as displayed and Click on **‘Login’**.
- (vi) If you are holding shares in dematerialized form and have logged on to **‘www.evotingindia.com’** and have voted earlier, 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 Dematerialised Form and Physical Form | |
|--|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account, or in the Share Transfer Agent’s records, in the dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account, or in the Share Transfer Agent’s records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or the Share Transfer Agent, 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 the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that that Company opts for e-voting through the CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) Click on the EVSN for **‘Nirlon Limited’** on which you choose to vote.
- (xi) 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 the option NO implies that you dissent to the Resolution.
- (xii) Click on the **‘RESOLUTIONS FILE LINK’** if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you **‘CONFIRM’** your vote on the resolution, you will not be allowed to modify your vote.
- (xv) 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.
- (xvi) 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.
- (xvii) Note for Non-Individual Members and Custodians:
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **‘www.evotingindia.com’** and register themselves as Corporates and Custodians respectively.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to '**helpdesk.evoting@cdslindia.com**'.
- After receiving the login details, they have to create the compliance user using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- 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.

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

B. General instructions:

- Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
 - Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF Format) of the relevant Board Resolution/ Authority letter etc. together with the attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer at his e-mail id address : '**alwyn.jay@gmail.com**'. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format '**Corporate Name EVENT No.**'
 - The Portal will remain open for voting from: **9.00 a.m.(IST), Monday, July 25, 2016** till **5.00 p.m. (IST), Tuesday, August 23, 2016**.
 - On the voting page, the number of shares (which represents the number of votes) as held by the member as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click '**FOR**'/ '**AGAINST**' as the case may be, or partially in '**FOR**' and partially in '**AGAINST**'. However, the total number in '**FOR/AGAINST**' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option '**ABSTAIN**' and the shares held will not be counted under either head.
- Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail, and the votes cast through physical Postal Ballot form will be treated as invalid.
 - All material documents referred to in the Notice will be made available for inspection at the Registered Office of the Company during working hours on any working day up to the date of Voting.

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

Mumbai, July 09, 2016

Registered Office:

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

CIN No: L17120MH1958PLC011045

E-mail id: info@nirlonltd.com

Website: www.nirlonltd.com

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Nos. 1 and 2

I. Background

The Board of Directors of the Company at their meeting held on January 29, 2016 interalia have considered and approved the following:-

1. In principle consent for commencement of Phase 5 of the Nirlon Knowledge Park (**NKP**) project.
2. Subject to Members approval, to borrow a further amount of up to Rs. 500.00 Crore (Rupees Five Hundred Crore) from HDFC Limited, and authorized Mr. Rahul V. Sagar, Executive Director, and Mr. Kunal V. Sagar, Director, on behalf of the Company to negotiate and finalize the terms and conditions with Lender/s.

It is worth noting that the existing borrowing by the Company is already secured by a mortgage/ charge in favour of HDFC Limited.

It may further be recalled that the Members of the Company have passed Ordinary Resolutions by way of a Postal Ballot on March 28, 2011 under Section 293 (1) (a) and 293 (1) (d) of the Companies Act 1956 authorizing the Board of Directors of the Company interalia to:-

- a) borrow money up to Rs. 1,500.00 Crore; and
- b) create charges/mortgages/hypothecation(s) on the Company's movable and/or immovable properties situate at Goregaon (East), Mumbai both present and future in order to create security in favor of the Lending Agency/ies to secure the borrowing from the lender.

The Members are aware that the Company is in the business of developing of an IT Park known as 'Nirlon Knowledge Park' (**NKP**) at Goregaon (East), Mumbai 400 063 in various phases.

In this connection, the Company has already developed Phases 1, 2, 3 and 4 comprising a total construction area of approx. 29.46 lac sq.ft.(corresponding to licensable area of approx. 18.78 lac sq.ft), and it now proposes to develop Phase 5 which will comprise a total construction area of approx. 16.74 lac sq.ft. (corresponding to licensable area of approx. 10.90 lac sq.ft.), by demolishing existing old buildings.

In view of the proposed development of Phase 5 of NKP, and to proceed further with this project, the Company will require additional finance for capital expenditure on the proposed development, and to create a charge / mortgage of the Company's assets situate at Goregaon (East),both Present and future, in favor of the lending agency / ies.

