56th Annual Report
2014 - 2015

NIRLON LIMITED

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BOARD OF DIRECTORS
(As on July 29, 2015)

1. PADMA BHUSAN SHRI MOOSA RAZA ***(Chairman)***
2. SHRI RAMA VARMA
3. SHRI ARJAN R. GURBUXANI
4. SMT. RAJANI M. BHAGAT
5. SMT. ARUNA MAKHAN
6. SHRI RAHUL V. SAGAR ***(Executive Director)***
7. SHRI KUNAL V. SAGAR ***(Executive Vice Chairman)***

KEY MANAGERIAL PERSONNEL

SHRI JASMIN K. BHAVSAR ***(Company Secretary, Vice President (Legal) & Compliance Officer)***
SHRI MANISH B. PARIKH ***(Chief Financial Officer)***

LEGAL ADVISORS
M/S. MATUBHAI JAMIETRAM, ADVOCATES & SOLICITORS, MUMBAI
M/S. JSA, ADVOCATES & SOLICITORS, MUMBAI

STATUTORY AUDITORS
M/S. N. M. RAIJI & CO., CHARTERED ACCOUNTANTS, MUMBAI

INTERNAL AUDITORS
M/S. DH CONSULTANTS PRIVATE LIMITED, MUMBAI

COST AUDITORS
M/S. VINAY MULAY & CO., COST ACCOUNTANTS, MUMBAI

SECRETARIAL AUDITORS
M/S. ALWYN JAY & CO., COMPANY SECRETARIES, MUMBAI

LENDERS
HDFC Limited

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

REGISTRAR AND SHARE TRANSFER AGENT (REGISTRAR)
M/s. Sharepro Services (India) Private Limited
13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai – 400 072.
Tele : +91 (022) 67720300/400
Fax : +91 (022) 2859 1568/2850 8927
CIN no. : U67120MH2004PTC148994
Email ids : indira@shareproservices.com
: anil.shinde@shareproservices.com
Website : www.shareproservices.com

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **56th** Annual General Meeting of Nirlon Limited will be held on **Monday, September 21, 2015 at 11.00 a.m.** at Pama Thadhani Auditorium, Jai Hind College Building, 'A' Road, Churchgate, Mumbai 400 020 to transact the following business:-

ORDINARY BUSINESS:

1 To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2015, including the Statement of Profit and Loss for the year ended on that date, Audited Balance Sheet as at March 31, 2015 and the Reports of the Directors' and the Auditors' thereon.

2 To declare dividend on equity shares for the Financial Year ended March 31, 2015.

3. To appoint a director in place of Smt. Rajani M. Bhagat (DIN 00870716), who retires by rotation at this Annual General Meeting, and being eligible offers herself for re-appointment.

4 To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014,(including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the appointment of M/s. N.M.Raiji & Co., (firm registration no.108296W), Chartered Accountants as statutory auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be agreed upon by the Board of Directors and the Auditors be and is hereby ratified."

SPECIAL BUSINESS:

5 To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of Shri Vinay B. Mulay, the Practicing Cost Auditor (ICAI-CMA No. 8791 CP No. 101159) of M/s. 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, 2016, for a sum of ₹1,50,000 (Rupees One Lac and Fifty Thousand Only) excluding service tax, travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed;

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

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

Mumbai, July 29, 2015

Registered Office:
Nirlon Limited, Pahadi Village,
Off the Western Express Highway,
Goregaon (East), Mumbai: 400 063.
CIN No : L17120MH1958PLC011045
Email id : info@nirlonltd.com
Website : www.nirlonltd.com

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), sets out all material facts relating to the special business mentioned at Item No. 5 of the accompanying Notice dated July 29, 2015

Item No. 5

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of Shri Vinay B. Mulay, the Practicing Cost Auditor (ICAI-CMA No. 8791 CP No. 101159) of M/s. Vinay Mulay & Co., Mumbai to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

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.

Accordingly, consent of Members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by Members.

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

Mumbai, July 29, 2015

Registered Office:
Nirlon Limited
Pahadi Village, Off the Western Express Highway,
Goregaon (East), Mumbai: 400 063.
CIN No : L17120MH1958PLC011045
Email id : info@nirlonltd.com
Website : www.nirlonltd.com

NOTES:

1 **ANY MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING OF THE COMPANY IS ENTITLED TO APPOINT ANOTHER PERSON AS PROXY/PROXIES TO ATTEND AND VOTE ON A POLL AT THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The Instrument appointing a Proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the Commencement of the Meeting.

A person can act as proxy on behalf of not more than fifty (50) members, holding in the aggregate not more than ten (10) % of the total paid up share capital of the Company. A member holding more than ten (10) % of the total paid up share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a proxy for any other person or Shareholder/Member.

Proxies submitted on behalf of companies, corporate bodies, etc., must be supported by an appropriate resolution/authority, as applicable.

2 **The business set out in the Notice will also be transacted through an electronic voting system and the Company is providing a facility for voting by electronic means** *through remote e-voting.*

3 Information and other instructions relating to remote e-voting are given in this Notice under **Note No.27**.

4 Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

5 In terms of Section 152 of the Companies Act, 2013, Smt. Rajani M. Bhagat **(DIN 00870716)**, Director, retires by rotation at the Meeting and being eligible, offer herself for re-appointment. The Board of Directors of the Company recommend the re-appointment of Smt. Bhagat.

A brief resume of Directors, including Smt. Bhagat, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and Memberships/Chairmanships of Board/Committees, shareholding, and relationships between directors inter-se as stipulated under Clause 49 of the listing agreement with the BSE Limited are provided in the Corporate Governance Report forming part of the Annual Report.

6 A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at this Meeting is annexed hereto.

7 In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.

8 Members who hold shares in Physical Form in multiple folios in identical names, or joint accounts in the same order of names, are requested to send the share certificate to the Registrar for consolidation into a single folio.

9 Members who hold shares in Dematerialised Form are requested to write their client ID and DPID number, and those who hold shares in Physical Form are requested to write their folio number in the attendance slip for attending the Meeting.

10 Pursuant to the provision of Section 72 of the Companies Act 2013, the Member(s) holding shares in Physical Form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in Dematerialised Form may contact their respective Depository Participant for availing this facility. The Nomination Form can be downloaded from the Company's website under the section **'General Information - forms'.**

11 Members may note that the Notice calling the 56th Annual General Meeting and the Annual Report for 2014-15 is also available on the Company's website **'www.nirlonltd.com'.**

12 **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.**

13 A person, whose name is recorded in the register of members or in the register of Beneficial Owners maintained by the depositories as on the **cut-off date, i.e. Monday, September 14, 2015** only shall be entitled to avail the facility of remote e-voting.

14 Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **Monday, September 14, 2015,** may obtain the User ID and password in the manner as mentioned in the Notes to the Notice.

15 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.

16 Non-resident Indian members are requested to inform the Registrar/Depository participant(s) immediately of :

(a) Change in their residential status on returning to India permanently.

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

17 The relevant documents referred into this Notice will

be available at the Company's Registered Office for inspection from 11:00 a.m. to 1:00 p.m. on any working day, excluding Saturday, up to the date of the 56th Annual General Meeting.

18. For any communication, the Members may also send requests to the Company's investor email id: **'share@nirlonltd.com'.**

19. The Securities and Exchange Board of India **(SEBI)** has mandated the submission of Permanent Account Number **(PAN)** by every participant in the securities market. Members holding shares in Dematerialised Form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their dematerialised accounts. Members holding shares in Physical Form are requested to submit their PAN details to the Registrar.

20. Pursuant to the provisions of Sections 205A (5) and 205C of the Companies Act, 1956, the Company had already transferred all the unpaid, or unclaimed amounts from time to time with regard to debentures / fixed deposits on their respective due dates to the Investor Education and Protection Fund **(IEPF)** established by the Central Government. Pursuant to the provision of Investors Education and Protection Fund Rules, 2012, the Company has no amounts payable /transferable to this Fund, and there are no such amounts lying with the Company.

21. Pursuant to Section 91 of the Act, the Register of Members and the Share Transfer books of the Company will remain closed from **Friday, September 11, 2015 to Monday, September 21, 2015 (both days inclusive)** for the 56th Annual General Meeting.

22. A Dividend of ₹0.75 paise per share (7.5%) has been recommended by the Board of Directors for the Financial Year 2014-15, and subject to the approval of the Members at this ensuing 56th Annual General Meeting. If the dividend as recommended by the Board of Directors is approved at this 56th Annual General Meeting, payment of such dividend will be made on or before October 20, 2015 to the Members as under:

    (i) To all Beneficial Owners in respect of shares held in **Electronic Form**, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as on the close of business hours on **Thursday, September 10, 2015.**

    (ii) To all Members in respect of shares held in **Physical Form**, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on **Thursday, September 10, 2015.**

23. Members holding shares:

    a) **in Electronic Form** are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in Dematerialised Form for any change of bank particulars, or bank mandates. Such changes are to be advised only to the Depository Participant of the Members;

    b) **in Physical Form** and desirous of either registering bank particulars, or changing bank particulars already registered against their respective folios for payment of dividend, are requested to write to the Registrar.

24. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member / Beneficial Owner (in case of Dematerialised Form) as on the **cut-off date, i.e. Monday, September 14, 2015**.

25. Guidelines for attending the ensuing 56th Annual General Meeting of the Company:

    a) Entry to the Auditorium/Hall will be strictly against entry coupon available at the counters at the venue and against the exchange of a duly filled in, signed, and valid Attendance Slip.

    b) Any briefcase/bags/eatables or such other articles as may be ordered by the authorities are not allowed inside the Auditorium/Hall.

    c) Member(s) are requested to bring a copy of the 56th Annual Report to the Meeting.

26. An electronic copy of the 56th Annual Report for the Financial Year 2014-15 along with the Notice calling 56th Annual General Meeting of the Company (Attendance Slip & Proxy Form) is being sent to all Members whose email IDs are registered with the Registrar / Depository Participant(s) for communication purposes. For Members who have not registered their email address, physical copies of the 56th Annual Report for the Financial Year 2014-15 along with the Notice calling the 56th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip & Proxy Form are being sent by other permissible modes.

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

    (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, 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 Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the

venue of the Meeting **('remote e-voting').**

(ii) The facility for voting through ballot paper/poll shall be made available at the venue of the Meeting, and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting in a Poll.

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

(iv) The Board of Directors of the Company has appointed **Shri Alwyn D'souza,** Practising Company Secretary (FCS No.5559 CP No.5137) of Alwyn Jay & Co., Company Secretaries, Mumbai, as Scrutiniser to the remote e-voting, as also for voting in a Poll at the Meeting, to ensure the same is conducted in a fair and transparent manner. **Shri Alwyn D'souza** has communicated his willingness to be appointed, and will be available for this purpose.

(v) The Company has engaged the services of the Central Depository Services (India) Limited **(CDSL)** for remote e-voting for this Meeting.

(vi) Voting rights shall be reckoned on the paid-up value of Equity Shares registered in the name of the Member / Beneficial Owner (in case of Dematerialised Form) as on the cut-off date, i.e. Monday, September 14, 2015.

(vii) Only persons whose name is recorded in the Dematerialised Form Register of Members, or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. Monday September 14, 2015 shall be entitled to avail the facility of remote e-voting / Poll.

However, any person who becomes a member of the Company after dispatch of the Notice of the Meeting and is holding shares as on the cut-off date, i.e. Monday, September 14, 2015, may obtain the User ID and password as per CDSL's instructions.

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

(ix) The Scrutinizer, after scrutinising the votes cast in a Poll at the Meeting, and also votes cast through remote e-voting will, not later than three (3) days from the conclusion of the Meeting, make a consolidated scrutinizer's report and shall submit the same to the Chairman. The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company **'www.nirlonltd.com'**. The results shall simultaneously be communicated to the BSE Limited.

(x) Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the day and date of the Meeting, i.e. Monday, September 21, 2015.

For Members (holding shares in Dematerialised Form or Physical Form) who receive Notice of the 56th Annual General Meeting and desire to vote electronically (remote e- voting):-

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

(i) The remote e-voting facility will be available during the following period:

Commencement of remote e-voting : From 9.00 a.m. (IST) on Thursday, September 17, 2015

End of remote e-voting : Upto 5.00 p.m. (IST) on Sunday, September 20, 2015

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

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

(iii) Click on Shareholders

(iv) Now enter your User ID
   a. For CDSL: 16 digit beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by the 8 digit Client ID,
   c. Members holding shares in Physical Form should enter the Folio Number registered with the Company.

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

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

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

	For Members holding shares in Dematerialised Form and Physical Form
PAN	Enter your 10 digit alpha – numeric *PAN issued by the Income Tax Department (Applicable for both Shareholders holding shares in Dematerialised Form as well as Physical Form)
	•In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. • Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or Company please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction **(iv)**.

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

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

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

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

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

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

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

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

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

(xvii) If a Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on **'FORGOT PASSWORD'** & enter the details as prompted by the system.

(xviii) Note for Non-Individual Shareholders/Members & Custodians:

- Non-Individual Shareholders/Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log onto **'www.evotingindia.com'** and register themselves as Corporates and Custodians respectively. A scanned copy of the Registration Form bearing the stamp and signed by the entity should be e-mailed to **'helpdesk.evoting@cdslindia.com'**.
- After receiving the login details, they should create the compliance user using the admin login and password. The compliance user would be able to link the depository account(s)/ folio numbers on which they wish to vote.
- The list of accounts should be mailed to **'helpdesk.evoting@cdslindia.com'** and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney **(POA)**, which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

B General instructions:

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

(ii) In the event of a Poll at the Meeting, please note that the Members who have exercised their right to vote through remote e-voting as above shall not be eligible to vote by way of a Poll at the Meeting. The Poll process shall be conducted and a report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant rules. In such an event, votes cast under the Poll, taken together with the votes cast through remote e-voting shall be counted for passing of resolution(s).

(iii) Subject to receipt of sufficient votes, the resolutions shall be deemed to be passed at the 56th Annual General Meeting of the Company scheduled to be held on Monday, September 21, 2015.

The Chairman shall declare the results of voting on the resolutions set out in the Notice within 2 (two) days from the conclusion of the 56th Annual General Meeting. The results declared along with the Scrutiniser's Report shall be placed on the Company's website **'www.nirlonltd.com'** and shall be communicated to the BSE Limited.

DIRECTORS' REPORT

Your Directors present their **56th** Annual Report, and the Audited Financial Accounts for the Financial Year ended March 31, 2015.

1 FINANCIAL PERFORMANCE

The Company's Financial Performance for the Year ended March 31, 2015 is summarized below:

(₹ in Crore)

Particulars	**2014-15**	2013-14
Gross income from Operations	**240.82**	203.29
Gross Profit	**185.40**	156.22
Interest Paid	**75.55**	77.67
Cash Profit	**109.85**	78.55
Depreciation	**68.65**	48.93
Net Profit / (Loss) Before Exceptional Item/s	**41.20**	29.62
Add: Exceptional Item/s	**6.66**	4.17
Net Profit / Loss for the Year after Exceptional Item/s	**47.86**	33.79
Provision for Taxation:		
Less : Current tax	**0.05**	(5.18)
Less : Deferred tax	**15.23**	7.34
Profit / (Loss) for the Year after tax	**32.58**	31.63
Add/(Less) : Carried Forward Profit / (Loss)	**6.33**	(18.75)
Amount available for Appropriation	**38.91**	12.88
Less : Proposed dividend on Equity shares	**7.91**	5.60
Less : Tax on Dividend	**1.57**	0.95
Balance carried to Balance Sheet	**29.43**	6.33

2 FINANCIAL OPERATIONS (SUMMARY)

i) **Income from Operations** for the Financial Year 2014-15 were ₹ **240.82 crore** as against ₹ 203.29 crore for 2013-14, an improvement of **approx. 18.46%.**

ii) **Gross Profit** for the Financial Year 2014-15 was ₹ **185.40 crore** as against ₹ 156.22 crore for 2013-14, an improvement of **approx. 18.68%.**

iii) **Cash Profit** for the Financial Year 2014-15 was ₹ **109.85 crore** as against ₹ 78.55 crore for 2013-14, an improvement of **approx. 39.85%.**

iv) **The Exceptional Items** for the Financial Year 2014-15 are the write back of the Property Tax liability of the earlier years due to the retrospective amendment in respect of the Property Tax levied by the appropriate authorities, and sale of future license fees receivable from Licensees in the Nirlon House premises owned by the Company net of expenses.

v) **Net Profit** for the Financial Year 2014-15 (after taxes and exceptional items) was ₹ **32.58 crore** as against a profit of ₹ 31.63 crore for 2013-14, an improvement of **approx. 3.0%.**

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

3 RESERVES

The Board does not propose to transfer any amount to the General Reserve account in the Balance Sheet for the Financial Year 2014-15.

4 DIVIDEND

For the year under review, your Directors recommended a dividend of ₹ 0.75 paise per equity share of ₹10 each (7.5 %) amounting to ₹ 8.13 crore (inclusive of tax of ₹ 1.37 crore), subject to the approval of Members of the Company at this ensuing Annual General Meeting.

Dividend will be paid to Members whose names appear in the Register of Members as on Thursday, September 10, 2015. In respect of shares held in Dematerialised Form, dividend will be paid to Members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited, as Beneficial Owners as on that date.

5 INDUSTRIAL PARK OPERATIONS AT GOREGAON (EAST), MUMBAI, INDIA AND FUTURE OUTLOOK

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

Nirlon is the owner of NKP, a 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. NKP, being an Industrial Park, is eligible for FDI under the automatic route as per the GOI's Consolidated FDI Policy.

Construction, Delivery of Licensed Premises, and License Fee Commencement

Planning for the development of NKP in four phases began in 2006, and construction in April/May 2007. Currently, all four phases are completed.

The Company is in the process of conceptualising, planning and evaluating the feasibility of further development / re-development of its existing old buildings in NKP (phase 5).

