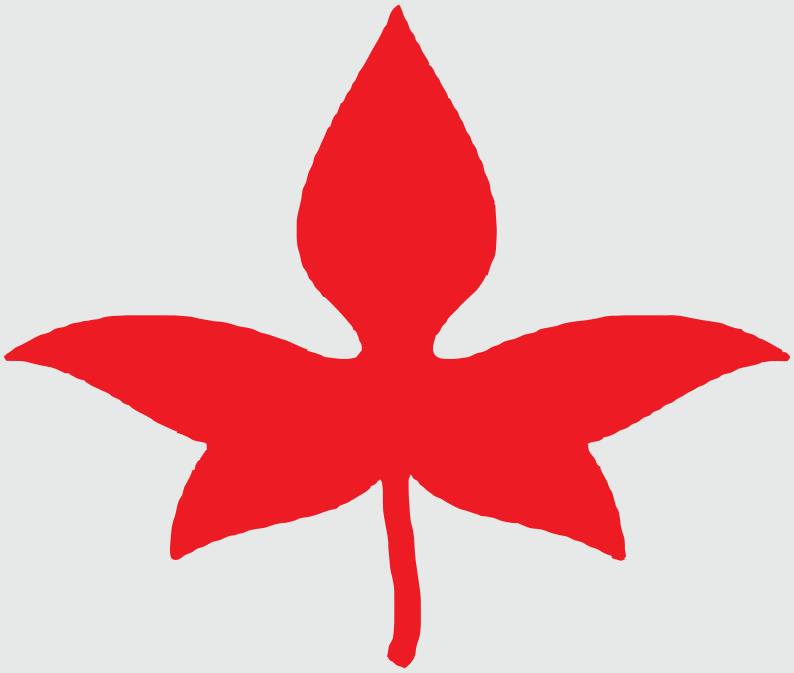
57th Annual Report 2015-2016



NIRLON LIMITED

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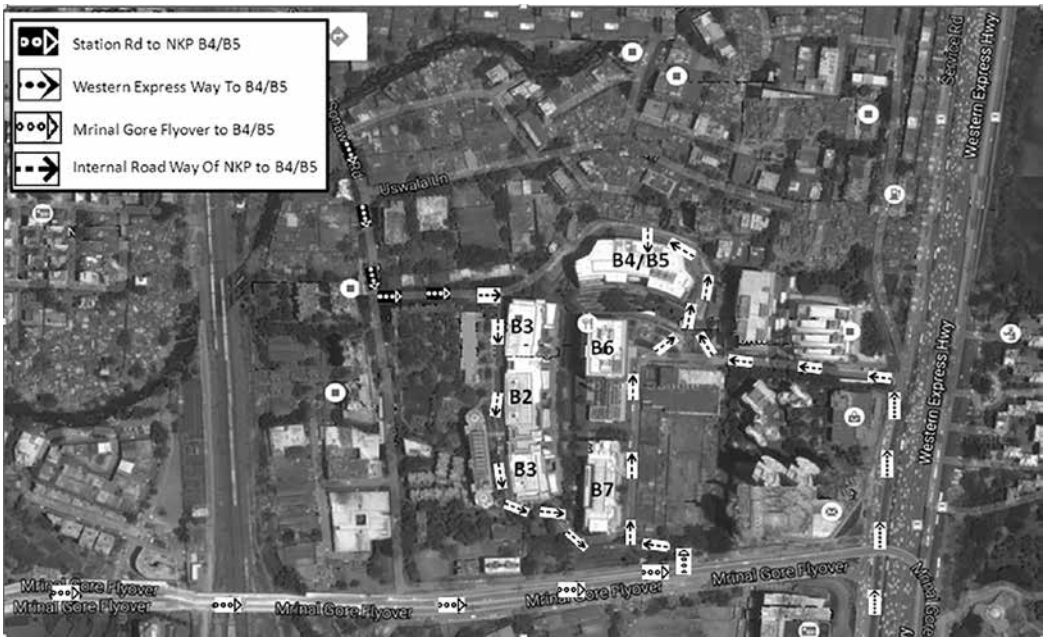
The Route Map for the venue of the AGM is given below.



