NIRLON LIMITED

63rd Annual Report 2021-22

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NIRLON

Board of Directors:

(As on August 09, 2022)

1. Mr. Rajinder Pal Singh, Chairman & Non-Executive Independent Director
2. Ms. Anjali Seth, Non-Executive Independent Director
3. Mr. Sridhar Srinivasan, Non-Executive Independent Director
4. Mr. Kunnasagaran Chinniah, Nominee Director
5. Mr. Kunal V. Sagar, Promoter Director
6. 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 & V.P. (Finance)

Legal Advisors:

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

Auditors:

1. **Statutory**
   - S R B C & Co. LLP, Chartered Accountants, Mumbai (FRN 324982E/E300003)
2. **Internal**
   - KPMG, Mumbai
3. **Cost**
   - Vinay Mulay & Co., Cost Accountants, Mumbai
4. **Secretarial**
   - Alwyn Jay & Co., Company Secretaries, Mumbai

Lenders :

- HDFC Ltd. (up to May 02, 2022)
- The Hongkong and Shanghai Banking Corporation Ltd. (w.e.f. May 02, 2022)

Registered Office:

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

Share Transfer Agent:

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

NOTICE TO MEMBERS

NOTICE is hereby given that the **63rd** Annual General Meeting (**AGM**) of Nirlon Limited will be held on **Monday, September 19, 2022 at 12.00 noon (IST)** through Video Conferencing (**"VC"**) / Other Audio Visual Means (**"OAVM"**) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022, including the Statement of Profit and Loss for the Year ended on that date, Audited Balance Sheet as at March 31, 2022 and Reports of the Directors' and Auditors' thereon.
2. To declare a final dividend of ₹11.00 per equity share of face value ₹10/- each (@ 110%) for the Financial Year ended on March 31, 2022.
3. To appoint a Director in place of Mr. Kunnasagaran Chinniah (**DIN 01590108)**, aged 65 years, who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

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

   Ratification of Remuneration payable to the Cost Auditor

   "Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof for the time being in force), remuneration of ₹1,50,000/- (Rupees One lakh Fifty Thousand only) payable to Mr. Vinay B. Mulay, the practicing Cost Auditors (ICAI –CMA No. 8791) of Vinay Mulay & Co., Mumbai, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023, 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, August 09, 2022
Registered Office:
Nirlon Limited,
Pahadi Village, off the Western Express Highway,
Goregaon (East), Mumbai 400 063.
Tele: +91 (022) 4028 1919 / 2685 2257 / 58 / 59
Fax: +91 (022) 4028 1940
CIN: L17120MH1958PLC011045
E-mail id: info@nirlonltd.com
Website: **http://www.nirlonltd.com**

NOTES:

1. a. The Ministry of Corporate Affairs (**"MCA"**) has vide its General Circular No. 14/2020 dated April 08 , 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular no. 21/2021 dated December 14, 2021, and General Circular No. 2/2022 dated May 05, 2022 respectively (collectively referred to as **"MCA Circulars"**) and the Securities and Exchange Board of India (**"SEBI"**) has vide its Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as **"SEBI Circulars"**) permitted the holding of this Annual General Meeting (**"AGM"** or **"the Meeting**") through Video Conferencing (**"VC"**) / Other Audio Visual Means (**"OAVM"**), without the physical presence of the Members at a common venue.
   In compliance with the provisions of the Companies Act, 2013 (**"the Act"**), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) and the MCA & SEBI Circulars, the AGM of the Company is being held through VC/OAVM, without the physical presence of the Members at a common venue.

   b. In compliance with the applicable provisions of the Companies Act, 2013 (**"the Act"**) (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (**"the Rules"**), as amended from time to time, read with the MCA Circulars, SEBI Circulars and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (**"Listing Regulations")** the 63rd Annual General Meeting **("AGM"**) of the Company is scheduled to be held on **Monday, September 19, 2022 , at 12.00 noon (IST)** through VC/OAVM and the voting for items to be transacted as set out in the Notice calling the **63rd AGM,** through the remote electronic voting process **only ("e-Voting"**).

   c. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

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

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

d. In accordance with the Secretarial Standard on General Meetings (**"SS-2"**) issued by the Institute of Company Secretaries of India **("ICSI"**) read with Clarification/Guidance on applicability of Secretarial Standards – 1 and 2 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

e. As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, the matter of Special Business as appearing at **Item No. 4** of the accompanying Notice is considered to be unavoidable by the Board, and hence form part of this Notice.

f. The business set out in the 63rd AGM Notice will be transacted through an electronic voting system (**"e-voting"**) **only**, and the Company is providing a facility for voting by electronic means through remote e-voting.

g. Pursuant to the above mentioned MCA & SEBI Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

h. The Company's Share Transfer Agent **("STA")** for its Share Registry Work (Physical and Electronic) is Link Intime India Pvt. Ltd. **("LIIPL")** having its office at C 101, 247 Park, LBS Marg, Vikhroli (West) Mumbai 400 083.

i. In terms of the referred **MCA Circulars** and **SEBI Circulars**, the Company is sending the 63rd AGM Notice along with the 63rd Annual Report for the F.Y. 2021-2022 in Electronic mode only, to those Members whose e-mail addresses are registered with the Company/Depositories.

The Notice convening the 63rd AGM and the Annual Report for the F.Y.2021- 2022 has been uploaded on the website of the Company at **https://www.nirlonltd.com** and may also be accessed from the relevant section of the websites of the Stock Exchange i.e. BSE Limited (**"BSE"**) at **www.bseindia.com**. The AGM Notice is also available on the website of Link Intime India Pvt. Ltd. (**"LIIPL"**) at **https://instavote.linkintime.co.in.**

2. a. Members of the Company holding share/s either in **Physical Form or Dematerialized Form** as on the **cut-off date** i.e. **Monday, September 12, 2022**, may cast their vote by remote e-Voting.

The remote e-Voting period commences on **Thursday, September 15, 2022 at 9:00 a.m. (IST)** and **ends on Sunday, September 18, 2022 at 5:00 p.m. (IST)**. The remote e-Voting module shall be disabled by **LIIPL** for voting thereafter.

b. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member / Beneficial Owner (in case of Dematerialised Mode) as on the **cut-off date i.e. Monday, September 12, 2022.**

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

d. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 63rd AGM through the VC/OAVM facility. Corporate Members intending to appoint their authorized representatives to attend the 63rd AGM through VC or OAVM, and to vote thereat through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by an e-mail at alwyn.co@gmail.com with a copy marked to enotices@linkintime.co.in and share@nirlonltd.com.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts in respect of the business under **Item No. 4** above is annexed to the Notice. As required, the relevant details under Regulations 26 (4) and 36 (3) of the Listing Regulations read with the Secretarial Standard on General Meetings (SS-2) in respect of the Director seeking re-appointment at this AGM are given in the 63rd AGM Notice.

4. SRBC & Co. LLP, Chartered Accountants, Mumbai (FRN 324982E/E300003) were appointed as Statutory Auditors of the Company at its 59th AGM held on Wednesday, September 26, 2018.

Pursuant to the Notification issued by the MCA on May 7, 2018 amending Section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

The Statutory Auditors at the confirmation to the effect that they are eligible for appointment for a period of 5 years and that they are not disqualified for being appointed as the Statutory Auditors of the Company.

The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

5. a. In terms of Section 152 and all other applicable provisions of the Companies Act, 2013, **Mr. Kunnasagaran Chinniah (DIN 01590108)**, aged 65 years, Director, retires by rotation at the 63rd AGM and being eligible, offers himself for re-appointment;

b. A brief resume of the Director, nature of his expertise in specific functional areas, names of companies in which he holds 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 63rd Annual Report.

c. The Board of Directors of the Company recommends the re-appointment of **Mr. Kunnasagaran Chinniah (DIN 01590108)** aged 65 years, as a Director liable to retire by rotation. Mr. Chinniah is a nominee Director of Reco Berry Pvt. Ltd., one of the Promoters of the Company.

6. a. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to share@nirlonltd.com up to the date of the 63rd AGM.

b. Members desiring inspection of statutory registers during the 63rd AGM may send their request in writing to the Company at share@nirlonltd.com and https://linkintime.co.in.

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

b. Members can join the 63rd AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. Members will be able to view the proceedings on **LIIPL**'s e-Voting website at https://instameet.linkintime.co.in. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.

8. a. Pursuant to Section 91 of the Act, the Register of Members of the Company will remain closed from **Friday, September 09, 2022 to Monday, September 19, 2022**, both days inclusive, for the purpose of the 63rd AGM.

b. A final dividend of ₹11/-per equity share of ₹10/-each (@ 110%) has been recommended by the Board of Directors for the F.Y. 2021-2022, subject to tax at source **("TDS")** and for the approval of Members at the 63rd AGM. If the dividend, as recommended by the Board of Directors, is approved at the 63rd AGM, payment of such dividend, subject to deduction of TDS, will be made on or after **Saturday, September 24 , 2022**, as under:

i. To all Beneficial Owners in respect of shares held in **Dematerialized Form** as per the data as may be made available by National Security Depository Limited (**"NSDL"**) and Central Depository Services (India) Limited (**"CDSL"**) (both collectively referred to as **"Depositories"**) as of the close of business hours on **Thursday, September 08, 2022 ("Record Date")**;

ii. To all Members in respect of shares held in **Physical Form** after giving effect to valid transmission and transposition requests lodged with the Company on or before the close of business hours on **Thursday, September 08, 2022 ("Record Date")**.

9. TDS on Dividend

The Board of Directors of the Company (**"Board"**) have at their meeting held on May 27, 2022 recommended a final dividend of ₹11.00 per equity share having a nominal value of ₹10/- each for the Financial Year ended March 31, 2022.

In terms of the provisions of the Income-tax Act, 1961 (**"the Act"),** dividend paid or distributed by a Company on or after April 01, 2020 is taxable in the hands of the Shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend. The deduction of tax at source will be based on the category of Shareholders and subject to fulfillment of conditions as provided herein below:

➢ **For Resident Shareholders:**

a. Tax will be deducted at source (**"TDS"**) under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during financial year does not exceed ₹5,000/-.

b. Tax at source will not be deducted in cases where a Shareholder provides Form 15G (applicable to Individuals) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met.

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

The forms for tax exemption can be downloaded from **LIIPL**'s website. The URL for the same is as under: https://www.linkintime.co.in/client-downloads.html

On this page select the **"General tab"**. All forms are available in under the head **"Form 15G/15H/10F"**.

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

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

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

a. Select the company (Dropdown)
b. Folio / DP-Client ID
c. PAN
d. Financial year (Dropdown)
e. Form selection
f. Document attachment – 1 (PAN)
g. Document attachment – 2 (Forms)
h. Document attachment – 3 (Any other supporting document)

Please Note:

i. That the upload of documents (duly completed and signed) on the website of **Link Intime India Private Ltd**. (**"STA"**) should be done **on or before the Record date for the dividend, i.e. Thursday, September 08, 2022** in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination / deduction shall be considered **after the Record date for the dividend**, **i.e. Thursday, September 08, 2022.**

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

iii. All communications/queries in this respect should be addressed to **LIIPL** at their e-mail id nirlonlimitedtaxexemption@linkintime.co.in.

iv. All fields mentioned in the Form are mandatory and the Company may reject the form submitted, if it does not fulfill the requirement of law.

v. Valid Permanent Account Number (**"PAN"**) will be mandatorily required**.**

vi. NIL /lower tax shall be deducted on the dividend payable to the following resident Shareholders on submission of self-declaration.

a. Insurance Companies**:** Declaration by Shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card;

b. Mutual Funds: Declaration by Mutual Fund Shareholder eligible for exemption u/s 10(23D) of the Income- tax Act, 1961 along with self-attested copies of registration documents and PAN card;

c. Alternative Investment Funds (**AIFs**) established in India: Declaration that the Shareholder is eligible for exemption under Section 10(23FBA) of the Act and they are established as Category I or Category II AIFs under the SEBI regulations. Copy of self-attested registration documents and PAN card should be provided.

d. New Pension System Trust: Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.

e. Other Shareholders: Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.

f. Shareholders who have provided a valid certificate issued u/s. 197 of the Act for lower / nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration.

➢ **For Non-Resident Shareholders (including Foreign Institutional Investors and Foreign Portfolio Investors)**

Tax is required to be withheld in accordance with the provisions of Section 195 and Section 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable.

However, as per Section 90 of the Act, a non-resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (**"DTAA"**) between India and the country of tax residence of the Shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident Shareholder will have to provide the following:

a. Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities;

b. Self-attested copy of Tax Residency Certificate (**"TRC"**) obtained from the tax authorities of the country in which the Shareholder is resident;

c. Form 10F in electronic format as required by Notification No. 03/2022 if all the details required in this Form are not mentioned in the TRC;

d. Self-declaration by the non-resident Shareholder for meeting treaty eligibility requirements and satisfying beneficial ownership requirements (Non-resident having PE in India would need to comply with provisions of Section 206AB of the IT Act).

e. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.

f. In case Shareholders are tax residents of Singapore, they are requried to furnish the letter issued by the competent authority or any other evidences demonstrating the non applicability of Article 24 - Limitation of Relief under the India-Singapore DTAA**.**

Recently, Government vide Notification No. 03/2022 have mandated non-resident to issue Form 10F in electronic format duly verified in manner as prescribed in Notification. This requirement is applicable if prescribed information is not contained in Tax Residence Certificate. Accordingly, furnishing of Form 10F in any other format will not be considered valid.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident Shareholders and meeting the requirements of the Act, read with the applicable tax treaty. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend amounts.

➢ **Section 206AB of the IT Act, 1961**

Rate of TDS @10% u/s 194 of the Act is subject to provisions of Section 206AB of Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax returns. As provided in Section 206AB, tax is required to be deducted at the higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; **or**
- at twice the rate or rates in force; or
- at the rate of 5%;

Where Sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two Sections.

The Company will rely upon results provided by the Government utility to determine applicability of Section 206AB.

A non-resident who does not have a permanent establishment in India is excluded from the scope of a specified person.

To enable the Company to determine the appropriate TDS / withholding tax rate applicable, it is required that Shareholders provide the above details and documents to **LIIPL** not later than **Thursday, September 08, 2022**.

To summarise, dividend will be paid after deducting TDS as under:

i. NIL for resident Shareholders receiving dividend upto ₹5000/-, or in case Form 15G / Form 15H (as applicable) along with submission of self-attested copy of the PAN card.

ii. 10% for other resident Shareholders in case a copy of PAN card is provided / available.

iii. 20% for resident Shareholders if a copy of PAN card is not provided / not available/ Specified Person as per Section 206AB.

iv. Tax will be assessed on the basis of documents submitted by non-resident Shareholders.

v. 20% plus applicable surcharge and cess for non-resident Shareholders in case the relevant documents are not submitted.

vi. Lower/ NIL TDS on submission of a self-attested copy of a valid certificate issued under Section 197 of the Act.

The aforesaid rates will be subject to applicability of Section 206AB of the Act.

In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with the Company in the manner prescribed by the Rules.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, Shareholders will be able to claim refund of the excess tax deducted by filing their income tax return. No claim shall lie against the Company for such taxes deducted.

- **Updating of PAN, e-mail address and Other Details**

  a. Shareholders holding shares in **Dematerialized Form** are requested to update their records such as tax residential status, permanent account number (**PAN**), registered e-mail addresses, mobile number/s and other details with their relevant depositories through their depository participants.

  b. Shareholders holding shares in **Physical Form** are requested to furnish details to **LIIPL.**

  The Company is obligated to deduct TDS based on the records available with **LIIPL**, and no request will be entertained for revision of TDS returns.

  Kindly note that the aforementioned documents should be sent on e-mail id **nirlonlimitedtaxexemption@linkintime.co.in**. No communication on the tax determination / deduction shall be entertained after the Record Date **i.e. Thursday, September 08, 2022.**

- **Updating of Bank Account Details:**

  a. Shareholders are requested to submit / update their bank account details with their Depository Participant, in case they are holding shares in **Dematerialised Form**.

  b. Further, in order to receive the dividend in a timely manner, Members holding shares in **Physical Form,** who have not updated their mandate for receiving dividends directly in their bank accounts through Electronic Clearing Service (**"ECS"**) or any other means, are requested to send hard copies of the following details / documents to **LIIPL** at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 **on or before Thursday, September 08, 2022:**

  c. A signed request letter mentioning Name, Folio Number, complete address and the following details relating to the Bank Account in which the dividend is to be received:

  - Name and Branch of Bank and Bank Account type;
  - Bank Account Number and type allotted by the Shareholders' bank after implementation of Core Banking Solutions;
  - 11 digit IFSC Code;
  - Self-attested copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
  - Self-attested copy of the PAN Card; and
  - Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the STA.

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

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

  https://linkintime.co.in/emailreg/email_register.html, or at their web site www.linkintime.co.in using the Investor Services tab by choosing the e-mail/ Bank Registration heading and following the registration process as guided therein.

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

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

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

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

- Members holding shares in **Dematerialized Form** may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change / deletion in such bank details. Further, instructions, if any, already given by them in respect of shares held in **Physical Form**, will not be automatically applicable to the dividend paid on shares held in **Dematerialized Form**. Members may, therefore, give instructions to their Depository Participants (**DP**) regarding bank accounts in which they wish to receive dividend.
- For Members who are unable to receive the dividend directly in their bank accounts through ECS or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant / Bankers' cheque / demand draft through post/courier services.

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

a. SEBI through its circular issued dated January 15, 2022 and May 25, 2022 stated that listed companies shall henceforth issue securities in **Dematerialized Form only** while processing the following service requests.

i. Issue of duplicate securities certificate;

ii. Claim from Unclaimed Suspense Account;

iii. Renewal / Exchange of securities certificate;

iv. Endorsement;

v. Sub-division / Splitting of securities certificate;

vi. Consolidation of securities certificates/folios;

vii. Transmission;

viii. Transposition;

The securities holder/claimant shall submit duly filled up **Form ISR-4** along with the documents / details specified therein. For item nos. iii to viii in paragraph 1 above, the RTA / Issuer Companies shall obtain the original securities certificate(s) for processing of service requests.

b. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in **Dematerialized Form**, and to the STA in case the shares are held in **Physical Form**.

c. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

d. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website http://www.nirlonltd.com (under the Investor section). Members are requested to submit the said form to their DP in case the shares are held in **Dematerialized Form** and to **LIIPL** in case the shares are held in **Physical Form**.

e. The Securities and Exchange Board of India (**"SEBI"**) has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Share Transfer Agent for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (**ECS**)/National Electronic Clearing Service (**NECS**)/National Electronic Fund Transfer (**NEFT**)/ Real Time Gross Settlement (**RTGS**)/Direct Credit, etc.

f. Updating of mandate for receiving dividends directly in a bank through ECS or any other mode in a timely manner.

- **Shares held in Physical Form:** Members are requested to send the following documents in original to the **LIIPL** latest by **Thursday, September 08, 2022:**

➢ A signed request letter mentioning name, folio number, complete address and following details relating to the bank account in which the dividend is to be received:

- Name and Branch of Bank and Bank Account type;
- Bank Account Number and type allotted by the bank after implementation of Core Banking Solutions;
- 11 digit IFSC Code.
- original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- self-attested photocopy of the PAN Card; and
- self-attested photocopy of any document (such as Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.
- **Shares held in Dematerialized Form:** Members may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories, and the Company will not be able to accede to any direct request from such Members for change/ addition/deletion in such bank details. Accordingly, the Members holding shares in **Dematerialised Form** are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by the Members in respect of shares held in **Physical Form**, will not be automatically applicable to the dividend paid on shares held in **Dematerialised Form**. For Members who are unable to receive dividend directly in their bank accounts due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ bankers' cheque/demand draft to such Members by post/courier services.

g. The format of the Register of Members prescribed by the MCA under the Act requires the Company/**LIIPL** to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc.

11. The Company opened the **"Nirlon Limited - Unclaimed Suspense Account"** as required under Regulation 39 (4) of the SEBI LODR, 2015 as amended, and has transferred 13,415 shares into the said account. Out of these 13,415 shares 10,828 shares have been transferred to the IEPF during the F.Y.2021-2022, and 398 shares have been transferred to this Account, leaving a closing balance of 2,985 shares as on March 31, 2022.

12. Transfer to Investor Education and Protection fund

a. Pursuant to Sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (**"the IEPF Rules"**) notified by the Ministry of Corporate Affairs with effect from September 7, 2016, as amended, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amounts of debentures and deposits remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, are required to be transferred to the Investor Education and Protection Fund (**"IEPF"**) administered by the Central Government.

b. Further, pursuant to Section 124 of the Act read with the IEPF Rules, all shares on which **dividend** has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

c. In accordance with the aforesaid IEPF Rules, the Company has sent communication to all those Shareholders whose dividends are lying unpaid/ unclaimed against their name for **seven (7) consecutive years** and whose **shares** are due for transfer to the IEPF Authority, and has also published notice(s) in leading newspapers in English and the regional language having a wide circulation. The details of such dividends/shares and other unclaimed moneys to be transferred to IEPF are uploaded on the website of the Company at the following link:

- https://www.nirlonltd.com/pdf/iepf/iepf-1_fy_2014_15_proposed_list_final_div.pdf
- https://www.nirlonltd.com/pdf/iepf/iepf-4_fy_2014_15_list.pdf
- **https://www.nirlonltd.com/pdf/iepf/newspaper_iepf-4_fy_2014_15.pdf**

d. Due dates of transferring unclaimed and unpaid dividends declared by the Company for the Financial Year 2014-15 and thereafter to the IEPF are as under:

Dividend for the F.Y. Ended	Date of declaration of Dividend	Last date for claiming unpaid/ unencashed Dividend	Proposed dated for transfer of unclaimed Dividend to IEPF
March 31, 2014	23/09/2014	Already transferred to the IEPF on 27/10/2021	Already transferred to the IEPF on 27/10/2021
March 31, 2015	21/09/2015	02/10/2022	23/10/2022
March 31, 2016	20/09/2016	02/10/2023	23/10/2023
March 31, 2017	29/09/2017	05/10/2024	26/10/2024
March 31, 2018	26/09/2018	09/10/2025	30/10/2025
March 31, 2019	3/09/2019	29/09/2026	12/10/2026
March 31, 2020	29/09/2020	16/10/2027	06/11/2027
March 31, 2021	29/09/2021	16/10/2028	06/11/2028
March 31, 2022 – Interim Dividend for the F.Y.2021-22	09/02/2022	08/04/2029	07/05/2029

e. The Company urges all Members to encash/claim their respective dividend during the prescribed period. Members who have not encashed dividend warrants so far in respect of the aforesaid period(s), are requested to make their claim to the **LIIPL** well in advance of the above due dates.

f. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts with the Company as on September 29, 2021 (date of the previous Annual General Meeting

of the Company) on the website of the Company at the links:

i. https://www.nirlonltd.com/pdf/nl_iepf2_202101_file_1.xls
ii. https://www.nirlonltd.com/pdf/nl_iepf2_202101_file_2.xls
iii. https://www.nirlonltd.com/pdf/nl_iepf2_202101_file_3.xls
iv. https://www.nirlonltd.com/pdf/nl_iepf2_202101_file_4.xls

as well as on the website of the Ministry of Corporate Affairs at the link: http://www.iepf.gov.in.

g. Members/claimants who **have not encashed their dividends** may contact **LIIPL** immediately to encash the same. In case dividends are unencashed for a consecutive period of 7 (seven) years from the date of transfer to the Unpaid Dividend Account of the Company, such amounts are liable to be transferred to the Investor Education and Protection Fund **("IEPF").**

Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company within the stipulated timeline.

The Company has written individual letters to its Shareholders:

- Dated **May 23, 2022** to their last known address, whose dividend is unpaid / unencashed for the F.Y. 2014-15 stating that Shareholders should initiate and take prompt action in this regard to claim unpaid / unencashed dividend by submitting the necessary requisite documents to the **LIIPL** latest by **Saturday, October 01, 2022,** failing which such unpaid/ unencashed **dividend amount for the F.Y. 2014-15** will be transferred / credited to the IEPF on **Friday, October 21, 2022.**
- Dated **May 19, 2022** to their last known address, stating that shares on which dividend is unpaid / unencashed for the **seven (7) consecutive years commencing from the F.Y. 2014-15** will be transferred to the IEPF. Shareholders are requested to submit the requisite documents and claim their unpaid/unencashed dividends respectively on or before **Saturday, October 01, 2022** failing which such **shares** will be transferred / credited to the IEPF on **Friday, October 21, 2022.**

13. Information and other instructions relating e-mail registration and e-voting are as under:

a. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and under the relevant Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members the facility to exercise their right to vote on resolutions proposed to be passed in the 63rd AGM by electronic means. Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (**"remote e-voting"**).

b. The Company has appointed Link Intime India Pvt. Ltd. (**"LIIPL"**) to provide an e-voting facility to Members to cast their votes on Resolutions as set out in the 63rd AGM Notice.

i. Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the VC Meeting.

ii. Members who have cast their vote by remote e-voting may also attend the Meeting through VC but shall not be entitled to cast their vote again.

iii. The Board of Directors of the Company have appointed Mr. Alwyn D'souza, Practicing Company Secretary (FCS No.5559 CP No.5137), or failing him Mr. Jay D'souza, Practicing Company Secretary (FCS No.3058 CP No.6915) of Alwyn Jay & Co., Company Secretaries, Mumbai, as Scrutinizers to scrutinize the voting at the AGM and remote e-voting for the 63rd AGM to ensure the same is conducted in a fair and transparent manner. Mr. Alwyn D'souza and Mr. Jay D'souza have communicated their willingness to be appointed, and will be available for this purpose.

iv. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / Beneficial Owner (in case of Dematerialized Form) as on the **cut-off date**, i.e. **Monday, September 12, 2022.**

v. Only persons whose names are recorded in the Register of Members and in the Register of Beneficial Owners maintained by the depositories as on the **cut-off date i.e. Monday, September 12, 2022** shall be entitled to avail the facility of remote e-voting.

vi. The 63rd AGM Notice is being sent by e-mail only to those eligible Members who have already registered their e-mail address with the Depositories / the DP/**LIIPL** / the Company or who will register their e-mail address with Link Intime India Pvt. Ltd. (**LIIPL**) , on or before **5:00 p.m. (IST)** on **Sunday, September 11, 2022**.

vii. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made a special arrangement with **LIIPL** for registration of e-mail addresses in terms of the MCA Circulars. Eligible Members, who have not submitted their e-mail address to **LIIPL**, are required to provide their e-mail address to **LIIPL**, on or before **5:00 p.m. (IST)** on **Sunday, September 11, 2022,** pursuant to which any Member may receive on the e-mail address provided by the Member the 63rd Annual Report and the procedure for remote e-Voting along with the login ID and password for remote e-Voting. The process for registration of an e-mail address is as under:

Registration of e-mail id for Members holding shares in Physical Form:

a. Members of the Company holding shares of the Company in **Physical Form**, and who have **not registered** their e-mail addresses may get their e-mail addresses registered with **LIIPL** by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their website www.linkintime.co.in at the Investor Services tab by choosing the e-mail / bank registration heading and follow the registration process as guided therein.

b. Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail ID, and also upload the image of their share certificates in PDF or JPEG format (upto 1 MB).