Phases 1, 2, 3 and 4: A total of approx. 29.46 lac sq.ft. has been constructed in Phases 1, 2, 3 and 4 corresponding to approx. 18.78 lac sq. ft. licensable area. Income by way of licence fees from approx. 14.75 lac sq.

ft. licensable area, comprising the entire licensable area for Phases 1, 2 and 3 continued to be received by the Company as on March 31, 2015.

License fees for Phase 4 from approx. 98 % of its licensable area began to accrue to the Company in stages during March, June and July, 2015.

Please Note: The total constructed area of approx. 29.46 lac sq.ft. for Phases 1, 2, 3 and 4 includes two levels of basements in phases 1, 2 and 3 and one level of basement, the ground floor (part), mezzanine and four upper levels of parking in Phase 4, as well as a ten floor multi level car parking **(MLCP)** (which also has two basements) housing the utilities, i.e. generator, chillers, water tanks, electrical infrastructure etc. for Phases 1 and 2, in addition to visitor and occupant parking.

Licensee Fees

Gross license fees as on March 31, 2015 from Phases 1, 2 and 3 aggregated approx. ₹ 14.23 crore per month. Additional gross license fees as on March 31, 2014 of approx. ₹ 2.69 crore per month were also accruing from other licensees occupying the existing old buildings in NKP (approx. 3.27 lac sq.ft. as on March 31, 2015).

Further, as on date, approx. ₹ 3.77 crore per month is accruing to the Company from Phase 4 as license fees.

Marketing

Phases 1, 2 and 3 of Nirlon Knowledge Park continue to be fully licensed to reputed International and Indian Corporates.

Phase 4 is ready and has obtained the Occupation Certificate. Approx. 98 % of the licensable area of approx. 4.03 lac sq.ft.in Phase 4 is already licensed to well-regarded Corporates.

Once the fit outs of occupiers in Phase 4 are complete, the campus is expected to be fully occupied and operational.

Financing

The Company's debt funding to date continues to be provided by HDFC Limited, and can be broadly broken down in two categories:

1 **Securitized Loans** – ₹ 604.88 crore (as on July 29, 2015) being repaid in equal monthly instalments of principal and interest from the existing license fees for Phases 1, 2, 3 and 4.

2 **Construction Loan -** ₹ 56.00 crore for Phase 4 is still to be securitised as on July 29, 2015. However, interest on this loan is being paid on a monthly basis. This amount will be securitised once the draw down for Phase 4 is complete.

Please note: the Company is paying the same rate of interest for its securitised loans as well as for its construction loan to HDCF Limited.

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

6 NIRLON HOUSE

The Company continues to co-own 75% undivided interest in approx. 45,475.00 sq.ft. in the Nirlon House building in a prime location on Dr. A. B. Road, Worli in Central Mumbai.

7 OPEN OFFER BY M/S. RECO BERRY PRIVATE LIMITED

Members may be aware that M/s. Reco Berry Private Limited (**Reco)** of Singapore, an affiliate of GIC, the Sovereign Wealth Fund of Singapore, has:

(i) acquired 2,56,00,000 equity shares of the Company comprising of approx. 28.41% of its share capital pursuant to an Open Offer made in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for which a Public Announcement was made on December 23, 2014; and

(ii) acquired 3,01,59,872 equity shares of the Company comprising approx. 33.46% of its share capital by April 30, 2015, pursuant to certain Share Purchase Agreements dated December 23, 2014 and December 30, 2014.

Presently, Reco holds 5,57,59,872 equity shares of the Company comprising of approx. 61.87% of its share capital and has been classified as a Promoter of the Company, along with the existing Promoters, with effect from April 28, 2015.

8 DIRECTORS

Smt. Rajani M. Bhagat, Director, retires by rotation and being eligible, offer herself for re-appointment. The Board recommends the re-appointment of Smt. Bhagat for approval of the Members.

Brief resume of the directors, including Smt. Bhagat, nature of their expertise, and name of company/ies where they hold Chairmanships, Directorships and Memberships of Board / Committees and shareholding if any, as stipulated under Clause 49 of the listing agreement with the BSE Limited, is provided in this Report and forms part of this Notice calling the 56th Annual General Meeting.

9 NUMBER OF BOARD /AUDIT COMMITTEE MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, six (6) Board Meetings and four (4) Audit Committee Meetings were convened and held.

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

10 DECLARATION BY AND TENURE OF THE INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and

Clause 49 of the listing agreement.

The Independent Directors were appointed by the Members of the Company at their meeting held on September 23, 2014 to hold the office of Independent Director for a period of five consecutive years. Accordingly, the Independent Directors shall hold office up to March 31, 2019.

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

11 FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the listing agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Compliance Committees.

12 VARIOUS COMMITTEES OF THE BOARD OF DIRECTORS AND THEIR ROLE AND RESPONSIBILITIES

A) AUDIT COMMITTEE (AC)

The Audit Committee of the Board played an important role during the year. It co-ordinated with the Statutory Auditors, Internal Auditors and other key personnel of the Company and has rendered guidance in the areas of corporate governance, internal audit, finance and accounts.

B) STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

The Stakeholders Relationship Committee has met regularly in the course of the year. With the compulsory dematerialization of the Company's shares and electronic mode of transfers, postal dispatches which led to frequent complaints have been minimized. As on March 31, 2015, approx. 91.64% of the Company's total paid up equity share capital was held Dematerialized Form, and there were no investor grievances /complaints pending with the Registrar.

C) NOMINATION & REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee recommends to the Board the remuneration Package of Executive Directors, Key Managerial Personnel and other employees.

D) CORPORATE SOCIAL RESPONSIBILTY COMMITTEE (CSRC)

The Board formed a Corporate Social Responsibility Committee on September 23, 2014.

E) RISK MANAGEMENT COMMITTEE (RMC)

The Board formed a Risk Management Committee on September 23, 2014.

13 ADOPTION OF VARIOUS POLICIES AND CODES BY THE COMPANY

I) POLICIES:

A) CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Board has formulated a Corporate Social Responsibility Policy. However, the Company has not spent any amount on CSR activities during the Financial Year 2014-15 as the average net profits of the Company made during the three (3) immediately preceding financial years were negative as calculated under the relevant Section 135 (5) of the Companies Act, 2013.

B) RISK MANAGEMENT POLICY

The Company is required to follow an orderly risk management system, as the Company is exposed to various risks which might threaten its business continuity and operations, if not identified and addressed in time.

The Company therefore follows a proactive risk management policy, aimed at protecting its employees, assets and the environment, while at the same time ensuring growth and continuity of its business. Regular updates are made available to Executive Directors and Independent Directors at Board Meetings, and in special cases on an ad-hoc basis.

C) NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

D) WHISTLE BLOWER POLICY

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

E) RELATED PARTY TRANSACTIONS POLICY

The Company has laid down a Related Party Transactions Policy. During the year under review, there were no Related Party Transactions except as stated in **Point No. 27** of the Directors' Report.

F) ANTI-SEXUAL HARRASEMENT POLICY

The Company has an Anti Sexual Harassment Policy in place. During the year under review, there were no complaints in this regard.

II) CODES:

A) CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

B) CODE FOR BOARD AND DESIGNATED EMPLOYEES UNDER CLAUSE 49 OF THE

LISTING AGREMEENT

C) CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The above Policies and Codes are adopted by the Board, and are made available on the Company's Website, **'www.nirlonltd.com'.**

14 DIRECTORS' RESPONSIBILITY STATEMENT

To the best of your Directors knowledge and belief and according to the information and explanations obtained by them, your Directors make the following Statements in terms of Section 134 (3) (c) of the Companies Act, 2013:

a) that in the preparation of the Annual Financial Statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently, and judgements and estimates have been made 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, 2015, and of the Profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken 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 annual Financial Statements have been prepared on a going concern basis;

e) that proper internal financial controls were in place, and that these financial controls were adequate and were operating effectively; and

f) that systems to ensure compliance with the provisions of all applicable laws were in place, and were adequate and operating effectively.

15 STATUTORY AUDITORS AND THEIR REPORT

The Company's Statutory Auditors, M/s N. M. Raiji & Co. (Firm Registration no.108296W), Chartered Accountants, retire as auditors of the Company at the conclusion of 56th Annual General Meeting, and are eligible for re-appointment. They have indicated their willingness to accept re-appointment, and have furnished the necessary certificate in terms of Section 139 of the Companies Act, 2013.

The Audit Committee has considered and recommended the re-appointment of M/s. N. M. Raiji & Co., Chartered Accountants, as Statutory Auditors of the Company to the Board of Directors.

As required under Clause 49 of the listing agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Board of Directors have accepted the Audit Committee's recommendation, and recommended the re-appointment of M/s. N. M. Raiji & Co., Chartered Accountants, to Members as the Statutory Auditors of the Company, and request Members to authorise the Board of Directors to fix their remuneration.

STATUTORY AUDITORS REPORT

The observation made by the Auditors in the Report referring to the 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.

There is no qualification in the Audit Report and a certificate to that effect in **'Form A'** as per Clause 31 of the listing agreement is attached to this Report as **Annexure 1**.

16 INTERNAL AUDITORS

M/s. DH Consultants Private Limited (earlier known as M/s. BDO Consulting Private Limited) are appointed as Internal Auditors of the Company, and their reports are reviewed by the Audit Committee appointed by the Board.

17 SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

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 has appointed M/s. Alwyn Jay & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **Annexure 2**.

There is no qualification in the Secretarial Audit Report.

18 COST AUDITORS AND COST AUDIT RECORDS

The Companies (Cost Records and Audit) Rules, 2014 read alongwith 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 in excess of ₹ 100/- Crore. It is therefore required to maintain cost records which should be audited by a practicing Cost Auditor.

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 Shri Vinay B. Mulay, the Practicing Cost Auditor (ICAI-CMA No. 8791 CP No. 101159) of M/s. Vinay Mulay & Co., Mumbai to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

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.

Accordingly, the consent of Members is sought for passing an Ordinary Resolution as set out at **Item No.5** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

19 LOAN, GUARANTEE, SECURITY AND INVESTMENT

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

20 HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

The Company is not a holding, a subsidiary, or an associate company of any company and vice versa.

21 FIXED DEPOSITS AND DEBENTURES

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

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

22 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.

However, as on July 29, 2015, there is an amount of ₹ 17.69 lac lying with Bank of India in a special account named the "Nirlon Limited- Dividend unpaid / unclaimed Dividend Account – 2013-14" which pertains only to Shareholders who hold their shares in Physical Form.

23 PROMOTERS AND KEY MANAGERIAL PERSONNEL

A) Promoters

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

B) Key Managerial Personnel

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

There is no change in Directors, Key Managerial Personnel and Promoters during the Financial Year. However, M/s. Reco Berry Private Limited has become a Promoter effective from April 28, 2015.

24 RE-CLASSIFICATON OF THE AUTHORISED SHARE CAPITAL OF THE COMPANY

As on July 29, 2015, Members of the Company are in the process of casting their vote for, inter alia, the passing of a special resolution through a Postal Ballot, including e-voting, for the alteration of Capital Clause No. 5 of the Memorandum of Association of the Company by re-classifying its 1,00,000 un-issued cumulative redeemable preference shares of of ₹ 100 each, aggregating ₹ 1,00,00,000, to 10,00,000 equity shares of ₹ 10 each, aggregating ₹ 1,00,00,000. As a result, the Company's total Authorised Share Capital will become ₹ 150,00,00,000 divided into 15,00,00,000 equity shares of ₹ 10 each.

25 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

There are no material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

26 FRAUD REPORTING

During the year under review, there was no fraud in the Company.

27 RELATED PARTY TRANSACTIONS

There were no related party transactions during the Financial Year, except the appointment of and remuneration being paid to the Executive Vice Chairman, and Executive Director of the Company, pursuant to the special resolutions passed by the Members, and payment of dividend as declared by the Members of the Company.

The Company has a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

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, have any pecuniary relationships or transactions vis-à-vis the Company.

The Company has not entered in to any contracts or arrangements with related parties and hence reporting in the Form AOC-2 is not applicable.

28 SPENDING ON THE CORPORATE SOCIAL RESPONSIBILITY PROGRAMME

The Company was not required to spend any amount during the Financial Year 2014-15 as the average net profits of the Company made during the three (3) immediately preceding financial years were negative as per Section 135 (5) of the Companies Act, 2013.

29 INTELLECTUAL PROPERTY RIGHTS

The Company's trade mark/service mark, logo/s, and

copyrights are registered and well protected under the respective statutes.

30 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND 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 earning and outgo were as under:

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

B) 1. The Company has not made any provision for research and development expenditure as the same is not applicable.

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

C) The Company has incurred travel expenses in foreign currencies aggregating to ₹ 0.03 crore, and the Company has no foreign earnings.

The Company has incurred professional fee expenses in foreign currency aggregating to ₹ 0.99 crore.

31 MANAGERIAL REMUNERATION

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 employees of the Company forms a part of this Report as **Annexure 3**.

32 REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / 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 employees of the Company and Directors is furnished in **Annexure 3A.**

33 EMPLOYEES STOCK OPTION SCHEME (NIRLON ESOP 2012)

The disclosure as required under clause 12 of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2015 is attached as **Annexure 4** and forms a part of this Report.

The Company has received a certificate from Chartered Accountants that the Scheme has been implemented in accordance with SEBI Guidelines, and the required resolution has been passed by Members. This Certificate will be available at the Company's 56th Annual General Meeting for inspection by Members.

34 CORPORATE GOVERNANCE DISCLOSURE

The Company adheres to the principles of Corporate Governance mandated by the Securities and Exchange Board of India **(SEBI)**, 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 5,** to this Report, and a certificate from M/s. Alwyn Jay & Co., a firm of Company Secretaries in Practice confirming compliance with the Corporate Governance requirements as stipulated in Clause 49 of the listing agreement entered into with the BSE Limited, form part of this Report.

The Executive Vice Chairman and Executive Director's declarations regarding compliance with the Code of Business Conduct and Ethics forms part of this Corporate Governance Report.

35 MANAGEMENT DISCUSSION AND ANALYSIS

Details are provided in **Annexure 6** and form part of this Report.

36 EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Company's Annual Return in form MGT 9 are provided in **Annexure 7.**

37 ENHANCING SHAREHOLDERS/MEMBERS VALUE

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

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

38 PERSONNEL RELATONS AND ACKNOWLEDGEMENTS

Personnel relations with employees continue to remain cordial. Your Directors record their appreciation for the services rendered by employees at all levels. They acknowledge and record their appreciation for the co-operation and assistance rendered by HDFC Limited, Banks and various Government authorities at State and Central levels. Your Directors thank all stakeholders for their continued support.

We would also like to place on record our sincere appreciation for the co-operation received from the Reserve Bank of India, SEBI, the BSE Limited and all other statutory and/or regulatory bodies.

For and on behalf of the Board of Directors
Nirlon Limited

Moosa Raza
Chairman

Mumbai, July 29, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT

FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

1.	Name of the Company	Nirlon Limited 500307
2.	Annual Financial Statements for the year ended	March 31, 2015
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	N.A.
5.	Signed by: • Kunal V. Sagar [Executive Vice Chairman] • Rahul V. Sagar [Executive Director] • N. M. Raiji & Co. [Statutory Auditor of the Company] • Moosa Raza [Chairman of the Audit Committee] • Manish Parikh [Chief Financial Officer]	

NIRLON LIMITED MUMBAI

Mumbai, July 29, 2015

ANNEXURE 2 TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration 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 (hereinafter called **'the Company'**).

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

Based on our verification of the Company's statutory books, legal papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2015 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 the 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, 2015 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 to the extent of Foreign Direct Investment;

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

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

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi) Based on the representation made by the Management of the Company, the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with specific applicable laws, rules, regulations and guidelines.

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India have been followed with respect to Board and General Body Meetings; and

ii) The Listing Agreement entered into by the Company with the BSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no non-compliances that have come to our knowledge.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. There was no change in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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 Board decisions are recorded without recording any dissent by any member of the Board and hence we do not find any basis to believe that the Board resolutions were dissented upon by any Board member/(s).

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.

ALWYN JAY & Co.,
Company Secretaries

Ronald D'Mello
Partner
FCS 3138
Certificate of Practice No.14353

Mumbai, July 29, 2015

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]

1 1 **Name - Shri Kunal V. Sagar**
2 Age - 47 years
3 Designation - Executive Vice Chairman
4 Gross remuneration - ₹ 1,53,83,999/- p.a.
Net remuneration - ₹ 1,17,13,368/- p.a.
5 Qualification - B.A. (Economics)
6 Experience - 24 years
7 Date of commencement - Feb 1, 1996
8 Last Employment - Republic National Bank of New York

2 1 **Name – Shri Rahul V. Sagar**
2 Age - 44 years
3 Designation - Executive Director
4 Gross remuneration - ₹ 1,33,59,400/- p.a.
Net remuneration - ₹ 89,25,428/- p.a.
5 Qualification - B.A. (Economics)
6 Experience - 21 years
7 Date of commencement- July 1, 2009
8 Last Employment - Sempertrans Nirlon Private Ltd.

3 1 **Name - Shri Jasmin K.Bhavsar**
2 Age - 43 years
3 Designation - Company Secretary, Vice President (Legal) & Compliance Officer
4 Gross remuneration - ₹ 2,43,85,255/- p.a.
Net remuneration - ₹ 1,55,33,220/- p.a.
5 Qualification - B.Com, M.Com, LL.B, LL.M, FCS, MBA and Dip. in Real Estate Management
6 Experience - 23 years
7 Date of commencement - March 6, 2006
8 Last Employment - Enercon (India) Limited

4 1 **Name - Shri Manish B. Parikh**
2 Age - 53 years
3 Designation - Chief Financial Officer
4 Gross remuneration - ₹ 2,04,85,010/- p.a.
Net remuneration - ₹ 1,33,79,940/- p.a.
5 Qualification - B.Com
6 Experience - 31 years
7 Date of commencement September 1, 2004
8 Last Employment - L P Gas Equipments Pvt. Ltd.