II. Statutory Development under the Companies Act, 2013 w.e.f. April 1, 2013

The attention of Members is drawn to the Companies Act, 2013 (**'the Act'**) enacted by Parliament in the 64th year of the Republic of India. The same was made effective from April 1, 2013 onwards.

Under the said Act, the Government of India (**GOI**) through the Ministry of Corporate Affairs (**MCA**) notified through a General Circular no. 04 /2014 dated March 25, 2014 clarifying section 180 of the Act.

A gist of the same is reproduced below:-

The MCA had received many representations regarding various difficulties arising out of implementation of section 180 of the Companies Act, 2013 with reference to borrowings and/or creation of security, based on the basis of ordinary resolutions. The matter was examined in the Ministry and it was clarified that any resolution passed under section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of 1(one) year only from the date of notification of section 180 of the Act.'

In view of the recent amendment under the Act and clarification by the MCA, it is imperative and expedient to pass **fresh special resolutions** respectively under section 180 (1) (a) and 180 (1) (c) of the Act. This will enable the Company/ Board to borrow further funds up to Rs. 500.00 Crore for the development of Phase 5 of NKP from HDFC Limited, within the overall borrowing limits of Rs. 1,500.00 Crore, and to create and/or extend the charge/mortgage/hypothecation of the Company's movable and/or immovable assets situate at Goregaon (East), Mumbai 400 063, both Present and future, in favour of Lender Agency/ies who are/will be funding Phase 5 of NKP.

In order to give effect to the above, it is proposed that the Company should obtain approval of the Members by way of special resolutions through a Postal Ballot.

III. Status

The Company has to date borrowed Rs.1,058.50 Crore from HDFC Limited, out of which Rs. 644.58 Crore only is outstanding as on date as per the Ordinary Resolutions passed by the Members as stated above.

The Members may kindly note that there is no change proposed in the Borrowing limits and the current proposal is only to comply with the requirement of passing of Special Resolutions under Section 180 of the Companies Act, 2013.

IV. Implementation

In order to give effect to the Board approval as stated above, it is proposed that the Company should obtain approval of the Members by way of Special resolutions through a Postal Ballot.

No Director, Key Managerial Personnel and/or their relatives are in any way concerned, or interested in the Resolution at Item No. 1 and 2 of the Notice, save and except to the extent of their shareholding and outstanding employee stock options in the Company.

The Board recommends the Resolutions at item No. 1 and 2 respectively of this Postal Ballot Notice for your approval through this Postal Ballot, including the e-voting, by way of Special Resolutions respectively.

Item No.3

Mr. Rahul V. Sagar (**DIN 00388980**) is 45 years old, and graduated with a B.A. in Economics. He is a Promoter of Nirlon Limited, and the brother of Mr. Kunal V. Sagar. He joined the Company as a Director w.e.f. June 25, 2006, and was appointed as Executive Director on July 1, 2009. Since then he has been occupying the office of Executive Director, with his current term expired on January 31, 2016 and re-appointed by the Board w.e.f. February 1, 2016 for a period of 5 (five) years.

Before joining the Company, Mr. Rahul V. Sagar served as the Chief Operating Officer of Sempertrans Nirlon Private Limited, the Company's former Conveyor Belting Joint Venture.

It may be noted that the construction of Phase 5 of Nirlon Knowledge Park (**NKP**) is likely to commence soon. It is in the interest of the Company to re-appoint Mr. Rahul V. Sagar as Executive Director for a further period of 5 (five) years for a smooth continuation of the Company's operations, including implementation of the NKP Phase 5 Project. The continuation of Mr. Rahul V. Sagar will be of great value for the current as well as the future projects of the Company considering his many achievements to date, the more recent of which are listed below:

I. **Performance :**

- 1 Over the first 9 months of the Financial Year 2015-16, increased the net profit after depreciation (before taxation and exceptional items) of the Company from Rs.33.00 Crore for the period Apr-Dec 2014 to Rs.54.00 Crore for the period Apr-Dec 2015. (Phase 4 license fees began accruing from June 2015).
- 2 Over the first 9 months of the Financial Year 2015-16, increased the revenue of the Company from Rs.179.00 Crore for the period Apr-Dec 2014 to Rs. 215.00 Crore for the period Apr-Dec 2015. (Phase 4 license fees began accruing from June 2015).
- 3 Ensured contracted escalations in license fees for Phases 1 and 2 were implemented on schedule.
- 4 Ensured that the entire chargeable area in Phase 4 was successfully licensed to various reputed licensees.
- 5 Ensured that Phase 4 was completed within the budget, with design and specifications of international standards comprising an 'A' grade building, and handed over to contracted licensees on schedule.
- 6 Ensured that the licenses commenced in a timely manner for Phase 4 including receipt of Occupation Certificate (OC), and other statutory permissions.
- 7 Received GOLD LEEDS certification for Phase 4 ensuring the entire campus is GOLD LEEDS certified for 'core and shell'.

- 8 Successfully registered Phases 3 and 4 of NKP as an IT Park with the Government of Maharashtra. With this, the entire NKP development is registered as an IT Park with the Government of Maharashtra as required by law and as originally envisaged.
- 9 Reduced the cost of finance by continuing the Buyers' Credit Scheme through HDFC Bank.
- 10 Made constant improvement in providing professional and focused property management services for NKP Phases 1, 2, 3 and 4. This includes billing and recovery of CAM from Phases 1, 2, 3 and 4, and an additional approx. 12 % of property management fees on CAM.
- 11 Retained corporate licensees for their short term license arrangements by offering existing old buildings (Phase 0) at Goregaon till further new development, thereby increasing inflow to the Company.

Mr. Rahul V. Sagar has a proven financial, commercial, and timely project implementation track record. His familiarity with the Company as Promoter Director is a great support to the Company, not only for the successful execution of the Company's ongoing projects but also to successfully implement future plans.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, it is mandatory that a Company having a paid up share capital of Rs.10.00 Crore or more (the Company's paid-up share capital is in excess of Rs.10.00 Crore) shall have whole-time Key Managerial Personnel as Chief Executive Officer/ Managing Director/ Whole-time Director/ Manager in addition to a Company Secretary (CS) and a Chief Financial Officer (CFO).

The Board of Directors at their meeting held on January 29, 2016 considered and approved the recommendation of the Nomination and Remuneration Committee recommending re-appointment of Mr. Rahul V. Sagar, w.e.f. February 01, 2016 for a term of 5 (Five) years as Executive Director, and the payment of his proposed Managerial Remuneration on the following terms and conditions:

A) Fixed Remuneration

| Particulars | Amount (In Rupees) |
|--|----------------------------|
| A. SALARY | |
| Monthly Basic Salary | 5,33,333.33 |
| Gratuity | As per statute |
| Contribution to Provident Fund | As per statute |
| B. ALLOWANCE | |
| Monthly House rent allowance (50% of basic salary) | 2,66,666.66 |
| C. PERQUISITES | |
| Transport and driver | At actual |
| Telephones/mobile | At actual |
| Leave travel concession | 2,00,000/- p.a. |
| Medical insurance for self and family | As per the Company's rules |

B) Variable Remuneration

Proportionate variable pay, linked to performance ranging from 50% to 200% of basic salary, to be decided for each corporate financial year, i.e. from 2015-16 to 2020-2021 by the Board of Directors (which includes any Committee thereof);

The proposed remuneration of Mr. Rahul V. Sagar (may / may not be in excess of the ceilings prescribed in Sections 197 and other applicable provisions of the Companies Act, 2013 ('Act') read with Schedule V thereof.

An application will be made to the Central Government for the payment of the remuneration, if required, in case of inadequate profit /loss. In such a case, until such time as approval for payment of the remuneration is received from the Central Government, Mr. Rahul V. Sagar will be paid minimum remuneration as per the provisions of the Act.

II. Proposed indicative scope of work from February 1, 2016 during the term of 5 (five) years

1. To conceptualize, plan, approve and commence development of Phase 5 of Nirlon Knowledge Park (NKP).
2. To ensure Phase 5 of NKP is completed in a cost effective manner, as per financial projections.
3. To ensure a snag free handover of Phase 4 from the Project team to the Property Management team.
4. To ensure the smooth transition and integration of the Phase 5 development to the Property Management team.
5. To ensure the maximum continued licensing of all available space within NKP.
6. To ensure on time escalations of contracted licence fees for various licensees.
7. To continue to manage NKP in a cost effective, professional, responsive, and occupant centric manner as per internationally recognized standards.
8. To reduce the rate of interest on the Company's existing and future securitised as well as construction loans.
9. To research, analyse and recommend, as may be appropriate, the purchase and/or development of other suitable projects, to best leverage the Company's existing experienced/qualified team and infrastructure.