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

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

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

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

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

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

viii. After successful submission of the e-mail address, **LIIPL** will e-mail a copy of the 63rd Annual along with the remote e-Voting user ID and password, within 48 hours of successful registration of the e-mail address by the Member. In case of any queries, Members may write to enotices@linkintime.co.in.

ix. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their DP / **LIIPL** to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.

14. Remote e-Voting Instructions for Members:

i. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the provisions of Regulation 44 of the Listing Regulations and MCA Circulars, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by **LIIPL** on all Resolutions set forth in this Notice, through remote e-voting.

ii. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility.

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

Day, date and time of commencement of remote e-voting	**From Thursday , September 15, 2022 at 9.00 a.m. (IST)**
Day , date and time of end of remote e-voting beyond which remote e-voting will not be allowed	**To Sunday , September 18, 2022 at 5.00 p.m. (IST)**

iv. Remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by **LIIPL** upon expiry of the aforesaid period.

v. Once the vote on a Resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

vi. Remote e-Voting Instructions for Shareholders post change in the Login mechanism for Individual Shareholders holding securities in Dematerialized Form, pursuant to SEBI circular dated December 9, 2020:

a. e-Voting facilities provided by Listed Companies-Individual Shareholders holding securities in Dematerialised Form can cast their vote through their demat account maintained with Depositories and Depository Participants.

b. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts to access the e-Voting facility.

c. Login method for Individual Shareholders holding securities in **Dematerialised Form** / **Physical Form** is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat Form with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open the web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under **"Login"** which is available under the '**IDeAS'** section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see the e-Voting page. Click on **"company name"** or e-Voting service provider name and you will be re-directed to the e-Voting service provider website for casting your vote during the remote e-Voting period or joining the virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, the option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of the e-Voting system is launched, click on the icon **"Login"** which is available under the **"Shareholder/Member"** section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on the company name or e-Voting service provider name and you will be redirected to the e-Voting service provider website for casting your vote during the remote e-Voting period or joining the virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Demat Form with CDSL	• Existing users of CDSL who have opted for Easi / Easiest, can login through their user id and password. An option will be made available to reach the e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on **"New System Myeasi"**. • After successful login of Easi / Easiest the user will also be able to see the E Voting Menu. The Menu will have links of the e-Voting service provider i.e. NSDL, KARVY, **LINK NTIME**, CDSL. Click on the e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, an option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access the e-Voting page by providing the demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending an OTP on the registered Mobile & Email as recorded in the demat Account. After successful authentication, the user will be provided links for the respective ESP where the E- Voting is in progress.
Individual Shareholders holding securities in Dematerialised Mode & login through their Depository Participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for the e-Voting facility. • Once logged in, you will be able to see the e-Voting option. Once you click on the **"e-Voting option"**, you will be redirected to the NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on **"the company name"** or the e-Voting service provider name and you will be redirected to the e-Voting service provider website for casting your vote during the remote e-Voting period or joining the virtual meeting & voting during the meeting.

Individual Shareholders holding securities in Physical Form & e-voting service Provider is LINKINTIME/ LIIPL	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ▸ Click on **"Sign Up"** under the **"Shareholder"** tab and register with your following details: **A. User ID:** Shareholders/ Members holding shares in **Physical Form** shall provide Event No. + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (**PAN**) (Members who have not updated their PAN with the Depository Participant (**DP**)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (**DOB**) / Date of Incorporation (**DOI**) (As recorded with your DP / Company - in DD/MM/YYYY format)
	D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company. • Shareholders/ Members holding shares in **Physical Form** but who have not recorded '**C**' and '**D**', shall provide their Folio number in '**D**' above ▸ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ▸ Click **"Confirm"** (Your password is now generated). 2. Click on **"Login"** under the **"Shareholder"** tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **"Submit".** 4. After successful login, you will be able to see the notification for e-voting. Select the **"View"** icon. 5. E-voting page will appear. 6. Refer to the Resolution description and cast your vote by selecting your desired option **"Favour / Against"** (If you wish to view the entire Resolution details, click on the **"View Resolution"** file link). 7. After selecting the desired option i.e. Favour / Against, click on **"Submit".** A confirmation box will be displayed. If you wish to confirm your vote, click on **"Yes",** else to change your vote, click on '**No**' and accordingly modify your vote.

Institutional Shareholders:

Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of **LIIPL** at https://instavote.linkintime.co.in and register themselves as **"Custodian / Mutual Fund / Corporate Body"**.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **"Custodian / Mutual Fund / Corporate Body"** login for the Scrutinizer to verify the same.

d. Individual Shareholders holding securities in **Physical Form** & evoting service Provider is **LIIPL** who have forgotten their password:

- Click on **"Login"** under **"SHAREHOLDER"** tab and further Click **''Forgot Password?''**
- Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **"Submit".**
- In case Shareholder/ Member has a valid e-mail address, the password will be sent to his / her registered e-mail address.
- Shareholders/Members can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

e. Individual Shareholders holding securities in **Dematerialized Form** with NSDL/ CDSL who have forgotten the password:

- Shareholders/ Members who are unable to retrieve User ID/ Password are advised to use **"Forgot User ID"** and **"Forgot Password"** option available at the abovementioned depository / depository participants' website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Shareholders/ Members holding shares in **Physical Mode**, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, Shareholders/ Members can login any number of times till they have voted on the resolution(s) for a particular **"Event"**.

f. Helpdesk for Individual Shareholders holding securities in **Dematerialised Mode:**

In case Shareholders/ Members holding securities in **Dematerialised Form** have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesks given below:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat Form with **NSDL**	Members facing any technical issue in logging in can contact the NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Dematerialised Form with **CDSL**	Members facing any technical issue in logging can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 022-23058738 or 22-23058542-43.

g. Helpdesk for Individual Shareholders holding Securities in Physical Form / Institutional Shareholders & whose evoting service Provider is **LINKINTIME/LIIPL**

In case Shareholders/ Members holding securities in Physical Mode/Institutional Shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ("FAQs")** and the **InstaVote e-Voting manual** available at https:/instavote.linkintime.co.in, under the **"Help"**section,or send an e-mail to enotices@linkintime.co.in,or contact them on: Tel: 022 – 4918 6000.

15. Information and other instructions relating to attending the 63rd AGM of the Company through Video Conferencing (VC) through InstaMeet are as under:

i. The **MCA and SEBI** have permitted the holding of the Annual General Meeting (**"AGM"**) through Video Conferencing (**"VC"**) / Other Audio Visual Means (**"OAVM"**), without the physical presence of Members at a common venue.

ii. The Company has appointed Link Intime India Pvt. Ltd. (**"LIIPL"**) to provide a Video Conferencing facility through their **"InstaMeet"** for Members to attend the 63rd AGM.

iii. Process and manner for attending the 63rd Annual General Meeting of Nirlon Limited through **InstaMeet**, a platform provided by Link **LIIPL** is as follows :

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

- Select the **"Company"** and **"Event Date"** and register with your following details:

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.

- Shareholders/ Members holding shares in **CDSL Demat Accounts shall provide the 16 Digit Beneficiary ID.**
- Shareholders/ Members holding shares in **NSDL Demat Accounts shall provide the 8 Character DP ID followed by the 8 Digit Client ID.**
- Shareholders/ Members holding shares in **Physical Forms shall provide the Folio Number registered with the Company.**

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

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

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

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

iv. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

a. Shareholders who would like to speak during the meeting must register their request atleast 3 days in advance with the Company on the specific e-mail id nirlonagm@linkintime.co.in created for the General Meeting.

b. Shareholders will get confirmation on a first come first serve basis depending upon the provision made by the client.

c. Shareholders will receive a **"Speaking Serial Number"** once they mark attendance for the meeting.

d. Other Shareholders may ask questions to the panelists, via an active chat-board during the meeting.

e. Please remember your speaking serial number and start your conversation with the panelists by switching on the video mode and audio of your device.

f. Shareholders are requested to speak only when the moderator of the meeting/management will announce the name and serial number for speaking.

v. Instructions for Shareholders/Members to Vote during the 63rd Annual General Meeting through InstaMeet:

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

a. On the Shareholders VC page, click on the link for e-Voting **"Cast Your Vote"**.

b. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on **"Submit"**.

c. After successful login, you will see **"Resolution Description"** and against the same the option **"Favour/ Against"** for voting.

d. Cast your vote by selecting the appropriate option i.e. **"Favour/Against"** as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under **"Favour/ Against"**.

e. After selecting the appropriate option i.e. **"Favour/Against"** as desired and you have decided to vote, click on **"Save"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"Confirm",** else to change your vote, click on **"Back"** and accordingly modify your vote.

f. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Notes:

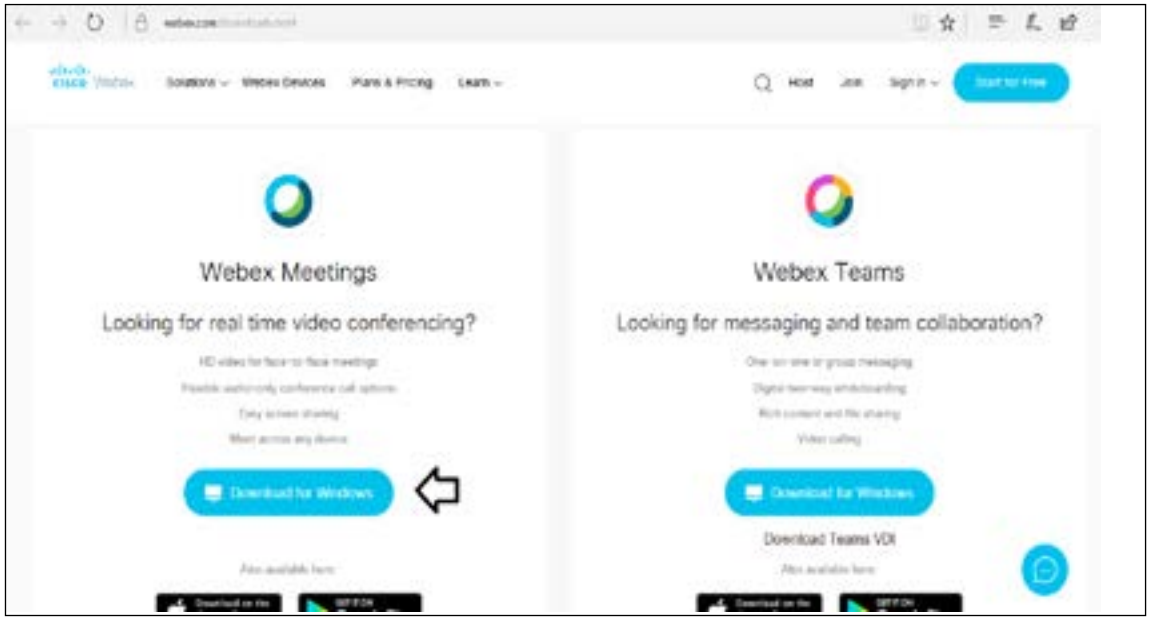
- Shareholders/ Members, who will be present in the 63rd Annual General Meeting through the InstaMeet facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the 63rd Annual General Meeting will be eligible to attend/ participate in the 63rd Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.
- Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience. Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use a stable Wi-FI or LAN connection to mitigate any kind of the aforesaid glitches.
- In case Shareholders/ Members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in, or contact: Tel: 022-49186175.

Annexure

Guidelines to attend the 63rd AGM proceedings through InstaMEET

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

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



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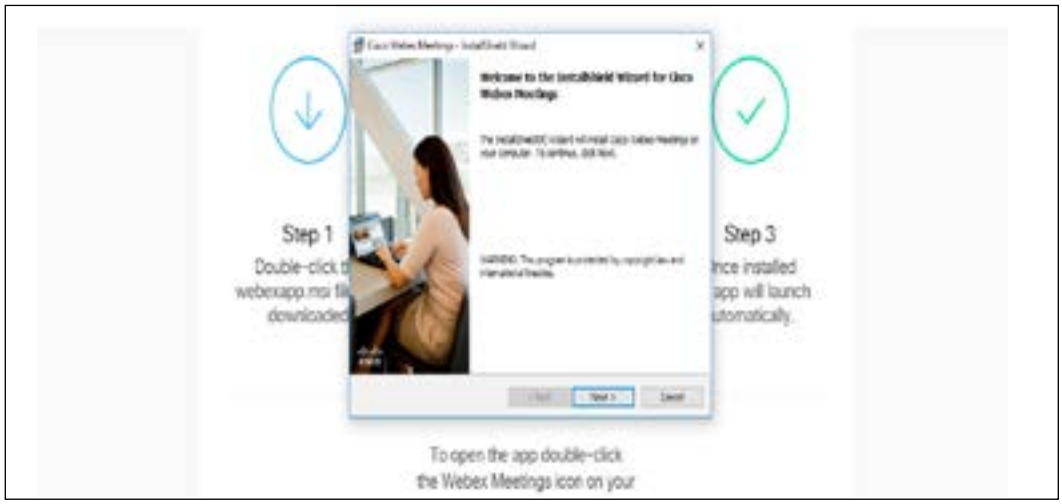
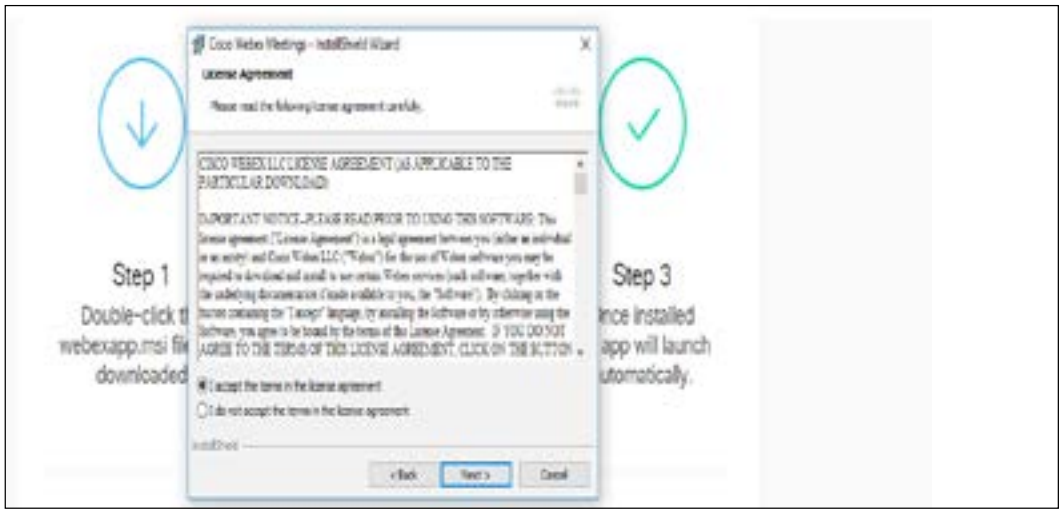
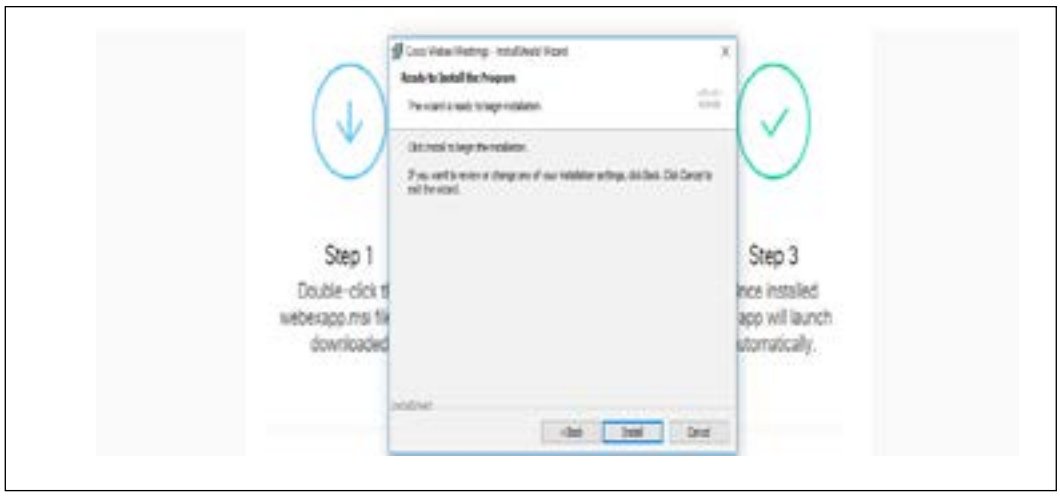


Step 1 Enter your First Name, Last Name and Email ID and click on "Join Now"





Step 1	Enter your First Name, Last Name and Email ID and click on **"Join Now"**
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on **"Join Now"**
1 (B)	If the Webex application is not installed, a new page will appear giving you an option to either add Webex to chrome, or Run a temporary application. Click on Run a temporary application, and an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on **"Join Now"**

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

16. The Chairman shall, at the end of discussion on the resolutions on which voting is to be held, allow voting by use of the remote e-Voting system for all those Members who are present during the 63rd AGM through VC/OAVM, but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the 63rd AGM shall be disabled by **LIIPL** for voting 15 minutes after the conclusion of the Meeting.

17. A report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant rules. In such an event, e-voting voting done at the 63rd AGM, taken together with the votes cast through remote e-voting shall be counted for passing of the respective resolution/s.

18. The Scrutinizer shall, after the conclusion of voting at the 63rd AGM, first count the votes cast during the AGM, and thereafter unblock the votes cast through remote e-Voting and shall make, not later than 48 hours from the conclusion of the 63rd AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, for the Chairman, or the Company Secretary, who shall countersign the same and declare the result of the voting forthwith.

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

20. 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 63rd AGM i.e. **Monday, September 19, 2022.**

21. Information relating to the Director seeking re-appointment at the 63rd AGM is given as follows:

Mr. Kunnasagaran Chinniah (DIN 01590108), aged 65 years, was nominated as Director, by Reco Berry Pvt. Ltd., a Promoter of the Company, w.e.f. April 28, 2016.

Members of the Company appointed Mr. Chinniah as a Director retiring by rotation at their 57th AGM held on September 20, 2016, 59th AGM held on September 26, 2018 and 61st AGM held on September 29, 2020 respectively.

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 other public limited companies including the following Indian companies:

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

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

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

He attended Six (6) Board Meetings during the F.Y. 2021-2022.

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

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), sets out all material facts relating to the business mentioned at Item No. 4 of the accompanying 63rd AGM Notice dated August 09, 2022

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

The Board, 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, 2023.

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

Accordingly, consent of Members is sought for passing an Ordinary Resolution as set out at **Item No. 4** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2023.

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

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

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

Mumbai, August 09, 2022
Registered Office:
Nirlon Limited, Pahadi Village,
Off the Western Express Highway,
Goregaon (East), Mumbai 400 063.
Tele : +91 (022) 4028 1919 / 2685 2257 / 58 / 59
Fax : +91 (022) 4028 1940
CIN : L17120MH1958PLC011045
E-mail id : info@nirlonltd.com
Website: http://www.nirlonltd.com

DIRECTORS' REPORT

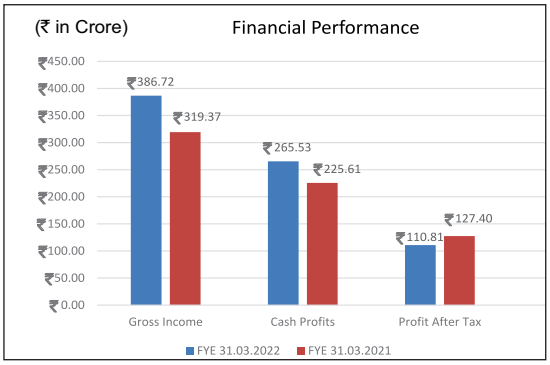
Your Directors present their 63rd Annual Report along with the Audited Financial Accounts for the Financial Year **(F.Y.)** ended March 31, 2022.

1. *Financial Performance

The Company's Financial Performance for the F.Y. ended March 31, 2022 is summarized below:

(₹ in Crore)

Particulars	2021-2022	2020-2021
Gross Income from Operations	**386.72**	**319.37**
Gross Profit	**300.12**	**239.64**
Interest Paid	34.59	14.03
Cash Profit	**265.53**	**225.61**
Depreciation	75.48	48.70
Net Profit for the Year before Tax:	**190.05**	**176.91**
Current tax	35.34	33.04
Deferred tax	43.90	16.47
Net Profit for the Year after tax	**110.81**	**127.40**
Interim Dividend of ₹15/- per share paid on the face value of equity shares of ₹ 10/ - each	135.18	0.00
Proposed Final Dividend of ₹ 11/- per share to be paid on the face value of equity shares of ₹10/- each	99.13	72.09



*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.

Please Note:

During the F.Y. ended March 31, 2022, the Company has completed the construction of Phase 5 at Nirlon Knowledge Park and licensed the same w.e.f. December 15, 2021. Accordingly, income and expenses relating to Phase 5 are recognised in the Profit & Loss Account w.e.f. December 15, 2021.

2. Market Capitalisation Ranking on BSE Limited

Your Company has been ranked by the BSE Limited at Sr. No. 557 (previous year F.Y. 2020-2021 at sr. no. 534) out of the top 1,000 listed companies based on Market Capitalization as on March 31, 2022.

3. Financial Operations (Summary)

i. **Gross Income from Operations** for the F.Y. 2021- 2022 was ₹ **386.72 Crore** as against ₹319.37 Crore for the F.Y. 2020-2021.

ii. **Gross Profit** for the F.Y. 2021-2022 was ₹ **300.12 Crore** as against ₹ 239.64 Crore for the F.Y. 2020- 2021.

iii. **Cash Profit for** the F.Y. 2021-2022 was ₹ **265.53 Crore** as against ₹ **225.61** Crore for the F.Y. 2020- 2021.

iv. **Net Profit** for the F.Y. 2021-2022 (after taxes) was **₹110.81 Crore** as against a profit of ₹127.40 Crore for the F.Y. 2020-2021.The net profit for the F.Y. 2021-2022 (after taxes) is lower mainly because of tax provisions for earlier years. (refer note no. 29 of the Accounts)

v. **An Interim Dividend of ₹135.18 Crore** was paid during the year, and a **Final Dividend of ₹99.13 Crore** for the F.Y. 2021-22 is proposed to be paid, as against a **Final Dividend of ₹72.09 Crore** paid for the F.Y. 2020-2021.

vi. **Implication of Old versus New Income Tax Regimes:** To Maintain flexibility for any future restructuring opportunities, the Company continues under the Old Tax Regime as the decision to change to the New Tax Regime is irrevocable.

4. The Company' Business Activity

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.

5. Finance & Material Changes affecting the Financial Position of the Company

There is no material change and commitment affecting the financial position of the Company which has occurred during the F.Y. 2021-2022, or from then on till the date of this Report.

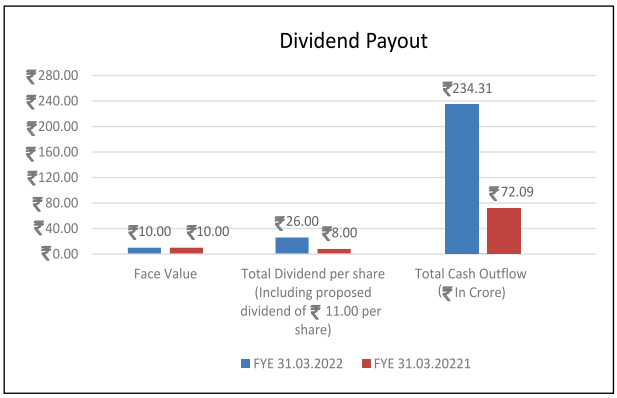
6. Reserves

The Board of Directors do not propose to transfer any amount to the General Reserve account in the Balance Sheet for the F.Y. 2021-2022.

7. Dividend

For the Year under review, the Board of Directors at their meeting held on February 9, 2022 declared an interim dividend of ₹15.00 per equity share of ₹10/- each (@ 150%) amounting to ₹135.18 Crore, and the same was paid to the Shareholders.

Further, the Board of Directors, at their meeting held on May 27, 2022, recommended a final dividend of ₹11.00 per equity share of ₹ 10/- each (@ 110 %) amounting to ₹ 99.13 Crore, subject to the approval of Members of the Company at their 63rd AGM.



Dividend will be paid to Members whose names appear in the Register of Members as on **Thursday, September 08, 2022 (the Record Date)**.

In respect of shares held in Dematerialized Form, dividend will be paid to Members whose names are furnished by the National Securities Depository Limited (**"NSDL"**) and the Central Depository Services (India) Limited (**"CDSL"**) , as Beneficial Owners as on the Record Date.

8. Development, Management and Operations of the Industrial Park / Information Technology (IT) Park, i.e. Nirlon Knowledge Park (NKP) - Goregaon (East), Mumbai. and Future Outlook

Nirlon Limited 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, all five (5) phases of development have been completed.

Phases 1-5

A total of approx. 47.63 lakh sq. ft. area has been constructed in Phases 1-5 corresponding to approx. 30.53 lakh sq. ft. of licensable area. License fees for Phases 1-4 continued to be received by the Company through F.Y. 2021-2022. License Fees from Phase 5 have commenced from May 15, 2022, and are recognised in the Profit & Loss Account as per Ind AS, w.e.f. December 15, 2021, i.e. the date of completion of Phase 5.

Please Note:

a. The total constructed area of approx. 47.63 lakh sq.ft. for Phases 1-5, 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 (G+9) multi level car parking (**MLCP**) (which also has two (2) basements) housing utilities, i.e. generators, chillers, water tanks, electrical infrastructure etc. for Phases 1 and 2. Phase 5 has three (3) levels of basements in block B9, B10 & B11 and seven upper levels of parking in block B11 .