5 1 **Name - Shri Deelip A. Pandya**
2 Age - 55 years
3 Designation - Vice President (Projects)
4 Gross remuneration - ₹ 3,40,76,670/- p.a.
Net remuneration - ₹ 2,22,59,836/- p.a.
5 Qualification - Dip. in Civil Engineering
6 Experience 33 years
7 Date of commencement - September 1, 2004
8 Last Employment - Nirlon Limited

6 1 **Name - Shri Viaks Rawat**
2 Age - 46 years
3 Designation - Vice President (Operations)
4 Gross remuneration - ₹ 3,01,03,657/- p.a.
Net remuneration - ₹ 1,98,00,543/- p.a.
5 Qualification - B.A.
6 Experience - 24 years
7 Date of commencement - March 2, 2009
8 Last Employment - Capgemini India Pvt. Ltd.

7 1 **Name - Shri Sanjay K. Gupta**
2 Age - 46 years
3 Designation - Sr. Dy. General Manager (Contracts and Commercial)
4 Gross remuneration - ₹ 1,82,41,221/- p.a.
Net remuneration - ₹ 1,21,44,533/- p.a.
5 Qualification - B.Sc., M.A.,& M.Phil (Eco), PGDM, Dip in IIFT
6 Experience - 21 years
7 Date of commencement - October 11, 2010
8 Last Employment - Sempertrans Nirlon Private Ltd.

8 1 **Name - Shri Sunil B. Patil**
2 Age - 52 years
3 Designation - Dy. General Manager (Finance)
4 Gross remuneration - ₹ 1,10,74,832/- p.a.
Net remuneration - ₹ 73,89,490/- p.a.
5 Qualification - B.Com
6 Experience - 30 years
7 Date of commencement - September 1, 2004
8 Last Employment - Nirlon Limited

Note: 1) Remuneration includes salary, allowances, variable pay, perquisites, the Company's contribution to provident fund and ESOP realisation amounts, but excludes provisions of retiring gratuity for which separate figures are not available.

2) Managerial Remuneration of Shri Kunal V. Sagar includes payments of salary arrears for the period February 1, 2014 to March 31, 2014 , and arrears of variable pay for the year 2013-14.

ANNEXURE 3A TO THE DIRECTORS' REPORT

[Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Disclosures for the Financial Year 2014-2015

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

Executive Directors	Ratio to Median (No. of times)
Shri Kunal V. Sagar	22.01
Shri Rahul V. Sagar	19.11

Non-Executive Directors	Ratio to Median (No. of times)
Shri Mooza Raza	0.57
Shri Rama Varma	0.43
Shri Arjan R. Gurbuxani	0.52
Smt. Rajani M. Bhagat	0.14
Smt. Aruna Makhan	0.54

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

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

Name	Designation	Percentage Increase / (Decrease)
Shri Kunal V. Sagar	Executive Director	(27.56) %
Shri Rahul V. Sagar	Executive Director	(22.12) %
Shri Mooza Raza	Non-Executive Director	66.67 %
Shri Rama Varma	Non-Executive Director	36.36 %
Shri Arjan R. Gurbuxani	Non-Executive Director	12.50 %
Smt. Rajni M. Bhagat	Non-Executive Director	66.67 %
Smt.Aruna Makhan	Non-Executive Director	26.67 %
Shri Manish B. Parikh	Chief Financial Officer	15.07 %
Shri Jasmin K. Bhavsar	Company Secretary	15.15 %

Notes:

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

b) The remuneration to the Chief Financial Officer & the Company Secretary excludes value of perquisites on exercise of Options in the year 2014-2015 for Options granted under the Nirlon ESOP 2012 Plan.

3. The percentage increase in the median remuneration of employees in the Financial Year was approx. 16.60%.

4. The number of permanent employees on the rolls of Company as on 31st March 2015 was 52.

5. The explanation on the relationship between the average increase in remuneration and Company performance:
The average increase / (decrease) in employee remuneration was (2.24) %. The average increase in employee remuneration excluding remuneration to the Executive Directors was approx. 14.21 %. The increase in remuneration is in line with market trends. Profit after tax of the Company increased by approx. 2.97 % and Profit before tax increased by approx. 41.62%

6. Comparison of the remuneration of the Key Managerial Personnel **(KMP)** against the performance of the Company:
The total remuneration of Key Managerial Personnel increased/ (decreased) by (18.43)%, whereas Profit after tax of the Company increased by approx. 2.97% and Profit before tax increased by approx. 41.62%.
Note: The remuneration to the Chief Financial Officer (KMP) & the Company Secretary (KMP) excludes value of perquisites on exercise of Options in the year 2014-2015 for Options granted under the Nirlon ESOP 2012 Plan.

7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year, and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:
Market Capitalisation increased from ₹ 60,198.85 lac as on 31.03.2014 to ₹ 1,77,172.07 lac as on 31.03.2015.
The Price Earnings Ratio moved from 15.72 as on 31.03.2014 to 54.01 as on 31.03.2015.
The Market Price of the shares as at 31.03.2015 has increased by 1866% to ₹ 196.60 over its last Rights Issue priced at ₹ 10 per share issued in the year 1994-1995.

8. The average percentile increase already made in the salaries of employees other than the Key Managerial Personnel in the last financial year was 14.06%. Percentile increase/(decrease) in the Key Managerial remuneration was (18.43) %.

9. The key parameters for any variable component of remuneration availed by the Directors:
The variable component of the Executive Directors' remuneration consists of a performance bonus. Subject to applicable provisions of the Companies Act, 2013, the performance bonus is recommended by the Nomination & Remuneration Committee and approved by the Board. The performance bonus is subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of considerations for determination of the extent of this component is as below:
   - Increase in Profits & Revenue
   - Completion of existing projects within time and budgetary parameters
   - Reduction in Finance Costs
   - Marketing of Projects
   - Provision of Professional Property Management Services to Licensees
   - Researching, analysing and recommending the commencement / development of other phases / projects.

10. The ratio of remuneration of the highest paid Director to that of employees who are not directors but receive remuneration in excess of the highest paid Director during the year:
None

11. Affirmation that the remuneration is as per the remuneration policy of the Company:
The remuneration is as per the practice followed by the Company.

ANNEXURE 4 TO THE DIRECTORS' REPORT

Employee Stock Option Scheme : NIRLON ESOP 2012

[Disclosure as required under Clause 12 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as on 31.03.2015]

Sr. No.	Particulars	
a)	Options Granted	7,15,000
b)	The Pricing Formula	The latest available closing price on the Bombay Stock Exchange on 29.05.2012 i.e. the date preceding the grant: ₹ 41.30 per share
c)	Options Vested	7,15,000
d)	Options Exercised	6,80,000
e)	The total number of shares arising as a result of exercise of options	6,80,000
f)	Options Lapsed	NIL
g)	Variation of terms of options	4,64,750
h)	Money realised by exercise of options	₹ 2,80,84,000
i)	Total number of options in force:	
	(i) Vested	35,000
	(ii) Unvested	-
	Total	**35,000**
j)	Employee wise details of options granted to:-	
	(i) Senior managerial Personnel	Refer Note 1 below
	(ii) Any other employee who receives a grant in any one year of options amounting to 5 % or more of options granted during that year	NIL
	(iii) Identified employees who were granted options, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding options and conversions) of the Company at the time of grant	NIL
k)	Diluted Earning Per Share **(EPS)** pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	₹ 3.64
l)	The difference between employee compensation cost using intrinsic value method and fair value of the options	₹ 72.29 Lac
	The impact of this difference on:-	
	Profits of the Company	Lower by ₹ 72.29 Lac
	Basic EPS of the Company	Lower by ₹ 0.08
	Diluted EPS of the Company	Lower by ₹ 0.08
m)	Weighted-average exercise prices for options:	
	whose exercise price equals the market price of the stock on grant date	₹ 41.30
	whose exercise price exceeds the market price of the stock on grant date	Not Applicable
	whose exercise price is less than the market price of the stock on grant date	Not Applicable
	Weighted-average fair value of options:	
	whose exercise price equals the market price of the stock on grant date	₹ 24.00

	whose exercise price exceeds the market price of the stock on grant date	Not Applicable
	whose exercise price is less than the market price of the stock on grant date	Not Applicable
n)	A description of the method and significant assumptions used during the year to estimate the fair value of options, including the weighted-average information	
	(i) Risk-free interest rate	8.32% - 8.37%
	(ii) expected life	3.75 Years to 5.38 Years
	(iii) expected volatility	0.5874
	(iv) expected dividends	NIL
	(v) The price of the underlying share in market at the time of option grant	₹ 41.30

Note 1: Employee wise details of Options granted to Senior Managerial Personnel

Sr. No.	Name & Designation	No. of Options Granted
1	Shri Dileep A. Pandya - Vice President (Projects)	170,000
2	Shri Jasmin K. Bhavsar - Company Secretary & Vice President (Legal)	145,000
3	Shri Vikas Rawat - Vice President (Operations)	145,000
4	Shri Manish B. Parikh - Chief Financial Officer	105,000
5	Shri Sanjay K. Gupta - Sr. Dy. General Manager (Contracts & Commercials)	95,000
6	Shri Sunil B. Patil – Dy. General Manager (Finance)	55,000

ANNEXURE 5 TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

[Information given in this Report relates to the Financial Year ended March 31, 2015]

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 behaviour, 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) Name of Directors

1 Padma Bhushan Shri Moosa Raza **(Chairman – ID & NED*)**

2 Shri Rama Varma **(ID & NED*)**

3 Shri Arjan R. Gurbuxani **(ID & NED*)**

4 Smt. Rajani M. Bhagat **(Promoter & NED*)**

5 Smt. Aruna Makhan **(ID & NED*)**

6 Shri Rahul V. Sagar **(Promoter & Executive Director)**

7 Shri Kunal V. Sagar **(Promoter & Executive Vice Chairman)**

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

A brief resume of Directors, including Smt. Bhagat, nature of their expertise in specific functional areas, and company names in which they hold Chairmanships, Directorship and Memberships of the Board / Committees, and shareholding in the Company are provided in this Report.

B) Brief Resume of Directors

1 Padma Bhushan Shri Moosa Raza (DIN- 00145345) - Chairman – ID & NED*

Shri Moosa Raza, aged 78 years, has been a Civil Servant for 35 years and is a recipient of the Padma Bhushan awarded by the Hon'ble President of India for his distinguished civil service to the Nation.

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

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

Shri Raza has been a director of the Company since July 1996 and was re-appointed as an Independent Director and Chairman by the Board effective from October 28, 2006. Subsequently, Members at their meeting held on August 30, 2007 confirmed the appointment of Shri Raza as an independent director liable to retire by rotation.

Members of the Company at their 55th Annual General Meeting held on September 23, 2014 appointed Shri Raza as an Independent Director to hold office upto March 31, 2019, and not liable to retire by rotation.

He is also holding the position of Director on the Board of the National Waqf Development Corporation Limited.

He does not hold any Equity Shares of the Company.

2 Shri Rama Varma (DIN- 00031890) - ID & NED*

Shri Rama Varma, aged 65 years, graduated with a B.Sc. Shri Varma has been occupying the office of Director of the Company since March 1978 and was re-appointed as an Independent Director by the Board effective June 24, 2006.

Subsequently, Members at their meeting held on September 28, 2006 confirmed the appointment of Shri Varma as an independent director liable to retire by rotation.

Members of the Company at their 55th Annual General Meeting held on September 23, 2014 appointed Shri Varma as an Independent Director to hold office upto March 31, 2019 , and not liable to retire by rotation.

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

He holds 1,925 Equity Shares of the Company.

3 Shri Arjan R. Gurbuxani (DIN- 00425885) - ID & NED*

Shri Arjan R. Gurbuxani, aged 81 years, graduated with B.A. (Hons.), and LL.B., both from Bombay University and completed C.A.I.I.B.

Shri Gurbuxani has served Multinational Banks in senior positions both in India and abroad for 42 years.

Shri Gurbuxani has been a Director of the Company since 1994 and was re-appointed as an Independent Director by the Board effective June 24, 2006. Subsequently, Members at their meeting held on September 28, 2006 have confirmed the appointment of Shri Gurbuxani as an Independent Director liable to

retire by rotation.

Members of the Company at their 55th Annual General Meeting held on September 23, 2014 appointed Shri Gurbuxani as an Independent Director to hold office upto March 31, 2019 and not liable to retire by rotation.

Shri Gurbuxani is the CEO of a Public Charitable Trust established in 1903. The Trust manages in Rishikesh (Uttarakhand) two CBSE affiliated schools with more than 3,000 students and two hospitals with more than 280 Beds. One of the hospitals is dedicated to Eye Care and has performed more than 70,000 free Eye Surgeries since 2008.

He holds 724 Equity Shares of the Company.

4 Smt. Aruna Makhan (DIN- 00025727) - ID & NED*

Smt. Aruna Makhan, aged 71 years, joined the IA&AS in 1967 and opted for the ICAS in 1976.

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

Smt. Makhan has been a director of the Company since July 2004 and was re-appointed as an independent director by the Board effective October 28, 2006.

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

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

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

She does not hold any Equity Shares of the Company.

5 Smt. Rajani M. Bhagat (DIN-00870716) - Promoter & NED*

Smt. Rajani M. Bhagat, aged 77 years, graduated with B.A. (Hons.), B.Com, B.Sc. (Economics).

Smt. Bhagat has been occupying the office of Director since March 2003 and was reappointed as a director by the Board effective October 28, 2006. Subsequently, Members at their meeting held on August 30, 2007 confirmed the appointment of Smt. Bhagat as a Director liable to retire by rotation

Members of the Company at the 51st, 54th & 55th Annual General Meetings held on September 14, 2010, September 27, 2013 and September 23, 2014 respectively have re-appointed Smt. Bhagat as a Director liable to retire by rotation.

She holds 6,73,299 Equity Shares of the Company.

6 Shri Rahul V. Sagar (DIN- 00388980) - Promoter & Executive Director

Shri Rahul V. Sagar, aged 44 years, graduated with a B.A. in Economics.

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

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

Shri Rahul V. Sagar has occupied the office of the Executive Director effective July 1, 2009 and is not liable to retire by rotation.

He is the brother of Shri Kunal V. Sagar, one of the directors of the Company.

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

7 Shri Kunal V. Sagar (DIN 00388877) - Promoter & Executive Vice Chairman

Shri Kunal V. Sagar, aged 47 years, graduated with a B.A. in Economics.

Shri Kunal V. Sagar has been occupying the office of director since December 1995. Subsequently, Members at their meeting held on September 24, 1997 confirmed the appointment of Shri Kunal V. Sagar as joint Executive Vice Chairman of the Company, not liable to retire by rotation.

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

He is the brother of Shri Rahul V. Sagar, one of the directors of the Company.

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

C) Particulars of Directors' attendance at the Board Meetings during the Financial Year 2014-15, at the last Annual General Meeting, and the number of Directorships, Chairmanships / Memberships of Committees held by Directors on the Board of various other companies, and the shareholding of the Directors in the Company as on March 31, 2015 :

During the Financial Year 2014-15, the Board met 6 (six) times on the following dates:-

Sr. No.	Date of Board Meeting
1	May 27, 2014
2	July 25, 2014
3	September 23, 2014
4	November 13, 2014
5	January 8, 2015
6	February 9,2015

The maximum time gap between any 2 (two) meetings was not more than 120 days

Sr. No.	Name	Category	Relationship with other Directors	Attendance Particulars		Directorships in other Public Ltd. Company/ ies	Audit and Shareholders' Grievance Committee Memberships		Shareholding
				Board meetings	Last AGM		Chairman	Member	
1	Shri Moosa Raza	ID & C*	None	6	Y	1	-	1	NIL
2	Shri Rama Varma	ID & NED*	None	5	Y	1	-	-	1,925
3	Shri Arjan R. Gurbuxani	ID & NED*	None	6	Y	-	-	-	724
4	Smt. Rajani M. Bhagat	NED*	None	5	Y	-	-	-	6,73,299
5	Smt. Aruna Makhan	ID & NED*	None	6	Y	1	-	-	NIL
6	Shri Rahul V. Sagar	ED*	Brother of Shri Kunal V.Sagar	6	Y	-	-	-	13,29,750
7	Shri Kunal V. Sagar	EVC*	Brother of Shri Rahul V. Sagar	6	Y	-	-	-	13,29,750

***** C: Chairman, EVC: Executive Vice Chairman, ED: Executive Director, NED: Non-executive Director, ID: Independent Director

i) Shri Moosa Raza is the Chairman of the Board.

ii) Shri Kunal V. Sagar is the Executive Vice Chairman and Shri Rahul V. Sagar is the Executive Director of the Company.

iii) All Directors, except Shri Kunal V. Sagar, Shri Rahul V. Sagar and Smt. Rajani M. Bhagat, are Independent Directors.

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

3 AUDIT COMMITTEE:

i) The Role of the Audit Committee as per the Companies Act 2013, and the listing agreement, 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 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 listing agreement and other legal requirements relating to the Financial Statements.

f) Disclosure of any related party transactions.

g). Qualifications in the 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, and 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, if any, including the structure of the appointment of the Internal Auditor, remuneration, internal audit department, reporting structure, coverage and frequency of the internal audit;

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

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

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

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

18 To review the functioning of the Whistle Blower Mechanism;

19 Approval of appointment of 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;

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

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

iii) The constitution of this Audit Committee meets with the requirement of Clause 49 of the listing agreement with the BSE Limited. The terms of reference for the Audit Committee and frequency of meetings meet the requirements of law.