Board of Directors
(As on August 10, 2016)

1 Padma Bhushan Mr.Moosa Raza **(Chairman)**
2 Mr. Rama Varma
3 Mr. Arjan R. Gurbuxani
4 Mrs. Aruna Makhan
5 Mrs. Rajani M. Bhagat
6 Mr. Kunnasagaran Chinniah (w.e.f. April 28,2016)
7 Mr. Kunal V. Sagar
8 Mr. Rahul V. Sagar **(Executive Director)**

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

Legal Advisors
Matubhai Jamietram & Associates, Advocates & Solicitors, Mumbai
JSA, Advocates & Solicitors, Mumbai

Statutory Auditors
N. M. Raiji & Co., Chartered Accountants, Mumbai

Internal Auditors
KPMG, Mumbai

Cost Auditors
Vinay Mulay & Co., Cost Accountants, Mumbai

Secretarial Auditors
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

Share Transfer Agent (STA): w.e.f. June 3, 2016
Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (west),
Mumbai 400 078.
Tele : +91 (022) 2594 6970
Fax : +91 (022) 2594 6969
CIN no. : U67190MH1999PTC118368
Email ids : rnt_helpdesk@linkintime.co.in
Website : www.linkintime.co.in

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **57th** Annual General Meeting of Nirlon Limited will be held on **Tuesday, September 20, 2016 at 11.30 a.m.** at the Registered Office of the Company situate at Pahadi Village, Off the Western Express Highway, Goregaon (East), Mumbai 400 063 to transact the following business:-

ORDINARY BUSINESS:

1 To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2016, including the Statement of Profit and Loss for the year ended on that date, Audited Balance Sheet as at March 31, 2016 and the Reports of the Directors' and the Auditors' thereon.

2 To declare dividend on equity shares for the Financial Year ended March 31, 2016.

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

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

Appointment of the Statutory Auditors of the Company

"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 57th Annual General Meeting until the conclusion of the 58th 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), the following resolution as an **Ordinary Resolution**:

Appointment of Mr. Kunnasagaran Chinniah (DIN 01590108) as a Director liable to retire by rotation

"RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ('**Act**') and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Kunnasagaran Chinniah (DIN 01590108) who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on April 28, 2016 and whose term of office expires at this Annual General Meeting **('AGM'**) and in respect of whom the Company has received a notice in writing alongwith deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation;

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

Ratification of remuneration payable to the Cost Auditor

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of Mr. 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, 2017, for a sum of ₹ 1,50,000 (Rupees One Lakh Fifty Thousand Only) excluding service tax, travelling and other out-of-pocket expenses incurred by him in connection with the aforesaid audit be and is hereby ratified and confirmed;

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

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

Approval for the proposed Related Party Transaction / s

"RESOLVED THAT pursuant to the provisions of Section 188 (1) and other applicable provisions, if any, of the Companies Act, 2013 read with rules issued thereunder including Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), Regulation 23(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and in accordance with the provisions of the Memorandum and Articles of Association of the Company, and pursuant to the approval of the Audit Committee of the Board of Directors and of the Board of Directors ('**Board**'), approvals of Members be and are hereby accorded to the Company to enter into, execute, perform and deliver its obligations as under : -

i. a Management Services Agreement with Nirlon Management Services Company Private Limited ('**NMSCPL**'), under which NMSCPL shall provide lease management, property management, marketing, project management and general management services in respect of the properties of the Company on the terms and conditions as more particularly set out in the draft Management Services Agreement provided for the inspection of the Members (as may be amended or modified from time to time);

ii. an Asset Sale Agreement with NMSCPL, under which certain movable assets of the Company will be transferred to NMSCPL and certain employees of the Company will resign as employees of the Company and take up employment with NMSCPL on the terms and conditions as more particularly set out in the draft Asset Sale Agreement provided for the inspection of the Members (as may be amended or modified from time to time); and

iii. a Name User Agreement with NMSCPL, Mr. Kunal V. Sagar and Mr. Rahul V. Sagar, under which the Company will approve the use and adoption of the name '**Nirlon**' by NMSCPL on the terms and conditions as more particularly set out in the draft Name User Agreement provided for the inspection of the Members (as may be amended or modified from time to time);

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all steps necessary for the implementation of the above resolution including but not limited to providing intimations to appropriate statutory bodies and contractual counterparties and by undertaking such other acts, deeds and things from time to time, to do all such acts, matters, deeds and things as the Board may consider necessary, expedient or desirable in order to effect the Transaction Documents and the transactions contemplated thereunder, appointing consultants, valuers, legal advisors and all such agencies as may be required for the purposes of the transactions contemplated under the Transaction Documents, and on such terms as the Board deems appropriate necessary for the implementation of the above resolution including making the necessary filings and applications, if any, with all necessary regulatory authorities including the Registrar of Companies and undertake all such actions in connection with the foregoing, without being required to seek further clarification, consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

"RESOLVED FURTHER THAT consent of the Members of the Company be and is hereby accorded to the Board to delegate all or any of its powers conferred by the above resolution to any director or Directors or to any committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions;

"RESOLVED FURTHER THAT the Company Secretary and / or any Director of the Company be and is hereby authorized to provide a certified copy of this resolution to any person, entity and / or authority as may be required for giving effect to the above resolutions".