Phase 5 (re-development of Phase 0):

The Company has completed the development of Phase 5, and received the OC on June 18, 2021.

The Company licensed the entire licensable area of approx 11.60 lakh sq.ft. to J.P.Morgan Services India Pvt. Ltd. ("**JPM**"). 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. ₹ 341.55 Crore (**as per Ind AS**).

iii. **Marketing**

Phases 1-5 of NKP continue to be approx. 97.17 % licensed (as on June 30, 2022) to reputed international and Indian corporates.

The Company has always made a specific effort to license its development to well-regarded Corporates, and the campus remains operational and functional in all respects.

iv. **Financing**

a. The outstanding loan amounts as on March 31, 2022 aggregated ₹ 1,179.86 Crore (**as per IGAAP**).

b. The Company's secured debt up to May 02, 2022 was provided by HDFC Limited ("**HDFC**").

c. On May 02, 2022, the Company refinanced its entire HDFC debt by availing a loan of ₹1230.00 Crore as a Green Loan with a sub-limit of ₹80.00 crore by way of an Overdraft limit from The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**"), and paid all its dues of ₹ 1,179.86 Crore to HDFC on May 02, 2022. The Company executed and registered a Mortgage Deed by creating a first and exclusive charge in favour of HSBC by mortgaging the Company's immovable property, i.e. Land, Buildings and structures standing on the Land, situate at Goregaon (East), Mumbai 400 063 as per the Facilities documents executed by and between the Company and HSBC.

d. Crisil Ratings has assigned '***CRISIL AA+/Stable'*** rating to this HSBC facility.

9. The Company's business plan continues to be to offer office space in NKP on a leave and license basis only.

10. 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.

11. A. Property Management Functions as per the Execution of the New Management Services Agreement with Nirlon Management Services Pvt. Ltd. w.e.f.October 1, 2020 to March 31, 2024

i. 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;

ii. The Members' of the Company by way of an Ordinary Resolution passed at their 57th AGM held on September 20, 2016 approved interalia execution of Management Services Agreement (**MSA**) with NMPSL w.e.f. October 1, 2016 to September 30, 2020.

iii. Thereafter, the Members' of the Company, further, by way of an Ordinary Resolution passed at their 61st AGM held on September 29, 2020 approved interalia execution of a New Management Services Agreement with NMPSL w.e.f. October 1, 2020 to March 31, 2024.

Please Note: All interested Parties, as per law, abstained from voting of the above item.

B. <u>Implementation / Commencement of Operations under New Management Services Agreement</u>

Effective from October 01, 2020, the Company has been receiving various management services from NMSPL under the New Management Services Agreement as contracted.

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%**

12. The Board & its Committees

i. **Board of Directors:**

As on date, the total strength of the Board of Directors of the Company consists of 6 (six) Directors including 1 (one) Independent woman Director. Of this number, 3 (three) Independent Non-Executive Directors, including 1(one) woman Director, constitute 50% of the total strength of the Board of Directors of the Company.

For more detail, please refer to the link:

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

Re-appointment of Director at the 63rd AGM

A brief resume of the Director seeking re-appointment at the 63rd AGM is as per the details given below:

- Re-appointment of Mr. Kunnasagaran Chinniah (DIN 01590108), aged 65 years, as a Director who retires by rotation.
- The Board recommends re-appointment of Mr. Kunnasagaran Chinniah as a Director to retire by rotation.

For more details, please refer to the Note no. 21 of the 63rd AGM Notice

a. **Changes in the Board during the F.Y. 2021-22**

- There was no change in the Board constitution during the F.Y. 2021-22.

b. The nature of each Director's expertise, and the name of company / ies where they hold Chairmanships, Directorships and Memberships of Board / Committees and Shareholding, if any, as stipulated under the required Regulation of the Listing Obligations & Disclosure Requirements Regulations, as well as the justification for re-

appointment of Mr. Kunnasagaran Chinniah, Director, who retires by rotation at the ensuing AGM is provided in this Report, and forms part of the Notice calling the 63rd AGM.

ii. **Various Committees of the Board of Directors**

a. **Audit Committee**

i. Mr. Rajinder Pal Singh, **Chairman** & NE & ID;

ii. Ms. Anjali Seth, NE & ID; and

iii. Mr. Sridhar Srinivasan, NE & ID.

b. **Stakeholders Relationship Committee**

i. Ms. Anjali Seth, **Chairperson** & NE & ID;

ii. Mr. Rajinder Pal Singh, NE & ID; and

iii. Mr. Sridhar Srinivasan, NE & ID.

c. **Nomination & Remuneration Committee**

i. Ms. Anjali Seth, **Chairperson** & NE & ID;

ii. Mr. Rajinder Pal Singh, NE & ID; and

iii. Mr. Sridhar Srinivasan, NE & ID.

d. **Corporate Social Responsibility Committee**

i. Mr. Sridhar Srinivasan , **Chairman** & NE & ID;

ii. Mr. Kunal V. Sagar, Promoter Director; and

iii. Mr. Rahul V. Sagar, Executive Director & C.E.O.

e. **Risk Management Committee**

i. Mr. Rajinder Pal Singh, **Chairman** & NE & ID;

ii. Ms. Anjali Seth, NE & ID;

iii. Mr. Kunal V. Sagar, Promoter Director; and

iv. Mr. Rahul V. Sagar, Executive Director & C.E.O.

f. **Independent Directors Committee**

i. Mr. Rajinder Pal Singh, NE & ID;

ii. Ms. Anjali Seth, NE & ID; and

iii. Mr. Sridhar Srinivasan, NE & ID.

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

iii. **Committees of the Board of Directors and their Roles 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 in 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, 2022, **approx. 97.20%** of the Company's total paid up equity share capital was held in Dematerialized Form, and there was no investor grievance / complaint 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 theCompany.

The Risk Management Committee met twice on November 09, 2021 and February 09, 2022.

f. Independent Director Committee (IDC)

The Company has an Independent Directors Committee as required under the law.

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

i. https://www.nirlonltd.com/pdf/audit.pdf

ii. https://www.nirlonltd.com/pdf/stackholders_relationship.pdf

iii. https://www.nirlonltd.com/pdf/csr.pdf

iv. https://www.nirlonltd.com/pdf/nomination_remuneration.pdf

v. https://www.nirlonltd.com/pdf/risk_management.pdf

vi. https://www.nirlonltd.com/pdf/ind_directors.pdf

g. **POSH Committee**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, your Company has constituted a

Committee which is responsible for redressal of complaints related to sexual harassment.

During the Year under review, there was no complaint pertaining to sexual harassment received. *For more detail, please refer to the link:https://www.nirlonltd.com/pdf/posh.pdf*

13. Policies & Codes

SEBI introduced the SEBI LODR effective from December 1, 2015. The SEBI LODR provides, inter alia, 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 meeting with the requirements, the Company made suitable modifications to its existing polices, and also reviews the same from time to time. Your Company is compliant with the SEBI LODR.

I. Policies

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

Aims of the DMEI Policy

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

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

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

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

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

For more detail, kindly refer to the link: https://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: https://www.nirlonltd.com/pdf/related_party_transaction_policy_apr_22.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: https://www.nirlonltd.com/pdf/whistle_blower_policy_feb_21_v3.pdf

iv. Corporate Social Responsibility (CSR) Policy

The CSR Policy is in compliance, and in agreement with the Companies Act, 2013 **("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) immediately preceding financial years.

Annual Report on the CSR Activities for the F.Y. 2021-22

Pursuant to Section 135 of the Companies Act, 2013 **("the Act")** and Companies (Corporate Social Responsibility Policy) Rules, 2014

1. **Brief outline on the CSR Policy of the Company:**

   The Company is committed to creating socially inclusive communities. The Company is pursuing those social initiatives which are most beneficial to communities, especially those in close proximity to its location/s. Its CSR policy is focused on promoting Education and providing Healthcare Services and Environmental Sustainability measures. During the COVID-19 pandemic the Company supported several COVID-19 relief measures as well.

2. **Composition of the CSR Committee during the F.Y. 2021-2022:**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of the CSR Committee held during the Year	Number of Meetings of the CSR Committee attended during the Year
1.	Mr. Sridhar Srinivasan (Chairman of the CSR Committee)	NE*& ID	2	2
2.	Mr. Kunal V.Sagar	Promoter Director	2	2
3.	Mr. Rahul V. Sagar	Executive Director & CEO	2	2

3. **Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**

   a. https://www.nirlonltd.com/pdf/csr.pdf

   b. https://www.nirlonltd.com/pdf/policies/csr_policy_may_22_v4.pdf

   c. https://www.nirlonltd.com/pdf/csr/csr_activities_2021-22.pdf

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-Rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)**

   Not Applicable; however, the Company monitors and evaluates its CSR projects, including those implemented through implementing agencies.

5. **Details of the amount available for set off in pursuance of sub-Rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any :**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹. in Lakh)	Amount required to be set off for the Financial Year, if any (₹ in Lakh)
1	2020-21	100.32	Nil

6. **Average net profit of the Company as per section 135(5):** ₹14,073.53 lakh

7. **a. Two percent of average net profit of the Company as per Section 135(5):**

   ₹ 281.47 lakh

   b. **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:**

   ₹ 100.32 lakh

   c. **Amount required to be set off for the Financial Year, if any:**

   NIL

   d. **Total CSR obligation for the Financial Year (7a-7b+7c):**

   ₹ 181.15 lakh

8. **a. CSR amount spent or unspent for the Financial Year:**

Total amount spent for the Financial Year (₹in Lakh)	Amount Unspent (₹ in Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
286.17	Nil	-	-	Nil	-

b. Details of CSR amount spent against ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII of the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
1.	Nair Charitable Hospital Department Developement Foundation	No. xii	Yes	Maharashtra	Mumbai	3 years	65.00	17.00	NA	No	Nair Charitable Hospital	CSR00006349
						TOTAL	65.00	17.00				

c. Details of CSR amount spent against other than ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the Project (₹ in Lakh)	Mode of implementation on - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration No.*
1.	Bandra Holy Family Hospital Renovation of Covid ward	No. xii	Yes	Maharashtra	Mumbai	27.85	No	Bandra Holy Family Hospital	CSR00001516
2.	Jaslok Hospital & Research Centre Ventilator for Covid ward	No. xii	Yes	Maharashtra	Mumbai	13.75	No	Jaslok Hospital	CSR00004722
3.	Centre for Transforming India School On Tab	No. ii	No	Delhi	Delhi	10.00	No	Centre for Transforming India	CSR00005034
4.	Shri Vithalrao Joshi Charities Trust Upgradation of Covid ICU ward	No. xii	No	Maharashtra	Ratnagiri	10.00	No	Shri Vithalrao Joshi Charities Trust	CSR00006248

5.	Shikshan Mandal School Renovation and Rain Water Harvesting	No. ii No. iv	Yes	Maharashtra	Mumbai	31.57	No	Shikshan Mandal	CSR00003006
6.	Suvarna Charitable Trust Re-development of Hospital	No. i	Yes	Maharashtra	Mumbai	45.00	No	Suvarna Charitable Trust	CSR00007629
7.	Rotary Blood Bank Resource Centre Screening of voluntary Blood Donors	No. i	No	Haryana	Chandigarh	12.00	No	Rotary Blood Bank Resource Centre	CSR00008544
8.	Gaia Conservation Foundation Urban Afforestation	No. iv	Yes	Maharashtra	Mumbai	5.00	No	Gaia Conservation Foundation	CSR00004039
9.	The Welfare of Stray Dogs Community On Site First Aid program	No. iv	Yes	Maharashtra	Mumbai	9.00	No	The Welfare 0f Stray Dogs	CSR00002417
10.	Venus Cultural Association Dialysis Center	No. i	Yes	Maharashtra	Mumbai	10.00	No	Venus Cultural Association	CSR00021970
11.	Cheshire Homes India Special education to Disabled children	No. ii	Yes	Maharashtra	Mumbai	5.00	No	Cheshire Homes India	CSR00000625
12..	Dr. Abaji Thatte Seva aur Anusandhan Sansthan Cancer Care	No. i	No	Maharashtra	Nagpur	67.00	No	Dr. Abaji Thatte Seva aur Anusandhan Sansthan	CSR00012471

13..	Konark Cancer Foundation Navigation Program for outstation cancer patients	No. i	Yes	Maharashtra	Mumbai	15.00	No	Konark Cancer Foundation	CSR00013450
14..	Muktangan Education Trust Teaching Support	No. ii	Yes	Maharashtra	Mumbai	8.00	No	Muktangan Education Trust	CSR00000732
					TOTAL	**269.17**			

d. Amount spent in Administrative Overheads

NIL

e. Amount spent on Impact Assessment, if applicable

Not Applicable

f. Total amount spent for the Financial Year (8b+8c+8d+8e):

₹ 286.17 lakh

g. Excess amount for set off, if any:

Sr. No.	Particulars	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	281.47
(ii)	Total amount spent for the Financial Year	286.17
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4.70
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	100.32
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	105.02

9. a. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NOT APPLICABLE							
TOTAL							

b. Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount Allocated for the project (₹ in lakh)**	**Amount spent on the project in the reporting Financial Year (₹ in lakh)**	**Cumulative amount spent at the end of reporting Financial Year (₹ in lakh)**	**Status of the project – Completed / Ongoing**
1	FY31.03.2021_1	Nair Charitable Hospital Department Developement Foundation	2020-21	3 years	65.00	17.00	62.00	Ongoing
TOTAL					**65.00**	**17.00**	**62.00**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not Applicable

For Nirlon Limited

Sd/-

Sridhar Srinivasan
(Chairman of the CSR Committee)
DIN 07240718

Rahul V. Sagar
(Executive Director & CEO)
DIN 00388980

Mumbai, August 09, 2022

v. Nomination & Remuneration (NR) Policy

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

Aims of the NR Policy:

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

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

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

For more detail, kindly refer to the link:

https://www.nirlonltd.com/pdf/nomination_and_remuneration_policy_ver_3.pdf

vi. Risk Management (RM) Policy

The Regulation 21of the SEBI LODR provides applicability for a Risk Management Committee and Risk Management Plan for the top 1000 listed companies based on market capitalization as at the end of the immediate previous financial year.

Aims of the RM Policy

The Company has instituted the RMC / RM Policy for better safeguarding business continuity, operations and timely assessment of potential risk, as well as mitigation and minimization procedures for the same.

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

ix. POSH Policy

Aims of the POSH Policy

The Company provides an equal employment opportunity and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. All employees of the Company are covered under the Policy. Sexual harassment at the work place or other than work place if involving employees is a grave offence, and is therefore, punishable. The Company has constituted a POSH Committee.

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

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

x. Succession Policy (SP)

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

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

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

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

xi. Dividend Distribution (DD) Policy

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

The Company has its Board meeting held on June 30, 2020 adopted a DD Policy and uploaded the same on its website. Kindly refer to the link:https://www.nirlonltd.com/pdf/dvidend%20distribution%20policy_jun_2020.pdf

Aims of the DD Policy

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

Nirlon Limited's Dividend Distribution Policy

1. **Background and applicability**

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

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

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

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

2. **Dividend distribution philosophy**

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

Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

3. **Dividend**

Dividend represents the profit of the Company, which isdistributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes interim dividend. The dividend for any financial year shall normally be paid out of the Company's profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 and the rules thereunder ("**Act**"). If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

4. **Interim and Final Dividend**

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

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

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

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

- Whenever the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- Whenever there is a need for significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital; and
- In the event of inadequacy of profit or whenever the Company has incurred losses.

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

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

7. **Utilization of retained earnings**

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

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

8. **Modification of the Policy**

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

9. **Disclaimer**

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

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

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

11. **Conflict in Policy**

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

II. Codes

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

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

Thereafter, the PIT Regulations were amended, and the existing ICCPIT was amended suitably.

Aims of the ICCPIT

It is 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: https://www.nirlonltd.com/pdf/iccpit_jun_20.pdf

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

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

Aims of CCBE

The CCBE envisages that the Board and Designated Employees must act within the boundaries of the authority conferred upon them, and with a duty to comply with the requirements of applicable laws, while discharging their duties and responsibilities. The principles prescribed in the CCBE are general in nature, and lay down broad standards of compliance and ethics, as required by Regulation 17 (5) (a) and 26 of the SEBI LODR, 2015. The Board and Designated Employees shall also refer to other applicable policies and procedures of the Company for specific instructions and guidelines, which are to be read in conjunction with the CCBE.

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

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

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

Aims of the CCID

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

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

14. i. Annual Evaluation by the Directors

Pursuant to the provisions of the Companies Act, 2013 read with the rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force), the process for evaluation of the annual performance of the Directors, Board and various Committees was carried out.

Regulation 17 of the Listing Regulations mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors.

The Independent Directors at their separate meeting held on March 01, 2022 reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairperson of the Company after taking into account the views of Executive Director and Non- Executive Directors, as well as the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

This evaluation covered various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance.

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. *https://www.nirlonltd.com/pdf/appt_letter_mr_rajinder_pal_singh_may_2019.pdf*

b. *https://www.nirlonltd.com/pdf/appt_letter_ms_anjali_seth_may_2019.pdf*

c. *https://www.nirlonltd.com/pdf/appt_letter_mr_sridhar_srinivasan_sep_2020.pdf*

The Board of Directors of the Company have confirmed that the Independent Directors meet with the Criteria as laid down under the Companies act, 2013 and the SEBI LODR, 2015.

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, 2022 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, 2022, 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 and other Committee Meetings

A calendar of Meetings is prepared and circulated in advance to Directors. During the Year, six (6) Board Meetings , four (4) Audit, four (4) Stakeholders' Relationship , two (2) Risk, one (1) Nomination and Remuneration, two (2) Corporate Socal Responsibility 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.

A separate meeting of Independent Directors, pursuant to Section 149(7) read with Schedule VI of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was held on March 01,2022.

15. Promoters & Key Managerial Personnel

a. **Promoters**

i. Mr. Kunal V. Sagar

ii. Mr. Rahul V. Sagar

iii. Mrs. Rajani M. Bhagat

iv. Reco Berry Private Limited (w.e.f. April 28, 2015)

b. **Key Managerial Personnel**

i. Mr. Rahul V. Sagar, Executive Director & C.E.O.

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

iii. Mr. Manish B. Parikh, Chief Financial Officer & V.P. (Finance)

There was no change in the Key Managerial Personnel of the Company during the F.Y. 2021-22.

16. Loan, Guarantees, Security & Investment

The Company has not made any loan, or given any guarantee, or provided security to any person, and has not made any investment that attracts the provisions of Section 186 of the Companies Act, 2013, during the F.Y. 2021-22.

17. Borrowing from Directors

The Company has neither borrowed money from Directors nor relatives of Directors during the F.Y. 2021-22.

18. Disclosure of loans and advances in the nature of loans to firms / companies in which Directors are interested

The Company has neither given any loans nor advances in the nature of loans to firms / companies in which Directors are interested during the F.Y. 2021-22.

19. 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.

20. Fixed Deposits & Debentures

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

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

21. 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, 2022**, the following amounts are outstanding under unclaimed/ unpaid dividend account maintained with HDFC Bank Ltd.

Dividend declared for the F. Y.	Unclaimed / Unpaid Dividend Account outstanding Amount with the Bank (In ₹)
2014-15	16,54,233.75
2015-16	17,32,395.00
2016-17	16,18,322.25
2017-18	16,15,554.00
2018-19	16,33,074.00
2019-20	16,50,857.75
2020-21	1,55,95,040.00
Interim Dividend declared for the F.Y.2021-22	1,38,63,546.00

Please note:

- The Company has already transferred the unclaimed/ unpaid dividend amount for the F.Y. 2013-14 to the IEPF on Wednesday, October 27, 2021;
- The Company has also transferred shares on which dividend are unclaimed / unpaid dividend for the **seven (7) consecutive years** commencing from the F.Y. 2013-14 to the IEPF on Wednesday, October 27, 2021.
- The Company will be required to transfer the **unclaimed/ unpaid dividend** amount declared by the Company for the **F.Y. 2014-15** to the IEPF on **Friday, October 21, 2022**;
- The Company will also be required to transfer **shares** on which dividend are unclaimed / unpaid dividend for the **seven (7) consecutive years** commencing from the F.Y. 2014-15 to the IEPF on **Friday, October 21, 2022**.
- Concerned Members/Claimants are requested to claim their respective dividends from the Company on or before **Saturday, October 01, 2022.**

For more details please refer to **Note no. 12** of the 63rd AGM Notice.

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

i. The Authorized Share Capital

₹150,00,00,000/- divided into 15,00,00,000 equity shares of ₹ 10/- each

ii. The Paid up Share capital

₹ 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.

iii. Buy Back of Securities

The Company has not bought back any of its securities during the Year under review.

iv. Sweat Equity

The Company has not issued any Sweat Equity Shares during the Year under review.

v. Bonus Shares

No Bonus Shares were issued during the Year under review.

vi. Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to its employees.

23. Fraud Reporting

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

24. Internal Financial Controls

Adequate internal financial controls with reference to the Financial Statements were in place.

During the Year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

25. Risk Management

Pursuant to section 134 (3) (n) of the Companies Act, 2013, The Company has developed and implemented a Risk Management Policy which identifies major risks which may threaten the existence of the Company.

Risk mitigation processes and measures have also been formulated and clearly spelt out in the Risk Management Plan / Policy.

26. The details of difference between amount of the valuation done at the time of a one-time settlement and the valuation done while taking a loan from Banks or Financial Institutions, along with the reasons thereof during the F.Y. 2021-22 and the date of the Directors' Report

There was no instance of onetime settlement with any Bank or Financial Institution.

27. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the Year along with their status as at the end of the financial year

There is no application made, or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

28. Related Party Transactions

The Company had the following related party transactions during the F.Y. 2021-22:

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

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

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

iv. Obligations under Management Services Agreement (**MSA**), leave and license agreement and fees payable to Nirlon Management Services Pvt. Ltd. (**NMSPL**).

Please Note: The transactions in (iv) above 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 , and thereafter also approved by Shareholders of the Company at their 61st AGM held on September 29, 2020 effective from October 1, 2020 to March 31, 2024.

- None of the Directors of the Company has received any commission from the Company.
- None of the Directors and Key Managerial Personnel, save and except as stated above, has any a pecuniary relationship or transactions vis-à-vis the Company.
- As required by the Companies Act, 2013, complete details of all related party transactions are provided for in Form AOC-2 attached as ***Annexure 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.

29. 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.

30. Spending on the Corporate Social Responsibility Programme

With respect to the F.Y. 2021-22, two (2) % of the average net profits of the Company made during the three (3) preceding financial year amounts to ₹281.47 lakh.

The Company has already spent ₹ 286.17 lakh during the F.Y. 2021- 22 under Section 135 of the Companies Act, 2013 and applicable rules made thereunder.

31. Intellectual Property Rights

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

32. 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 audits from the F.Y. 2018- 19.

The Board, based on the recommendation of the Audit Committee has fixed the remuneration of the Statutory Auditors for the F.Y. 2022-23.

ii. **Auditors' Report**

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

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

iii. During the F.Y. 2021-22, the Company paid ₹ 46.00 lakh (being the total fees paid for all services on a consolidated basis to the Statutory Auditors of the Company excluding out of pocket expenses).

iv. It is proposed to pay total professional fees of ₹51.00 lakh (excluding out of pocket expenses) to the Statutory Auditors of the Company for the F.Y. 2022 - 23 i.e. ₹ 25.00 lakh towards Statutory Audit fees, ₹19.50 lakh towards Quarterly Limited Reviews, and ₹6.5 lakh towards the Tax Audit.

v. The Company has not paid any fees to the Network firms of the Statutory Auditors of the Company during the F.Y. 2021-22.

vi. **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 F.Y. 2022-23.

vii. **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 2022-23.

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

The Secretarial Audit Report for the F.Y. 2021- 22 is annexed as ***Annexure 2.***

viii. **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, 2023.

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

c. Accordingly, the consent of Members is sought for passing an Ordinary Resolution as set out at **Item no.4** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2023.

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

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

a. The Company has no manufacturing activities relating to conservation of energy.

b. i. The Company has not made any provision for research and development expenditure as the same is not applicable.

ii. The Company has no activity relating to technology absorption and innovation.

c. The Company has incurred ₹ **Nil** towards travel expenses in foreign currencies, and the Company has no foreign exchange earnings.

d. The Company has incurred professional fee expenses in foreign currency aggregating to **₹67.16 lakh**.

34. 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.

35. 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.***

36. 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.***

37. Management Discussion & Analysis

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

38. Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return as on March 31, 2022 in Form No. MGT-7 is available on the Company's website and can be accessed at the web link: https://www.nirlonltd.com/pdf/20212022/form_mgt7_fy_2021_22.pdf

39. Share Transfer Agent (STA)

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

40. Enhancing Shareholders / Members Value

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

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

41. Secretarial Standards

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards, issued by the Institute of Company Secretaries of India (**ICSI**), and such system are adequate and operating effectively.

42. Business Responsibility Report (BRR)

The BRR is provided in ***Annexure 8*** to this Report.