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

v) During the Financial Year 2014 - 15, the Audit Committee met 4 (four) times on the following dates with details of the Directors' attendance:-

Sr. No	Name of the Member	May 27, 2014	July 25, 2014	November 13, 2014	February 9, 2015	Total
1	Shri Moosa Raza (Chairman)	Yes	Yes	Yes	Yes	**4**
2	Shri Rama Varma	No	Yes	Yes	Yes	**3**
3	Shri Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	**4**
4	Smt. Aruna Makhan	Yes	Yes	Yes	Yes	**4**

4 NOMINATION & REMUNERATION COMMITTEE:

i) Terms of Reference:

The Nomination & Remuneration Committee reviews the policy on remuneration packages for Executive Directors, Key Managerial Personnel and other senior executives, their service contracts, ESOPs, etc.

ii) The Nomination & Remuneration Committee constituted by the Board of Directors of the Company consists of 4 Independent Directors, viz. Shri Arjan R. Gurbuxani (Chairman), Shri Moosa Raza, Shri Rama Varma, and Smt. Aruna Makhan.

iii) The Chairman of the Nomination and Remuneration Committee will be present at the Annual General Meeting to answer Shareholders /Members queries. The Chairman of the Meeting will decide who should answer shareholders/members queries.

iv) During the Financial Year 2014- 15, the Nomination & Remuneration Committee met 3 (three) times on the following dates. Details of the Directors attendance are as under:-

Sr. No	Name of the Member	May 27, 2014	July 25, 2014	February 9, 2015	Total
1	Shri Arjan R. Gurbuxani (Chairman)	Yes	Yes	Yes	**3**
2	Shri Moosa Raza	Yes	Yes	Yes	**3**
3	Shri Rama Varma	No	Yes	Yes	**2**
4	Smt. Aruna Makhan	Yes	Yes	Yes	**3**

v) Nomination & Remuneration Policy

The Committee interalia recommends the appointment and managerial remuneration payable to Executive Directors, Key Managerial Personnel and other senior executives of the Company based on their contribution to the growth and development of the Company.

vi) Details of Remuneration paid to all Directors for the Financial Year ended March 31, 2015:

(₹ in Lac)

Sr. No.	Name of the Director	Salary	Provident Fund	Variable Compensation	Sitting fees*	Total	Service contract/ Notice period severance fees
1	Shri Moosa Raza	0	0	0	4.00	4.00	N.A.
2	Shri Rama Varma	0	0	0	3.00	3.00	N.A.
3	Shri Arjan R. Gurbuxani	0	0	0	3.60	3.60	N.A.
4	Smt. Rajani M. Bhagat	0	0	0	1.00	1.00	N.A.
5	Smt. Aruna Makhan	0	0	0	3.80	3.80	N.A.
6	Shri Rahul V. Sagar (ED)	74.00	5.76	53.83	N.A	133.59**	Agreement for a period of 10 months w.e.f. April 1, 2015 to January 31, 2016 will be executed by Shri Rahul V. Sagar with the Company at the next Board Meeting post approval of the Shareholders on the same, vide Postal Ballot Notice dated June 20, 2015. Three months notice.
7	Shri Kunal V. Sagar (EVC)	106.00	8.00	39.84**	N.A	153.84**	Agreement dated September 26, 2011 for a period of 5 years w.e.f. 01.02.2011. Three months notice.

***** Inclusive of Board, Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee Meetings, the one time Independent Directors Committee Meeting for recommendation on pricing under the Open Offer , and the separate Independent Directors Meeting.

****** Inclusive of variable compensation of ₹ 5.65 lac (for the Financial Year 2013-14) and ₹ 34.19 lac (for the year 2014-15) for Shri Kunal V. Sagar , and ₹ 53.83 lac (for the year 2014-15) for Shri Rahul V. Sagar respectively.

None of the Non Executive Directors of the Company draws any remuneration except sitting fees.

5 STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

ii) The Committee specifically looks into redressing of Shareholders/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 shareholders' grievances and helps the Management in the redressal of their grievances.

iii) During the Financial Year 2014-15, the Stakeholders Relationship Committee met 4 (four) times on the following dates with details of the Directors' attendance:-

Sr. No	Name of the Member	May 27, 2014	July 25, 2014	November 13, 2014	February 9, 2015	Total
1	Shri Moosa Raza (Chairman)	Yes	Yes	Yes	Yes	**4**
2	Shri Rama Varma	No	Yes	Yes	Yes	**3**
3	Shri Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	**4**
4	Smt. Aruna Makhan	Yes	Yes	Yes	Yes	**4**

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

v) As per amended Clause no. 47(f) of the listing agreement, 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'.**

vi) Investors Grievance Redressal
The number of complaints received and resolved to the satisfaction of investors during the year under review are as under:

Quarters of F.Y. 2014-15	Complaints from Regulatory Authorities	Complaints from Investors	Requests from Investors	Replied/ Resolved	Pending
1st	0	0	116	116	0
2nd	1	0	130	131	0
3rd	1	0	489	490	0
4th	1	0	590	591	0
Total	**3**	**0**	**1,325**	**1,328**	**0**

As on March 31, 2015 the number of pending share transfer requests / complaints were nil, and pending requests for dematerialization were also nil.

6 GENERAL BODY MEETINGS:

a) Annual General Meetings (AGMs)

i) Location and time where the last 3 (three) Annual General Meetings were held:

AGMs	Financial Year	Day and Date	Venue of the Meeting	Time
53rd	2011-2012	Saturday, 15.09.2012	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhas Marg, Kaala Ghoda, Mumbai 400 001.	11.00 a.m.
54th	2012-2013	Friday, 27.09.2013	Pama Thadhani Auditorium, Jai Hind College Building, A Road, Churchgate, Mumbai 400 020.	11.00 a.m.
55th	2013-2014	Tuesday, 23.09.2014	Pama Thadhani Auditorium, Jai Hind College Building, A Road, Churchgate, Mumbai 400 020.	10.30 a.m.

ii) No Special Resolution was passed in the previous three (3) Annual General Meetings.

iii) **Postal Ballot:**

Shri Taizoon M. Khumri as the Scrutinizer conducted the following postal ballot process and carried out a scrutiny of all the Postal Ballot Forms received up to the close of working hours on August 26, 2013. Based on the report of the Scrutinizer dated August 30, 2013, at 4.30 p.m. on September 3, 2013 the Executive Vice Chairman declared the result on the voting by Postal Ballot conducted pursuant to Section 192A of the Companies Act, 1956 with respect to the Special Resolution passed for increasing of the Authorised Share Capital, at the Registered Office of the Company.

Special Resolution passed for increasing of the Authorised Share Capital of the Company from ₹ 75 crore to ₹ 150 crore, and consequent alteration of the Memorandum and the Articles of Association of the Company							
Sr. No.	**Particulars**	**No. of Postal Ballot Forms**	**No. of Shares Voted upon**	**Aggregate in value (in ₹)**	**% to total paid up Equity Capital**	**% to valid votes cast**	**% to valid Postal Ballot Forms**
a)	Total Postal Ballot Forms received	1,009	2,02,53,546	20,25,35,460	28.22		
b)	Less: Invalid Postal Ballot Forms	112	19,841	1,98,410	0.03		
c)	Net Valid Postal Ballot Forms	897	2,02,33,705	20,23,37,050	28.19		
d)	Valid Postal Ballot Forms with assent for the Resolution	839	2,01,89,266	20,18,92,660	28.13	99.78	93.53
e)	Valid Postal Ballot Forms with dissent for the Resolution	58	44,439	4,44,390	0.06	0.22	6.47

iv) As certified by the Management, the Company has issued a Postal Ballot Notice dated June 20, 2015 to Members seeking their approval by way of Special Resolutions for the following business:-

1 Re-classification of Preference Shares consequent upon the alteration of the Capital Clause of the Memorandum of Association of the Company

2 Adoption of a new set of Articles of Association of the Company

3 Appointment of Shri Rahul V. Sagar as Executive Director of the Company and the payment of his Managerial Remuneration for a period of 10 months w.e.f. April 1, 2015 to January 31, 2016

The results of the Post Ballot on the above business items will be declared on August 17, 2015.

7 DISCLOSURES:

i) The Company does not have any related party transactions, which may have a potential conflict with the interests of the Company 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 2.37** of the Audited Financial Statements, forming part of this Annual Report, and the said transactions were fully disclosed at the meeting of the Board of Directors, and subsequently were approved by Members of the Company by way of Special Resolutions.*

ii) 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.

iii) The Company has laid down a Whistle Blower Policy, and no employees have been denied access to the Audit Committee.

iv) Details of compliance with mandatory requirements:

The Company has obtained the necessary Certificate from M/s. Alwyn Jay & Co, a firm of Company Secretaries in Practice regarding compliance of conditions of Corporate Governance, and the same is given as an annexure to the Directors' Report.

8 DISCLOSURE OF RISK MANAGEMENT

The Company has laid down procedures to inform Board Members about risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that the executive management controls risks through means of a properly defined framework.

9 MEANS OF COMMUNICATION:

i) Financial Results (Quarterly, Half yearly and Audited)

Quarterly, half-yearly and yearly financial results of the Company are sent to the BSE Limited within the prescribed period after they are approved by the Board. They are also published as required in the prescribed pro-forma within 48 hours of the conclusion of the meeting of the Board in which they are considered.

ii) Newspapers in which results are published

'Free Press Journal' (English daily) and 'Navshakti' (Marathi daily)

iii) Website where displayed

www.nirlonltd.com

iv) Official News released

None

v) Presentations made to institutional investors/analysts

None

10 GENERAL SHAREHOLDER INFORMATION:

i) 56th Annual General Meeting:

Date : Monday, September 21, 2015

Time : 11.00 a.m.

Venue : Pama Thadhani Auditorium, Jai Hind College Building, 'A' Road, Churchgate, Mumbai 400 020.

ii) 57th Annual General Meeting for the year ended on March 31, 2016

End of September 2016 (tentative)

iii) Financial Year

April 1, 2015 to March 31, 2016

iv) Board Meetings (tentative*)

- 1st Quarter of 2015-16: April – June 2015 quarter results – Meeting already held on July 29, 2015
- *2nd Quarter of 2015-16: July – September 2015 quarter results – on or before November 14, 2015
- *3rd Quarter of 2015-16: October – December 2015 quarter results – on or before February 14, 2016
- *4th Quarter of 2015-16: Audited results for the year ended March 31, 2016 – on or before May 30, 2016

v) Date of Book Closure for the 56th AGM

Friday, September 11, 2015 to Monday, September 21, 2015 (both days inclusive)

vi) Dividend Recommendation and Payment Date

₹ 0.75 paise (7.5%) per share of ₹ 10 each

Payment Date (tentative)

The Dividend warrants will be posted/dividend amounts will be remitted/paid into Members accounts on or before October 20, 2015.

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 2015-16 to the BSE Limited.

viii) Payment of Annual Custodial fees

The Company has not received the annual custodial fees invoice from NSDL and CDSL till date. The Company will make payment of the same as and when the bills are received by it.

ix) Stock Script

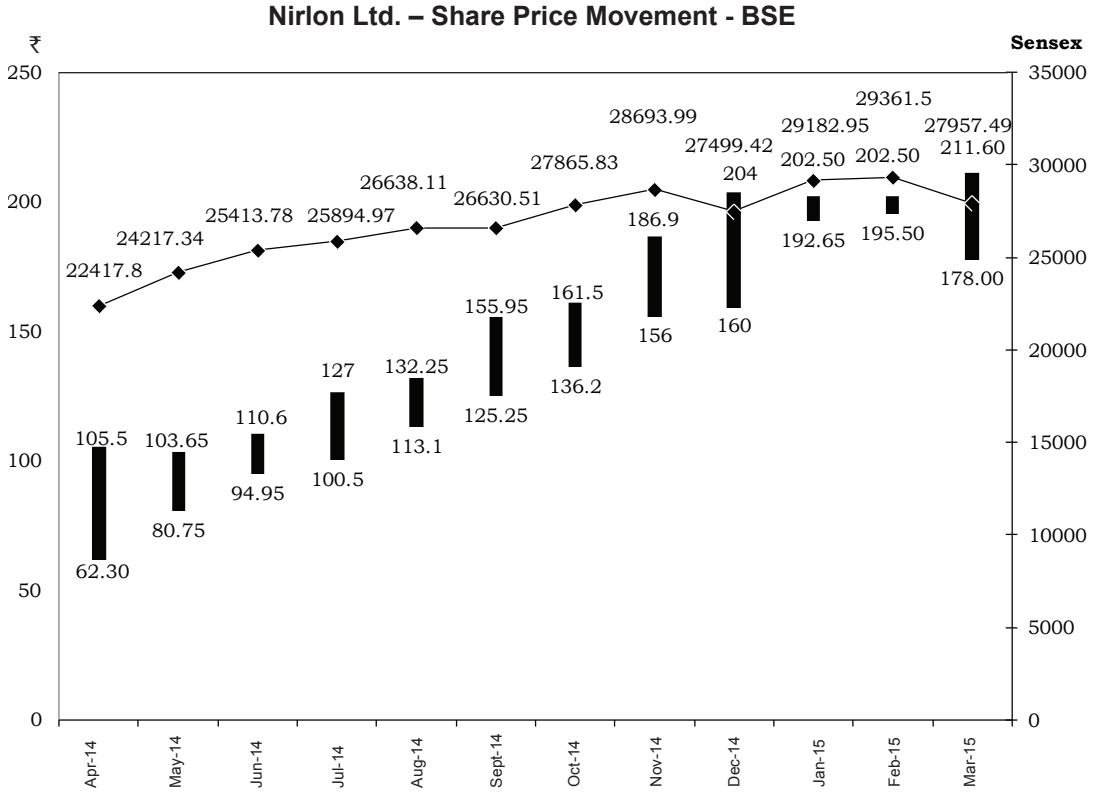
BSE Code: 500307 and ISIN no. in NSDL and CDSL for equity shares: INE910A01012

x) Stock Market Data: April 1, 2014 to March 31, 2015

The BSE Limited, Mumbai

Month	High (₹)	Low (₹)
April 2014	105.50	62.30
May 2014	103.65	80.75
June 2014	110.60	94.95
July 2014	127.00	100.50
August 2014	132.25	113.10
September 2014	155.95	125.25
October 2014	161.50	136.20
November 2014	186.90	156.00
December 2014	204.00	160.00
January 2015	202.50	192.65
February 2015	202.50	195.50
March 2015	211.60	178.00

xi) Share Price Performance in comparison to Broad Based Indices (BSE SENSEX)



xii) Registrar and Share Transfer Agent (Registrar)

M/s. Sharepro Services (India) Private Limited,
13AB, Samhita Warehousing Complex, 2nd Floor,
Near Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai – 400 072.
Tele : + 91 (022) 6772 0300/400
Fax : + 91 (022) 2859 1568/2850 8927
CIN No. : U67120MH2004PTC148994
Email : sharepro@shareproservices.com
indira@shareproservices.com

xiii) 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 Registrar.

xiv) Distribution of Shareholding (As on March 31, 2015)

Range of Shares	No. of Share holders	Percentage of Share-holders to total (%)	No. of Shares	Percentage of Share amount to total (%)
Up to 500	38,640	93.01	42,54,141	4.72
501 – 1,000	1,648	3.97	13,16,166	1.46
1,001 – 2,000	648	1.56	9,94,165	1.10
2,001 – 3,000	188	0.45	4,81,148	0.53
3,001 – 4,000	93	0.22	3,33,624	0.37
4,001 – 5,000	75	0.18	3,56,702	0.40
5,001 – 10,000	127	0.31	9,41,688	1.04
10,001 and above	126	0.30	8,14,40,406	90.38
Total	**41,545**	**100.00**	**9,01,18,040**	**100.00**

xv) Dematerialization of Shares

As per notification issued by SEBI, the shares of the Company are traded in Dematerialized Form. As on March 31, 2015, 91.65% of the paid-up Equity Share Capital of the Company has been dematerialized.

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

Not Applicable

xvii) Industrial Park / IT Park Location & NIC code

Pahadi Village, Off the Western Express Highway, Goregaon (E), Mumbai: 400 063.
NIC code: 42901

xviii) Address for Communication

Shri 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 or 2685 2257/58/59
Fax No. : + 91 (022) 4028 1940
CIN No. : L17120MH1958PLC011045
E-mail : share@nirlonltd.com
Website : www.nirlonltd.com

xix) Shareholding Pattern (As on March 31, 2015)

Sr. No.		No. of Equity Shares	Percentage (%)
A)	**Promoters and Promoter Group**		
a)	Indian	77,19,950	8.56
b)	Foreign	36,92,804	4.10
	Sub Total (A) (a + b)	**1,14,12,754**	**12.66**
B)*	**Public Shareholding**		
a)	Bank/MFs/insurance Cos.	40,104	0.04
b)	Foreign Institutional Investors (FIIs)	49,285	0.05
c)**	KCPL Escrow Account - Nirlon Ltd - Open Offer	3,47,20,021	38.53
d)	Others	4,38,95,876	48.72
	Sub Total (B)* - (a+b+c+d)**	**7,87,05,286**	**87.34**
	GRAND TOTAL : A + B*	**9,01,18,040**	**100.00**
	Total No. of Shareholders	**41,545**	

* Certain Shareholders classified under the Public category are persons acting in concert with promoters / promoter group as per the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

** As on March 31, 2015 an Open Offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, had been made by Reco Berry Private Limited, and pursuant to the same, public shareholders who had tendered their shares under the open offer, were falling in the Public category.

xx) Code of Conduct

The Board has laid down a Code of Conduct for Business and Ethics for all Board Members and Senior Management of the Company.

A copy of the Code of Conduct has been displayed on the Company's website.

All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2015.

A declaration to this effect is signed by the Executive Vice Chairman and Executive Director forming part of this Report.

xxi) Declaration – Code of Conduct

All Board Members and Senior Management personnel have, for the Financial Year ended March 31, 2015, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the listing agreement with the BSE Limited.

For Nirlon Limited,

Sd/-
Kunal V. Sagar
Executive Vice Chairman

Sd/-
Rahul V. Sagar
Executive Director

Mumbai, July 29, 2015

ANNEXURE 6 TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION ANALYSIS

OVERVIEW

- During the year under review, the Company made good progress in the development of its Information Technology / Industrial Park in Goregaon (East), Mumbai, i.e. Nirlon Knowledge Park **(NKP)**.