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

Mumbai, August 10, 2016
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 Nos. 5, 6, & 7 of the accompanying Notice dated August 10, 2016

Item no. 5

Mr. Kunnasagaran Chinniah (DIN 01590108) was appointed as an Additional Director of the Company with effect from April 28, 2016 by the Board of Directors as a Nominee of Reco Berry Private Limited, one of the Promoters of the Company, pursuant to powers exercised by Reco Berry Private Limited under Article 167(A)(2) of the Articles of Association of the Company.

In terms of Section 161(1) of the Companies Act, 2013, Mr. Chinniah holds office upto the date of this 57th Annual General Meeting but he is eligible for reappointment as a Director. The Company has received a Notice in writing along with the requisite deposit under Section 160 of the Act, proposing his candidature for the office of a Director.

A statement containing his profile is given in the Notes to the Notice and the Directors' Report – under the Corporate Governance Report.

Except Mr. Chinniah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at **Item no. 5**.

The Board recommends the passing of the Ordinary Resolution as set out in **Item no. 5** of the Notice for the appointment of Mr. Chinniah as a Director liable to retire by rotation.

Item no. 6

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Vinay B. Mulay, the Practicing Cost Auditor (ICAI-CMA No. 8791 CP No. 101159) of M / s. Vinay Mulay & Co., Mumbai to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017.

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 the Members of the Company at their meeting.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at **Item no. 6** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2017.

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. 6** of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the Members.

Item no.7

I. Background

Reco Berry Private Limited ('**Reco'**), a company incorporated in Singapore, and Kunal V. Sagar and Rahul V. Sagar ('**Sagar Brothers**), Alfano Pte. Ltd. ('**APL'**) and Deltron Pte. Ltd. ('**DPL'**) (Sagar Brothers, APL and DPL collectively being defined as '**Promoters'**) had entered into a Share Purchase and Shareholders Agreements dated December 23, 2014 (each, a '**SPSHA'**) in relation to the acquisition of shares of Nirlon Limited

('**Company**') by Reco from the Promoters. By and under a Deed of Adherence dated April 28, 2015 entered into between Reco, the Promoters and the Company, the Company has adopted the said SPSHAs so far as the same is applicable to it.

The SPSHA provided that it was the intention of the parties thereto that, within 6 (six) months of April 20, 2015, and subject to receipt of all necessary corporate authorizations and approval from a governmental authority, if applicable, the property management function of the Company would be outsourced to a new company to be incorporated by the Sagar Brothers for the purpose of providing project / property and other management services to the Company ('**Management Services Company**'). Further, the SPSHA provided that the parties intended that the Management Services Company would make offers of employment to the employees of the Company on terms no less favorable than those being offered by the Company to each of the employees. The parties to the SPSHAs have agreed to extend the time period referred to above to 18 (eighteen) months, as set out in the intimation dated March 29, 2016 issued by the Company to the BSE Limited.

In furtherance of the aforementioned understanding, the Sagar Brothers have incorporated a management services company by the name of Nirlon Management Services Company Private Limited ('**NMSCPL'**). The Company now proposes to appoint NMSCPL as a provider of Services (as defined below) in respect of the properties of the Company on the terms set out in a management services agreement proposed to be executed between the Company and NMSCPL ('**Management Services Agreement**'). In addition, and simultaneously with the above, the Company proposes to enter into an asset sale agreement with NMSCPL ('**Asset Sale Agreement**') to record:

(a) the transfer of identified movable assets relating to the Services, from the Company to NMSCPL; and

(b) the resignation of identified employees from the employment of the Company and taking up employment with NMSCPL on terms no less favorable than those given to them by the Company.

1. **NMSCPL**

A brief description of NMSCPL and salient features of the proposed agreements are set out below:-

NMSCPL was incorporated on October 7, 2015, and the Sagar Brothers presently own 100% (one hundred per cent) of the voting rights and share capital of NMSCPL. The Board has been informed that the Sagar Brothers and Reco Fortius Pte Limited ('**Fortius'**), an affiliate of Reco, have agreed that Fortius proposes to subscribe to equity shares of NMSCPL for an approximate consideration of ₹ 32,18,000 / - (Rupees Thirty Two Lakh Eighteen Thousand only) subject to, *inter alia*, Members' approval of the transactions contemplated in terms of the Management Services Agreement and Asset Sale Agreement.