43. Acknowledgements

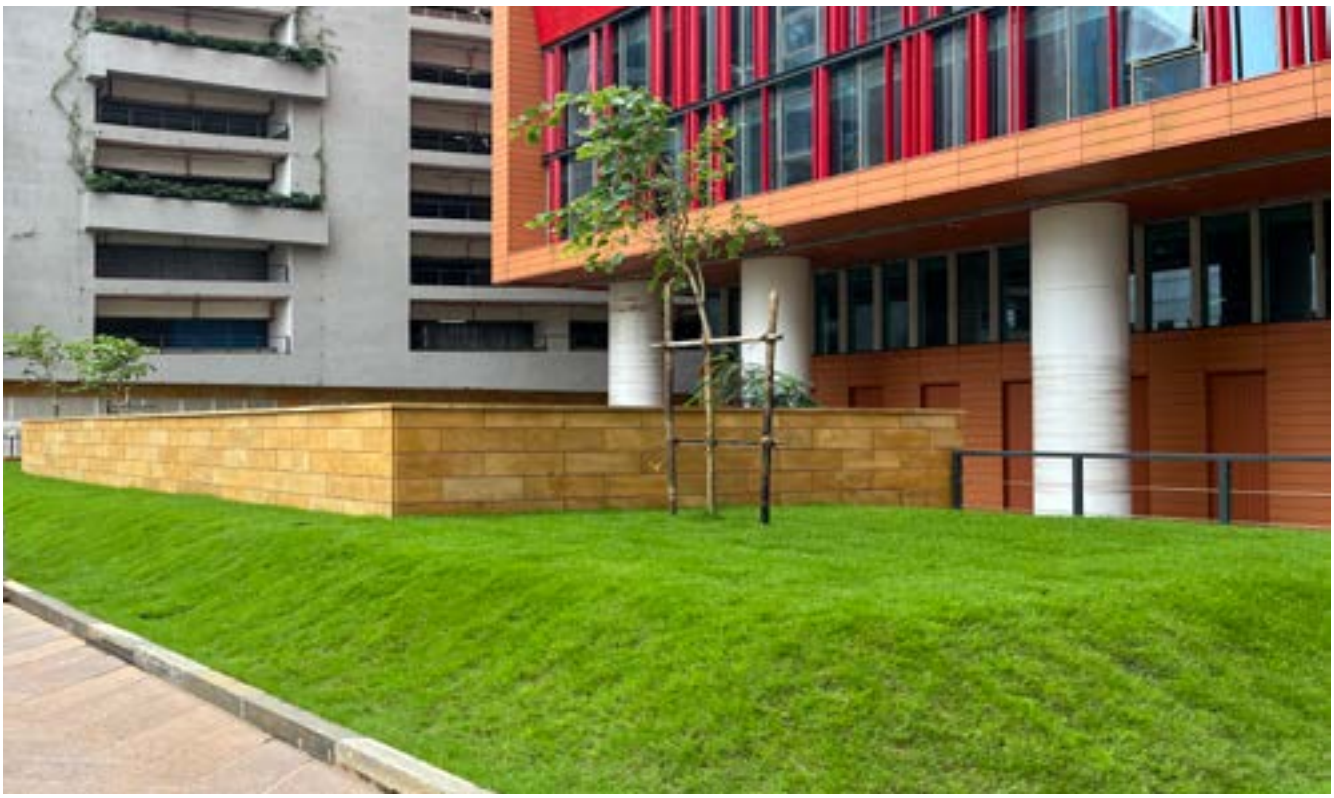
Your Directors record their appreciation for the services rendered by KMPs. They acknowledge and record their appreciation for the co- operation and assistance rendered by HDFC Limited, The Hongkong & Shanghai Banking Corporation Ltd., Banks, and various Government authorities at State and Central levels.

Your Directors thank all stakeholders for their continued support. 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/-	**Sd/-**
Anjali Seth	**Rahul V. Sagar**
Director	**Executive Director & C.E.O.**
DIN: 05234352	**DIN: 00388980**

Mumbai, August 09, 2022



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, 2022.

Annexure 2 to the Directors' Report

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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"**).

Subject to limitation of physical interaction and verification of records caused by COVID-19 Pandemic restrictions, the Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express 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, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined above mentioned books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** 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) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act'**) **as amended from time to time**:

  (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 and Sweat Equity) Regulations, 2021 - **Not applicable to the Company**;

  (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable to the Company**;

  (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company;**

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Company;**

(h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not applicable to the Company;**

(i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Other specific business/industry related laws applicable to the Company- The Company has complied with the provisions of the Development Control Regulations for Greater Mumbai, 1991, Mumbai Municipal Corporation Act, 1888, Maharashtra State Tax on Professions, Trades, Callings and Employments Act,1975, Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013, Environment (Protection) Act, 1986, Maharashtra Shops and Establishments Act, 1948, Employees Provident Fund & Miscellaneous Provisions Act, 1952, Goods and Service Tax and applicable general business laws, rules, regulations and guidelines.

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

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

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board/ Committee of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairman of the Meeting. However, due to COVID-19 Pandemic restrictions, the minutes of the Board Meetings and Committee Meetings were physically signed at a later date.

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

We further report that during the audit period, no specific events /actions have taken place that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

For ALWYN JAY & Co.,
Company Secretaries
Sd/-
(Vijay Sonone FCS 7301)
(Partner)
(Certificate of Practice No. 7991)
(UDIN :F007301D000412343)

Mumbai, May 27, 2022
Office Address:
Annex-103, Dimple Arcade
Asha Nagar, Kandivali (East), Mumbai 400101.

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

Annexure A

To

The Members of Nirlon Limited,

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Nirlon Limited** (hereinafter called **'the Company'**) is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue the Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 Pandemic restrictions and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the Management's representation about lists of applicable laws, compliance of laws, rules and regulations and major events during the audit period.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For ALWYN JAY & Co.,
Company Secretaries
Sd/-
(Vijay Sonone FCS 7301)
(Partner)
(Certificate of Practice No. 7991)
(UDIN :F007301D000412343)

Mumbai, May 27, 2022
Office Address:
Annex-103, Dimple Arcade
Asha Nagar, Kandivali (East), Mumbai 400101.

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. 2021-2022									
Sr. No.	**Name of Employee**	**Gross Salary (in ₹)**	**Net Salary (in ₹)**	**Age (in years)**	**Designation**	**Qualification**	**Experience (in years)**	**Date of commencement of Employment**	**Last Employment held prior to joining the Company**
*1.	Mr. Rahul V. Sagar**	2,31,68,000	1,38,48,804	51	Executive Director & C.E.O.	BA (Economics)	28	1/7/2009	Sempertrans Nirlon Pvt. Ltd.
2.	Mr. Jasmin K. Bhavsar**	1,27,46,702	65,47,286	50	Company Secretary, Vice President (Legal), & Compliance Officer	B.Com, M.Com, LL.B, LL.M, FCS, MBA and Diploma in Real Estate Management	30	6/3/2006	Enercon (India) Limited
3.	Mr. Manish B. Parikh**	67,51,556	37,80,584	59	Chief Financial Officer & Vice President (Finance)	B. Com	38	1/9/2004	Nirlon Limited

Notes:

1. The Company has only three (3)** employees, one of which 1* (one) is a Managerial Person as stated above.
2. Salaries include exgratia / variable performance linked pay and the Company's contribution to Provident Fund.
3. None of the employees is a relative of any Directors of the Company except Mr. Rahul V. Sagar, who is the brother of Mr. Kunal V. Sagar, Director.
4. Employees were employed on a permanent basis.
5. Mr. Rahul V. Sagar holds 13,29,750 shares, Mr. Jasmin K. Bhavsar holds 20,000 shares and Mr. Manish Parikh holds 50 shares of the Company.

Annexure 4 to the Directors' Report

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22:

Executive Director	Ratio to Median (No. of times)
Mr. Rahul V. Sagar	1.82
Non-Executive Directors	**Ratio to Median (No. of times)**
Mr. Rajinder Pal Singh	0.14
Ms. Anjali Seth	0.14
Mr. Sridhar Srinivasan	0.14
Mr. Kunnasagaran Chinniah	0.05
Mr. Kunal V. Sagar	0.08

Note:

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

2. The percentage increase / (decrease) in remuneration of each Director, Chief Financial Officer and the Company Secretary in the Financial Year 2021-22:

Name	Designation	Percentage Increase / (Decrease)
Mr. Rahul V. Sagar	Executive Director & Chief Executive Officer	(0.86) %
Mr. Rajinder Pal Singh	Non-Executive Director	(14.29) %
Ms. Anjali Seth	Non-Executive Director	(14.29) %
Mr. Sridhar Srinivasan	Non-Executive Director	38.46%
Mr. Kunnasagaran Chinniah	Non-Executive Director	0.00 %
Mr. Kunal V. Sagar	Non-Executive Director	11.11 %
Mr. Manish B. Parikh	Chief Financial Officer	2.99 %
Mr. Jasmin K. Bhavsar	Company Secretary	1.56 %

Notes:

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

b. The above does not include information of Mr. Moosa Raza and Mr. Arjan Gurbuxani as they have ceased to be directors in the Financial Year 2020-21 (Date of cessation 30.09.2020).

c. The remuneration of Mr. Sridhar Srinivasan for the Financial Year 2020-21 is w.e.f. 29.09.2020 (date of appointment)

3. The percentage increase in the median remuneration of employees in the financial year 2021-22 was 1.56 %.

4. The number of permanent employees (i.e. Key Managerial Personnel) on the rolls of Company as on March31, 2022 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 0.45 %.

6. Affirmation that the remuneration is as per the remuneration policy of the Company:

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

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. (**NMSPL**). A Company with common directors
b.	Nature of contracts/arrangements/ transactions	Management Services Agreement
c.	Duration of the contracts / arrangements/ transactions	October 1, 2020 to March 31, 2024
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	**Salient features of the proposed Management Services Agreement are as follows:** • **Services:** NMSPL will provide lease management, property management, marketing, project management and general management services in respect of the properties of the Company ("**Services**"). • **Properties:** The Services will be provided by NMSPL in relation to the properties owned by the Company on the date of the Management Services Agreement, including Nirlon Knowledge Park and Nirlon House. • **Fees:** Fees will be paid to NMSPL by the Company in the following manner: o For lease management services – a monthly fee equal to 1% (one percent) of the gross revenue of the property for such month; o For property management services – a monthly fee equal to 2% (two percent) of the gross revenue of the property for such month; o For marketing services – a commission based on rent payable for a certain number of days (including commission for additional space taken up by a tenant). Commission is also payable on renewable existing lease / license o For project management services – ₹13,12,50,000/- (Rupees thirteen crore twelve lakh and fifty thousand) as construction / project management fees for phase 5 of Nirlon Knowledge park. o All fees are exclusive of applicable GST, which will be borne by the Company. o Term: The Management Services Agreement commences on October 1, 2020 (or such other date mutually agreed) and terminates automatically on March 31, 2024, unless terminated earlier or mutually extended. o 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: The terms and conditions of the existing Leave and License Agreement dated December 20, 2016 shall continue with respect to the licensed 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.
e.	Date(s) of approval by the Board, if any:	August 31, 2020
f.	Amount paid as advances, if any:	Nil

Annexure 5B to the Directors' Report

A. Disclosures in compliance with the Accounting Standard on 'Related Party Disclosures'- Please refer to Note no. 34 of the Audited Financial Accounts as on March 31, 2022

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, 2022

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. Mr. Rajinder Pal Singh, (ID* & NED*)

   ii. Ms. Anjali Seth, (ID* & NED*)

   iii. Mr. Sridhar Srinivasan (ID*& NED*

   iv. Mr. Kunnasagaran Chinniah (NED* - Director Nominated by Reco Berry Pvt. Ltd. - Promoter) w.e.f. April 28, 2016

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

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

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

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

B. Brief Resume of Directors

i. **Mr. Rajinder Pal Singh (DIN 02943155),** aged 70 years (D.O.B 20-10-1951), post graduated in Mathematics from the Advanced Centre for Pure Mathematics, Punjab University, Chandigarh in 1973, and after a brief stint teaching Pure Mathematics & Statistics to graduate classes, joined the Indian Administrative Service **(IAS)**.

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

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

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

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

Mr. Singh also serves on the Boards of the following Public Limited (including listed) companies:

1. Maruti Suzuki India Limited, as Non-Executive Independent Director (Member of the Audit & Corporate Social Responsibility Committees); and
2. Macrotech Developers Limited, as Non-Executive and Non Independent Director (Chairman of the Stakeholder Relationship and Risk Management Committees, and also Member of the Audit, Nomination & Remuneration, Corporate Social Responsibility and Executive Committees).

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

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

Mr. Singh is the Chairman of the Board, Audit and Risk Management Committees. Mr. Singh is also Member of the Nomination and Remuneration, Stakeholders Relationship and Independent Director Committees of the Company.

Mr. Singh attended six (6) Board Meetings during the F.Y. 2021-22 through video conference.

ii. **Ms. Anjali Seth (DIN 05234352),** aged 63 years (D.O.B. 25-10-1958), graduated with B.A.(Honours) and LL.B.

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

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

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

- Worked with the International Finance Corporation and gained global experience in Project Financing, client negotiations, liasoning with the Ministry of Finance, Reserve Bank of India and other Statutory and Regulatory authorities, interface with external solicitors and counsel, interaction with Headquarters on World Bank Group specific legal frame-work and advising Headquarters on local laws and regulations.
- Instrumental in getting the NBFC license for Swaadhar Finserve, a company in the Micro Finance business. She was responsible for drafting all application forms, loan documents, vendor agreements, and shareholders agreements. Ms. Seth was party to all negotiations with the investors.
- Had the opportunity to work in the UAE with their largest Realty Company, Emmar Properties; the company was in its infancy at the time. Responsibilities included vetting of drafts, entering into international contracts, negotiations, strategizing with the senior management, also framing some of the new laws and consulting with lawyers of other jurisdictions for setting up new legislations on International Project Financing.
- Was instrumental in setting up the in- house legal department of ANZ Grindlays Bank. Responsibilities included handling scam litigation along with all other legal issues of the Bank for its India operations, managing the legal team, assisting the Heads of all the businesses, structuring transactions, advising on statutory issues, drafting documents, representing the Legal Department before the group and also in all local forums internally and externally.

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

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

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

Ms. Seth also serves on the Boards of the following Public Limited (including listed) companies:

1. Endurance Technologies Limited, as Non-Executive Independent Director (Chairperson of Stakeholders Relationship Committee and Member of Audit Committee),
2. Kalpataru Power Transmission Limited, as Non-Executive Independent Director, (Chairperson of the Stakeholders Relationship Committee),
3. JMC Projects (India) Limited, as Non -Executive Independent Director, (Member of Stakeholders Relationship and Audit Committees),
4. Centrum Capital Limited, as Non-Executive Independent Director,
5. Kalpataru Limited, as Non-Executive Independent Director,
6. Centrum Housing Finance Limited, as Non-Executive Independent Director (Chairperson of Audit Committee),

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

Ms. Seth is not related to any Promoter / Director / KMP of the Company, and has confirmed that she

meets with the criteria for an Independent Director as required, and is not disqualified to act as a Director of the Company.

Ms. Seth is the Chairperson of the Nomination and Remuneration and Stakeholders Relationship Committees. She is also a member of Audit, Risk Management and Independent Director Committees of the Company.

Ms. Seth attended six (6) Board Meetings during the F.Y. 2021-22 through video conference.

iii. **Mr. Sridhar Srinivasan (DIN 07240718),** aged 62 years (03-05-1950), graduated from Delhi University and is also a Chartered Accountant.

Mr. Srinivasan is a financial services expert with nearly 38 years of experience at Citigroup across Asia, Africa and Europe. During this period he built, grew and transformed businesses, holding key country and regional executive positions including CEO for three countries, Corporate Bank Head for India, Transaction Services Head for Africa and Bank Services Group Head for Central, Eastern Europe, Middle East and Africa. After his time with Citi, he joined Oliver Wyman as Partner and India Head, and is currently a senior advisor at this leading global management consulting firm. With strong personal integrity, passion, and relationship skills, he has built several winning teams comprising people from diverse cultural and professional backgrounds. He is now an established non-executive board director/ advisor with companies ranging from start-ups to the largest corporations in India. His deep experience and track record helps him to work with CEOs and boards in areas such as management strategy, business transformation, governance, shareholder interests, risk, and regulatory compliance. He is also an active angel investor and mentor for early stage start-ups.

Mr. Srinivasan also serves on the Boards of various Public Limited (including listed) companies:

1. Oracle Financial Services Software Limited, Non – Executive Independent Director (Chairman of Risk Management and Member of Audit and Stakeholders Relationship Committees).
2. Bank of Baroda, Non – Executive Independent Director (Chairman of Risk Management and Member of Management Committees of the Board, Nomination & Remuneration, IT strategy, Committee to consider appeals in respect of disciplinary cases of Top Management executives in Grade / Scale –VII & VIII).

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

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

Mr. Srinivasan is the Chairman of the Corporate Social Responsibility and Member of Audit, Nomination and Remuneration, Stakeholders Relationship and Independent Director Committees of the Company.

Mr. Srinivasan attended six (6) Board Meetings during the F.Y. 2021-22 through video conference.

iv. **Mr. Kunnasagaran Chinniah (DIN 01590108),** aged 65 years (D.O.B 10-05-1957), was nominated as Director, by Reco Berry Pvt. Ltd., a Promoter of the Company, w.e.f. April 28, 2016. Thereafter, Members of the Company appointed Mr. Chinniah as a Director retiring by rotation at their 57th AGM held on September 20, 2016.

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

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

Mr. Chinniah also serves on the Boards of the following Public Limited (including listed) companies:

1. Edelweiss Financial Services Ltd., as Non-Executive Independent Director (Member of Audit, Risk Management, Stakeholders Relationship, Nomination & Remuneration and IT Committees).
2. Edelweiss Rural & Corporate Services Ltd., as Non -Executive Independent Director (Chairman of Audit and Member of the Nomination & Remuneration Committee).
3. ECL Finance Ltd., as Non-Executive Independent Director (Member of Audit, Risk Management and Corporate Social Responsibility Committees).
4. Edelweiss Tokio Life Insurance Co. Ltd., as Non-Executive Independent Director (Member of the Audit Committee).

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

6. Edelweiss Finance and Investments Ltd., as Non-Executive Independent Director (Member of Audit, Nomination & Remuneration, Corporate Social Responsibility, IT and Risk Management Committees).

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

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

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

Mr. Chinniah attended Six (6) Board Meetings during the F.Y. 2021-22 through video conference.

v. **Mr. Kunal V. Sagar (DIN 00388877),** aged 54 years (DOB 06-04-1968), graduated with a B.A. in Economics.

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

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

Mr. Kunal Sagar does not hold directorship in any other public limited company.

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

Mr. Kunal Sagar is Member of Risk Management and Corporate Social Responsibility Committees of the Company.

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

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

He attended six (6) Board Meetings during the F.Y. 2021-22 through video conference.

vi. **Mr. Rahul V. Sagar (DIN 00388980),** aged 51 years (28-05-1971), graduated with a B.A. in Economics.

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

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

Mr. Rahul Sagar has been occupying the office of the Executive Director since July 1, 2009. Mr. Rahul Sagar was re-appointed w.e.f. February 1, 2016 for a period of five years by Members through the Postal Ballot, and the result of the same was 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 theCompany effective from November 12, 2018.

Mr. Rahul Sagar was further re-appointed as Executive Director and CEO of the Company w.e.f. February 1, 2021 for a period of five years by Members through the Postal Ballot, and the result of the same was declared on December 26, 2020.

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

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

He is a Member of Risk Management and Corporate Social Responsibility Committees of the Company.

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

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

He attended six (6) Board Meetings during the F.Y. 2021-22 through video conference.

Skills / Expertise / Competencies of the Board of Directors

Sr. No.	Name of the Director	Education / Professional qualifications	Experience (approx. in Years)	Core skills / expertise / competencies in the context of the business and sector in which the Company operates	Name of the other public limited (including listed) companies in which the Director held Chairmanships / Memberships during the F.Y. 2021-22
1.	Mr. Rajinder Pal Singh	Post graduated in Mathematics from Advanced Centre for Pure Mathematics, Punjab University, Chandigarh in 1973, Retired from the Indian Administrative Service (IAS)	47ears	Administration, Management, Finance, Real Estate, Accounts and Audits	1. Maruti Suzuki India Limited, as Non-Executive Independent Director (Member of the Audit & Corporate Social Responsibility Committees); and 2. Macrotech Developers Limited, as Non-Executive & Non-Independent Director (Chairman of the Stakeholder Relationship and Risk Management Committees, and also Member of the Audit, Nomination & Remuneration, Corporate Social Responsibility and Executive Committees)
2.	Ms. Anjali Seth	B.A. (Honours) and LL.B.	37 years	Law , Strategy, Industrial Relations	1. Endurance Technologies Limited (CN), as Non Executive Independent Director (Chairperson of Stakeholders Relationship and Member of Audit Committee), 2. Kalpataru Power Transmission Limited, as Non-Executive Independent Director, (Chairperson of the Stakeholders Relationship Committee), 3. JMC Projects (India) Limited, as Non-Executive Independent Director (Member of Stakeholders Relationship and Audit Committees), 4. Centrum Capital Limited, as Non- Executive Independent Director, 5. Kalpataru Limited, as Non-Executive Independent Director, 6. Centrum Housing Finance Limited, as Non-Executive Independent Director (Chairperson of Audit Committee)

3.	Mr. Kunnasagaran Chinniah	Chartered Financial Analyst, Bachelor in Electrical Engineering, MBA	33 years	Management, Finance, investments, Accounts, Audit, and Real Estate	1. Edelweiss Financial Services Ltd., as Non-Executive Independent Director (Member of Audit, Risk Management, StakeholdersRelationship, Nomination & Remuneration and IT Committees). 2. Edelweiss Rural & Corporate Services Ltd., as Non-Executive Independent Director (Chairman of Audit and Member of the Nomination & Remuneration Committee). 3. ECL Finance Ltd., as Non-Executive Independent Director (Member of Audit, Risk Management and Corporate Social Responsibility Committees). 4. Edelweiss Tokio Life Insurance Co. Ltd., as Non-Executive Independent Director (Member of the Audit Committee). 5. Edelweiss Securities Ltd., as Non -Executive Independent Director (Member of Audit, Nomination & Remuneration and Corporate Social Responsibility and Risk Management Committees). 6. Edelweiss Finance and Investments Ltd., as Non-Executive Independent Director (Member of Audit, Nomination & Remuneration, Corporate Social Responsibility, IT and Risk Committees).
4.	Mr. Kunal V. Sagar	B.A. in Economics	33 years	Administration, Management, Real Estate, Finance, Accounts, Audits, Production and Operations	None
5.	Mr. Rahul V. Sagar	B.A. in Economics	28 years	Administration, Management, Real Estate, Finance, Accounts, Audits, Production and Operations	None
6.	Mr. Sridhar Srinivasan	B.com, Chartered Accountant	38 years	Accounts, Audit, Banking, Management Strategy, Business transformation, Governance, Shareholder interests, Risk, and Regulatory compliance	1. Oracle Financial Services Software Limited, Non – Executive Independent Director (Chairman of Risk Management and Member of Audit and Stakeholders Relationship Committees). 2. Bank of Baroda, Non – Executive Independent Director (Chairman of Risk Management and Member of Management Committees of the Board, Nomination & Remuneration, IT strategy, Committee to consider appeals in respect of disciplinary cases of Top Management executives in Grade / Scale –VII & VIII).

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 a member of more than 10 (ten) Committees or acted as Chairperson of more than five (5) Committees, across all the companies in which he / she was a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

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 Wednesday, March 01, 2022.

i. The Board of Directors of the Company have confirmed that the Independent Directors meet with the criteria as laid down under the Companies Act, 2013 and the SEBI LODR, 2015.

C. Particulars of Directors' attendance at Board Meetings during the Financial Year 2021-2022, at the last Annual General Meeting, the number of Directorships, Chairmanships / Memberships of Committees held by Directors on the Board of various other Public (including listed) companies, and the Shareholding of Directors in the Company as on March 31, 2022:

Sr. No.	Name of the Director	Category	Relationship with other Directors	Meeting Attendance Particulars		Directorships in other Public Ltd. (including listed) Company / ies	Audit and Stakeholders Relationship Committee Memberships in other public limited (including listed) Companies		Share-holding in Nirlon Limited
				Board	Last AGM		Chairman	Member	
1	Mr. Rajinder Pal Singh	NEID*& C*	None	6	Yes	2	1	2	Nil
2.	Ms. Anjali Seth	NEID*	None	6	Yes	6	3	3	Nil
3.	Mr. Kunnasagaran Chinniah	NED*	None	6	Yes	6	1	6	Nil
4.	Mr. Kunal V. Sagar	NED* & P*	Brother of Mr. Rahul Sagar	6	Yes	0	-	-	13,29,750
5.	Mr. Rahul V. Sagar	ED & CEO * & P*	Brother of Mr. Kunal Sagar	6	Yes	0	-	-	13,29,750
6.	Mr. Sridhar Srinivasan	NEID*	None	6	Yes	2	-	2	Nil

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

a. 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.

b. Mr. Rahul V. Sagar is the Executive Director & C.E.O. of the Company.

c. Mr. Kunnasagaran Chinniah was inducted by Reco Berry Pvt. Ltd., one of the Promoters of the Company, w.e.f. April 28, 2016.

d. All Directors, except Mr. Kunal V. Sagar, Mr. Rahul V. Sagar and Mr. Kunnasagaran Chinniah are Independent and Non- Executive Directors.

e. 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.

f. All Board and its Committees meetings during the F.Y. 2021-22 were held through Video Conferencing.

g. The 62nd AGM of the Company was held through Video Conferencing.

During the Financial Year 2021-22, the Board met six (6) times on the following dates:

Sr. No.	Date of Board Meetings
1.	June 24, 2021
2.	August 13, 2021
3.	November 09, 2021
4.	February 09, 2022
5.	March 01, 2022
6.	March 25, 2022

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

As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/ OAVM.

The Company has provided video conferencing facilities to all Directors to attend the Meetings.

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

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

D. Training of Board Members

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

E. Mechanism for Evaluating Board Members

One of the key functions of the Board is to monitor and review the Board evaluation framework. Discussions and feedback are a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying areas for possible improvements. Each Board Member is requested to evaluate the effectiveness of Board dynamics and relationships, information flow, decision making of Directors, relationship to stakeholders, Company performance, Company strategy, and the effectiveness of the whole Board and its various Committees.

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

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

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

c. Active participation in long term strategic planning; and

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

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

G. Pursuant to the Regulation 34 (3) sub clause 10 (i) of Clause C of Schedule V of the SEBI LODR, 2015, the Company has obtained a certificate from Alwyn Jay & Co., Practising Company Secretaries, Mumbai stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / MCA or any such Statutory Authorities as on March 31, 2022.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2022** have been debarred or

disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of Appointment
1.	Kunal Virenchee Sagar	00388877	Director	25/09/2015
2.	Rahul Virenchee Sagar	00388980	Whole Time Director	01/04/2015
3.	Kunnasagaran Chinniah	01590108	Nominee Director	28/04/2016
4.	Rajinder Pal Singh	02943155	Director	13/05/2019
5.	Anjali Karamnarayan Seth	05234352	Director	13/05/2019
6.	Sridhar Srinivasan	07240718	Director	29/09/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **ALWYN JAY Co.**
Company Secretaries
Alwyn D'souza
FCS.5559
Partner
Certificate of Practice No. 5137
(UDIN:F005559D000412438)

Annex-103, Dimple Arcade
Asha Nagar, Kandivali (East), Mumbai 400101.
Mumbai, May 27, 2022

H. Pursuant to the Regulation 24 (A) of the SEBI LODR, the Company has obtained a Secretarial Compliance Report for the F.Y. 2021-22 from Ragini Chokshi & Co., Company Secretaries, Mumbai, and filed the report with the BSE Ltd. on May 27, 2022 in PDF format as well as in XBRL format, and also uploaded the same on the Company's website.