  The Company received its Occupation Certificate for Phase 4 of this development in March 2015. The Company has thus successfully completed the development of NKP in approximately 8 (eight) years since construction began in April / May, 2007. NKP now comprises approx. 29.46 lac sq. ft. of newly constructed area in Phases 1, 2, 3 and 4, which corresponds to approx. 18.78 lac sq.ft. of licensable area.

  The Company is evaluating in detail the possibility of a further Phase (Phase 5) through a mixture of redevelopment of its existing old buildings and new development, should the market and regulatory environment conclusively allow for the same.

- In December 2014, Reco Berry Private Limited **(Reco)** of Singapore, an affiliate of GIC, the Sovereign Wealth Fund of Singapore, initiated an open offer for Nirlon under the relevant SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011. The open offer was successfully concluded in April 2015, and on April 28, 2015 Reco was, in addition to the existing Promoters, designated as a Promoter of Nirlon holding approx. 61.87 % of the Company's shares.

SEGMENT ANALYSIS AND REVIEW

Industrial Park / Industrial Technology Park - Goregaon, Mumbai

Occupancy & License Fee Escalations

During the year under review, the Company has been successful in ensuring that the approx. 14.75 lac sq. ft of licensable area in Phases 1, 2 and 3 of NKP has remained fully licensed to existing corporate occupants. With the successful completion of Phase 4 the Company has added an additional approx. 4.03 lac sq. ft. of licensable area to NKP. Phase 4 has also been more than approx. 98% licensed to successful and well known corporate clients. Therefore, NKP now has a total of approx. 18.78 lac sq. ft. of licensable area in Phases 1, 2, 3 and 4, all of which are almost fully occupied. License fees for Phase 4 began in stages in March, June and July, 2015, and are now regularly received along with license fees for Phases 1, 2 and 3.

Escalations for NKP licenses took effect as contracted during the year under review (escalation's are approx. 15% every three years).

Loan Repayments

The Company's securitized loans from HDFC Limited continued to be serviced on schedule through equal monthly installments comprising of Principal and Interest. These loans have a tenure of 108 / 120 months. Due to the equal monthly installment structure of these loans, the principal balance of these securitized loans continued to reduce year on year, resulting in a pro rata reduced annual interest expense.

Profitability and Cash Flow

As a result of increased license fees, due to the receipt of Phase 3 license fees for the entire year, and contracted escalations, the Company's income from operations increased by approx. 18.46% during the year under review as compared to the previous year. Further, as a proportion of license fee, expenses (including interest expense) also reduced. Accordingly, the Company's profitability during the year under review increased appreciably (even before accounting for the exceptional item benefits).

The Company also continued to generate improved free cash flows during the year under review after accounting for all expenses including payment of principal and interest to its lender. The majority of free cash flows continued to be used to part fund the construction of Phase 4, so that the borrowing for construction is reduced to this extent, resulting in the lowest possible interest expense.

In the context of the available free cash flows, and after a suitable deliberation, the Board of Directors have decided, in the interests of financial prudence, to recommend an unchanged dividend of ₹ 0.75 paise per share (7.5%) for the year under review.

Priorities

Major priorities for the Company during the Financial Year 2015 – 16 are as follows:

i) To ensure the continued satisfaction of its licensees by maintaining and operating NKP to the highest possible standards;

ii) To ensure the ongoing scheduled repayment of its loans;

iii) To ensure that Phase 4 is made fully operational and is integrated into the existing phases in the shortest possible time, and to provide maximum support to the incoming new occupants in this Phase.

iv) To identify future opportunities for the Company's continued growth and improved profitability.

RISKS AND CONCERNS

Industrial Park / Industrial Technology Park - Goregaon, Mumbai

i) *Macro Economic Environment*

As mentioned during earlier years in this analysis, continued demand for commercial real estate in

Mumbai remains directly linked to the City continuing to be an investment destination of choice for Indian as well as multinational corporates. The present State Government's efforts to simplify the regulatory frame work and make it easier to start and run businesses is a much needed and welcome development. If successful this initiative, when combined with the promised improved governance, reduced graft, a constructive bureaucracy and better infrastructure, should help Mumbai move toward re-establishing its once pre-eminent position as a preferred business / investment destination in India. In recent years, this pre-eminence has been challenged successfully by other destinations in India which have consistently offered a more business / investment friendly climate, as well as lower salaries and real estate costs. The traditional strengths of Mumbai, i.e. a large, cosmopolitan, and English speaking educated work force need to be coupled with effective implementation of the Government's stated good intentions in the coming years, to consolidate and enhance the City's desirability as a dynamic and competitive international investment destination.

At the Central Government level too, investors and business people are anxiously waiting to see evidence of the implementation of the avowedly business friendly policies / reforms / legislation intended to accelerate growth, investment and entrepreneurship. The last twelve months have not been very encouraging in this regard, and the optimism so evident at this time last year has been replaced by an increasing uncertainty and concern that good intentions could, yet again, falter because of the familiar difficulties in implementation, indecisive decision making, and poor governance. This, despite some genuine progress made in containing inflation, and to a lesser extent in the reduction of interest rates. It is vital that growth and investment achieve better traction in the next few months to combat this growing negative sentiment, so that demand at the pan India level is sustained and enhanced. Specifically from the point of view of commercial real estate, amendments to the Government's Real Estate Investment Trust **(REIT)** legislation enabling Indian REITs to be competitive with their global peers would be a significant step forward, and should lead to a broadening and deepening of the commercial real estate market in India.

The global economic scenario also continues to increasingly have a bearing on real estate demand in India, and consequently Mumbai. The inflow of international money into Indian real estate will, interalia, be driven by economic conditions in the developed world. Of great significance in the coming months will be the extent and timing of interest rate increases in the United States, the ability of the Euro Zone to sustain a cohesive economic policy despite the contradictory philosophies of its Member Nations and the economic performance of the developed Asian countries especially Japan, South Korea, Singapore, Hong Kong, and Taiwan. As regards Emerging Markets, slowing growth and demand is now a real concern, as increases in trade and investment in India from China, Russia and our neighbours in South East Asia will also need to play a significant role in driving growth and demand in India over the coming years.

Finally, the increasingly unpredictable, violent, and complex geopolitics of todays world, especially the Middle East, Russia and its neighbours, and on India's western and northern borders have the ability to set back hard won economic and social progress.

ii) *Demand for Commercial Real Estate in Suburban Mumbai*

Demand for commercial real estate in suburban Mumbai continues to be driven by the Information Technology and Financial sectors. Though demand is strong, the business model for these sectors requires the availability of inexpensive commercial real estate. In Mumbai, this would typically mean the extended suburbs beyond Borivali in the west and Mulund in the east, i.e. the Thane, Airoli, Navi Mumbai belt. These circumstances could put commercial rates in Mumbai's immediate suburbs, including Nirlon's micro market, under pressure, or atleast limit possible rent escalations.

However, as in earlier years, the supply of good quality and well planned commercial development in Nirlon's micro market remains limited. The micro market itself, on the Western Express Highway and in close proximity to the commuter rail network and airports is most desirable. A large part of Mumbai's working population continues to reside in the western suburbs, adding to the continued attractiveness of NKP's location. In this context, demand for professionally managed developments delivering value at competitive rates remains steady in Nirlon's micro market.

NKP has established itself in this segment of the market, and is committed to its focus on quality, reliability and occupant satisfaction. This helps the Company to substantially mitigate the risks and concerns discussed in this Section.

Cautionary Statement

Statements in the Annual Report including the Directors' Report and its annexures describing the Company's objectives, projections, estimates, expectations, etc. may be 'forward looking statements' within the meaning of applicable laws and regulations. Important factors that could make a difference to the Company's operations / development include macro economic conditions affecting demand / supply, price conditions in the domestic and overseas markets, changes in Government regulations, policy, tax laws, other statutes and incidental factors.

ANNEXURE 7 TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT – 9

I) REGISTRATION AND OTHER DETAILS

i)	CIN	L17120MH1958PLC011045
ii)	Registration Date	12-03-1958
iii)	Name of the Company	NIRLON LIMITED
iv)	Category / Sub-Category of the Company	Indian Non-Government Company limited by shares
v)	Address of the Registered Office and contact details	Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063. Tel.: 40281919, 26852257
vi)	Whether listed company	YES – BSE LTD.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Sharepro Services (India) Pvt. Ltd., Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka Andheri (East), Mumbai 400 072 Tel.: 67720300/400

II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company *	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	N.A.	N.A.	N.A.	N.A.	N.A.

IV) SHAREHOLDING PATTERN (Equity Share Capital Breakup as a percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A) Promoters & Promoter Group									
1 Indian									
a) Individual / HUF	69,02,386	0	69,02,386	7.66	69,02,386	0	69,02,386	7.66	0
b) Central Govt./ State Govt. (s)	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	8,17,564	0	8,17,564	0.91	8,17,564	0	8,17,564	0.91	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other….	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	**77,19,950**	**0**	**77,19,950**	**8.57**	**77,19,950**	**0**	**77,19,950**	**8.57**	**0**

2	**Foreign**								
a)	NRIs - (Foreign nationals) Individuals	0	0	0	0	0	0	0	0	0
b)	Other - Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corporate	36,92,804	0	36,92,804	4.1	36,92,804	0	36,92,804	4.1	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any Other….	0	0	0	0	0	0	0	0	0
e-i)	Institutions	0	0	0	0	0	0	0	0	0
e-ii)	Qualified Foreign Investor (Corporate)	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):		**36,92,804**	**0**	**36,92,804**	**4.1**	**36,92,804**	**0**	**36,92,804**	**4.1**	**0**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)		**1,14,12,754**	**0**	**1,14,12,754**	**12.66**	**1,14,12,754**	**0**	**1,14,12,754**	**12.66**	**0**
B)	**Public Shareholding**									
1	**Institutions**									
a)	Mutual Funds / UTI	0	0	0	0	8,500	0	8,500	0.01	0.01
b)	Banks / FI	6,146	18,033	24,179	0.03	6,146	18,033	24,179	0.03	0
c)	Central Govt./ State Govt. (s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	7,425	7,425	0.01	0	7,425	7,425	0.01	0
g)	FIIs	1,82,71,257	0	1,82,71,257	20.27	49,285	0	49,285	0.05	(20.22)
h)	Foreign Venture Capital Funds	24,55,000	0	24,55,000	2.72	0	0	0	0	(2.72)
i)	Others (specify)									
i-i)	Qualified Foreign Investor (Corporate)	16,00,440	0	16,00,440	1.78	0	0	0	0	(1.78)
i-ii)	Foreign Portfolio	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):		**2,23,32,843**	**25,458**	**2,23,58,301**	**24.81**	**63,931**	**25,458**	**89,389**	**0.1**	**(24.73)**
2	**Non-Institutions**									
a)	**Bodies Corporate**	66,56,325	11,96,710	78,53,035	8.71	23,07,843	11,93,669	35,01,512	3.89	(4.82)
i)	Indian	0	0	0	0	0	0	0	0	0
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	**Individuals**									
i)	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	70,88,924	36,76,812	1,07,65,736	11.95	47,68,584	34,56,685	82,25,269	9.13	(2.82)
ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	60,47,631	81,832	61,29,463	6.8	22,84,656	56,832	23,41,488	2.6	(4.2)

c) Others (specify)									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	2,63,19,211	86,500	2,64,05,711	29.3	2,63,19,211	86,500	2,64,05,711	29.3	0
iv) Individual NRI / OCBs	15,50,301	26,81,251	42,31,552	4.7	4,56,489	26,87,519	31,44,008	3.49	(1.21)
v) Clearing Members / Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	9,36,085	22,303	9,58,388	1.06	2,52,485	22,303	2,74,788	0.3	(0.76)
vii) Limited Liability Partnership	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
x) OCBs	0	3,100	3,100	0	0	3,100	3,100	0	0
xi) KCPL Escrow Account – Nirlon Ltd – Open Offer	0	0	0	0	3,47,20,021	0	3,47,20,021	38.53	38.53
Sub-Total (B)(2):	**4,85,98,477**	**77,48,508**	**5,63,46,985**	**62.53**	**7,11,09,289**	**75,06,608**	**7,86,15,897**	**87.24**	**24.71**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**7,09,31,320**	**77,73,965**	**7,87,05,285**	**87.34**	**7,11,73,220**	**75,32,066**	**7,87,05,286**	**87.34**	**0**
C) Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**8,23,44,074**	**77,73,966**	**9,01,18,040**	**100**	**8,25,85,974**	**75,32,066**	**9,01,18,040**	**100**	**0**

ii) Shareholding of Promoters

Promoters Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Shri Kunal V. Sagar	18,36,735	0	18,36,735	2.04	13,29,750	0	13,29,750	1.48	(0.56)
Shri Rahul V. Sagar	18,36,735	0	18,36,735	2.04	13,29,750	0	13,29,750	1.48	(0.56)
Smt. Rajani M. Bhagat	6,73,299	0	6,73,299	0.75	6,73,299	0	6,73,299	0.75	0.00
TOTAL	**43,46,769**	**0**	**43,46,769**	**4.83**	**33,32,799**	**0**	**33,32,799**	**3.71**	**(1.12)**

iii) Change in Promoters Shareholding (Please specify, if there is no change)

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
For each Promoters At the beginning of the year				
1. Shri Kunal V. Sagar	18,36,735	2.04	#	#
2. Shri Rahul V. Sagar	18,36,735	2.04	#	#
3. Smt. Rajani M. Bhagat	6,73,299	0.75	#	#
Total	**43,46,769**	**4.83**	**#**	**#**

Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):				
#1. Shri Kunal V. Sagar (Gift of shares to Sisters on December 1, 2014)	(5,06,985)	(0.56)	13,29,750	1.48
#2. Shri Rahul V. Sagar (Gift of shares to Sisters on December 1, 2014)	(5,06,985)	(0.56)	13,29,750	1.48
3. Smt. Rajani M. Bhagat.	0	0	6,73,299	0.75
Total	**(10,13,970)**	**(1.12)**		
At the end of the year	**33,32,799**	**3.71**	**33,32,799**	**3.71**

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Geraldton Finance Ltd.	1,62,47,998	18.03	1,62,47,998	18.03
Real India Invest Aktiengesellschaft	1,00,71,213	11.18	1,00,71,213	11.18
TVF Fund Ltd. (Transfer of 41,81,388 Shares on March 27, 2015)	41,81,388	4.64	0	0.00
EOS Multi Strategy Fund Ltd (Transfer of 38,84,826 Shares on March 20, 2015)	38,84,826	4.31	0	0.00
Ares Diversified (Transfer of 34,28,024 Shares on March 27, 2015)	34,28,024	3.8	0	0.00
New Leaina Investments Limited (Transfer of 33,19,000 Shares on March 27, 2015)	33,19,000	3.68	0	0.00
Gulu C Waney	26,70,247	2.96	26,70,247	2.96
Sadafuli Finvest Pvt Ltd (Transfer of 25,44,138 Shares on March 27, 2015)	25,44,138	2.82	0	0.00
Albula Investment Fund Ltd (Transfer of 25,21,013 Shares on March 27, 2015)	25,21,013	2.8	0	0.00
Athena India Opportunities (Transfer of 24,55,000 Shares on March 27, 2015)	24,55,000	2.72	0	0.00

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year				
Directors:				
1. Padma Bhusan Shri Moosa Raza	0	0.00	0	0.00
2. Shri Rama Varma	1,925	0.002	1,925	0.002
3. Shri Arjan R. Gurbuxani	724	0.00	724	0.00

4. Smt. Rajani M. Bhagat	6,73,299	0.75	6,73,299	0.75
5. Smt. Aruna Makhan	0	0.00	0	0.00
6. Shri Rahul V. Sagar	18,36,735	2.04	13,29,750	1.48
7. Shri Kunal V. Sagar	18,36,735	2.04	13,29,750	1.48
Key Managerial Personnel:				
1. Shri Jasmin K. Bhavsar	0	0.00	0	0.00
2. Shri Manish B. Parikh	50	0.00	50	0.00
At the end of the year				
Directors:				
1. Padma Bhusan Shri Moosa Raza	0	0.00	0	0.00
2. Shri Rama Varma	1,925	0.002	1,925	0.002
3. Shri Arjan R. Gurbuxani	724	0.00	724	0.00
4. Smt. Rajani M. Bhagat	6,73,299	0.75	6,73,299	0.75
5. Smt. Aruna Makhan	0	0.00	0	0.00
6. Shri Rahul V. Sagar	13,29,750	1.48	13,29,750	1.48
7. Shri Kunal V. Sagar	13,29,750	1.48	13,29,750	1.48
Key Managerial Personnel:				
1. Shri Jasmin K. Bhavsar	0	0.00	0	0.00
2. Shri Manish B. Parikh	50	0.00	50	0.00

V) INDEBTEDNESS

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

(₹ in Lac)

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	64,481.98	0.00	0.00	64,481.98
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	348.95	0.00	0.00	348.95
Total (i+ii+iii)	**64,830.93**	**0.00**	**0.00**	**64,830.93**
Change in Indebtedness during the financial year				
Addition	9,800.00	0.00	0.00	9,800.00
Reduction	5,939.58	0.00	0.00	5,939.58
Net Change	**3,860.42**	**0.00**	**0.00**	**3,860.42**
Indebtedness at the end of the financial year				
i) Principal Amount	68,342.4	0.00	0.00	68,342.4
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	369.72	0.00	0.00	369.72
Total (i+ii+iii)	**68,712.12**	**0.00**	**0.00**	**68,712.12**

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In ₹)

S. No.	Particulars of Remuneration	Shri Kunal V. Sagar (Executive Vice Chairman)	Rahul V. Sagar (Executive Director)
1	Gross Salary	1,53,83,999	1,33,59,400
	Basic * + HRA + LTA	1,06,00,000	74,00,000
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		
2	Stock Options	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit		
	- Others, specify….		
5	Others, please specify		
5.i	Exgratia	5,65,000	0
5.ii	Bonus	34,19,000	53,83,400
5.iii	Provident Fund*	7,99,999	5,76,000
	Total (A) (i.e. Gross salary)	**1,53,83,999**	**1,33,59,400**

[* please note that Basic salary x 0.12 = Co's Provident Fund, i.e. in case of Shri Kunal V. Sagar ₹ 7,99,999 (₹ 66,66,662 X 0.12) and in case of Shri Rahul V. Sagar ₹ 5,76,000 (₹ 48,00,000 X 0.12)]

B) Remuneration to other Directors:

1 Independent Directors **(In ₹)**

Particulars of Remuneration	Name of Director				Total Amount
	Shri Moosa Raza	Shri Arjan R. Gurbuxani	Shri Rama Varma	Smt. Aruna Makhan	
Fee for attending Board/ Committee Meetings	4,00,000	3,60,000	3,00,000	3,80,000	14,40,000
-Commission	0	0	0	0	0
- Others, please specify	0	0	0	0	0
Total (B)(1)	**4,00,000**	**3,60,000**	**3,00,000**	**3,80,000**	**14,40,000**

2 Other Non Executive Directors **(In ₹)**

Particulars of Remuneration	Name of Director	Total Amount
	Smt. Rajani Bhagat	
Fee for attending Board/Committee Meetings	1,00,000	1,00,000
- Commission	0	0
- Others, please specify	0	0
Total (B)(2)	**1,00,000**	**1,00,000**
Total (B)= (B)(1)+ (B)(2)		**15,40,000**

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In ₹)

Sr. No.	Particulars of Remuneration	Shri Jasmin K. Bhavsar (Company Secretary V.P.- Legal & Compliance Officer)	Shri Manish Parikh (Chief Financial Officer)	Total Amount
1	**Gross Salary**	**2,43,85,255**	**2,04,85,010**	**4,48,70,265**
	Basic Salary + HRA + Medical Allowance + Conveyance + Lunch allowance	45,77,521	22,08,187	67,85,708
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961			
	© Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			
2	Stock Options	1,84,34,000	1,76,08,700	3,60,42,700
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit			
	- others, specify….			
5	Others, please specify			
5.i	Exgratia	8,76,920	4,23,025	12,99,945
5.ii	Provident Fund	4,96,814	2,45,098	7,41,912
	Total (C) (i.e. Gross salary)	**2,43,85,255**	**2,04,85,010**	**4,48,70,265**

VII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of NIRLON LIMITED,

1 We have examined the compliance of the conditions of Corporate Governance by Nirlon Limited **('the Company')** for the Financial Year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the BSE Limited.