Upon such subscription by Fortius, Fortius will own an economic interest of 64% (sixty four per cent) and voting rights of 33.3% (thirty three decimal point three per cent) in NMSCPL, and the Sagar Brothers will own an economic interest of 36% (thirty six percent) and voting rights of 66.7% (sixty six decimal point seven per cent) in NMSCPL.

2. **Management Services Agreement**

Salient features of the proposed Management Services Agreement are as follows:

- ***Services:*** NMSCPL will provide lease management, property management, marketing, project management and general management services in respect of the properties of the Company ('**Services'**).
- ***Properties:*** The Services will be provided by NMSCPL in relation to the properties owned by the Company on the date of the Management Services Agreement, including Nirlon Knowledge Park and Nirlon House.
- ***Fees:*** Fees will be paid to NMSCPL by the Company in the following manner:
  - o For lease management services – a monthly fee equal to 1% (one percent) of the gross revenue of the property for such month;
  - o For property management services – a monthly fee equal to 2% (two percent) of the gross revenue of the property for such month;
  - o For marketing services – a percentage based commission based on the term of the lease / license and the license fee / lease rent payable for the first month thereof (including commission for additional space taken-up by a licensee / lessee). Commission is also payable on renewal of an existing lease / license;
  - o For project management services – ₹ 60,00,00,000 / - (Rupees Sixty Crore) payable in 48 (forty eight) equal monthly installments, as construction / project management fees for Phase V of Nirlon Knowledge Park. Of this amount, an advance of ₹ 6,00,00,000 / - (Rupees Six Crore) is payable on the on the commencement of the Management Services Agreement, which advance is to be adjusted against the 42nd (forty second) to the 48th (forty eighth) monthly installments referred to above.
  - o All fees are exclusive of applicable service tax, which will be borne and paid by the Company.
- ***Term*:** Subject to receipt of Members and Board approval, the Asset Sale Agreement being in full force and effect and the Name User Agreement between the Company, the Sagar Brothers and NMSCPL (referred to below) being in full force and effect, the Management Services Agreement shall commence on October 1, 2016 (or such other date mutually agreed) and terminates automatically on September 30, 2020, unless terminated earlier or mutually extended.
- ***Indemnity*:** NMSCPL has agreed to indemnify and hold the Company harmless for any loss suffered by reason of NMSCPL's, or if applicable NMSCPL's employees', fraud or willful misconduct.
- ***Leave and license agreement*:** NMSCPL and the Company are proposing to enter into an agreement in terms of which the Company proposes to license office space to NMSCPL for its use during the provision of Services.

- ***Termination rights*:** Termination rights under the Management Services Agreement include breaches by a party of the Management Services Agreement, change in control of the Company, or a party becoming the subject of any insolvency proceedings and other matters.

The fees agreed to be paid to NMSCPL under the Management Services Agreement are in consonance with current industry rates and practice. Furthermore, by outsourcing the project / property and other management services to NMSCPL, it is expected that the operational costs of the Company in respect of its current projects are likely to be limited in accordance with the terms of the Management Services Agreement.

Projections / estimations to this effect are set out below :

Table 1

Period / Year of Management Services Agreement	A Total Projected Fees payable to NMSCPL (₹ in Crore)#	B Total Projected Operational Cost to the Company (₹ in Crore)*	Projected Saving to the Company based on A and B (₹ in Crore)
Oct 2016 – March 2017	10.6	10.2	(0.4)
April 2017 – March 2018	21.2	22.6	1.4
April 2018 – March 2019	23.0	24.9	1.9
April 2019 – March 2020	26.3	27.6	1.3
April 2020 – September 2020	13.5	14.7	1.2
Total:	**94.6**	**100.0**	**5.4**

 # These figures are net of the license fee proposed to be paid by NMSCPL to the Company

** These figures are based only on estimated projections of fees payable and operational costs which would be incurred if these functions were undertaken internally by the Company*

Post the expiry of the Management Services Agreement, the Company will be at liberty to enter into similar management services arrangements with any persons as it may deem fit at desirable levels, both as to quality of services and costs to the Company.