3. Audit Committee (AC)

i. Role of the Audit Committee is as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that Financial Statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms for Auditors of the Company;
3. Approval of payment to the Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the Management the Annual Financial Statements and the Auditors Report before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134 (3) (c) of the Companies Act, 2013;
   b. Changes, if any, in accounting policies, practices, and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by the Management;
   d. Significant adjustments made in the Financial Statements arising out of audit findings;
   e. Compliance with the SEBI LODR and other legal requirements relating to the Financial Statements;
   f. Disclosure of any related party transactions;
   g. Draft audit report;
5. Reviewing with the Management the Quarterly Financial Statements before submission to the Board for approval;
6. Reviewing with the Management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in the matter as may be required;
7. Review and monitor the Auditors' independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the Management the performance of the Statutory and the Internal Auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of the internal audit function including the structure of the appointment of the Internal Auditor, remuneration, internal audit

department, reporting structure, coverage and frequency of the internal audit;

14. Discussion with the Internal Auditors on any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with the Statutory Auditors before the audit commences, about the nature and scope of the audit, as well as post-audit discussion to ascertain any areas of concern;
17. To look into reasons for substantial defaults in the payment to lenders, depositors, debentureholders, Shareholders / Members (in case of non-payment of declared dividends) and creditors, if any;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of the CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. The appointment of the Cost Auditor, remuneration, cost audit.

ii. The Audit Committee constituted by the Board of Directors of the Company consists of 3 (three) Independent Non-Executive Directors, viz. Mr. Rajinder Pal Singh (Chairman), Ms. Anjali Seth, and Mr. Sridhar Srinivasan.

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

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

v. During the F.Y. 2021-22, the Audit Committee met Four (4) times on the following dates and the details of the Members' of the Audit Committee attendance are as stated below:

Sr. no.	Name of Members	June 24, 2021	August 13, 2021	November 09, 2021	February 09, 2022
1	Mr. Rajinder Pal Singh (Chairman)	Yes	Yes	Yes	Yes
2	Ms. Anjali Seth	Yes	Yes	Yes	Yes
3	Mr. Sridhar Srinivasan	Yes	Yes	Yes	Yes

As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM.

The Company has provided video conferencing facilities to all Members of the Committee to attend the Meetings

4. Stakeholders Relationship Committee (SRC)

i. Role of the SRC is as under:

1. Resolving the grievances of the Shareholders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by Shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by Shareholders of the Company.

ii. The Stakeholders Relationship Committee constituted by the Board of Directors of the Company consists of 3 (three) Independent Non-Executive Directors, viz., Ms. Anjali Seth (Chairperson), Mr. Rajinder Pal Singh and Mr. Sridhar Srinivasan.

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

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

v. During the F.Y. 2021 – 2022, 37 number of complaints were received; 0 (zero) number of complaints were not solved to the satisfaction of the shareholders, and 0 (zero) number of complaints were pending during the F.Y.2021-22.

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

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

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

viii. During the F.Y. 2021-22, the Stakeholders Relationship Committee met four (4) times on the following dates and the details of the Members' of the Stakeholder Relationship Committee attendance are as stated below:

Sr. no.	Name of Members	June 24, 2021	August 13, 2021	November 09, 2021	February 09, 2022
1	Ms. Anjali Seth (Chairperson)	Yes	Yes	Yes	Yes
2	Mr. Rajinder Pal Singh	Yes	Yes	Yes	Yes
3	Mr. Sridhar Srinivasan	Yes	Yes	Yes	Yes

As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM

The Company has provided video conferencing facilities to all Members of the Committee to attend the Meetings.

5. Nomination and Remuneration Committee (NRC)

i. Role of the NRC is as under:

1. To formulate criteria for determining qualifications, 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 Nomination and Remuneration Committee constituted by the Board of Directors of the Company consists of 3 (three)

Independent Non-Executive Directors, viz., Ms. Anjali Seth (Chairperson), Mr. Rajinder Pal Singh and Mr. Sridhar Srinivasan.

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

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

v. During the F.Y. 2021- 22, the Nomination & Remuneration Committee met once on the following date and the details of the Directors' attendance are as stated below:

Sr. no.	Name of Members	June 24, 2021
1	Ms. Anjali Seth (Chairperson)	Yes
2	Mr. Rajinder Pal Singh	Yes
3	Mr. Sridhar Srinivasan	Yes

As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM

The Company has provided video conferencing facilities to all Members of the Committee to attend the Meetings.

6. Corporate Social Responsibility Committee (CSRC)

i. Role of the CSRC is as under:

1. To provide, for the Boards' review and approval, CSR related disclosures which are required to be made to the Board and by the Board, pursuant to the Act and the Rules, including the prescribed disclosures which are to be made as part of the Boards' annual report on CSR activities.
2. To disclose the composition of the CSRC in the Board'sReport;
3. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act;
4. To recommend the amount of expenditure to be incurred on CSR activities;
5. To monitor the CSR Policy of the Company from time to time;
6. To disclose contents of the CSR Policy in its report and also place it on the Company's website, if any, in such manner as may be prescribed;
7. To ensure that the activities as included in the CSR Policy of the Company are undertaken by the Company;
8. To ensure that the Company spends, in every financial year, at least 2 (two) % of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy;
9. To satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it, and the CFO shall certify to that effect.
10. To formulate and recommend to the Board an annual action plan which includes the following (to the extent required under applicable law):
    - List of CSR projects and/ or programmes that are approved to be undertaken in the areas or subjects specified in schedule VII of the Act;
    - The manner and execution of such projects and/ or programmes as per the CSR implementation.
    - The modalities of utilization of funds and implementation schedules for the projects and/ or programmes; and
    - Details of need and impact assessment, if any, for the projects undertaken by the Company.

ii. The Corporate Social Responsibility Committee constituted by the Board of Directors of the Company consists of 3 (three) Directors, viz., Mr. Sridhar Srinivasan (Chairman and Non-Executive Independent Director), Mr. Kunal V. Sagar and Mr. Rahul V. Sagar.

iii. Mr. Jasmin K. Bhavsar, Company Secretary, Vice President (Legal) & Compliance Officer of the Company is the Secretary of the Corporate Social Responsibility Committee.

iv. During the F.Y. 2021-22, the Corporate Social Responsibility Committee met two (2) times on the following dates and the details of the Members' of the Corporate Social Responsibility Committee attendance are as stated below:

Sr. no.	Name of Members	November 09, 2021	February 09, 2022
1.	Mr. Sridhar Srinivasan (Chairman)	Yes	Yes
2	Mr. Kunal V. Sagar	Yes	Yes
3	Mr. Rahul V. Sagar	Yes	Yes

As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM.

The Company has provided video conferencing facilities to all Members of the Committee to attend the Meetings.

7. Risk Management Committee (RMC)

i. Role of the RMC is as under:

1. To disclose the composition of the RMC in the Board's Report;
2. To formulate and recommend to the Board a Risk Management Plan;
3. To recommend the methods and procedures to be followed by the Company with respect to risk assessment and minimization;
4. To monitor and review the Risk Management Plan of the Company from time to time;
5. To disclose contents of such Plan in its annual report and also place it on the Company's website, if any, in such manner as may be prescribed;
6. To formulate, adopt, implement, and review various methods in order to achieve the following:
   i. Identify and characterize threats
   ii. Assess the vulnerability of critical assets to specific threats
   iii. Determine the risk (i.e. the expected likelihood and consequences of specific risks for specific assets)
   iv. Identify ways to reduce those risks
   v. Prioritize risk reduction measures based on a strategy

ii. The Risk Management Committee constituted by the Board of Directors of the Company consists of 4 (four) Directors, viz. Mr. Rajinder Pal Singh (Chairman and Non-Executive Independent Director), Ms. Anjali Seth (Non-Executive Independent Director), Mr. Kunal V.Sagar and Mr. Rahul V. Sagar.

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

iv. During the F.Y. 2021-2022, the Risk Management Committee met two (2) times and the details of the Members' of the Risk Management Committee attendance are as stated below:

Sr. no.	Name of Members	November 09, 2021	February 09, 2022
1	Mr. Rajinder Pal Singh (Chairman)	Yes	Yes
2	Ms. Anjali Seth	Yes	Yes
3	Mr. Kunal V. Sagar	Yes	Yes
4	Mr. Rahul V. Sagar	Yes	Yes

As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM.

The Company has provided video conferencing facilities to all Members of the Committee to attend the Meetings.

8. Details of Remuneration paid to all Directors for the F.Y. ended March 31, 2022 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. Rajinder Pal Singh	0	0	0	18.00	**18.00**	N.A.
2.	Ms. Anjali Seth	0	0	0	18.00	**18.00**	N.A.
3	Mr. Sridhar Srinivasan	0	0	0	18.00	**18.00**	N.A.
4.	Mr. Kunnasagaran Chinniah	0	0	0	6.00	**6.00**	N.A.
5.	Mr. Kunal V. Sagar	0	0	0	10.00	**10.00**	N.A.
6.	Mr. Rahul V. Sagar	96.00	7.68	128.00	0	**231.68**	Agreement for a period of five years w.e.f.February 1, 2021 -Three month notice

*** PF:** Provident Fund & **VC:** Variable Compensation VC paid to the Executive Director & CEO on the basis of performance and achievements (@ 200% of basic salary paid for the F.Y. 2021-22) approved by the Board based on recommendations given by the Nomination & Remuneration Committee.

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

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

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

9. POSH Committee

The POSH Committee comprised of Ms. Madhvi Deshpande Ravuri, Mr. Kunal V.Sagar, Mr. Rahul V. Sagar and an HR/ Compliance Officer.

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

10. General Body Meetings:

A. Annual General Meetings (AGMs)

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

AGM	F.Y.	Day and Date	Venue of the Meeting	Time
60th	2018-2019	Tuesday, September 3, 2019	Registered Office of the Company	12.00 noon (IST)
61st	2019-2020	Tuesday, September 29, 2020	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	12.00 noon (IST)
62nd	2020-2021	Wednesday, September 29, 2021	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	12.00 noon (IST)

b. There were no Special Resolutions passed in the previous three (3) AGMs of the Company.

B. Postal Ballot

A Postal Ballot was conducted by the Company during the previous F.Y. i.e. 2020 – 21.

Yes

The Company conducted the Postal Ballot Process during the F.Y.2020-21; the details of the same are given below:

a. The Company issued Postal Ballot notice dated November 21, 2020 seeking Members' approval by way of a Special Resolution for appointment of Mr. Rahul V. Sagar (DIN 00388980) as Executive Director and CEO of the Company and payment of his Managerial Remuneration for a period of 5 (five) years w.e.f. February 1, 2021 to January 31, 2026.

b. 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 November 21, 2020.

c. Mr. Alwyn D'souza has carried out the work as a Scrutinizer from the close of working hours on December 26, 2020.

d. The Company appointed Link Intime India Pvt. Ltd, **("LIIPL**") to provide an e-voting facility to its members whereby Members having shares in Demat Form and in Physical Form may vote **only** by way of remote e-voting.

e. The result was declared on December 26, 2020 and the same was filed with the BSE Ltd., and also uploaded at the Company's website.

The details of the Postal Ballot result is given below:

By way of a Special Resolution

Appointment of Mr. Rahul V. Sagar (DIN 00388980) as Executive Director and CEO of the Company and payment of his Managerial Remuneration for a period of 5 (five) years w.e.f. February 1, 2021 to January 31, 2026

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

Particulars of Postal Ballot Voting	Number of Members who voted	Number of votes cast by them	% of total number of valid votes cast
E-voting	31	6,33,42,820	100
TOTAL	**31**	**6,33,42,820**	**100**

Voted **against** the resolution:

Particulars of Postal Ballot Voting	Number of Members who voted	Number of votes cast by them	% of total number of valid votes cast
E-voting	1	7	0.00
TOTAL	**1**	**7**	**0.00**

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
E-voting	Nil	Nil
TOTAL	**Nil**	**NIL**

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

11. 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

The Company has started making presentations to institutional investors / analysts w.e.f. June 21 onwards.

12. Investor Relations (IR) Presentation

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

13. General Shareholder Information:

i. 63rd Annual General Meeting:

Day & Date: Monday, September 19, 2022
Time: 12.00 noon **(IST)**

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

ii. 64th Annual General Meeting: on or before September 30, 2023 (tentative)

iii. Financial Year: April 01, 2022 to March 31, 2023

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

- 1st Quarter of 2022-23:

  April – June 2022 quarter results – Meeting held on Tuesday, August 09, 2022

- *2nd Quarter of 2022-23:

  July – September 2022 quarter results – on or before Monday, November 14, 2022

- *3rd Quarter of 2022-23:

  December 2022 quarter results – on or before Tuesday, February 14, 2023 and

- *4th Quarter of 2022-23 (also for the full financial year 2022-23):

  Audited results for the year ended March 31, 2023 – on or before Friday, May 26, 2023.

v. Date of Book closure for the 63rd AGM

Friday, September 09, 2022 to Monday, September 19, 2022 (both days inclusive)

vi. Final Dividend Recommendation and Payment Date

a. ₹11.00 (@ 110%) per share of ₹10/ - each

b. **Payment Date (tentative):** The Dividend warrants will be posted / dividend amounts will be remitted / paid into Members accounts on or after Saturday, September 24, 2022.

vii. Listing on Stock Exchange

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

viii. Payment of Annual Custodial Fees

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

ix. Stock Scrip Code

a. BSE Code: 500307; and

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

x. Suspension of securities from trading during the Year

No

xi. Share Transfer System

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

xii. Share Transfer Agent (STA) Link Intime India Pvt. Ltd.

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

xiii. Dematerialization of Shares

As per notification issued by SEBI, the shares of the Company are traded in Dematerialized Form. As on March 31, 2021, approx. 97.20% 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

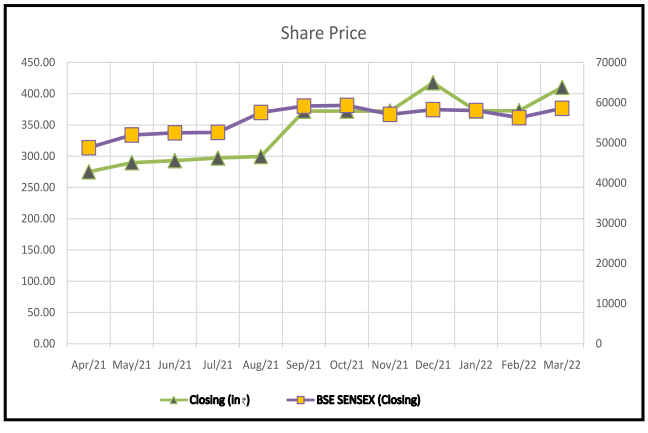
Not Applicable as the Company had not issued any GDRs/ ADRs/ Warrants/ Convertible Instruments in past and hence, the Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments as on March 31, 2022.

xv. Stock Market Data: April 01, 2021 to March 31, 2022

Month	Low (in ₹)	High (in ₹)	Closing (in ₹)	BSE SENSEX (Closing)
Apr-21	262.40	288.90	275.00	48782.36
May-21	265.10	297.00	289.50	51937.44
Jun-21	285.00	321.00	292.85	52482.71
Jul-21	279.00	307.00	297.15	52586.84
Aug-21	279.15	316.00	299.45	57552.39
Sep-21	296.00	375.75	372.15	59126.36
Oct-21	340.00	395.00	372.25	59306.93
Nov-21	350.00	444.90	372.25	57064.87
Dec-21	352.55	427.00	417.55	58253.82
Jan-22	352.50	426.50	372.55	58014.17
Feb-22	343.20	420.10	372.80	56247.28
Mar-22	346.05	414.85	410.30	58568.51

*** 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, 2022)

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	23,598	92.81	24,84,196	2.76
501-1,000	1,054	4.1375	8,26,950	0.92
1,001-2,000	409	1.6108	6,13,186	0.68
2,001-3,000	111	0.4343	2,77,931	0.31
3,001-4,000	53	0.2092	1,90,797	0.21
4,001-5,000	32	0.1263	1,51,145	0.17
5,001-10,000	63	0.2487	4,56,681	0.51
10,001 and above	107	0.4224	8,51,17,154	94.45
Total	**25,427**	**100**	**9,01,18,040**	**100.00**

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

The foreign exchange exposure as on March 31, 2022 is as under:

	2021-22	2020-21
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		
$	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.
Tele : + 91 (022) 4028 1919 / 2685 2257 / 58 / 59
Fax No. : + 91 (022) 4028 1940
CIN : L17120MH1958PLC011045
E-mail : share@nirlonltd.com
Website : http://www.nirlonltd.com/

xxi. Shareholding Pattern (As on March 31, 2022)

	Promoters and Promoter Group	No. of Equity Shares	Percentage (%)
A.	a. Indian	26,51,185	2.94
	b. Foreign	6,07,82,426	67.45
	Sub-total A = (a+b)	**6,34,33,611**	**70.39**
***B.**	**Public Shareholding**		
	a. Bank / MFs / Insurance Cos.	3,17,552	0.35
	b. Foreign Portfolio Investors / FIIs	1,20,79,411	13.40
	c*. Others	1,42,87,466	15.85
	Sub- total : *B = (a+b+*c)	**2,66,84,429**	29.61
Grand Total A+*B		**9,01,18,040**	**100.00**
Total no. of Members: 25,427			

* 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. Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the Financial Year ended March 31, 2022. Obtaining a credit rating was not applicable to the Company during the Year under review.

xxiv. 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 no. 34** 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:

https://www.nirlonltd.com/pdf/related_party_transaction_policy_apr_22.pd

f. Disclosure of commodity price risks and commodity hedging activities

Not Applicable

xxv. 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.

c. **Reporting of the Internal Auditor**

The Internal Auditor may report directly to the Audit Committee.

xxvi. 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

Annual Affirmation

Sr.	Particulars	Regulation Number	Compliance status (Yes/No)	If status is "No" details of non-compliance
1	Independent directors have been appointed in terms of specified criteria of independence and or eligibility	16(1)(b) & 25(6)	Yes	-
2	Board composition	17(1)	Yes	-
3	Meeting of board of directors	17(2)	Yes	-
4	Review of compliance reports	17(3)	Yes	-
5	Plans for orderly succession for appointments	17(4)	Yes	-
6	Code of conduct	17(5)	Yes	-
7	Fees or compensation	17(6)	Yes	-
8	Minimum information	17(7)	Yes	-
9	Compliance certificate	17(8)	Yes	-
10	Risk assessment and management	17(9)	Yes	-
11	Performance evaluation of independent directors	17(10)	Yes	-
12	Composition of audit committee	18(1)	Yes	-
13	Meeting of audit committee	18(2)	Yes	-
14	Composition of nomination and remuneration committee	19(1) & (2)	Yes	-
15	Composition of stakeholder relationship committee	20(1) & (2)	Yes	-
16	Composition and role of risk management committee	21(1), (2), (3),(4)	Yes	-
17	Vigil mechanism	22	Yes	-
18	Disclosure of shareholding by non-executive directors	-	Yes	-
19	Policy for related party transaction	23(1),(5), (6),(7) & (8)	Yes	-
20	Prior or omnibus approval of audit committee for all related party transactions	23(2), (3)	Yes	-
21	Approval for material related party transactions	23(4)	Yes	-
22	Composition of board of directors of unlisted material subsidiary	24(1)	NA	-
23	Other corporate governance requirements with respect to subsidiary of listed entity	24(2), (3),(4), (5) & (6)	NA	-
24	Maximum directorship and tenure	25(1) & (2)	Yes	-
25	Meeting of independent directors	25(3) & (4)	Yes	-
26	Familiarization of independent directors	25(7)	Yes	-
27	Memberships in committees	26(1)	Yes	-
28	Affirmation with compliance to code of conduct from members of board of directors and senior management personnel	26(3)	Yes	-
29	Disclosure of shareholding by non-executive directors	26(4)	Yes	-

30	Policy with respect to obligations of directors and senior management	26(2) & 26(5)	Yes	-
31	Other Corporate Governance Requirements	27	Yes	-
32	Website	46 (2) (b) to (i)	Yes	-

xxvii. Disclosures with Respect to Demat Suspense Account/ Unclaimed Suspense Account

The Company had 13,415 Equity Shares of ₹10/- each in respect of 23 Shareholders, in one folio, namely, **Nirlon Limited - Unclaimed Suspense Account**, and the same is held in the demat account with NSDL (IN30311613396881).

Further, the dividend amount accruing on such Shares were also credited to Unpaid Dividend Account.

The requisite disclosures as per Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard are given below:

a. Aggregate number of Shareholders and the outstanding shares were in the Suspense Account at the beginning of the Year:

A total of 23 Shareholders and 13,415 outstanding shares were in the suspense account.

b. Number of Shareholders who approached the listed entity for transfer of shares from suspense account during the Year:

Nil.

c. Number of Shareholders whose shares were transferred from the suspense account to the IEPF during the Year:

A t*otal of 10,828 shares representing 5 Shareholders were transferred to the IEPF.*

d. *During the Year, a total 398 shares representing 2 Shareholders were transferred to the Suspense Account.*

e. Aggregate number of Shareholders and the outstanding shares in the Suspense Account lying at the end of Year:

A t*otal of 20 Shareholders and 2,985 outstanding shares were in the Suspense Account*.

f. The voting rights on the outstanding shares in the Suspense Account shall remain frozen until the rightful owner of such shares claims the respective shares.

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

We, Rahul V. Sagar, Executive Director & Chief Executive Officer, and Manish B. Parikh, Chief Financial Officer, hereby certify for the F.Y. ended March 31, 2022 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 has been disclosed in the notes to the financial statements; and

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

For Nirlon Limited

sd/- **sd/-**

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

Manish B. Parikh
Chief Financial Officer

Mumbai, May 27, 2022

xxvii.Declaration – Code of Conduct

All Board Members and KMPs have, for the Financial Year ended March 31, 2022, 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/-	**sd/-**
Rahul V. Sagar	Manish B. Parikh
Executive Director & C.E.O.	**Chief Financial Officer**
(DIN 00388980)	

Mumbai, May 27, 2022

xxviii. Compliance certificate of Alwyn Jay & Co., Practicing Company Secretaries regarding compliance with conditions of Corporate Governance for the F.Y. 2021- 2022 is attached with the Directors Report :

To,

The Members of Nirlon Limited,

1. We have examined the compliances of the conditions of Corporate Governance by Nirlon Limited ("**the Company**") for the Financial Year ended March 31, 2022, as stipulated in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015 (**"LODR"**).
2. The compliance of the conditions of corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company. This Certificate is issued solely for the purposes of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **ALWYN JAY Co.**
Company Secretaries
Sd/-
(Alwyn D'souza- FCS.5559)
(Partner)
(Certificate of Practice No. 5137)
(UDIN:F005559D000412451)

Mumbai, May 27, 2022
Office Address:
Annex-103, Dimple Arcade
Asha Nagar, Kandivali (East), Mumbai 400101

Annexure 7 to the Directors' Report
Management Discussion Analysis

1. Overview :

A total of approx. 47.63 lakh sq. ft. of construction has been completed in NKP comprising Phases 1-5, corresponding to approx. 30.53 lakh sq. ft. of licensable area

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. 29.83 lakh sq. ft. of constructed area, which corresponds to approx 18.93 lakh sq. ft. of licensable area. Additionally, License Fees from Phase 5, comprising of approx. 11.60 lakh sq. ft. of licensable area (corresponding to approx. 17.80 lakh sq. ft. of constructed area) entirely licensed to J.P. Morgan Services India Pvt. Ltd. (**JPM**), are recognized in the Profit & Loss Account w.e.f. December 15, 2021, ie. the date of completion of Phase 5.

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

a. Development of Phase 5 :

Construction of Phase 5 commenced in May 2017 after receipt of the required permissions. Phase 5 received its Occupation Certificate **(OC)** on June 18, 2021. The Company has signed a License Agreement with J.P. Morgan Services India Pvt. Ltd. **(JPM)** to License the entire approx. 11.60 lakh sq.ft. of licensable area in the Phase 5 development. Phase 5 was completed and handed over to JPM on December 15, 2021, and License Fees are recognized in the Company's Profit & Loss Account from this date.

b. Occupancy & Licensee fee Renewals / Escalations:

During the Year under review, despite the continuing economic fallout from the Covid 19 pandemic, the Company has been successful in ensuring that as on March 31, 2022, approx. 98% of licensable area in Phases 1 - 5 of NKP has remained licensed to corporate occupants. Accordingly, license fees for all five phases are being regularly received by the Company.

Escalations of license fees (approx. 15% every three years) took effect substantially as contracted during the Year under review. Renewals of expiring licenses with existing Licensees, as well as fresh licenses were also successfully executed during the year. These renewals / fresh licenses / escalations ensured the Company's financial performance continued to be strong. Further, the Company is making every effort to license the currently vacant space at the earliest, and has seen reasonable traction in this regard.

c. Loan Repayments:

The outstanding loan amounts as on March 31, 2022 aggregated ₹ 1,179.86 Crore (**as per IGAAP**).

The Company's debt up to May 02, 2022 was provided by HDFC Limited ("**HDFC**").

On May 02, 2022, the Company refinanced its entire HDFC debt by availing a loan of ₹1230.00 Crore as a Green Loan with a sub-limit of ₹ 80.00 crore by way of an Overdraft limit from The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**"), and paid all its dues of ₹ 1,179.86 Crore to HDFC on May 02, 2022.

The Company executed and registered a Mortgage Deed by creating a first and exclusive charge in favour of HSBC by mortgaging the Company's immovable property, i.e. land, buildings and structures standing on the Land, situate at Goregaon (East), Mumbai 400 063, as per the Facilities documents executed by and between the Company and HSBC.

This Loan facility has been rated by Crisil Rating AA+/Stable.

d. Profitability and Cash Flow:

The Year under review saw an increase in occupancy, as well an increase in Gross Income and Profitability. The increase in occupancy was helped by a reduction in Covid 19 related restrictions as compared to the previous year, which, among other macro factors, resulted in an improvement in demand. The increase in Gross Income and Profitability was driven by the recognition of JPM License Fees in the Company's Profit & Loss Account from December 15, 2021, as well as from the License Fee escalations/renewals and higher occupancy levels during the F.Y. 2021-2022.