Other material terms of appointment

- (i) The Executive Director shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- (ii) The Executive Director shall be bound to devote his whole time and attention to the management of the Company and its business.
- (iii) The Executive Director shall be entitled to proportionate privilege leave on full pay and allowance, but not more than one month's leave and he shall be entitled to encash leave not availed of at the end of the tenure as per the rules of the Company.
- (iv) The agreement may be terminated by the Company or by him by giving not less than three (3) months prior notice in writing.
- (v) The agreement will set out the mutual rights and obligations of the Company and the Executive Director.
- (vi) The Executive Director shall be entitled to reimbursement of expenses actually and properly incurred for the business of the Company, as well as other expenses incurred by him in the performance of his duties on behalf of the Company.
- (vii) No sitting fees shall be payable to the Executive Director for attending the meetings of the Board of Directors or Committee/s thereof.
- (viii) The Executive Director shall not be liable to retire by rotation.

The above may be also be treated as an abstract of the terms and conditions of the appointment of Mr. Rahul V. Sagar as required under Section 190 of the Companies Act, 2013.

No Director, except Mr. Rahul V. Sagar and Mr. Kunal V. Sagar, brother of Mr. Rahul V. Sagar who are interested in the resolution, Key Managerial Personnel and/or their relatives are in any way concerned, or interested in the Resolution at Item No. 3 of the Notice, save and except to the extent of their shareholding and outstanding employee stock options in the Company.

The Draft agreement proposed to be executed by and between the Company and Mr. Rahul V. Sagar is available for inspection at the Registered Office of the Company on any working day excluding public holidays and Sundays up to Tuesday, August 23, 2016.

The Board recommends the resolution set out at Item No.3 in the Notice for approval by the Members through the Postal Ballot, including the e-voting, by way of a Special Resolution.

Item No. 4

The Board of Directors of the Company at their meeting held on April 28, 2016 severally authorised Mr. Rahul V.Sagar, Executive Director and Mr. Jasmin K. Bhavsar, Company Secretary to appoint a new Share Transfer Agent in place of Sharepro Services India Private Limited pursuant to the Order passed by the SEBI against Sharepro Services India Pvt. Limited and ors.

Accordingly, the Company appointed M/s. Link Intime India Pvt. Ltd., as its Share Transfer Agent (the '**STA**'). w.e.f. June 3, 2016.

The Members of the Company have passed a special resolution at their 50th Annual General Meeting held on September 30, 2009 approving the Company's Registers and Index of Members and copies of Annual Returns together with copies of certificates and documents required to be annexed thereto, (hereinafter collectively referred to as '**the aforesaid Records**') inter alia be maintained at the office of the Company's Share Transfer Agent viz. Sharepro Services (India) Private Limited at Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai – 400 099 and / or at the Registered Office of the Company at Pahadi Village, Goregaon (East), Mumbai- 400 063.

In view of the change in Share Transfer Agent under the circumstances described above, the aforesaid Records of the Company are now maintained by the new STA i.e. M/s. Link Intime India Pvt. Ltd. at their registered office situate at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 and/or at such other place(s) within the city of Mumbai where the STA may have their office from time to time (hereinafter collectively referred to as '**the aforesaid Premises**').

As an abundant precaution, the Company is seeking the Members approval by way of a special resolution under the Act for keeping the aforesaid Records at a place other than the Registered Office of the Company i.e. at the aforesaid Premises of the STA, and/or at such other place(s) within the city of Mumbai where the STA may shift their office from time to time.

No Director, Key Managerial Personnel and/or their relatives are in any way concerned, or interested in the Resolution at Item No. 4 of the Notice, save and except to the extent of their shareholding and outstanding employee stock options in the Company.

The Board recommends the resolution set out at Item No.4 in the Notice for approval by the Members through the Postal Ballot, including the e-voting, by way of a Special Resolution.

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

Mumbai, July 09, 2016

Registered Office:

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

CIN No: L17120MH1958PLC011045

E-mail id: info@nirlonltd.com

Website: www.nirlonltd.com