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 condition of Corporate Governance as stipulated in Clause 49.

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

ALWYN JAY & Co.,
Company Secretaries

Alwyn P D'souza, FCS.5559
Partner
Certificate of Practice No.5137

Mumbai, July 29, 2015

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

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Nirlon Limited,

Report on the Financial Statements

We have audited the accompanying Financial Statements of Nirlon Limited **('the Company')** which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Companies Act, 2013 **('the Act')** with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable, and prudent and design, implementation and maintenance of 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 Financial Statements that give a true and fair view and are free from material mis-statements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under sub-section (10) of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material mis-statement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, of its Profit and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2015 **('the Order')**, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2 As required by sub-section (3) of Section 143 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 purpose of our audit.

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

c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

f) 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, 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 Financial Statements – Refer note no. 2.26 forming part of Financial Statements.

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

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

for **N. M. RAIJI & CO.**
Chartered Accountants
Firm Registration No: 108296W

CA. Y. N. THAKKAR
Partner
Membership No: 33329

Mumbai, May 7, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our Report)

i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;

b) The fixed assets of the Company have been physically verified by the Management at reasonable intervals. No material discrepancies were noticed on such verification;

ii) The Company does not have any inventory. Accordingly, sub-clauses (a), (b) and (c) are not applicable;

iii) The Company has not granted any loans, secured or unsecured, to any companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, sub-clauses (a) and (b), are not applicable;

iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. No major weaknesses were observed in the aforesaid internal control system;

v) The Company has not accepted any deposits from the public;

vi) In relation to maintenance of cost records, the Company is in the process of making accounts and records as specified under sub-section (1) of Section 148 of the Act;

vii) a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authority except for property tax. Amount of property tax outstanding as at the date of Balance Sheet for a period of more than six months from the date they became payable is ₹ 14.83 lac;

b) Particulars of disputed dues on account of statutory matters that have not been deposited are disclosed in the **Annexure A**;

c) There are no amounts which are required to be transferred by the Company, to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under;

viii) The Company does not have any accumulated losses at the end of the Financial Year and has not incurred any cash losses in such Financial Year and in the immediately preceding financial year;

ix) The Company has not defaulted in repayment of dues to any financial institutions, banks, or debenture holders;

x) The Company has not given any guarantees for loans taken by others from banks or financial institutions;

xi) The term loans availed by the Company during the year, were applied for the purpose for which they were obtained;

xii) During the year, no fraud on or by the Company has been noticed or reported during the course of our audit.

for **N. M. RAIJI & CO.**
Chartered Accountants
Firm Regn. No:108296W

CA. Y. N. THAKKAR
Partner
Membership No:33329

Mumbai, May 7, 2015

Annexure - A

STATEMENT FORMING PART OF THE INDEPENDENT AUDITOR'S REPORT

(Details of Statutory dues that have not been deposited on account of disputes)

Name of the Statue	Nature of Dues	₹ in Lac	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty and Penalty thereon	689.43	Supreme Court of India
	Excise Duty and Penalty thereon	138.72	CESTAT
Total		**828.15**	
Finance Act,1994	Service Tax and Penalty thereon	2,012.19	CESTAT
Income Tax Act ,1961	Penalty	55.33	Commissioner of Income Tax (Appeals)
Maharashtra Value Added Tax Act,2002	Vat, Interest and Penalty thereon	35.40	Asst. Commissioner Of Sales Tax

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NIRLON

BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in Lac)

	Note	As at 31-Mar-15	As at 31-Mar-14
EQUITY & LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	**9,008.03**	8,940.03
Reserves & Surplus	2.2	**1,33,008.11**	1,65,525.86
		1,42,016.14	1,74,465.89
NON CURRENT LIABILITIES			
Long term borrowings	2.3	**61,534.97**	58,550.99
Deferred Tax liabilities (net)	2.11	**931.20**	-
Other long-term liabilities	2.4	**6,485.89**	5,520.34
Long term provisions	2.5	**123.40**	120.55
		69,075.46	64,191.88
CURRENT LIABILITIES			
Short term borrowings	2.6	**3,164.90**	1,666.89
Trade payables	2.7	**962.19**	1,027.77
Other current liabilities	2.8	**20,388.25**	14,698.79
Short term provisions	2.9	**3,069.77**	1,882.76
		27,585.11	19,276.21
		2,38,676.71	2,57,933.98
ASSETS / NON CURRENT ASSETS			
Fixed assets:-			
Tangible assets	2.10	**2,29,939.36**	2,39,529.58
Intangible Assets	2.10	**-**	-
Capital work in progress		**722.52**	13,103.86
Intangible Assets under developement		**2.05**	0.85
		2,30,663.93	2,52,634.29
Deferred tax assets (net)	2.11	**-**	591.61
Long term loans & advances	2.12	**2,442.64**	1,442.68
Other non-current assets	2.13	**699.14**	376.12
		3,141.78	2,410.41
CURRENT ASSETS			
Trade receivables	2.14	**299.16**	324.47
Cash & Cash Equivalents	2.15	**946.11**	571.58
Short term loans & advances	2.16	**3,159.24**	1,663.26
Other current assets	2.17	**466.49**	329.97
		4,871.00	2,889.28
		2,38,676.71	2,57,933.98
Notes forming part of the Financial Statements	1 & 2		

As per our Report attached

For N.M. RAIJI & CO.
Chartered Accountants
Firm Registration no. 108296W

CA Y.N. THAKKAR
Partner
Membership No. 33329

Mumbai, May 7, 2015

FOR AND ON BEHALF OF THE BOARD

MOOSA RAZA
Chairman

KUNAL V. SAGAR
Executive Vice Chairman

RAHUL V. SAGAR
Executive Director

JASMIN K. BHAVSAR
Company Secretary, Vice President (Legal) & Compliance Officer

MANISH B. PARIKH
Chief Financial Officer

RAMA VARMA
ARJAN R. GURBUXANI
ARUNA MAKHAN
} Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lac)

	Particulars	Note		2014-15	2013-14
I	Revenue from Operations	2.18		**23,897.64**	**20,154.86**
II	Other Income	2.19		**184.46**	174.29
III	Total Revenue (I + II)			**24,082.10**	20,329.15
IV	Expenses:				
	Employee benefits expense	2.20		**632.66**	629.30
	Finance costs	2.21		**7,555.40**	7,767.09
	Depreciation and amortization expense		**6,865.11**		6,737.27
	Less: Adjusted against Revaluation Reserve		-		1,844.20
				6,865.11	4,893.07
	Other Operating Expenses	2.22		**4,909.43**	4,076.87
	Total expenses			**19,962.60**	17,366.33
V	**Profit /(Loss) before exceptional and extraordinary items and tax (III - IV)**			**4,119.50**	**2,962.82**
VI	Add : Exceptional items	2.23		**666.52**	416.62
VII	Profit /(Loss) before tax (V+VI)			**4,786.02**	3,379.44
VIII	Less : Tax Expense :				
	: Current Tax	2.24		**5.62**	(517.73)
	: Deferred Tax			**1,522.80**	733.56
IX	**Profit / (Loss) for the year after Tax (VII - VIII)**			**3,257.60**	3,163.61
X	Basic and diluted earning per share in ₹ (on Face value of ₹ 10 per share)			**3.64**	4.25
	Notes forming part of the Financial Statements	1 & 2			

As per our Report attached

For N.M. RAIJI & CO.
Chartered Accountants
Firm Registration no. 108296W

CA Y.N. THAKKAR
Partner
Membership No. 33329

Mumbai, May 7, 2015

FOR AND ON BEHALF OF THE BOARD

MOOSA RAZA
Chairman

KUNAL V. SAGAR
Executive Vice Chairman

RAHUL V. SAGAR
Executive Director

JASMIN K. BHAVSAR
Company Secretary, Vice President (Legal) & Compliance Officer

MANISH B. PARIKH
Chief Financial Officer

RAMA VARMA
ARJAN R. GURBUXANI
ARUNA MAKHAN
} Directors

NIRLON

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lac)

			2014-15		2013-14
(A)	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit/(Loss) before tax and after exceptional and extraordinary items		**4,786.00**		3,379.44
	ADJUSTED FOR :				
	Depreciation & amortization	**6,865.11**		4,893.07	
	Interest Income	**(25.07)**		(39.54)	
	Finance cost	**7,555.40**		7,767.09	
	Marketing fees	**401.18**		281.66	
	Foreign exchange (gain) / loss	**(53.34)**		(18.52)	
	Loss on assets discarded	**-**		0.09	
	Exceptional item - Property tax write back	**(237.73)**		(416.62)	
	Liability written back	**(85.10)**		(37.92)	
			14,420.45		12,429.31
	Operating Profit/(Loss) before Working Capital changes		**19,206.45**		15,808.75
	CHANGES IN :				
	Trade receivables	**25.31**		(129.33)	
	Other current / non-current assets	**(1,053.32)**		(56.11)	
	Trade payables	**4,371.70**		3,321.77	
	Marketing fees paid	**(863.37)**		(278.30)	
	Cash generated from Operations	**2,480.32**		2,858.03	
	Direct taxes (paid)/refund	**(1,193.68)**		(1,120.51)	
	Cash generated from Operating Activities		**1,286.64**		1,737.52
	Net Cash from Operating Activities	**(A)**	**20,493.09**		17,546.27
(B)	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed assets (including intangible assets, CWIP & capital advances)	**(16,320.74)**		(14,280.19)	
	Sale of fixed assets	**29.91**		35.44	
	Interest received	**58.02**		69.18	
	Net Cash from Investing Activities	**(B)**	**(16,232.81)**		(14,175.57)
(C)	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Proceeds from issuance of preferential equity shares	**-**		7,717.00	
	Proceeds from issuance of Equity shares under the ESOP	**-**		296.39	
	Increase/(decrease) of buyers credit	**1,407.29**		1,036.78	
	Increase/(decrease) of borrowings net	**3,860.42**		(3,487.47)	
	Dividend paid	**(772.76)**		-	
	Finance cost	**(8,380.70)**		(9,443.27)	
	Net Cash from Financing Activities	**(C)**	**(3,885.75)**		(3,880.57)
	Net increase/(decrease) in Cash & Cash Equivalents	**(A+B+C)**	**374.53**		(509.87)
	Cash & Cash Equivalents at the commencement of the year		**571.58**		1081.45
	Cash & Cash Equivalents at the end of the year		**946.11**		571.58

Notes :

1 Closing Cash & Cash Equivalents includes all items under note 2.15 forming part of Financial Statemements
2 Undrawn borrowing facility as on 31st March, 2015 - ₹ 16,747.91 lac.(previous year ₹ 28,045.92 lac)
3 All figures in bracket are outflows
4 Previous years figures have been regrouped / rearranged wherever necessary

As per our Report attached

For N.M. RAIJI & CO.
Chartered Accountants
Firm Registration no. 108296W

CA Y.N. THAKKAR
Partner
Membership No. 33329

Mumbai, May 7, 2015

FOR AND ON BEHALF OF THE BOARD

MOOSA RAZA
Chairman

KUNAL V. SAGAR
Executive Vice Chairman

RAHUL V. SAGAR
Executive Director

JASMIN K. BHAVSAR
Company Secretary, Vice President (Legal) & Compliance Officer

MANISH B. PARIKH
Chief Financial Officer

RAMA VARMA
ARJAN R. GURBUXANI
ARUNA MAKHAN
} Directors

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.1 Basis for preparation of the Financial Statements :

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles **('GAAP')** in India under the historical cost convention on accrual basis except if specifically stated otherwise.These Financial Statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

1.2 Accounting Policies :

a) Fixed Assets :

Fixed Assets are stated at cost or revalued amount wherever applicable. Cost comprises of cost of acquistion, cost of improvements, borrowing costs and any other cost attributable in bringing assets to the condition for their intended use.

b) Depreciation and Amortization :

i) Depreciation on fixed assets has been provided on the written down value method based on the useful life specified in Schedule II of the Companies Act, 2013.

ii) Intangible Assets are amortised over the estimated useful life of the asset.

c) Borrowing Cost :

Borrowing costs includes interest and other charges incurred in connection with the borrowing of funds and is recognised as an expense for the year in which it is incurred, except for borrowing costs attributable to the acquisition/construction of qualifying assets and incurred till all the activities necessary to prepare the qualifying asset for its intended use, which are capitalised as the cost of that asset.

d) Forward Contracts:

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

In relation to forward contracts entered into to hedge the underlying liability pertaining to capital projects till the time all the activities necessary to prepare the qualifying asset for its intended use, the premium or discount arising at the inception of such contracts are adjusted towards the cost of the project. For forward contracts taken thereafter, the premium or discount arising at the inception of such contracts is amortised as expense or income over the life of the contract.

e) Taxes on Income:

Current Tax

Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.

Minimum Alternate Tax **(MAT)** paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on accounting for Credit Available in respect of MAT under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement".

Deferred Tax

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted on the Balance Sheet date.

Deferred tax assets in a situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in a situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized.

f) Employee Stock Compensation Cost :

The Company measures the compensation cost relating to employee stock options in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share Based Payment. The cost of equity settled transactions is measured using the intrinsic value method. The compensation cost, if any is amortised over the vesting period.

g) Foreign Currency Transactions :

i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates.

iii) Non monetary foreign currency items are carried at cost.

iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

h) Employee Benefits :

i) **Defined Benefit Plan :**

The Company provides' for gratuity liability based on the actuarial valuation by an independent actuary which is determined using the projected unit credit method.

ii) **Defined Contribution Plans :**

The Company's contribution paid/payable for Provident Fund, ESIC and Pension Fund for the year is recognised in the Statement of Profit and Loss.

iii) **Long Term Employee Benefits :**

Long term compensated absences are provided as per the actuarial valuation by an independent actuary which is determined using the projected unit credit method.

iv) **Short Term Employee Benefits :**

Short term benefits are recognised as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

v) **Actuarial gains/losses :**

Actuarial gains/losses are immediately recognised in the Statement of Profit and Loss and are not deferred.

i) Revenue Recognition:

i) License fee income and income incidental to it, are accounted for on an accrual basis.

ii) Insurance claims and scrap sales are accounted for in the books on an accrual basis.

iii) Interest income is accounted on an accrual basis.

j) Leave & License :

Leave & License payments are recognised as an expense in the Statement of Profit and Loss.

Leave & License income is recognised based on the terms of the agreement.

Initial direct costs incurred specifically to earn revenue from Leave & Licenses are amortised over the lock in period of the respective licensees.

(₹ in Lac)

		As at 31st March 2015	As at 31st March 2014
2.1	**SHARE CAPITAL**		
	Authorised		
	14,90,00,000 Equity Shares of ₹10 each (previous year 14,90,00,000 equity shares of ₹ 10 each)	**14,900.00**	14,900.00
	1,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each (previous year 1,00,000 cumulative reedemable prefrence shares of ₹ 100 each)	**100.00**	100.00
		15,000.00	15,000.00
	Issued		
	9,01,32,062 Equity Shares of ₹ 10 each (previous year 9,01,32,062 equity shares of ₹ 10 each)	**9,013.21**	9,013.21
	Subscribed & fully paid		
	9,01,18,040 Equity Shares of ₹10 each (previous year 9,01,18,040 equity shares of ₹10 each)	**9,011.80**	9,011.80
	Less: Amount recoverable from Nirlon Employees Stock Option Trust (Face value of 37,656 (previous year 7,71,656) shares of ₹ 10 each alloted to the Trust) (refer note d)	**(3.77)**	(71.77)
		9,008.03	8,940.03

a) **Reconciliation of the Equity Shares Outstanding as at March 31, 2015 and March 31, 2014 is set out below:**

Particulars	2014-15		2013-14	
	Nos.	(₹ in Lac)	Nos.	(₹ in Lac)
At the Beginning of the year	**9,01,18,040**	**9,011.80**	7,17,65,586	7,176.55
Add : Equity Shares alloted on preferential basis (refer note b(ii))	**-**	**-**	1,76,34,798	1,763.48
Add: Equity shares issued under Nirlon Employees Stock Option Plan to Trust (refer note d)	**-**	**-**	7,17,656	71.77
Outstanding at the end of the year	**9,01,18,040**	**9,011.80**	9,01,18,040	9,011.80

b) **Rights, Preferences and Restrictions attached to the Shares.**

Equity Shares:

i) The Company has only one class of equity shares having a par value of ₹ 10.