The Company's profitability before tax during the Year under review increased from ₹176.91 Crore to ₹190.00 Crore when compared to the previous year.

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, improved profitability levels, steady occupancy levels, the successful Licensing of the Phase 5 development from December 15, 2021 and a payment of the majority of Phase 5 costs, after suitable deliberation, the Board of Directors have decided to recommend a final dividend of ₹ 11.00 per share (@ 110%) for the Year under review, in addition to the interim dividend of ₹15.00 per share (@150%) already proposed during the Year under review (as against the final dividend of ₹ 8.00 per share in F.Y. 2019-20).

e. Priorities

Key priorities for the Company during the F.Y. 2022 – 2023 are as follows:

i. To make every effort to renew licenses due for renewal and to license the currently vacant space at competitive rates at the earliest,

ii. To ensure the continued satisfaction of its licensees by maintaining and operating NKP to the highest possible standards, such that all 5 phases remain as fully occupied as possible;

iii. To ensure the ongoing scheduled servicing of its loans;

iv. To continue to work on making its ESG initiatives as meaningful as possible;

v. To continue to work on reducing its carbon footprint;

vi. To continue to proactively evaluate the impact of Covid 19 on the commercial office space market and the IT/ Financial Services/Banking Industries, in so far as the same could have an impact on the Company's business, and to implement mitigation strategies for the same. This evaluation includes the possible impact of the Work From Home **(WFH)** and flexible work space trends;

vii. To keep all its employees, staff, contractors, vendors etc. including their families/households fully vaccinated/boosted against Covid 19;

viii. To continue to engage its Licensees in regular discussions as regards vaccination of their NKP/Nirlon House workforce, and to provide every support towards achieving this end;

ix. To make every effort to keep its Licensees, employees and everyone who works at its locations as safe as possible from Covid 19, by continuing to follow processes and awareness measures already implemented as may be required;

2. Risks and Concerns:

Macro-Economic Environment

i. Global :

As always, the health of the global economy will 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, are, inter alia, driven by economic conditions in the developed world. This hypothesis is especially relevant in the current fraught global economic climate. The danger of an entrenched inflationary cycle is combined with the real possibility of recession in major economies and regions. To try and mitigate these concerns, Central Banks are grappling with the balancing act required to address the conflicting implications of how much and how quickly to raise interest rates, and tighten monetary policy. Their task, as indeed the task of economic planners worldwide, is made more complex by the repercusions of increasing shortages of energy and food caused by the tragic war in Ukraine, as well as by the still prevalent effects of Covid 19 supply chain disruptions and lingering restrictions.

ii. In India:

As mentioned during earlier years in this analysis, continued demand for commercial real estate in Mumbai is dependent on 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 living costs for employees, and competitive salary costs and real estate prices for employers.

Successive State Government initiatives to simplify the regulatory frame work are welcome and much needed. The successful implementation of these initiatives and improving transport and allied infrastructure, should help Mumbai move toward consolidating its pre-eminent position as a preferred business / investment destination in India.

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

At the Central Government level too, investors and entrepreneurs look forward to the continuance of stable, pro investment and business supportive policies, which incrementally build on existing legislation and / or introduce fresh initiatives targeted

to accelerate investment, job creation and economic growth.

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

iii. 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)**, especially the GIC/GCC sectors, and the Banking and Financial sectors. This trend is likely to continue for the foreseeable future.

Additionally, though demand is strong, the business model for these sectors continues to require relatively 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, Hyderabad and Bangalore. These markets could keep commercial rates under pressure in the Company's micro market.

However, the demand for high quality, well planned and professionally managed commercial developments like NKP in your Company's micro market is estimated to remain steady. 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.

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

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

As per statutory requirements, the Company has three (3) permanent employees, being the KMPs, as on March 31, 2022.

4. 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. **Current Ratio : 132.83 % -** This increase is mainly because of revenue growth during the year.

ii. **Debt Equity Ratio : 44.67 % -** The increase is mainly due to reduction in equity because of the significant increase in the dividend payment during the year.

iii. **Debt service coverage Ratio : 31.40 %** - The increase is mainly due to increase in profit before tax for the year.

iv. **Return on equity :** No significant change

v. **Inventory turnover ratio** : Not applicable

vi. **Trade receivables turnover ratio :** No significant change

vii. **Trade payables turnover ratio : (47.24%)** -The variance largely is due to an increase in the operating expenses relating to repairs and maintainance for the year.

viii. **Net capital turnover ratio :** No significant change

ix. **Net profit ratio : (28.21%)** - The variance is mainly due to the increase in tax expenses relating to earlier years. (refer note no. 29 of the Accounts)

x. **Return on capital employed :** No significant change

xi. **Return on investment :** Not applicable

5. Disclosure of Accounting Treatment & Internal Financial Controls:

In the preparation of the annual Financial Statements for the F.Y. ended March 31, 2022, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any.

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

Cautionary Statement

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

Annexure 8 to the Directors' Report
Business Responsibility Report

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

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

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

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

The Company

Nirlon Limited is publicly listed company, and is in the business of development and managing an Industrial Park owned by the Company i.e. Nirlon Knowledge Park ("**NKP"**) as per the Consolidated Foreign Direct Investment **(FDI**) Policy of the Government of India (**GOI**). NKP is also registered with the Department of Industries ("**DOI**") as an Information Technology (**IT**) Park as per the Government of Maharashtra's ("**GOM**") IT Policy. It is a subsidiary of Reco Berry Pvt. Ltd., Singapore. The Company has no subsidiaries.

This is the third BRR of Nirlon Limited for the F.Y. 2021-22. Initiatives and actions by the Company towards objectives have also been provided in this Report. The Company's approach to each principle is described below:

Section A: General Information

1	Corporate Identity Number (CIN) of the Company	**L17120MH1958PLC011045**
2	Name of the Company	**Nirlon Limited**
3	Registered address	**Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.**
4	Website	www.nirlonltd.com
5	E-mail id	Info@nirlonltd.com
6	Financial Year reported	**2021-22**
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	**Industrial Park** **NIC 42901**
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	**The Company is in the business of development and management of the Industrial Park / Information Technology (IT) Park, i.e. Nirlon Knowledge Park (NKP) - Goregaon (East), Mumbai 400 063**
9	Total number of locations where business activity is undertaken by the Company (a)Number of International Locations (Provide details of major 5) (b)Number of National Locations	 **NIL** **One, Mumbai , India**
10	Markets served by the Company – Local/State/National/ International	**Mumbai , India**

Section B: Financial Details

1	Paid up Capital (As on 31.03.2022): (₹)		**90,11,80,400.00**
2	Gross Revenue from Operations (₹)		**383,94,49,288.00**
3	Total Profit after Taxes (₹)		**110,80,79,631.00**
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%) (F.Y.2021-2022)		**2.58%**
5	List of activities in which expenditure in 4 above has been incurred:		**(In ₹)**
	i.	Bandra Holy Family Hospital (Renovation of Covid Ward)	27,85,300.00
	ii.	Jaslok Hospital & Research Centre (Ventilator for Covid ward)	13,75,000.00
	iii.	Nair Charitable Hospital Department Development Foundation	16,99,955.00
	iv.	Centre for Transforming India (School on Tab)	10,00,000.00
	v.	Shri Vithalrao Joshi Charities Trust (Upgradation of Covid ICU ward)	10,00,000.00
	vi.	Shikshan Mandal (School renovation and Rain Water Harvesting)	31,57,000.00
	vii.	Suvarna Charitable Trust (Redevelopment of Hospital)	45,00,000.00
	viii.	Rotary Blood Bank Resource Centre (Screening of voluntary Blood Doners)	12,00,000.00
	ix.	Gaia Conservation Foundation (Urban Afforestation)	5,00,000.00
	x.	The Welfare of Stray Dogs (Community on site First Aid program)	9,00,000.00
	xi.	Venus Cultural Association (Dialysis Center)	10,00,000.00
	xii.	Cheshire Homes India (Special education to Disabled Childern)	5,00,000.00
	xiii.	Dr. Abaji Thatte Seva aur Anusandhan Sansthan (Cancer Care)	67,00,000.00
	xiv.	Konark Cancer Foundation (Navigation Program for outstation Cancer patinets)	15,00,000.00
	xv.	Muktangan Education Trust (Teaching Support)	8,00,000.00

Section C: Other details

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

Section D: BR information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number : 00388980
2. Name : Rahul V. Sagar
3. Designation : Executive Director & CEO

(b) Details of the BR head

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

1. Principle-wise (as per NVGs) BR Policy/policies

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for	Y	N	Y	Y	N	N	N	N	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	Y	Y	NA	NA	NA	NA	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	NA	Y	Y	NA	NA	NA	NA	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	NA	Y	Y	NA	NA	NA	NA	Y
6	Indicate the link for the policy to be viewed online?	i. http://www.nirlonltd.com/pdf/ccbe_nov_18_v1.pdf ii. http://www.nirlonltd.com/pdf/whistle_blower_poli-cy_nov_18_v2.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	Y	NA	NA	NA	NA	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	NA	Y	Y	NA	NA	NA	NA	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	NA	Y	Y	NA	NA	NA	NA	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	NA	N	N	NA	NA	NA	NA	NA

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

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

2. **Governance related to BR**

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

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

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

   ***Ans.**: Yes*

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

   ***Ans.**: Yes*

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

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

Principle 2

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

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

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

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

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

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

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

   ***Ans.**: The nature of business of the Company is to provide office premises on a leave and license basis. The business of the Company does not involve any manufacturing operations. However, during the construction period, sustainable sourcing and the use of eco-friendly products was actively pursued, and was in accordance with Leeds Gold/Platinum requirements.*

   The Company has also designed and constructed Leeds Gold/Platinum certified buildings through the use of appropriate materials and equipment which allow consistent, ongoing savings of carbon emissions, power/electricity & water, and offer natural light. It also uses re-cycled water for flushing of toilets, and has an organic waste management convertor on site to sustainably process all organic waste generated in the Campus.

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

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

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

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

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

Principle 3

1. Please indicate the Total number of employees.

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

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

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

3. Please indicate the Number of permanent women employees.

   ***Ans.**: Nil*

4. Please indicate the Number of permanent employees with disabilities

   ***Ans.**: Nil*

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

   ***Ans.**: No*

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

   ***Ans.**: NA.*

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

***Ans.**: Nil*

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

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

***Ans.**:*

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

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

(c) Casual/Temporary/Contractual Employees: Nil

(d) Employees with Disabilities: NA.

Principle 4

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

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

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

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

***Ans.**: NA*

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

***Ans.**: NA*

Principle 5

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

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

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

***Ans.**: 37 (Thirty Seven) shareholders' complaints were received in the F.Y. 2021-22 with respect to their shares transfer / unclaimed dividend payment etc. The same were attended promptly to the satisfaction of shareholders and 0 (Zero) number of the complaints were pending during the F.Y. 2021-22.*

Principle 6

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

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

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

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

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

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

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

   ***Ans.**: No*

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

   ***Ans.**: Yes. As a part of the Initiatives described above for Principle 2, the Company has a installed rainwater harvesting system in NKP.*

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

   ***Ans.**: NA*

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

   ***Ans.**: NIL*

Principle 7

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

   ***Ans.**: NIL*

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

   ***Ans.**: NA*

Principle 8

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

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

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

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

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

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

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

   ***Ans.**: NA*

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

   ***Ans.**: NA*

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. ***Ans.**: NIL*

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

   ***Ans.**: NA*

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   ***Ans.**: No*

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Nirlon Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Nirlon Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of 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, 2022, 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, 2022. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	**How our audit addressed the key audit matter**
(a) <u>Related party transactions</u> *(Refer note 34 of the Ind AS financial statements)*	
The Company has entered into the following transactions with Nirlon Management Services Private Limited, a related party. • property and lease management services amounting to INR 866.40 lakhs. • project management services amounting to INR 712.50 lakhs. Determination of transaction price for such related party transactions is a key audit matter considering the significance of the transaction and the judgements involved in determining the transaction value.	Our procedures included the following: • Verified the compliance with the various requirements for entering into such related party transactions. • Obtained an understanding of the process and tested internal controls over related party transactions through inspection of evidence of performance of these controls. • Performed the test of details including the following key procedures: • Read the reports obtained by management from external experts. • Read the approvals obtained from audit committee, board of directors and shareholders for the transactions. • Assessed the disclosures in the Ind AS Financial Statements for compliance with relevant accounting standards and other regulations.

Other Information

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

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 communicate the matter to those charged with governance and perform procedures as required by SA 720 "Auditor's Responsibilities Relating to Other Information".

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive 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 the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (**"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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls with reference to 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, 2022 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 31 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the

understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

As stated in note 38 to the Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Abhishek Agarwal

Partner

Membership Number: 112773

UDIN: 22112773AJSBNY8682

Place of Signature: Mumbai

Date: May 27, 2022

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Nirlon Limited (the "Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments and investment properties.

(b) The The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(c) Property, plant and equipments and investment properties have been physically verified by the management during the year and no material discrepancies were identified on such verification.

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

S. No.	Description of property	Gross carrying value (in lakhs)	Held in name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director	Period held	Reason for not being held in name of Company
1.	Land	17.92	Nirlon Synthetic Fibres and Chemicals Limited	No	Since September 1964	The title deeds are in the erstwhile name of the Company
2.	Land	1.08	Nanubhai Industries (Private) Limited	No	Since April 1959	
3.	Building	87.11	Jointly held in the name of Nirlon Synthetic Fibres and Chemicals Limited and Nirlon Foundation Trust	No	Since September 1964	

(e) The Company has not revalued its property, plant and equipment or investment properties during the year ended March 31, 2022.

(f) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(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 Act, related to the leasing services, 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) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance are not applicable to the Company

(b) The dues of services tax that have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	INR in lakhs	Period	Forum where the dispute is pending
The Finance Act, 1994	Service tax	1,078.30*	Financial years 2007 – 2009	High Court

*Including penalty of INR 539.15 lakhs and excluding interest as applicable.

There are no dues of goods and services tax, employees' state insurance, income tax, sales-tax, customs duty, excise duty, value added tax, cess and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) 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 the reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) The Company is not a Nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(b) The Company is not a Nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(c) The Company is not a Nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act, 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no CIC as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 39 to the Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any

material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 28 to the Ind AS financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 28 to the Ind AS financial statements.

(xxi) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 22112773AJSBNY8682

Mumbai
May 27, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF NIRLON LIMTED

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

We have audited the internal financial controls with reference to Ind AS financial statements of Nirlon Limited (**"the Company"**) as of March 31, 2022 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 issued by the Institute of Chartered Accountants of India (**"ICAI"**). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

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

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

Inherent Limitations of Internal Financial Controls with Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as of March 31, 2022, 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 issued by the ICAI.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 22112773AJSBNY8682

Place of Signature: Mumbai
Date: May 27, 2022

Balance Sheet as at March 31, 2022

(₹ in lakh)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipments			
(b) Capital work-in-progress	2	44.64	44.64
(c) Investment properties	4 and 25	1,315.69	114,022.45
(d) Financial assets	3	198,510.06	70,500.53
ii. Other financial assets	5	285.25	335.25
(e) Non current tax assets (net)	6(A)	323.37	300.97
(f) Other non-current assets	7	7,834.24	3,245.19
Total non-current assets		**208,313.25**	**188,449.03**
Current assets			
(a) Financial assets			
i. Trade receivables	8	314.56	188.19
ii. Cash and cash equivalents	9	9,625.01	162.43
iii. Bank balances other than (ii) above	10	393.62	121.55
iv. Other financial assets	5	261.67	231.44
(b) Other current assets	11	959.54	1,461.64
Total current assets		**11,554.40**	**2,165.25**
Total assets		**219,867.65**	**190,614.28**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	9,011.80	9,011.80
(b) Other equity	13	38,785.72	48,431.60
Total equity		**47,797.52**	**57,443.40**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	14	109,388.28	97,839.07
ii. Other financial liabilities	15	14,503.24	10,038.65
(b) Provisions	16	48.25	47.35
(c) Deferred tax liabilities (net)	17	11,889.34	7,514.12
(d) Other non-current liabilities	18	6,480.38	4,746.56
Total non-current liabilities		**142,309.49**	**120,185.75**
Current liabilities			
(a) Financial liabilities			
i. Borrowings	19	8,450.78	-
ii. Trade payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		58.52	64.32
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises		2,498.37	639.16
iii. Other financial liabilities	15	15,834.69	10,814.78
(b) Other current liabilities	21	2,366.20	1,452.24
(c) Provisions	16	14.98	14.63
(d) Current tax liabilities (net)	6(B)	537.10	-
Total current liabilities		**29,760.64**	**12,985.13**
Total liabilities		**172,070.13**	**133,170.88**
Total equity and liabilities		**219,867.65**	**190,614.28**
See accompanying notes forming part of the Financial Statements			

For and on behalf of the Board of
NIRLON LIMITED

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

per ABHISHEK AGARWAL
Partner
Membership No. : 112773

Mumbai, May 27, 2022

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

MANISH B. PARIKH
Chief Financial Officer

ANJALI SETH
Director
DIN : 05234352

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

Statement of Profit and Loss for the Year ended March 31, 2022

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
I. Revenue from operations	22	38,394.49	31,691.27
II. Other income	23	277.72	246.26
III. Total income		**38,672.21**	**31,937.53**
IV. Expenses			
(a) Employee benefits expense	24	480.98	490.13
(b) Finance costs	25	3,459.16	1,403.28
(c) Depreciation and amortisation expense	26	7,548.77	4,870.41
(d) Property management expenses	27	3,205.83	3,083.66
(e) Other expenses	28	4,971.53	4,398.30
Total Expenses		**19,666.27**	**14,245.78**
V. Profit before tax (III- IV)		**19,005.94**	**17,691.75**
VI. Tax expense			
(a) Current tax	29	3,534.75	3,304.33
(b) Deferred tax	17	4,390.39	1,647.14
Total Tax Expenses		**7,925.14**	**4,951.47**
VII. Profit After Tax (V- VI)		**11,080.80**	**12,740.28**
VIII. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit obligation		0.69	(0.14)
(b) Tax on above		(0.20)	0.04
Other comprehensive income for the year (net of tax)		**0.49**	**(0.10)**
IX. Total comprehensive income for the year (VII+VIII)		**11,081.29**	**12,740.18**
Earnings per Equity Share of face value of ₹ 10 each:	30		
(a) Basic earnings per share (in ₹)		12.30	14.14
(b) Diluted earnings per share (in ₹)		12.30	14.14

See accompanying notes forming part of the Financial Statements.

For and on behalf of the Board of
NIRLON LIMITED

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

per ABHISHEK AGARWAL
Partner
Membership No. : 112773

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Company Secretary & Vice President
(Legal)
FCS: 4178

Mumbai, May 27, 2022

Statement of Cash Flows for the Year ended March 31, 2022

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash Flow from operating activities:		
Profit before tax	**19,005.94**	**17,691.75**
Adjustments for:		
Depreciation and amortisation expense	7,548.77	4,870.41
Amortisation of marketing fees	1,512.86	1,440.94
Loss/ (gain) on assets sold/discarded	37.43	-
Finance cost including unwinding of finacial liability (net of capitalisation)	3,459.16	1,403.28
Interest income	(151.83)	(103.89)
Foreign exchange loss/(gain)	-	(58.91)
Sundry balances written off/(back)	-	(0.03)
	31,412.33	**25,243.55**
(Increase)/Decrease in assets:		
Trade receivables	(126.38)	204.14
Other current financial asset	22.92	(42.26)
Other current asset	502.10	154.23
Other non current asset	(5,434.96)	1,032.22
Increase/(Decrease) in liabilities:		
Trade payables	1,853.40	(160.94)
Other current financial liabilities	1,713.79	3,028.69
Other non current financial liabilities	4,464.59	(4,587.77)
Other current liabilities	913.96	(287.23)
Other non current liabilities	1,733.82	(470.73)
Provisions	1.74	2.84
Net Cash Flow from / (used) in operations	**37,057.31**	**24,116.74**
Income taxes paid	(3,035.22)	(3,174.32)

Statement of Cash Flows for the Year ended March 31, 2022

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Cash Flow from / (used) in operating activities	**34,022.09**	**20,942.42**
Cash Flows from investing activities		
Purchase of Property, Plant and Equipments and Investment properties including capital work in progress	(16,100.63)	(12,080.55)
Proceeds from sale of Property, Plant and Equipments and Investment properties	9.70	-
Interest received	148.69	100.75
Other bank balances	4.49	
Net Cash Flow from / (used) in investing activities	**(15,937.75)**	**(11,979.80)**
Cash Flows from financing activities		
Repayment of current borrowings	-	(2,500.86)
Proceeds from non current borrowings	20,000.00	1,500.00
Interest and other borrowings cost including interest capitalized	(7,894.59)	(8,283.22)
Dividend paid	(20,727.17)	(675.89)
Net Cash Flow from / (used) in financing activities	**(8,621.76)**	**(9,959.97)**
Net increase (decrease) in Cash and Cash Equivalents	**9,462.58**	**(997.35)**
Cash and Cash Equivalents as at April 1 (Opening Balance)	162.43	1,159.78
Cash and Cash Equivalents as at March 31 (Closing Balance)	**9,625.01**	**162.43**

Reconciliation of cash and cash equivalents with cash flow statement:

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks in current accounts	5,003.01	162.43
Bank Deposits (Deposits with original maturity of less than 3 months)	4,622.00	-
Total cash and cash equivalents	**9,625.01**	**162.43**

For and on behalf of the Board of
NIRLON LIMITED

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

per ABHISHEK AGARWAL
Partner
Membership No. : 112773
Mumbai, May 27, 2022

RAHUL V. SAGAR
Executive Director and
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DIN : 05234352

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

Statement of changes in Equity as at March 31, 2022

A. Equity Share Capital

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the reporting year	9,011.80	9,011.80
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	**9,011.80**	**9,011.80**

B. Other Equity

(₹ in lakh)

Particulars	Securities premium	Retained earnings	Total
Balance as at April 1, 2020	**12,540.16**	**23,827.15**	**36,367.31**
Profit for the year	-	12,740.28	12,740.28
Other comprehensive income for the year, net of tax	-	(0.10)	(0.10)
Dividend paid (including dividend distribution tax)	-	(675.89)	(675.89)
Balance as at March 31, 2021	**12,540.16**	**35,891.44**	**48,431.60**
Balance as at April 1, 2021	**12,540.16**	**35,891.44**	**48,431.60**
Profit for the year	-	11,080.80	11,080.80
Other comprehensive income for the year, net of tax	-	0.49	0.49
Dividend paid	-	(20,727.17)	(20,727.17)
Balance as at March 31, 2022	**12,540.16**	**26,245.56**	**38,785.72**

See accompanying notes forming part of the Financial Statements

For and on behalf of the Board of
NIRLON LIMITED

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

per ABHISHEK AGARWAL
Partner
Membership No. : 112773

Mumbai, May 27, 2022

RAHUL V. SAGAR
Executive Director and
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Company Secretary &
Vice President (Legal)
FCS: 4178

Notes to Financial Statements as at and for the Year ended March 31, 2022

Background of the Company

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

Note 1: Significant Accounting Policies followed by the Company

(a) **Basis of preparation**

(i) **Compliance with Ind AS**

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). During the year the Company has adopted amendments to the said Schedule III. The application of these amendments does not impact recognition and measurement in financial statements. However, it has resulted in additional disclosure which are given under various notes.

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

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

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

(ii) **Current versus Non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

(b) **Property, plant & equipment**

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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, Building, Plant & Equipment, Office Equipment and Furniture & Fixture, which is depreciated using the written down value method over the estimated useful lives of the assets, based on technical evaluation done by management's expert, which 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 (in Years)
Building	10-60
Plant & Equipment	3-60
Office Equipment	5-30
Furniture & Fixture	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.

Amortisation

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

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

Asset class	Useful Life
Software & Licenses	3 years

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

(e) **Impairment of Non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

(f) **Financial Instruments**

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

(I) **Financial Assets**

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

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

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

Notes to Financial Statements as at and for the Year ended March 31, 2022

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

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to e recognise 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.

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

(i) **Employee Benefits**

(i) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) **Other long-term employee benefit obligations**

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

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

(iii) **Post-employment obligations**

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity and

(b) Defined contribution plans such as provident fund, Employee State Insurance Corporation (ESIC).

(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.

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

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

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

(m) **Foreign currency translation**

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. functional currency). The financial statements are presented in Indian rupee (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 lessor

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an

asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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.

(q) **Revenue recognition**

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.

Rental Income

License fee/Lease income and income incidental to it, arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms, unless there is another systematic basis which is more representative of the time pattern of the lease.

Other operating revenue comprises of car parking charges which are recognised as income as per the terms and conditions of the agreement with lessees.

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 35)
- Estimation of Useful life of Property, plant and equipment and Investment property (Note 2 and 3)
- Estimation of taxes (Note 6, 17 and 29)
- Estimation of provision and contingent liabilities (Note 16 and 31)
- Estimation of fair value measurement of financial assets and liabilities (Note 36)

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) **Changes in Ind AS and related pronouncements effective at a future date**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022 as below:

Notes to Financial Statements as at and for the Year ended March 31, 2022

Ind AS 16 - Property, Plant and Equipment (PPE)

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing while preparing the asset for its intended use (if any), shall not be recognise in the profit or loss but deducted from the directly attributable cost considered as part of cost of an item PPE. The Company has evaluated the amendment and there is no impact in recognition of its property, plant and equipment on its financial statements.

Ind AS 116 – Leases

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor to avoid any ambiguity regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability or to consider as modification of existing financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 - Business Combination

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework), issued by the ICAI at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to Financial Statements as at and for the Year ended March 31, 2022

2. Property, Plant and Equipments

(₹ in lakh)

Particulars	Furniture & Fixtures	Office Equipments	Total
Gross Block			
As at April 1, 2020	68.00	9.28	77.28
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2021	**68.00**	**9.28**	**77.28**
Accumulated depreciation			
As at April 1, 2020	25.91	4.03	29.94
Depreciation charge for the year	2.58	0.12	2.70
As at March 31, 2021	**28.49**	**4.15**	**32.64**
Net carrying amount as at March 31, 2021	**39.51**	**5.13**	**44.64**
Gross Block			
As at April 1, 2021	68.00	9.28	77.28
Additions	4.00	-	4.00
Disposals	-	-	-
As at March 31, 2022	**72.00**	**9.28**	**81.28**
Accumulated depreciation			
As at April 1, 2020	28.49	4.15	32.64
Depreciation charge for the year	3.92	0.08	4.00
As at March 31, 2021	**32.41**	**4.23**	**36.64**
Net carrying amount as at March 31, 2022	**39.59**	**5.05**	**44.64**

Notes to Financial Statements as at and for the Year ended March 31, 2022

3. Investment Properties

(₹ in lakh)

Particulars	Land	Buildings [Refer Note (i)]	Plant and Equipment	Furniture and Fixtures	Office Equipment	Total
Gross block						
As at April 1, 2020	**19.00**	**95,824.70**	**25,921.99**	**13,348.81**	**268.60**	**135,383.10**
Additions	-	804.65	1,172.52	32.66	-	2,009.83
Disposals	-	(1,132.96)	-	-	-	(1,132.96)
Capitalisation of marketing fees	-	729.60	-	-	-	729.60
As at March 31, 2021	**19.00**	**96,225.99**	**27,094.51**	**13,381.47**	**268.60**	**136,989.57**
Accumulated depreciation						
As at April 1, 2020	**-**	**32,352.69**	**17,401.06**	**11,414.11**	**145.49**	**61,313.35**
Depreciation charge for the year	-	3,258.21	1,270.23	319.93	19.34	4,867.71
Disposals		(1,132.96)	-	-	-	(1,132.96)
Amortisation of marketing fees (Refer Note 28)		1,440.94	-	-	-	1,440.94
As at March 31, 2021	**-**	**35,918.88**	**18,671.29**	**11,734.04**	**164.83**	**66,489.04**
Net carrying amount as at March 31, 2021	**19.00**	**60,307.11**	**8,423.22**	**1,647.43**	**103.77**	**70,500.53**
Gross Block						
As at April 1, 2021	**19.00**	**96,225.99**	**27,094.51**	**13,381.47**	**268.60**	**136,989.57**
Additions	-	104,407.18	21,919.50	5,165.80	4.00	131,496.48
Disposals	-	-	(191.76)	(98.13)		(289.89)
Capitalisation of marketing fees	-	5,615.85	-	-	-	5,615.85
As at March 31, 2022	**19.00**	**206,249.02**	**48,822.25**	**18,449.14**	**272.60**	**273,812.01**
Accumulated Depreciation						
As at April 1, 2021	-	**35,918.88**	**18,671.29**	**11,734.04**	**164.83**	**66,489.04**
Depreciation charge for the year	-	4,848.19	2,234.26	446.92	15.40	7,544.77
Disposals			(152.66)	(92.06)		(244.72)
Amortisation of marketing fees (Refer Note 28)		1,512.86				1,512.86
As at March 31, 2022	**-**	**42,279.93**	**20,752.89**	**12,088.90**	**180.23**	**75,301.95**
Net carrying amount as at March 31, 2022	**19.00**	**163,969.09**	**28,069.36**	**6,360.24**	**92.37**	**198,510.06**

Note:

(i) Buildings include building purchased at Worli, Mumbai having a written down value of ₹ Nil lakh as at March 31, 2022 (March 31, 2021 : ₹ Nil), being the 75% share of the Company in the property which is jointly owned with Nirlon Foundation Trust.

Notes to Financial Statements as at and for the Year ended March 31, 2022

(ii) Amount recognised in the Statement of Profit and Loss for investment properties

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations (Refer Note 22)	37,965.12	31,265.30
Direct operating expenses (including repairs and maintenance) related to investment property that generated rental income	(7,148.38)	(6,485.85)
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income (Refer Note 28)	-	-
Net amount recognised in the Statement of Profit and loss before depreciation	**30,816.74**	**24,779.45**
Depreciation expense	(7,544.77)	(4,867.71)
Net amount recognised in the Statement of Profit and loss after depreciation	**23,271.97**	**19,911.74**

(iii) Leasing Arrangements

The Company's investment properties consist of commercial properties in Mumbai (Worli and Goregaon). These investment properties are leased to tenants under operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties (including capital work in progress) are as follows:

(₹ in lakh)

Particulars	March 31, 2022	March 31, 2021
Within one year	25,944.85	17,243.95
One to two years	25,648.25	25,852.53
Two to three years	25,141.56	24,429.11
Three to four years	23,705.30	25,727.52
Four to five years	16,679.67	23,200.45
More than 5 years	-	5,800.11

(iv) Contractual Obligations

Refer to Note 32 for disclosure of contractual commitments for the purchase, construction or development of investment property or its enhancements.

(v) Investment properties pledged as security

Refer to Note 14 and Note 19 (Non current borrowings and short term borrowings) for information on investment properties and property, plant and equipments pledged as security by the Company.

(vi) Fair value

As at March 31, 2022 and March 31, 2021, the fair values of the investment properties excluding (capital work in progress) are ₹ 435,764.99 lakh and ₹ 311,438.03 lakh respectively. These valuations are based on valuations performed by an independent valuer who is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The main inputs used are the location, demand, marketability and age of building based on comparable transactions adjusted for functional differences. Fair valuation is based on market method (for land) and replacement cost (for assets other than land). The fair value measurement is categorised within level 3 fair value hierarchy.

Notes to Financial Statements as at and for the Year ended March 31, 2022

(vii) Title Deeds

Description of property	Gross carrying value (in lakh)	Held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Period held	Reason for not being held in name of Company
Land	17.92	Nirlon Synthetic Fibres and Chemicals Limited	No	Since September 1964	The title deeds are in the erstwhile name of the Company
Land	1.08	Nanubhai Industries (Private) Limited	No	Since April 1959	
Building	87.11	Jointly held in the name of Nirlon Synthetic Fibres and Chemicals Limited and Nirlon Foundation Trust	No	Since September 1964	

4. Capital work in progress

(₹ in lakh)

Particulars	Amount in Capital work in progess(CWIP) for a period of			
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years
CWIP ageing schedule as at March 31, 2022				
Projects in progress	1,049.29	209.02	57.37	-
CWIP ageing schedule as at March 31, 2021				
Projects in progress	24,284.76	33,760.41	40,306.52	15,670.76

There are no such cases of CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022 and March 31, 2021.

5. Other financial assets

(₹ in lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
Security deposits	-	220.25	-	220.25
Recoverable from related party and other receivables (Refer Note 34)	207.12	-	231.44	-
Balance with banks (margin money kept as deposits) #	54.54	65.00	-	115.00
Total	**261.66**	**285.25**	**231.44**	**335.25**

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, 2022

6(A). Non current tax assets (net)

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income Tax (net of provision of ₹ 8,464.20 lakh (March 31, 2021: ₹ 10,578.73 lakh))	323.37	300.97
Total	**323.37**	**300.97**

6(B). Current tax liabilities (net)

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax provision (net of advance tax of ₹:5,122.99 lakh (March 31, 2021: ₹ Nil)	537.10	-
Total	**537.10**	**-**

7. Other non-current assets

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	3.29	11.19
Lease equalisation	7,596.81	2,153.95
Capital advances (Unsecured, considered good)	234.14	1,080.05
Total	**7,834.24**	**3,245.19**

8. Trade receivables

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
- Secured, considered good	276.25	153.99
- Unsecured considered good	38.31	34.20
Total	**314.56**	**188.19**

Trade Receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment #			
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years
(i) Undisputed Trade Receivables				
Considered good	282.81	11.77	9.17	10.82
(ii) Disputed Trade Receivables	-	-	-	-
Total	**282.81**	**11.77**	**9.17**	**10.82**

Trade Receivables ageing schedule as at March 31, 2021

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment #			
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years
(i) Undisputed Trade Receivables				
Considered good	176.49	-	11.70	-
(ii) Disputed Trade Receivables	-	-	-	-
Total	**176.49**	**-**	**11.70**	**-**

where due date of payment is not available date of transaction has been considered

9. Cash and cash equivalents **(₹ in lakh)**

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks on current accounts	5,003.01	162.43
Bank Deposits (Deposits with original maturity of less than 3 months)	4,622.00	-
Total	**9,625.01**	**162.43**

Reconciliation of Liabilities from Financing Activities

(₹ in lakh)

Particulars	Non current borrowings	Short term borrowings	Total
Balance as at April 1, 2020	**96,339.07**	**2,559.77**	**98,898.84**
Proceeds during the year	1,500.00	-	1,500.00
Repaid during the year	-	(2,500.86)	(2,500.86)
Foreign exchange gain	-	(58.91)	(58.91)
Balance as at March 31, 2021	**97,839.07**	**(0.00)**	**97,839.07**
Proceeds during the year	20,000.00	-	20,000.00
Repaid during the year	-	-	-
Balance as at March 31, 2022	**117,839.07**	**-**	**117,839.07**

10. Other bank balances **(₹ in lakh)**

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks for:		
- Unpaid dividend	393.62	117.06
- Margin money kept as deposits#	-	4.49
Total	**393.62**	**121.55**

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, 2022

11. Other current assets (₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	110.42	104.38
Lease equalisation	801.16	1,297.24
Balances with government authorities (unsecured, considered good)	47.96	60.02
Total	**959.54**	**1,461.64**

12. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	No. of shares	No. of shares	(₹ in lakh)	(₹ in lakh)
(a) Authorised share capital:				
Equity shares of the par value of ₹ 10 each	150,000,000	150,000,000	15,000.00	15,000.00
(b) Issued share capital				
Outstanding at the beginning and end of the year [including 14,022 shares (March 31, 2021 - 14,022 shares) not allotted but held in abeyance]	90,132,062	90,132,062	9,013.21	9,013.21
(c) Subscribed and fully paid up				
Outstanding at the beginning and end of the year [excluding 14,022 shares (March 31, 2021 - 14,022 shares) not allotted but held in abeyance]	90,118,040	90,118,040	9,011.80	9,011.80
Total subscribed and paid up	**90,118,040**	**90,118,040**	**9,011.80**	**9,011.80**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Reco Berry Private Limited	5,76,06,274	63.92%	5,76,06,274	63.92%

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Reco Berry Private Limited	5,76,06,274	63.92%	5,76,06,274	63.92%
Albula Investment Fund Limited	55,29,646	6.14%	55,29,646	6.14%

Note (iii): Terms and rights attached to Equity Shares

Equity shares have a par value of ₹ 10/-. They entitle the holder to participate in dividends and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of Equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Notes to Financial Statements as at and for the Year ended March 31, 2022

Note (iv): Disclosure of shareholding of promoters

Promoter and promoter group	No of Equity Shares			% of total Shares	% change during the year
	As at April 1, 2021	Change during the year	As at March 31, 2022		
Reco Berry Private Limited	57,606,274	-	57,606,274	63.92	-
Kunal V Sagar	1,329,750	-	1,329,750	1.48	-
Rahul V Sagar	1,329,750	-	1,329,750	1.48	-
Rajani M Bhagat	673,349	-	673,349	0.75	-
Alfano Pte Ltd	923,201	-	923,201	1.02	-
Deltron Pte Ltd	923,201	-	923,201	1.02	-
Sheetal M Bhagat	435	-	435	0	-
Shital Trading & Interiors Co. Pvt. Ltd.	333,000	(95,000)	238,000	0.26	(0.11)
Poonam Manhar Bhagat	409,651	-	409,651	0.45	-

Promoter and promoter group	No of Equity Shares			% of total Shares	% change during the year
	As at April 1, 2020	Change during the year	As at March 31, 2021		
Reco Berry Private Limited	57,606,274	-	57,606,274	63.92	-
Kunal V Sagar	1,329,750	-	1,329,750	1.48	-
Rahul V Sagar	1,329,750	-	1,329,750	1.48	-
Rajani M Bhagat	673,349	-	673,349	0.75	-
Alfano Pte Ltd	923,201	-	923,201	1.02	-
Deltron Pte Ltd	923,201	-	923,201	1.02	-
Sheetal M Bhagat	435	-	435	-	-
Shital Trading & Interiors Co. Pvt. Ltd.	426,893	(93,893)	333,000	0.37	(0.10)
Poonam Manhar Bhagat	909,651	(5,00,000)	409,651	0.45	(0.56)

13. Other equity

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium	12,540.16	12,540.16
Retained earnings	26,245.57	35,891.44
Total	**38,785.73**	**48,431.60**

Note 13 (i): Movement in other equity

Securities Premium:

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

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	12,540.16	12,540.16
Movement during the year	-	-
Closing balance	**12,540.16**	**12,540.16**

Retained Earnings :

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

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	35,891.44	23,827.15
Add: Net profit for the year	11,080.80	12,740.28
Items of other comprehensive income recognised in retained earnings		
Remeasurement of defined benefit obligations (net of tax)	0.49	(0.10)
Dividend paid	(20,727.17)	(675.89)
Closing balance	**26,245.56**	**35,891.44**

14. Non current borrowings

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured-Term loans		
Loans from financial institution (refer note below)	117,839.07	97,839.07
Less: Current maturities of non current borrowings (Included in Note 19)	(8,450.78)	-
Total	**109,388.29**	**97,839.07**

Note (a): Loans from financial institution

1. Interest is paid on a monthly basis. HDFC Limited has granted moratorium for repayment of principal amount of ₹ 70,839.07 lakh with effect from June 2017 till June 2022. Post June 2022, principal will be repaid in 84 equated monthly instalments.

   a. Borrowing from HDFC Limited of principal amount of ₹ 47,000.00 lakh is repayable from May 2023 in 84 equated monthly installments.

2. 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.

3. Subsequent to the year end, the Company has entered into a term loan agreement with the Hongkong and Shanghai Banking Corporation Limited for an aggregate sum of up to ₹123,000.00 lakh. The proceeds from the said loan has been used to repay the existing loan availed by the Company from HDFC Limited along with other related charges.

4. **Rate of floating interest rate at each reporting date :**

March 31, 2022	6.70%
March 31, 2021	8.00%

Notes to Financial Statements as at and for the Year ended March 31, 2022

15. Other Financial Liabilities

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposit from licensees	14,153.96	9,618.88
Other payables	349.28	419.77
Total	**14,503.24**	**10,038.65**
Current		
Interest accrued but not due on borrowings	346.52	343.62
Unpaid dividend	393.63	117.06
Security deposit from licensees	10,892.03	7,701.20
Contract liabilities (Refer Note below)	124.40	254.04
Payable to employees	179.44	179.55
Creditors for capital goods	3,802.51	2,110.51
Other payables	96.15	108.80
Total	**15,834.68**	**10,814.78**

Note : Significant Movement in Contract Liabilities (₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	254.04	24.17
Add : Advance received during the year	3,528.68	3,620.02
Less : Revenue recognized during the year from opening balance	(254.04)	(24.17)
Less : Revenue recognized from advance received during the year	(3,404.28)	(3,365.98)
Closing balance	**124.40**	**254.04**

16. Provisions

(₹ in lakh)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Provision for employee benefits (Refer Note 35)						
Provision for compensated absences	13.69	7.26	20.95	13.37	8.19	21.56
Provision for Gratuity	1.29	40.99	42.28	1.26	39.16	40.42
Total	**14.98**	**48.25**	**63.23**	**14.63**	**47.35**	**61.98**

Notes to Financial Statements as at and for the Year ended March 31, 2022

17. Deferred tax liabilities (net)

The balance comprises temporary difference attributable to: **(₹ in lakh)**

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities on account of:		
Timing difference between book and tax depreciation	11,891.72	6,724.99
Lease equalisation	2,903.82	870.95
Financial liabilities at amortized cost (including deferred license fees)	-	7.11
Total	**14,795.54**	**7,603.05**
Deferred tax assets on account of:		
Financial liabilities at amortized cost (including deferred license fees)	(68.53)	-
Expenditure allowed on payment basis	(37.48)	(15.50)
Total	**(106.01)**	**(15.50)**
Deferred tax liabilities	**14,689.53**	**7,587.55**
Less: Minimum Alternate Tax (MAT) credit entitlement	2,800.19	73.43
Net deferred tax liabilities (Refer Note below)	**11,889.34**	**7,514.12**

Note: Movements In Deferred Tax (Assets) / Liabilities **(₹ in lakh)**

Particulars	Timing difference between book and tax depreciation	Lease equalisation	Financial liabilities at amortized cost (including deferred license fees)	MAT Credit	Expenditure allowed on payment basis	Total
As at April 1, 2020	**5,193.75**	**1,021.30**	**94.56**	**(427.72)**	**(14.87)**	**5,867.02**
Charged / (Credited)						
- to profit or loss	1,531.24	(150.35)	(87.45)	354.29	(0.59)	1,647.14
- to other comprehensive income	-	-	-	-	(0.04)	(0.04)
As at March 31, 2021	**6,724.99**	**870.95**	**7.11**	**(73.43)**	**(15.50)**	**7,514.12**
Charged / (Credited)						
- to profit or loss	5,166.73	2,032.87	(75.64)	(2,726.76)	(6.81)	4,390.39
- to other comprehensive income	-	-	-	-	(15.17)	(15.17)
As at March 31, 2022	**11,891.72**	**2,903.82**	**(68.53)**	**(2,800.19)**	**(37.48)**	**11,889.34**

18. Other non-current liabilities **(₹ in lakh)**

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred license fees pending amortization	6,480.38	4,746.56
Total	**6,480.38**	**4,746.56**

Notes to Financial Statements as at and for the Year ended March 31, 2022

19. Short Term Borrowings

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of non current borrowings	8,450.78	-
Total	**8,450.78**	**-**

20. Trade Payables

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
(a) Total outstanding dues of micro enterprises and small enterprises	58.52	64.32
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises	2,498.37	639.16
Total	**2,556.89**	**703.48**

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

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	126.09	64.32
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(vii) Interest remaining due and payable for earlier years	-	-

21. Other Current Liabilities

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	652.54	426.68
Advance received from licensees	3.93	8.58
Deferred license fees pending amortization	1,709.74	1,016.98
Total	**2,366.21**	**1,452.24**

Notes to Financial Statements as at and for the Year ended March 31, 2022

22. Revenue From Operations

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Leasing income		
Licence fees	34,155.61	27,525.30
Other operating revenue	405.23	349.85
Total leasing income	34,560.84	27,875.15
Revenue from contracts with customers		
Common area maintenance	3,404.28	3,390.15
Recovery of administrative costs	429.37	425.97
Total revenue from contracts with customers (Refer Notes below)	3,833.65	3,816.12
Total	**38,394.49**	**31,691.27**

Notes:

1. The Company recognizes revenue over time based on satisfaction of its performance obligation pertaining to common area maintenance of properties given on lease and recovery of administrative costs. Customers are billed on a monthly basis.
2. Revenue pertaining to maintenance of common area of properties given on lease and recovery of administrative costs has been separately disclosed above. There are no other sources of revenue from contracts with customers and accordingly, no further disaggregation of revenue is disclosed.
3. The aggregate value of performance obligations that are partially unsatisfied as at March 31, 2022 is ₹ Nil lakh (March 31, 2021: ₹ 52.52 lakh). The Company expects to recognise it as revenue within next one year.

23. Other Income

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income from bank deposits measured at amortised cost	147.17	93.27
Interest income from others measured at amortised cost	4.66	10.62
Sale of scrap	125.50	83.43
Foreign exchange gain (net)	0.16	58.91
Miscellaneous income	0.23	0.03
Total	**277.72**	**246.26**

24. Employee benefit expenses

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and bonus	415.92	419.78
Contributions to provident and other funds (Refer Note 35)	54.09	63.59
Gratuity (Refer Note 35)	1.86	2.55
Staff welfare expenses	9.11	4.21
Total	**480.98**	**490.13**

Notes to Financial Statements as at and for the Year ended March 31, 2022

25. Finance Costs

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on borrowings measured at amortised cost	7,555.42	8,225.38
Unwinding of discount on financial liabilities	1,334.64	1,403.28
Less: Interest expense on borrowings capitalised (Refer Note below)	(5,430.90)	(8,225.38)
Total	**3,459.16**	**1,403.28**

Note:
The Company has capitalized an amount of ₹ 2,260.01 lakh (March 31, 2021: ₹ 3,279.66 lakh) and ₹ 3,170.89 lakh (March 31, 2021: ₹ 4,945.72 lakh) related to the specific borrowing and general borrowing respectively. The rate used to determine the amount of borrowing costs eligible for capitalization is 7.63% (March 31, 2021: 8.51%).

26. Depreciation and Amortisation Expense

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of Property, Plant and Equipments and Investment properties (Refer Note 2 and Note 3)	7,548.77	4,870.41
Total	**7,548.77**	**4,870.41**

27. Property Management Expenses

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Repairs and maintenance	884.87	870.32
Professional fees	602.61	565.81
Security expenses	410.89	419.90
House keeping expenses	264.03	295.66
Consumption of stores and spares	96.45	34.88
Miscellaneous expenses	946.99	897.09
Total	**3,205.84**	**3,083.66**

28. Other Expenses

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power, fuel and water charges (net of recoveries, March 31, 2022 - ₹ 971.96 lakh; March 31, 2021 - ₹ 846.85 lakh)	38.45	3.11
Insurance	137.77	131.88
Rates and taxes	1,018.21	864.46
Directors' sitting fees	70.00	93.00
Legal and professional	264.85	236.79
Repairs and maintenance - Building	407.31	150.48
Travelling	11.49	5.65
Amortisation of marketing fees (Refer Note 3)	1,512.86	1,440.94
Security expenses	47.37	64.91
Property management and lease management	866.40	831.32
Corporate social responsibility expenditure (Note a)	286.17	220.69
Loss on assets discarded (Net)	37.43	-
Payments to auditors (Note b)	46.00	45.67
Miscellaneous expenses	227.22	309.40
Total	**4,971.53**	**4,398.30**

Note (a): Details of Corporate Social Responsibility Expenditure

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1. Amount required to be spent as per Section 135 of the Act	281.48	220.37
2. Amount spent during the year in cash on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	286.17	220.69
Total	**286.17**	**220.69**
3. Details related to amount spent :		
i) Promoting health care, social welfare and women empowerment	217.60	175.69
ii) Promoting education	54.57	34.00
iii) Others	14.00	11.00
Total	**286.17**	**220.69**

4. Unspent amounts

Note (b): Details of payment to auditors (excluding Goods and Service Tax)

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
For Statutory audit	22.00	22.00
For Limited review	18.00	17.50
For taxation matters	6.00	6.00
For reimbursement of expenses	-	0.17
Total	**46.00**	**45.67**

29. Income Tax Expense

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	3,534.75	3,304.33
Current tax adjustments pertaining to earlier years	-	-
Total current tax expense	**3,534.75**	**3,304.33**
Deferred tax (Refer Note 17)	2,744.47	1,647.14
Deferred tax adjustments pertaining to earlier years (Refer Note below)	1,645.92	-
Total deferred tax expense	**4,390.39**	**1,647.14**
Income tax expense	**7,925.14**	**4,951.47**

Note:

In accordance with the Income Tax Act, 1961, domestic companies have the option to pay income tax at 22% plus applicable surcharge and cess ('new tax regime') subject to certain conditions. During the year ended March 31, 2020, the Company had estimated transition to the new tax regime in financial year 2021-22 based on the potential impact evaluation done then. Accordingly, the Company has been recognizing its tax provision as per the new tax regime. However, the Company now expects to continue in the old tax regime. Accordingly, the Company has recognized tax expense on account of remeasurement of tax balances pertaining to earlier years.

(a) Reconciliation of effective tax rate:

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	19,005.94	17,691.75
Income tax expense @ 29.12% being the statutory enacted rate	**5,534.53**	**5,151.84**
Tax effect of:		
Non deductible expenses	49.86	48.24
Measurement of deferred tax at a rate different that the statutory enacted rate (Refer Note below)	694.84	(240.36)
Tax in respect of earlier years	1,645.92	-
Others	-	(8.25)
Income tax expense	**7,925.15**	**4,951.47**
Effective tax rate for the year	**41.70%**	**27.99%**

Notes to Financial Statements as at and for the Year ended March 31, 2022

Note:

The rate used for calculation of deferred tax is 34.94% and 25.17% for the year ended March 31, 2022 and year ended March 31, 2021 respectively.

30. Earnings Per Share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to the equity shareholders of the Company (A) (₹ in lakh)	11,080.80	12,740.28
Weighted average number of shares (B)	90,118,040	90,118,040
Basic and diluted earnings per share of ₹ 10 each (A/B)	**12.30**	**14.14**

31. Contingent Liabilities

Contingent liabilities not provided for:

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Eligibility of input tax credit of service tax (Refer Note below)	539.15	539.15

Note:

The Central Excise and Service Tax Appellate Tribunal (CESTAT) has decided the matter in favour of the Company. However, the service tax authorities has preferred appeals in High Court which is pending for disposal.

Future cash flow in respect of the above, if any, is determinable only on receipt of judgements / decisions pending with the relevant authorities.

Code on Social Security, 2020

The Code on Social Security 2020 ('Code') has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

32. Commitments

Capital Commitments

Capital expenditure (net of advances) contracted for at the end of the reporting period but not recognised as liabilities is as follows -

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment properties	2,780.04	12,134.36

33. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. Executive Director and Chief Executive Officer of the Company has been identified as CODM who is responsible for allocating resources and assessing performance of the operating segments.

The Company has determined ""licensing of investment properties"" as a reportable segment as evaluated by the CODM for allocation of resources and assessing the performance. There are no other reportable segment as per Ind AS 108 - Operating Segments. All the assets of the Company and source of revenue of the Company is within India and hence, no separate geographical segment is identified. Revenue from four customers (March 31, 2021: three customers) amounting to ₹ 24,617.55 lakh (March 31, 2021: ₹ 18,734.38 lakh) accounts for more than 10% of the total revenue with whom the Company has entered into leasing arrangements.