Each holder of equity shares is entitled to one vote per share. The Shareholders have the right to receive interim dividends declared by the Board of Directors and final dividends proposed by the Board of Directors and approved by the Shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

The Shareholders have all other rights as available to equity Shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association & Articles of Association of the Company, as applicable.

ii) During the Financial Year 2013-14, the Company had allotted 1,76,34,798 Equity Shares of ₹ 10 each @ premium of ₹ 33.76 per share to Promoters and Others on a preferential basis in compliance with SEBI (ICDR) Regulations.

In pursuant with the requirement under SEBI (ICDR) Regulations, the Shareholders existing shares (pre-preferential holding) are locked in as under:

Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No of Equity Shares	Lock in period	No of Equity Shares	Lock in period
Promoters	Nil	-	18,06,496	upto 31st August, 2014
Non-Promoters (Others)	Nil	-	43,65,000	upto 31st August, 2014
Total	**Nil**	**-**	**61,71,496**	

Further for Equity Shares allotted on Preferential basis during the year 2013-14, the lock-in details are as under:

Shareholder	As at 31st March 2015		As at 31st March 2014	
	No of Equity Shares	Lock in period	No of Equity Shares	Lock in period
Promoters	18,66,974	upto 28th February, 2017	18,66,974	upto 28th February, 2017
Non-Promoters (Others)	Nil	-	1,57,67,824	upto 15th February, 2015
Total	**18,66,974**		**1,76,34,798**	

Preference Shares

The Company has only one class of Authorised Preference shares having a par value of ₹ 100.

Rate of dividend on Preference Shares (subject to rate not exceeding 11 % per annum) and the terms of redemption will be determined at the time of issue subject to provisions of such Acts as may be applicable.

c) **Details of Shareholders holding more than 5% shares (as certified by the Management)**

Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No of Equity Shares	% of holding	No of Equity Shares	% of holding
Real India Invest Aktiengesellschaft - Reco Berry Pvt Ltd - Share escrow account.	1,00,71,213	11.18	1,00,71,213	11.18
Geraldton Finance Ltd.- Reco Berry Pvt Ltd. - Share escrow account.	1,62,47,998	18.03	1,62,47,998	18.03

d) **Shares Issued to the Nirlon Employees Stock Option Trust**

In accordance with the Nirlon ESOP 2012, during the financial year 2013-14 the Company had issued 7,17,656 shares of ₹ 10 each at a premium of ₹ 31.30 per share to the Nirlon Employees Stock Option Trust. The Company had provided a loan of ₹ 296.39 lac to the Trust for subscribing such shares. As on 31st March, 2015, 6,80,000 (previous year nil) options have been excercised equal to 6,80,000 number of shares. In accordance with the provision of the Guidance Note on Accounting for Employee Share-based payments, the outstanding loan amount given to the Trust is disclosed as recoverable under the head Share Capital & Securities Premium Reserves.

Pursuant to the Resolution passed by the Shareholders of the Company by way of postal ballot on May 23, 2012, the Company granted 7,15,000 stock options to its employees at an issue price of ₹ 41.30 per share on May 30, 2012 in accordance with the Nirlon ESOP 2012. Each option entitles the holder to purchase one Equity Share of the Company at the issue price.

The weighted average contractual life for the stock options was 5 years and they vested at the rate of 15%, 20%, 25%, 40% at the end of 15 months, 30 months, 42 months, 54 months respectively from the date of grant. During the year, the Nomination and Remuneration Committee has vide its Resolution dated February 9, 2015, accelerated the vesting period for all the unvested options to February 15, 2015 and accelerated the exercise period for all the options upto September 30, 2016. According all the options granted have been already vested.

Details regarding the number of stock options are as follows:

Particulars		2014-15	2013-14
i)	Outstanding options, beginning of the period	7,15,000	7,15,000
ii)	Granted during the year	0	
iii)	Forfeited during the period	0	-
iv)	Exercise during the period	6,80,000	-
v)	Expired during the period	0	-
v)	Outstanding at the end of the period	35,000	7,15,000
v)	Exercisable, Vested at the end of the period	35,000	NIL

No Options were granted during the current & previous financial year.

The Company measures the cost of ESOPs using the intrinsic value method. Had the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the extent of amounts indicated below:

(₹ in Lac)

Particulars	2014-15	2013-14
Profits after tax as reported	**3,257.60**	3,163.61
Add: ESOP cost using the intrinsic value method	**-**	-
Less: ESOP cost using the fair value method	**72.29**	49.30
Proforma Profit after tax	**3,185.31**	3,114.31
Earnings per share	**2014-15**	2013-14
Basic		
As reported	**3.64**	4.25
Proforma	**3.56**	4.19
Diluted		
As reported	**3.64**	4.25
Proforma	**3.56**	4.18

2.2 RESERVES & SURPLUS

(₹ in Lac)

		As at 31-Mar-15	As At 31-Mar-14
Securities premium reserve			
As per last Balance Sheet	**12,540.17**		6,362.03
Add : Additions during the year	**-**		6,178.14
	12,540.17		12,540.17
Less: Amount recoverable from Nirlon Employees Stock Option Trust (Refer note 2.1 - d)	**(11.79)**	**12,528.38**	(224.63) 12,315.54
Revaluation reserve			
As per last Balance sheet	**1,52,576.87**		1,54,421.07
Less: Reversal (Refer note no 2.10 (5))	**35,039.75**		-
Less: Depreciation on Revalued Assets	**-**		1,844.20
		1,17,537.12	1,52,576.87
Surplus			
Opening Balance	**633.45**		(1,874.34)
Add: Net profit / (loss) after tax transferred from Statement of Profit and Loss	**3,257.60**		3,163.61
Amount available for appropriation	**3,891.05**		1,289.27
Appropriations : (Refer note a & b)			
Dividend 791.21			560.55
Dividend Tax 157.23			95.27
	948.44		
Surplus- Closing Balance		**2,942.61**	633.45
		1,33,008.11	1,65,525.86

a) The Board of Directors, in their meeting held on May 7, 2015 proposed a dividend of 7.50 % i.e. ₹ 0.75 paise per equity share on the face value of ₹ 10 (previous year ₹ 0.75 paise per equity share of ₹ 10 each) . The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. Dividend amounting to ₹ 675.88 lac (previous year ₹ 560.55 lac) and dividend distribution tax thereon amounting to ₹ 137.62 lac (previous year ₹ 95.27 lac) is appropriated during the year.

b) At the AGM held on September 23, 2014, the shareholders approved the dividend for the year 2013-14 on a prorata basis on the equity shares issued during the year 2013-14. However, subsequently, the Bombay Stock Exchange informed the Company that the dividend should not be on a prorata basis as equity shares issued during the year 2013-14 rank pari passu in all respects with the then existing equity shares of the Company. Accordingly, the differential dividend of ₹ 115.33 lac and tax thereon of ₹ 19.61 lac aggregating to ₹ 134.94 lac has also been appropriated during the year by debiting the same to surplus.

2.3 LONG-TERM BORROWINGS

Term Loans

	As at 31-Mar-15	As At 31-Mar-14
Loan from HDFC Ltd (Refer note below)	**61,534.97**	58,550.99
	61,534.97	58,550.99

Details	Loan 1: Ph-0,1,2 & 3 amounting to ₹ .40,742.40 lac	Loan 2: Ph-3 & 4 amounting to ₹ 25,000.00 lac	Loan 3: Ph-4 amounting to ₹ 2,600.00 lac
Date of Maturity	Dec-19	*	*
Rate of Interest (floating)	12.10%	12.10%	14.10%
Balance No. of Installments (Monthly)	57	*	*
Amount of each Installment (including interest) Rs in lac #	947.33	*	*

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

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

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

2.4 OTHER LONG TERM LIABILITIES

(₹ in Lac)

	As at 31-Mar-15	As at 31-Mar-14
Security deposits received from licencees	6,485.89	5,520.34
	6,485.89	5,520.34

2.5 LONG TERM PROVISIONS

Provision for employee benefits		
Provision for gratuity	**106.09**	104.04
Provision for compensated absences	**17.31**	16.51
	123.40	120.55

2.6 SHORT TERM BORROWINGS

Buyers credit from HDFC Bank	**3,164.90**	1,666.89
	3,164.90	1,666.89

The Buyers Credit facility provided by HDFC Bank is repayable on demand. The amount is secured by way of earmarking facilities to this extent, (vide a letter of undertaking from HDFC Ltd. to HDFC Bank) out of the total facility granted by HDFC Ltd. to the Company. Refer Note 2.3 for security provided to HDFC Ltd..

2.7 TRADE PAYABLES

Trade payables	**962.19**	1,027.77
	962.19	1,027.77

2.8 OTHER CURRENT LIABILITIES

Current maturity of long term debts	**6,807.43**	5,930.99
Interest accrued but not due on borrowings	**369.72**	348.95
Income received in advance	**0.08**	93.47
Capital Vendors	**3,550.71**	885.04
Security deposits received from licencees	**8,435.36**	7,052.96
Advance received from licensees	**3.77**	6.87
Employee related liabilities	**177.97**	190.74
Statutory liabilities	**473.24**	70.81
Unpaid dividend	**18.00**	-
Provision for expenses	**484.13**	84.90
Other payables	**67.84**	34.06
	20,388.25	14,698.79

2.9 SHORT TERM PROVISIONS

Provision for employee benefits		
provision for gratuity	**23.28**	8.78
provision for compensated absenses	**12.99**	8.16
Provision for taxes		
Provision for income tax	**2,220.00**	1,210.00
Others		
Proposed Dividend	**675.88**	560.55
Tax on Dividend	**137.62**	95.27
	3,069.77	1,882.76

2.10 FIXED ASSETS

(₹ in Lac)

TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK
	AS ON 01-Apr-14	ADDITIONS DURING 2014-15	DEDUCTIONS/ ADJUSTMENTS DURING 2014-15	**AS ON 31-Mar-15**	UP TO 01-Apr-14	PROVIDED DURING 2014-15	DEDUCTIONS/ ADJUSTMENTS DURING 2014-15	**UP TO 31-Mar-15**	**AS ON 31-Mar-15**
LAND	**1,29,900.00**	**-**	**-**	**1,29,900.00**	**-**	**-**	**-**	**-**	**1,29,900.00**
(FREEHOLD)	(1,29,900.00)	(-)	(-)	(1,29,900.00)	(-)	(-)	(-)	(-)	(1,29,900.00)
BUILDINGS	**1,04,598.41**	**23,561.93**	**39,241.17**	**88,919.17**	**12,915.30**	**3,358.71**	**4,171.51**	**12,102.50**	**76,816.67**
	(81,678.52)	(23,009.32)	(89.43)	(1,04,598.41)	(8,841.16)	(4,144.03)	(69.89)	(12,915.30)	(91,683.11)
PLANT & EQUIPMENTS	**18,536.76**	**7,038.27**	**-**	**25,575.03**	**6,369.49**	**1,631.94**	**-**	**8,001.43**	**17,573.60**
	(12,235.75)	(6,301.01)	(-)	(18,536.76)	(4,809.68)	(1,559.81)	(-)	(6,369.49)	(12,167.27)
FURN., FIX & APPLIANCE	**11,091.73**	**1,741.88**	**-**	**12,833.61**	**5,535.64**	**1,813.07**	**-**	**7,348.71**	**5,484.90**
	(8,718.66)	(2,398.03)	(24.96)	(11,091.73)	(4,535.37)	(1,009.23)	(8.96)	(5,535.64)	(5,556.09)
OFFICE EQUIPMENT	**314.74**	**2.47**	**-**	**317.21**	**117.94**	**49.75**	**-**	**167.69**	**149.52**
	(121.08)	(193.66)	(-)	(314.74)	(105.28)	(12.66)	(-)	(117.94)	(196.80)
VEHICLES	**69.62**	**-**	**-**	**69.62**	**43.31**	**11.64**	**-**	**54.95**	**14.67**
	(69.62)	(-)	(-)	(69.62)	(34.12)	(9.19)	(-)	(43.31)	(26.31)
TOTAL TANGIBLE ASSETS	**2,64,511.26**	**32,344.55**	**39,241.17**	**2,57,614.64**	**24,981.68**	**6,865.11**	**4,171.51**	**27,675.28**	**2,29,939.36**
	(2,32,723.63)	(31,902.02)	(114.39)	(2,64,511.26)	(18,325.61)	(6,734.92)	(78.85)	(24,981.68)	(2,39,529.58)
INTANGIBLE ASSETS									
SOFTWARE & LICENSEES	**3.06**	**-**	**-**	**3.06**	**3.06**	**-**	**-**	**3.06**	**0.00**
	(3.06)	(-)	(-)	(3.06)	(0.71)	(2.35)	(-)	(3.06)	0.00
TOTAL INTANGIBLE ASSETS	**3.06**	**-**	**-**	**3.06**	**3.06**	**-**	**-**	**3.06**	**0.00**
	(3.06)	(-)	(-)	(3.06)	(0.71)	(2.35)	(-)	(3.06)	0.00

Notes :
1 Previous year's figures are given in brackets
2 The above assets do not include the assets, the value of which are recoverable from the licencees as common area maintenance charges
3 Of the above, a certain portion of the assets have been given on Leave & License

The details of major assets are as under :

(₹ in Lac)

		Gross Block	Accumulated Depreciation	Net Block
Land		**503.75** (503.75)	**-** (-)	**503.75** (503.75)
Buildings		**64,044.38** (87,074.38)	**9,698.05** (11,400.21)	**54,346.33** (75,674.17)
Furniture & Fixtures		**2,074.40** (2,074.40)	**1,292.63** (891.81)	**781.77** (1,182.59)
Plant & Machinery		**46.24** (46.24)	**15.28** (10.57)	**30.96** (35.67)
	Total	**66,668.77** (89,698.77)	**11,005.96** (12,302.59)	**55,662.81** (77,396.18)

4 Buildings include building constructed on Leasehold Land at Worli, Mumbai having a written down value of ₹ **67.39 lac** (previous year ₹ 2.38 lac), being the share of the Company in the property which is jointly owned with Nirlon Foundation Trust.

5 Based on valuation reports submitted by M/s. I.H. Shah & Asociates, Approved Valuers, the following Assets at Goregaon had been revalued on 1st April, 1984, 30th June, 2006 and 31st March, 2012 on the basis of an assessment of their market value. The Company has restated the buildings so revalued to their original cost with effect from 1st April 2014. The amounts by which they were written up and reversed are as indicated below :

(₹ in Lac)

	Amount written up on revaluation	**Adjustment on account of reversal during the year 2014-15**	**Depreciation provided upto 31.03.2014**	**Adjustment on account of reversal during the year 2014-15**	**Amount written up net of depreciation as on 31.03.2015**
Freehold Land (including FSI purchased)	1,17,537.12	-	-	**-**	1,17,537.12
Building	39,158.80	39,158.80	4,119.05	4,119.05	-
	1,56,695.92	39,158.80	4,119.05	4,119.05	1,17,537.12

Revaluation of buildings does not include Phase 3 buildings, buildings under construction and the Cooling Tower cafeteria.

(₹ in Lac)

	As at 31-Mar-15	As At 31-Mar-14
2.11 DEFERRED TAX ASSETS/ LIABILITIES (NET)		
Deferred Tax adjustments for the year amounting to ₹ **1,522.80 lac** (previous year ₹ 733.56 lac) have been recognised in the Statement of Profit & Loss		
Deferred tax assets		
Unabsorbed depreciation	**2,084.49**	2,612.36
Others	**234.60**	451.63
	2,319.09	3,063.99
Deferred tax liabilities		
Depreciation	**(3,250.29)**	(2,472.38)
	(931.20)	591.61
In respect of Deferred tax assets on unabsorbed depreciation, the same has been recognised based on the current tax laws entailing the benefit over the lifetime of the Company, against any taxable source of income.		
2.12 LONG TERM LOANS & ADVANCES (Unsecured - considered good, unless other wise stated)		
Security deposit placed	**243.94**	239.51
Prepaid expenses	**6.09**	15.83
Loan to officers of the Company	**2.00**	2.00
MAT credit entitlement	**2,190.61**	1,185.34
	2,442.64	1,442.68
2.13 OTHER NON-CURRENT ASSETS		
Unamortized expenses - marketing fees	**669.14**	355.99
Others (refer note no. 2.15)	**30.00**	20.13
	699.14	376.12
2.14 TRADE RECEIVABLES (Unsecured - considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months from the date they are due for payment	**-**	22.82
Other Debts	**299.16**	301.65
	299.16	324.47
Of the above Trade Receivables of ₹ **289.58 lac** (previous year ₹ 291.34 lac) are secured.		

(₹ in Lac)

	As at 31-Mar-15	As At 31-Mar-14
2.15 CASH & CASH EQUIVALENTS		
Balances with Bank in current account	**723.63**	167.23
Balance with Bank in deposit account	**200.00**	400.00
Balance with Bank in margin money	**4.48**	4.35
Balances with Bank in unpaid dividend account	**18.00**	-
	946.11	571.58
Money with maturity of more than 12 months after the reporting date is shown under Note No. 2.13 amounting to ₹ **30.00 lac** (previous year ₹ 20.13 lac).		
2.16 SHORT TERM LOANS & ADVANCES (Unsecured - considered good, unless other wise stated)		
Deposits placed	-	0.54
Advance Income Tax	**2,489.67**	1,295.99
Service Tax input credit	**162.10**	178.34
Advance to vendors	**414.16**	92.82
Prepaid expenses	**93.31**	95.57
	3,159.24	1,663.26
2.17 OTHER CURRENT ASSETS		
Unamortized expenses - marketing fees	**442.90**	293.86
Income receivable	**15.16**	9.57
Deferred premium on forward contract	**8.43**	26.54
	466.49	329.97
2.18 REVENUE FROM OPERATIONS		
Licence fees	**20,965.41**	17,813.98
Common Area Maintenance charges	**2,626.84**	2,062.08
Other operating income	**305.39**	278.80
	23,897.64	20,154.86
2.19 OTHER INCOME		
Interest income	**25.07**	39.54
Insurance Claim	**-**	0.07
Excess provision /liability written back (Net)	**85.10**	37.92
Miscellaneous receipts	**49.12**	56.18
Bad Debts recovered	**-**	25.45
Scrap sales	**25.17**	15.13
	184.46	174.29

(₹ in Lac)

	As at 31-Mar-2015	As At 31-Mar-2014
2.20 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	**379.63**	372.34
Contribution to Provident Fund and other funds	**211.83**	219.27
Staff Welfare expenses	**41.20**	37.69
	632.66	629.30
2.21 FINANCE COST		
Interest expenses	**7,321.83**	7,599.76
Other Borrowing cost	**142.83**	54.36
Foreign exchange loss (net)	**90.74**	112.97
	7,555.40	7,767.09
2.22 OTHER OPERATING EXPENSES		
Stores and spares consumed	**1.73**	2.35
Power, fuel and water charges	**104.75**	87.72
Rent	**1.43**	2.33
Insurance	**69.46**	62.11
Rates and taxes	**818.85**	781.34
Repairs to building	**15.94**	41.16
Loss on Assets discarded	**-**	0.09
Directors' sitting fees	**15.40**	11.40
Legal and Professional expenses	**448.75**	351.92
Telephone expenses	**6.57**	6.55
Complex Maintenance expenses	**79.93**	27.89
Travelling expenses	**25.53**	13.73
Property Management Expenses	**2,667.83**	2,148.11
Marketing fees	**401.18**	281.66
Security expenses	**30.98**	30.90
Miscellaneous Expenses	**221.10**	227.61
	4,909.43	4,076.87
2.23 EXCEPTIONAL ITEMS		
Property tax write back (Refer note a)	**237.73**	416.62
Sale of receivables (net) (Refer note b)	**428.79**	-
	666.52	416.62

a) Property tax write back is on account of retrospective amendment by the appropriate authorities for the earlier years.

b) Sale of receivable is on account of sale of receivables of future license fees from licensees of the Nirlon House premises owned by the Company of ₹ 444.60 lac less expenses thereon of ₹ 15.81 lac.

2.24 CURRENT TAX		
MAT provision	**1,010.00**	720.00
MAT credit entitlement of current year	**(1,010.00)**	(720.00)
MAT credit entitlement of earlier years	**-**	(465.34)
Income tax adjustment of earlier years	**5.62**	(52.39)
	5.62	(517.73)

2.25 COMMITMENTS (As certified by the Management)

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ **538.56 Lac** (previous year ₹10,323.83 lac).

b) Other commitments: # **(₹ In Lac)**

Forward Contracts outstanding as at	As at 31-Mar-15	As at 31-Mar-14
In USD	**28.22**	20.47
In ₹	**1,830.37**	1,260.33

Excludes Commitment given to ex-employees.

2.26 CONTINGENT LIABILITIES

i) Claims against the Company not acknowledged as debts ₹ **12.81 lac** (previous year ₹12.81 lac) - as certified by the Management.

ii) Contingent liabilities not provided for :

(₹ In Lac)

	As at 31-Mar-15	As At 31-Mar-14
Excise Duty	**963.61**	1,167.79
Service Tax	**2,012.19**	2,012.19
Income Tax	**55.33**	55.33
Value Added Tax	**35.40**	35.45

2.27 The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regard could not be provided.

2.28 Balances of sundry debtors, creditors, loans and advances and deposits are subject to confirmation.

2.29 Remuneration to Auditors (included under miscellaneous expenses in Note 2.22) :

Audit Fees	**7.00**	7.00
Taxation matters	**2.33**	1.00
Management and other services	**7.40**	3.40
Reimbursement of expenses & service tax	**0.40**	0.54
	17.13	11.94

2.30 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF :		
Capital	**1,670.99**	86.02
Stores	**10.99**	-
	1,681.98	86.02

2.31	a) Expenditure in foreign currency :		
	Professional fees *	**99.08**	124.66
	Travelling expenses (Fully capitalized)	**3.47**	1.97
	Buyers Credit interest *	**23.22**	36.95
	Others	**-**	-
		125.77	163.58

* of the above, professional fees capitalized ₹ **85.82 lac** (previous year ₹ 124.51 lac), and Buyers credit interest capitalised ₹ **5.13 lac** (previous year ₹ 13.89 lac).

b) Remittance of dividend in foreign currency :		
Total number of non resident shareholders	**5**	-
Total number of shares held by them	**1,37,64,017**	-
Dividend remitted for the year	**2013-14**	-
Amount of dividend remitted ₹ in lac	**103.23**	-

2.32 VALUE OF STORES AND SPARES CONSUMED:

(₹ In Lac)

	2014-15		2013-14	
	Value	%	Value	%
Stores & Spare parts :				
Imported	**-**	**0.00%**	-	0.00%
Indigenous	**1.73**	**100.00%**	2.35	100.00%
	1.73	**100.00%**	2.35	100.00%

2.33 EARNINGS PER SHARE :

Particulars	31.03.2015	31.03.2014
1 Profit/(Loss) net of tax (₹ in lac)	**3,257.60**	3,163.61
2 Weighted Average number of Equity Shares Weighted average number of equity shares for calculating Basic EPS	**8,94,30,687**	7,43,74,570
Add: Effect of Dilution - stock options granted under ESOP	**27,186**	54,290
Weighted average number of equity shares for calculating Diluted EPS	**8,94,57,873**	7,44,28,860
3 Earning per share before extra-ordinary items (Basic)	**3.64**	4.25
4 Earning per share before extra-ordinary items (Diluted)	**3.64**	4.25

2.34 SEGMENT REPORTING

There are no other reportable segments as per AS 17 (Segment Reporting), except licencing of immovable property for the year.

2.35 DISCLOSURE IN RESPECT OF LEAVE & LICENSE (AS PER AS19)

1) Assets given on leave & license:

a) General description of leave & license arrangement

i) Licensed assets : Licensing of commercial premises

ii) Future License fees are determined on the basis of agreed terms.

b) Future minimum license fee payments receivable under non-cancellable Leave & License agreements:

(₹ In Lac)

Particulars	31.03.2015	31.03.2014
The total of minimum license fee payments :		
Not more than one year	14,723.29	15,895.10
Not less than one year and not more than five years	14,271.20	12,766.89
More than five years	-	-

2) Assets taken on leave & license

The total amount (net of recovery) recognised in the Statement of Profit and Loss is ₹ **1.43 lac** (previous year ₹ 2.33 lac).

2.36 EMPLOYEE BENEFITS

a) Gratuity

Defined benefits plan **(₹ In Lac)**

	Particulars	2014-15	2013-14
I	Change in Obligation during the year		
1	Present Value of Defined Benefit Obligation at beginning of the year	**112.82**	97.58
2	Current Service Cost	**9.90**	10.79
3	Past Service Cost	**-**	-
4	Interest Cost	**9.02**	7.81
5	Actuarial (Gains) / Losses	**(2.37)**	(3.36)
6	Benefits Paid	**-**	-
7	Present value of Defined Benefit Obligation at the end of the year	**129.37**	112.82
II	Change in Assets during the year ended March 31, 2015		
1	Plan assets at the beginning of the year	**-**	-
2	Settlements	**-**	-
3	Expected return on plan assets	**-**	-
4	Contribution by Employer	**-**	-
5	Actual benefits paid	**-**	-
6	Actuarial Gains / (Losses)	**-**	-
7	Plan Assets at the end of the year	**-**	-

	Particulars	2014-2015	2013-2014
III	Net Asset / (Liability) recognized in the Balance Sheet as at March 31, 2015		
1	Present Value of Defined Benefits Obligation as at March	**129.37**	112.82
2	Fair value of plan assets as at March 31, 2015	**-**	-
3	Fund status (Surplus / (Deficit))	**(129.37)**	(112.82)
4	Net Assets / (Liability) as at end of the year	**(129.37)**	(112.82)
IV	Expenses recognized in the Statement of Profit & Loss for the year ended March 31, 2015		
1	Current Service Cost	**9.90**	10.79
2	Interest Cost	**9.02**	7.81
3	Expected return on plan assets	**-**	-
4	Past Service Cost	**-**	-
5	Net Actuarial (Gains) / Losses	**(2.37)**	(3.36)
6	Total Expenses	**16.55**	15.24

Amount recognised as an expense and included in Note 2.20 under "Contribution to provident fund and other funds

V	The major categories of plan assets as a percentage of total plan	**Not Applicable**	Not Applicable
VI	Actuarial Assumptions:		
1	Discount Rate	**8.00%**	8.00%
2	Expected rate of return on plan assets	**7.50%**	7.50%
3	Mortality Table	**IALM (2006-08) Ultimate**	IALM (2006-08) Ultimate
4	Retirement Age	**Officers 60; Others 60;**	Officers 60 Others 60

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority and other relevant factors.

Details of Current Annual period and Previous Annual periods

	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of Defined Benefits Obligation as at end of the year	**129.37**	112.82	97.58	81.34	57.27
Fair value of plan assets as at end of the year	-	-	-	-	-
Fund status (Surplus / (Deficit))	**(129.37)**	(112.82)	(97.58)	(81.34)	(57.27)
Net Assets / (Liability) as at end of the year	**(129.37)**	(112.82)	(97.58)	(81.34)	(57.27)

b) Contribution to Provident Fund and Other Funds charged to Statement of Profit & Loss stated under Defined Contribution Plans is ₹ **194.17 lac** (previous year ₹198.81 lac).

2.37 Disclosure of Related parties/related party transactions :
The list of related parties are as stated below :
Related parties :

Key Management Personnel :
Shri Kunal V. Sagar, Executive Vice Chairman
Shri Rahul V. Sagar, Executive Director
Smt. Mallika V. Advani (Sister of Shri Kunal Sagar & Shri Rahul Sagar)
Smt. Maneesha R. Bhat (Sister of Shri Kunal Sagar & Shri Rahul Sagar)

Related party transactions :

(₹ In Lac)

	31-Mar-15	31-Mar-14
Shri Kunal V. Sagar		
- Remuneration	**153.84**	171.53
- Equity Share issue on preferential basis (Face value of ₹10, at a premium ₹33.76 per share) (Refer note below)	**-**	560.59
- Dividend paid for FY 2013-14	**13.78**	-

	31-Mar-15	31-Mar-14
Shri Rahul V. Sagar		
- Remuneration	**133.59**	212.38
- Equity Share issue on preferential basis (Face value of ₹ 10, at a premium ₹33.76 per share) (Refer note below)	-	256.39
- Dividend paid for FY 2013-14	**13.78**	-
Smt. Mallika V. Advani (Sister of Shri Kunal Sagar & Shri Rahul Sagar)		
- Dividend paid for FY 2013-14	**6.17**	-
Smt. Maneesha R. Bhat (Sister of Shri Kunal Sagar & Shri Rahul Sagar)		
- Dividend paid for FY 2013-14	**6.17**	-

Note : The Board of Directors and the shareholders of the Company have approved Issue of Equity shares on a preferential basis to various persons including Shri Kunal V. Sagar – Executive Vice Chairman and Shri Rahul V. Sagar – Executive Director at their meeting held on December 26, 2013 and January 27, 2014 respectively. Accordingly, the Committee of Directors has allotted Equity shares to Shri Kunal V. Sagar - Executive Vice Chairman and Shri Rahul V. Sagar - Executive Director on a preferential basis at their meeting held on February 6, 2014.

2.38 Borrowing cost capitalised during the year - ₹ **936.80 lac** (previous year ₹ 1811.44 lac).

2.39 Miscellaneous receipts under Note No 2.19 includes Foreign Exchange gains amounting to ₹ **49.01 lac** (previous year ₹ 56.17 lac.)

2.40 Property Management expenses include expenses which are recoverable as Common Area Maintenance from licensees.

2.41 Derivative instruments and unhedged foreign currency exposure :

(a) Derivative instruments :

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

Derivative instruments have been acquired to hedge buyers credit.

(₹ In Lac)

	2014-15	2013-14
Hedged		
Amount in USD (in lac)	**28.22**	20.47
Amount in Rupees (in lac)	**1830.37**	1260.33

(b) Unhedged foreign currency exposure :

	2014-15	2013-14
Buyers credit		
Amount in USD (in lac)	**22.34**	7.27
Amount in Rupees (in lac)	**1398.33**	436.85
Vendors		
Amount in USD (in lac)	**2.14**	1.49
Amount in Rupees (in lac)	**134.13**	89.53

2.42 Consequent to the applicability of the Companies Act, 2013, with effect from April 01, 2014, depreciation for the year ended March 31, 2015 has been calculated based on the useful life as specified in Schedule II of the said Act. Depreciation in respect of fixed assets whose useful life is already exhausted as on April 01, 2014 is charged in the Statement of Profit and Loss amounting to ₹ 53.69 Lac after retaining the salvage value in accordance with the requirements of Schedule II of the said Act. Accordingly, depreciation for the current year is not comparable with that of the previous year.

2.43 As per the disclosure made on May 5, 2015 (for April 30, 2015) under Regulation 13 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, filed by M/s. Reco Berry Pvt. Ltd. with Bombay Stock Exchange, M/s. Reco Berry Pvt. Ltd. has acquired 5,57,59,872 equity shares of the Company aggregating to 61.87 % of the total share capital of the Company. Further, M/s. Reco Berry Pvt. Ltd. is classified as a Promoter of the Company.

2.44 Previous year's figures have been re-arranged and re-grouped wherever necessary to confirm to the classification adopted for the current year.

As per our Report attached

For N.M. RAIJI & CO.
Chartered Accountants
Firm Registration no. 108296W

CA Y.N. THAKKAR
Partner
Membership No. 33329

Mumbai, May 7, 2015

FOR AND ON BEHALF OF THE BOARD

MOOSA RAZA
Chairman

KUNAL V. SAGAR
Executive Vice Chairman

RAHUL V. SAGAR
Executive Director

JASMIN K. BHAVSAR
Company Secretary, Vice President (Legal) & Compliance Officer

MANISH B. PARIKH
Chief Financial Officer

RAMA VARMA
ARJAN R. GURBUXANI
ARUNA MAKHAN
} Directors

NIRLON LIMITED

CIN No.: L17120MH1958PLC011045

Regd Office: Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai: 400 063
Tel. No.: + 91-022-4028 1919 / 2685 2257/58/59 • Email id: info@nirlonltd.com • Website: www.nirlonltd.com.

NIRLON

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Folio No./Client ID :

I/We hereby record my/our presence at the 56th Annual General Meeting of Nirlon Limited to be held on Monday, September 21, 2015 at 11.00 a.m. at Pama Thadhani Auditorium, Jai Hind College Building, 'A' Road, Churchgate, Mumbai 400 020.

Member's/Proxy's Full Name _____ Member's/Proxy's Signature _____

NIRLON LIMITED

CIN No.: L17120MH1958PLC011045

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PROXY FORM

Name of the Member(s)		
Registered Address		
Email ID		
Folio No./Client ID		DP ID:

I/We, being the Member (s) of ……. shares of the above named company, hereby appoint:

1	Name:	Address:
	Email ID	Signature:
	Or failing him/her	
2	Name:	Address:
	Email ID	Signature:
	Or failing him/her	
3	Name:	Address:
	Email ID	Signature:

as my/our proxy to attend and vote (in a poll) for me/us and on my/our behalf on the 56th Annual General Meeting of the Company to be held on Monday, September 21, 2015 at 11.00 am at Pama Thadhani Auditorium, Jai Hind College Building, 'A' Road, Churchgate, Mumbai 400 020 and at any adjourment thereof in respect of such resolutions as are indicted below:

Sr. No.	Description of Resolution	Vote (Please mention No. of shares)	
		For	Against
Ordinary Business:			
1	Adoption of the Financial Statements of the Company for the year ended March 31, 2015, Including The Statement of Profit And Loss for the year ended on that date, Audited Balance Sheet as at March 31, 2015, and the Reports of the Directors' and the Auditors thereon		
2	Declaration of dividend on equity shares for the Financial Year ended March 31, 2015		
3	Re-appointment of Smt. Rajani M. Bhagat (DIN: 00870716), retiring by rotation		
4	Re-appointment of M/s. N. M. Raiji & Co., (firm registration no. 108296W), Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of the Directors to fix their remuneration for the Financial Year ending March 31, 2016		
Special Business:			
5	Ratification of remuneration payable to of M/s. Vinay Mulay & Co., the Practising Cost Auditor of the Company, (ICAI-CMA No. 8791, CP No. 101159) appointed by the Board of Directors of the Company to conduct the Audit of the Cost records of the Company for the Financial Year ending March 31, 2016		

Signed this _____ day of _____2015

Affix Revenue Stamp of ₹ 1/-

Signature of the Shareholder _____ Signature of Proxy holder(s) _____

Note: This Form of Proxy, in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the meeting.

NIRLON LIMITED

CIN No. L17120MH1958PLC011045

Registered Office :

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

Tel. No.: + 91-022-4028 1919 / 2685 2257/58/59 • **Fax No.:** + 91-22-4028 1940

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