Notes to Financial Statements as at and for the Year ended March 31, 2022

34. Related Party Disclosures

Related Party Disclosures, as required by Ind AS 24 Related party disclosures, are given below :

A. Names of related parties and nature of relationship:

I. Ultimate Holding Company:	GIC (Realty) Private Limited, Singapore
II. Holding Company:	Reco Berry Private Limited, Singapore
III. Other Related Parties with whom transactions have taken place in the current year or in the previous year : Entities in which Key Managerial Personnel (KMP) along with its relatives having control:	Nirlon Management Services Private Limited, India Manisha Trading and Investments Private Limited, India Alfano Pte. Limited , Singapore Deltron Pte. Limited, Singapore
IV. Key Managerial Personnel :	
(i) Executive Director and Chief Executive Officer	Rahul V. Sagar
(ii) Non-Executive and Non Independent Directors	Kunal V. Sagar
	Kunnasagaran Chinniah (Director nominated by Reco Berry Private Limited)
(iii) Non -Executive and Independent Directors	Padma Bhushan Moosa Raza (Upto 30th September, 2020)
	Arjan R. Gurbuxani (Upto 30th September, 2020)
	Anjali Seth
	Rajinder Pal Singh
	Shridhar Srinivasan (w.e.f. September 29, 2020)

B. Details of Related Party Transactions:

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
I. Holding Company		
Dividend paid	13,249.44	432.05
II. Entities in which KMP's along with its relatives having significant influence:		
(a) Nirlon Management Services Private Limited		
Income		
Licence fees income	104.75	105.41
Other Operating Revenue	429.37	425.97
Recovery of utility	7.09	4.75
Expenses		
Property Management and lease management fees	866.40	831.32
Marketing fees	855.75	156.01
Project Management fees capitalized	712.50	1,350.00
Professional fees	43.59	-
(b) Manisha Trading and Investments Private Limited		
Common Area Maintenance	1.83	1.89
Reimbursement of capital expenditure	6.79	5.36

Notes to Financial Statements as at and for the Year ended March 31, 2022

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(c) Alfano Pte. Limited		
Dividend paid	212.34	6.92
(d) Deltron Pte. Limited		
Dividend paid	212.34	6.92
III. Key Managerial Personnel of the Company		
Executive Director- Rahul V. Sagar		
Remuneration	224.00	226.00
Contribution to Provident and Other Funds*	7.68	7.68
Dividend Paid	305.84	9.97
Reimbursement of expenses	-	-
*As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.		
Non-Executive Directors		
Sitting Fees		
Padma Bhushan Moosa Raza (Upto 30th September, 2020)	0.00	12.00
Kunal V. Sagar	10.00	9.00
Kunnasagaran Chinniah	6.00	6.00
Arjan R. Gurbuxani (Upto 30th September, 2020)	0.00	11.00
Anjali Seth	18.00	21.00
Shridhar Srinivasan (w.e.f. September 29, 2020)	18.00	13.00
Rajindra Pal Singh	18.00	21.00
Dividend paid		
Kunal V Sagar	305.84	9.97
Reimbursement of Expenses		
Padma Bhushan Moosa Raza (Upto 30th September, 2020)	-	4.24
Kunal V. Sagar	-	1.42

C. Outstanding Balances: **(₹ in lakh)**

Particulars	As at March 31, 2021	As at March 31, 2020
i) Nirlon Management Services Private Limited		
Other receivable	158.15	158.15
Security deposit (Payable)	22.70	22.70
Trade receivables	0.46	0.46
ii) Manisha Trading and Investments Private Limited		
Other receivables	-	0.83
Other payables	-	1.41
iii) Remuneration payable to KMP		
Rahul Sagar	128.00	128.00

Notes to Financial Statements as at and for the Year ended March 31, 2022

D. Terms and conditions of transactions with related parties:

The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Transactions relating to dividends were on the same terms and conditions as applied to other shareholders.

35. Employee Benefits

I) Defined contribution plans

The expense recognised during the year towards defined contribution plan -

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employer's Contribution to Provident Fund	24.48	24.08
Total	**24.48**	**24.08**

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.

(₹ in lakh)

Particulars	Present value of obligation
As at April 1, 2020	**37.73**
Interest expense/(income)	2.55
Total amount recognised in Statement of Profit and Loss	**2.55**
Remeasurements	
Gain from change in financial assumptions	0.53
Experience gain	(0.39)
Total amount recognised in other comprehensive income	**0.14**
Benefit payments	-
As at March 31, 2021	**40.42**

(₹ in lakh)

Particulars	Present value of obligation
As at April 1, 2021	**40.42**
Interest expense/(income)	2.55
Total amount recognised in Statement of Profit and Loss	**2.55**
Remeasurements	
Gain from change in financial assumptions	(0.34)
Experience gain	(0.34)
Total amount recognised in other comprehensive income	**(0.68)**
Benefit payments	-
As at March 31, 2022	**42.29**

The net liability disclosed above relates to gratuity are as follows:

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets	-	-
Present value of obligations	42.29	40.42
(Deficit) of gratuity plan	**(42.29)**	**(40.42)**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Mortality	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Employee Attrition Rate (Past Service (PS))	PS: 0 to 5 years- 5% PS: 5 to 42 years- 1.5%	PS: 0 to 5 years - 5% PS: 5 to 42 years- 1.5%
Discount rate	6.48%	6.31%
Salary growth rate	8.00%	8.00%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in lakh)

Particulars	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	1%	1%	(40.35)	(38.26)	44.37	42.77
Salary growth rate	1%	1%	42.27	40.41	(42.27)	(40.41)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest Rate Risk	A decrease in the bond interest rate will increase the plan liability.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2022 are Nil (March 31, 2021 Nil)

The weighted average duration of the defined benefit obligation is 5.14 years (March 31, 2021 – 6.07 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1-2 years	Between 3-5 years	Beyond 5 years	Total
March 31, 2022					
Defined benefit obligation (gratuity)	1.29	20.28	2.42	36.00	59.99
March 31, 2021					
Defined benefit obligation (gratuity)	1.26	1.26	21.36	51.51	75.39

III) Other Employee Benefit

The liability for Compensated Absences as at the year end is ₹ 20.95 lakh (March 31, 2021 ₹ 21.56 lakh).

Notes to Financial Statements as at and for the Year ended March 31, 2022

36. 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.

Particulars	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets at amortised cost				
Trade receivable	314.56	188.19	314.56	188.19
Cash and cash equivalents	9,625.01	162.43	9,625.01	162.43
Other bank balance	393.62	121.55	393.62	121.55
Other financial assets	546.92	566.69	546.92	566.69
Total	**10,880.11**	**1,038.86**	**10,880.11**	**1,038.86**
Financial Liabilities at amortised cost				
Borrowings	117,839.07	97,839.07	117,839.07	97,839.07
Trade payables	2,556.89	703.48	2,556.89	703.48
Security deposit received	25,046.00	17,320.08	18,345.58	18,345.58
Other financial liabilities	5,291.94	3,533.35	5,291.94	3,533.35
Total	**150,733.90**	**119,395.98**	**144,033.48**	**120,421.48**

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. The fair values of the Company's interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2022 and March 31, 2021 was assessed to be insignificant.
3. The fair values of security deposit were calculated based on cash flows discounted using a current lending rate.

Notes to Financial Statements as at and for the Year ended March 31, 2022

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.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair value measurement hierarchy for assets as at March 31, 2022: **(₹ in lakh)**

Particulars	Fair value measurement using		
	Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Assets and liabilities for which fair values are disclosed			
Non - current financial assets			
Other financial assets	-	285.25	-
Current financial assets			
Trade receivables	-	314.56	-
Cash and bank balances	-	10,018.63	-
Other financial assets	-	261.67	-
Non - current financial liabilities			
Borrowings	-	117,839.07	-
Other financial liabilities	-	14,503.24	-
Current financial liabilities			
Trade payables	-	2,556.89	-
Other financial liabilities	-	15,834.69	-

Fair value measurement hierarchy for assets as at March 31, 2021: **(₹ in lakh)**

Particulars	Fair value measurement using		
	Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Assets and liabilities for which fair values are disclosed			
Non - current financial assets			
Other financial assets	-	335.25	-
Current financial assets			
Trade receivables	-	188.19	-
Cash and bank balances	-	283.98	-
Other financial assets	-	231.44	-
Non - current financial liabilities			
Borrowings	-	97,839.07	-
Other financial liabilities	-	10,038.65	-
Current financial liabilities			
Trade payables	-	703.48	-
Other financial liabilities	-	10,814.78	-

37. Financial Risk Management

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

(A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	314.56	188.19
Cash and bank balances	10,018.63	283.98
Other financial assets	546.92	566.69
Total	**10,880.11**	**1,038.86**

i. Trade and Other Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is not significant for the Company as the Company has 3 to 12 months of rentals as deposit from the licensees.

ii. Cash and Bank Balances

The Company held cash and cash equivalent and other bank balance of ₹ 10,018.63 lakh at March 31, 2022 (March 31, 2021: ₹ 283.98 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. Other financial assets

The Company has held other financial assets which majorily comprise of the security deposits, margin money held with banks and recoverable from related parties. The margin money held is with the banks and and financial institution counterparties with good credit rating. The security deposits are held with reputed power distribution company and municipal corporation for water supply, therefore does not expose the Company to credit risk.

(B) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected Cash Flows.

Notes to Financial Statements as at and for the Year ended March 31, 2022

(i). The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

(₹ in lakh)

Contractual maturities of financial liabilities March 31, 2022	1 year or less	1-2 years	More than 2 years	Total	Carrying value
Non-derivatives					
Borrowings including current maturities and accrued interest	7,197.18	7,197.18	171,140.74	185,535.10	118,185.59
Trade payables	2,556.89	-	-	2,556.89	2,556.89
Other financial liabilities	15,608.50	3,891.63	18,482.23	37,982.36	29,991.41
Total non-derivative liabilities	**25,362.56**	**11,088.81**	**189,622.98**	**226,074.35**	**150,733.88**

(₹ in lakh)

Contractual maturities of financial liabilities March 31, 2021	1 year or less	1-2 years	More than 2 years	Total	Carrying value
Non-derivatives					
Borrowings including current maturities and accrued interest	8,170.75	13,896.60	116,473.12	138,540.47	98,182.69
Trade payables	703.48	-	-	703.48	703.48
Other financial liabilities	10,679.93	2,319.81	13,271.91	26,271.65	20,509.81
Total non-derivative liabilities	**19,554.16**	**16,216.41**	**129,745.03**	**165,515.60**	**119,395.99**

(ii) Trade Payables Ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Payables					
a) MSME	58.52	-	-	-	58.52
b) Others	2,498.37	-	-	-	2,498.37
(ii) Disputed Trade Payables	-	-	-		

Trade Payables Ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Payables					
a) MSME	64.32	-	-	-	64.32
b) Others	639.16	-	-	-	639.16
(ii) Disputed Trade Payables	-	-	-		

where due date of payment is not available, date of transaction has been considered

(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 is very minimal. There are no foreign currency payables or receivable as at the end of each reporting period for which Company is exposed to foreign currency risk.

The Company closely tracks and observes the movement of foreign currency with regards to ₹ and also forward cover rate. The Company decides to cover or keep the foreign currency exposure open based on the above.

(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.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	117,839.07	97,839.07
Total borrowings	**117,839.07**	**97,839.07**

Sensitivity:

A change of 100 basis points in interest rates would have following impact on cash flows-

Particulars	As at March 31, 2022	As at March 31, 2021
Interest rates – increase by 100 basis points *	(1,076.79)	(978.39)
Interest rates – decrease by 100 basis points *	1,076.79	978.39

* Holding all other variables constant

38. Capital Management

a. Risk Management

For the purpose of Company's capital management, capital includes issued equity share capital, securities premium, all other equity reserves attributable to the equity shareholders of the Company and borrowings. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximises shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

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.

Notes to Financial Statements as at and for the Year ended March 31, 2022

The Company's adjusted net Debt to Equity ratio is as follows.

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings (including accrued interest and current maturities of non current borrowings)	118,185.59	98,182.69
Less: Cash and bank balances	(10,018.63)	(283.98)
Adjusted net debt	108,166.96	97,898.71
Total Equity	**47,797.53**	**57,443.40**
Adjusted net equity	47,797.53	57,443.40
Adjusted net debt to equity ratio	**2.26**	**1.70**

b. Dividends

(₹ in lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Dividend declared and paid during the year for the financial year 2020-21:		
Final dividend for the year ended March 31, 2021 ₹ 8 (March 31, 2020: ₹ 0.75) per share	7,209.44	675.88
Interim dividend for the financial year 2020-21 ₹ 15 (March 31, 2021: ₹ Nil) per share	13,517.73	-
	20,727.17	**675.88**
Proposed dividends on equity shares not recognised at the end of the reporting period for the financial year 2021-22:		
Final dividend for the year ended March 31, 2022 ₹ 11 (March 31, 2021: ₹ 8) per share #	9,912.98	7,209.44
	9,912.98	**7,209.44**

This proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting.

39. Financial Ratios

S. No.	Ratios	Numerator	Denominator	As at March 31,2022	As at March 31,2021	% of Variance	Reason for Variance
1	Current Ratio	Current assets	Current liabilities	0.39	0.17	132.83%	Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio
2	Debt-equity ratio	Total borrowings (including accrued interest thereon)	Total equity	2.47	1.71	44.67%	The increase is mainly due to reduction in equity due to the significant increase in the dividend payment during the year
3	Debt service coverage ratio	Profit before tax + Interest expenses + Depreciation and amortization expenses	Interest expenses + scheduled principal repayment of long - term borrowings	3.80	2.89	31.40%	The increase is mainly due to increase in the profits for current year

4	Return on equity	Net Profit after taxes	Average total equity	21.06%	24.78%	-15.02%	
5	Inventory turnover ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
6	Trade receivables turnover ratio	Revenue	Average accounts receivables	152.74	109.18	39.89%	The variance is due to the increase in revenue and faster collections of the trade receivables
7	Trade payables turnover ratio	Operating expenses	Average accounts payable	4.07	7.71	-47.24%	The variance is due to increase in the operating expenses relating to the repairs and maintainance of building
8	Net capital turnover ratio	Revenue	Average working capital	(2.65)	(3.39)	-22.02%	
9	Net profit ratio	Net Profit after taxes	Revenue	28.86%	40.20%	-28.21%	The decrease is mainly due to the increase in the tax expense in respect to earlier years
10	Return on capital employed	Earnings before interest and taxes	Average capital employed	14.00%	12.79%	9.43%	
11	Return on investment	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	

40. Other Statutory Information

1. The Company has not given any loans or advances in the nature of loans to promoters, directors, KMPs and/ or related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand, or without specifying any terms or period of repayment.
2. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
3. The Company does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
4. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
5. The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
6. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 (as amended) or section 560 of the Companies Act, 1956.
7. The Company has neither traded nor it holds any investment in Crypto currency or Virtual Currency.
8. The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
   (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes to Financial Statements as at and for the Year ended March 31, 2022

9. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or

   (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

10. The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

11. The Company is not required to file quarterly returns or statements of current assets with banks or financial institutions.

12. The Company has used the borrowings for the purpose for which it was taken.

41. Significant Events after the reporting period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

42. Approval of Ind AS financial statements

The financial statements were approved for issue by the Board of Directors on May 27, 2022.

For and on behalf of the Board of
NIRLON LIMITED

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

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

ANJALI K. SETH
Director
DIN : 05234352

ABHISHEK K.AGARWAL
Partner
Membership No. : 112773

MANISH B. PARIKH
Chief Financial Officer

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

Mumbai, June 27, 2022

NIRLON

Form ISR – 1

(-SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF

[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

A. I / We, request you to Register / Change / Update the following (Tick ✓relevant box) **Date : / /**

☐ PAN	☐ Signature	☐ Mobile Number
☐ Bank details	☐ Registered Address	☐ E-mail address

B. Security and KYC Details [to be filled in by the First Holder]

Name of the Issuer Company		**Folio No(s)**	
Face value of Securities		**Number of Securities**	
Distinctive number of Securities (Optional)	**From**	**To**	
E-mail Address			
Mobile Number			
Serial No	{ } **<< Kindly write the Serial no as printed in KYC Form**		

C. I/We are submitting documents as per Table below (tick✓as relevant, refer to the instructions):

Name(s) of the Security holder(s) in Capital as per PAN Copies of PAN of all the Holder(s) duly self-attested with date to be enclosed with this Form.	**PAN**	**PAN Linked to Aadhar -Y/N** **Tick any one [✓] ***
1.		Yes / No
2.		Yes / No
3.		Yes / No
4.		Yes / No

Note: * PAN shall be valid only if it is linked to Aadhar by March 31, 2022, or any other date as may be specified by CBDT.

Bank Account Details of First Holder			
Name of the Bank & Branch		**IFSC**	
Bank A/c No.		**Tick any one [✓]- Acct type** ☐ **Savings** ☐ **Current** ☐ **NRO** ☐ **NRE** ☐ **Any other [ ]**	

Note: Original cancelled cheque leaf bearing the name of the first holder is mandatory, failing which first security holder shall submit copy of bank passbook / statement attested by the Bank for registering the Bank Account details.

Demat Account Number	**16 digit DP/CL [ ]**

Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.

Authorization: I / We authorise you (RTA) to update the above PAN and KYC details in my / our above folio(s) (use Separate Annexure if extra space is required) in which I / we are the holder(s). [strike off what is not applicable]

Declaration: All the above facts and documents enclosed are true and correct.

	First Holder	**Joint Holder - 1**	**Joint Holder - 2**	**Joint Holder - 3**
Signature				
Name				
Address				
PIN				

Note: If the address mentioned above differs from the address registered with the Company, you are requested to record the new address by submitting the documents as specified in point (3) overleaf.

I/We are submitting documents as per Table below (tick✓as relevant, refer to the instructions):

No.	✓	Document/Information/Details	Instruction/Remark
1	☐	**PAN of (all) the (joint) holder(s)**	PAN copies of all the holder(s) duly self-attested with date to be enclosed. PAN shall be valid only if it is linked to Aadhar by March 31, 2022, or any date as may be specified by the CBDT. For Exemptions / Clarifications on PAN, please refer to Objection Memo as specified in SEBI circular.
2	☐	**Demat Account Number**	Provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.
3		**Proof of Address of the first Holder**	Provide self attested copy of any ONE of the documents, issued by a Govt. Authority, only if there is change in the address; ☐ Client Master List (**CML**) of your Demat Account, provided by the Depository Participant. ☐ Valid Passport/ Registered Lease or Sale Agreement of Residence/ Driving License/Flat Maintenance Bill* ☐ Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old. ☐ Identity card (with Photo) / document with address, issued by Central/State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions. ☐ For FII / sub account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken. ☐ The proof of address in the name of the spouse* * **Kindly provide additional self-attested copy of Identity Proof of the holder/ claimant.**
4	☐	**Bank details**	Provide the latest copy of the bank statement with details of bank name, branch, account number and IFSC or Original cancelled cheque leaf bearing the name of first holder. Alternatively, Bank details available in the CML as enclosed will be updated in the folio.
5	☐	**E-mail address**	As mentioned on Form ISR-1, alternatively the E-mail address available in the CML as enclosed will be updated in the folio.
6	☐	**Mobile**	As mentioned on Form ISR-1, alternatively the mobile number available in the CML as enclosed will be updated in the folio.
7	☐	**Specimen Signature**	Provide banker's attestation of the signature of the holder(s) as per Form ISR – 2 and Original cancelled cheque leaf bearing the name of the first holder.
8		**Nomination**	**Submit Form(s) as per any ONE of the following options.** ☐ **SH-13** For First Time Nomination ☐ **SH-14** For Change in Existing Nomination ☐ **SH-14 and ISR-3** For Cancellation of existing Nomination and to "Opt-Out" ☐ **ISR-3 To "OPT-Out"** of Nomination or if No-Nomination is required

Note: All the above forms are also available on the website of the RTA.

Form ISR – 2

(see circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

Confirmation of Signature of Securities Holder by the Banker

Serial No : _____
as mentioned in KYC Form

1. Bank Name and Branch	
2. Bank contact details	
Postal Address	
Mobile/Tel number	
E-mail address	
3. Bank Account number	
4. Account opening date	
5. Account holder's PAN	Account Holder's Name
i)	i)
ii)	ii)
iii)	iii)
iv)	iv)

6. Latest photograph of the account holder(s)

i)- Holder Photo	ii)- Holder Photo	iii)- Holder Photo	iv)- Holder Photo

7. Account holder(s) details as per Bank Records

a) Address	
b) Mobile/Tel number	
c) Email address	

d) Signature(s) of the Holder(s)

i) _____

ii) _____

iii) _____

iv)

Bank Manager's Signature and Bank Seal

-- (To be Mandatorily Filled by the Bank Official) --

Place:	Name of the Bank Manager :
Date:	Employee Code :
Mobile / Tel no:	Email_id :

NIRLON

Form No. SH-13

Nomination Form
Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

Date: / / **Serial No:_____**
(As mentioned in KYC Form)

To,
Name of the Company: ----------

Address of the Company: ----------
_____

I/We, the holder(s) of the securities particulars of which are given hereunder, wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made) :

Nature of Securities Tick ✓as relevant	**Folio No.**	**No. of Securities***	**Certificate No.**	**Distinctive No(s) (From – To)**
Equity / Debs/Bonds				

(2) PARTICULARS OF NOMINEE/S — [**Use photocopies of this blank nomination form in case of additional Multiple Nominations in the same folio]**

Name of Nominee			
Address of Nominee		**Date of Birth**	**{ - - }**
Father's/Mother's/ Spouse's name		**Occupation**	
Nationality		**Relationship with the security holder**	
E-mail_id		**Mobile No**	

(3) IN CASE NOMINEE IS A MINOR —

Date of Birth	**{ - - }**	**Date of attaining majority**	
Name of Guardian		**Address of Guardian**	

Signature(s) as per Specimen recorded with the Company.

First Holder	**Joint Holder -1**	**Joint Holder -2**	**Joint Holder -3**
Signature			
Name			

Witness Details:

Witness Name			
Address	_____ _____ **Pin:**_____	**Signature** **Date**	

* **Nomination will be registered for entire holding in the folio. In case of more than one nominee, the ratio should be furnished & separate form to be filled for each nominee.**

NIRLON

Form ISR - 3

Declaration Form for Opting-out of Nomination by Holders of Physical Securities in Listed Companies

(SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

[Under Section 72 r/w Section 24 (1) (a) of Companies Act, 2013 r/w Section 11(1) and 11B of SEBI Act, 1992 and Clause C in Schedule VII and Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)]

Date: / / **Serial No:_____**
(As mentioned in KYC Form)

Name of the Company : _____

Address of the Company : ----------
_____

PARTICULARS OF THE SECURITIES (in respect of which nomination is being opted out)

Nature of Securities Tick ✓as relevant	**Folio No.**	**No. of Securities ***	**Certificate No.**	**Distinctive No(s) (From – To)**
Equity / Debentures				

I / We the holder(s) of the securities particulars of which are given hereinabove, ***do not wish to nominate*** any person(s) in whom shall vest, all the rights in respect of such securities in the event of my /our death.

I/ We understand the issues involved in non-appointment of nominee(s) and further are aware that in case of my / our death, my / our legal heir(s) / representative(s) are required to furnish the requisite documents / details, including, Will or documents issued by the Court like Decree or Succession Certificate or Letter of Administration / Probate of Will or any other document as may be prescribed by the competent authority, for claiming my / our aforesaid securities.

Signature(s) as per Specimen recorded with the Company.

	First Holder	**Joint Holder -1**	**Joint Holder -2**	**Joint Holder -3**
Signature				
Name				

Name and Address of Witness:	Date [- -]
	Signature of the witness

*** Use of ISR-3 (ie to Opt-Out of Nomination OR if "No_Nomination" is required by the investor) will be applied for the entire securities against the said Folio.**

Form ISR-4

(see circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 on Issuance of Securities in dematerialized form in case of Investor Service Requests)

Request for issue of Duplicate Certificate and other Service Requests

(for Securities - Shares / Debentures / Bonds, etc., held in physical form)

Date:___ /___ /_____

A. Mandatory Documents / details required for processing all service request:

I / We are submitting the following documents / details and undertake to request the Depository Participant to dematerialize my / our securities within 120 days from the date of issuance of Letter of Confirmation, received from the RTA/Issuer Company (tick ☐ as relevant, refer to the instructions):

- Demat Account No. (If available): ☐ ☐ ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

  Provide Client Master List (**CML**) of your Demat Account from the Depository Participant*

- Provide the following details, if they are not already available with the RTA (see SEBI circular dated November 03, 2021 in this regard)

PAN	Specimen Signature
Nomination / Declaration to Opt-out	

* (Your address, e-mail address, mobile number and bank details shall be updated in your folio from the information available in your **CML**). You can authorize the RTA to update the above details for all your folios. In this regard, please refer to and use Form ISR-1 in SEBI circular dated November 03, 2021.

B. I / We request you for the following (tick ☐ relevant box)

☐ Issue of Duplicate certificate	☐ Claim from Unclaimed Suspense Account
☐ Replacement / Renewal / Exchange of securities certificate	☐ Endorsement
☐ Sub-division / Splitting of securities certificate	☐ Consolidation of Folios
☐ Consolidation of Securities certificate	☐ Transmission
☐ Transposition *(Mention the new order of holders here)*	

C. I / We are enclosing certificate(s) as detailed below:**

Name of the Issuer Company	
Folio Number	
Name(s) of the security holder(s) as per the certificate(s)	1. 2. 3.
Certificate numbers	
Distinctive numbers	
Number & Face value of securities	

** Wherever applicable / whichever details are available

D. Document / details required for specific service request:

I. ☐ Duplicate securities certificate

II. ☐ Claim from Unclaimed Suspense Account

Securities claimed	(in numbers) (in words)

III. ☐ Replacement / Renewal / Exchange of securities certificate (that is defaced, mutilated, torn, decrepit, worn out or where the page on the reverse is fully utilized)

IV. ☐ Endorsement

V. ☐ Sub-division / Splitting of securities certificate

VI. ☐ Consolidation of securities certificate/Folios

VII. ☐ Transmission

VIII. ☐ Transposition

Provide / attach original securities certificate(s) for request for item numbers III to VIII above.

Declaration: All the above facts stated are true and correct to best of my / our knowledge and belief.

	Security Holder 1 / Claimant	**Security Holder 2**	**Security Holder 3**
Signature	✓	✓	✓
Name	✓	✓	✓
Full address	✓		

PIN	✓□ □□□□□□□□	□□□□□□	□□□□□□

After processing the service request, the RTA shall issue a 'Letter of Confirmation' to the securities holder/claimant, which is valid only for 120 days. Using this 'Letter of Confirmation', the securities holder/claimant shall request the DP to dematerialize the securities, failing which the securities shall be credited to the Suspense Escrow Demat Account of the Company.

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NIRLON LIMITED

CIN: L17120MH1958PLC011045
Regd.Office: 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
E-mail id:info@nirlonltd.com
Website:wwww.nirlonltd.com

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