The features set out above, being only the salient features of the Management Services Agreement which are subject to the details set out in the Management Services Agreement, the Members are requested to read the entire text of the Management Services Agreement (being provided for inspection as mentioned at the end of this statement).

3. **Asset Sale Agreement**

Simultaneous with the above, the Company is desirous of entering into an asset sale agreement with NMSCPL ('**Asset Sale Agreement'**) to record the following:-

a the transfer of identified movable assets relating to the Services, from the Company to NMSCPL; and

b the resignation of identified employees from the employment of the Company and their taking up employment with NMSCPL on terms no less favorable than those given to them by the Company;

on the terms and conditions as more particularly set out in the Asset Sale Agreement.

Salient features of the proposed Asset Sale Agreement are as follows:

- ***Assets:*** Movable assets (furniture, fixtures, computers, cars,, etc.) will be transferred to NMSCPL by the Company to enable NMSCPL to better provide the Services under the Management Services Agreement.
- ***Consideration:*** A consideration of not less than ₹ 25,00,000 / - (Rupees Twenty Five Lakh only) will be paid by NMSCPL to the Company as and by way of consideration for the asset transfer. The consideration is being paid on the basis of the book value of the assets.
- ***Employees:*** Identified employees who are currently involved in the provision of Services to the Company will be offered employment by NMSCPL on terms no less favorable than those on which they are engaged in the Company, and if they accept such offers, such employees will resign from the Company and be employed by NMSCPL. Employees will be required to provide the Company with no-dues letters at the time of their resignation. End-of-service gratuity will be paid by the Company to those employees who have completed service of 5 (five) years or more with the Company. Ex-gratia payments will be made by the Company to those employees who have not completed 5 (five) years service with the Company.
- ***Closing:*** Subject to Members of the Company approving the Asset Sale Agreement, it is intended that closing will take place simultaneous with the Management Services Agreement becoming effective (i.e. on October 1, 2016 or other mutually agreed date).

The features set out above, being only the salient features of the Asset Sale Agreement which are subject to the details set out in the Asset Sale Agreement, the Members are requested to read the entire text of the Asset Sale Agreement (being provided for inspection as mentioned at the end of this statement).

4. **Name User Agreement**

By and under a circular resolution passed by the Board of Directors of the Company on September 10, 2015 and confirmed by the Board of Directors of the Company on September 21, 2015, the Board of Directors of the Company have approved the use of the name '**Nirlon**' in the corporate name of NMSCPL on a royalty free basis. The Company has also agreed to grant its no-objection and consent to the NMSCPL's use, on a royalty free basis, of the name and mark 'Nirlon' ('**Name'**) under a name user agreement proposed to be executed between the Company, NMSCPL and the Sagar Brothers ('**Name User Agreement'**).

Salient features of the proposed Name User Agreement are as follows:

- ***License:*** A royalty free, non-assignable and non-transferable license will be granted to NMSCPL to use the Name. Subject to the terms of the Name User Agreement, NMSCPL can promote the Name through advertisements, branding and sports initiatives.
- ***Owner:*** Company remains the sole and exclusive owner of the Name including the trademark and copyrights in the Name. The

Company can continue to use the Name as owner in any manner it deems appropriate.

- ***Restrictions on Use:*** NMSCPL will stop using the name under various circumstances (including if such use brings disrepute to the Company or jeopardizes the rights of the Company to the Name, if such use is in breach of any contractual obligations of the NMSCPL, etc.). NMSCPL is not permitted to register any trademark, or other intellectual property using the Name.
- ***Termination:*** Either party can terminate the agreement after giving a prior written notice if the Sagar Brothers cease to remain in control / majority ownership interest of NMSCPL or if Reco / its affiliates cease to have control / majority ownership interest over the Company.
- ***Right to Injunctive Relief:*** The Company can claim injunctive and other reliefs available to it under law in the event NMSCPL or the Sagar Brothers are in breach of the Name User Agreement.

The features set out above, being only the salient features of the Name User Agreement which are subject to the details set out in the Name User Agreement, the Members are requested to read the entire text of the Name User Agreement (being provided for inspection as mentioned at the end of this statement).

5. **Other Information**

As per practice of established international property owners / developers / investors, the management and similar services for properties owned / developed by them are often outsourced to management services companies. The same model is being emulated in India by the industry. Over time, we understand that this business model has proven to be a beneficial and cost saving service, with service providers providing a one-stop management solution, as well as support for various technical and operational requirements of the Company. In keeping with industry practices, the proposed Management Services Agreement is expected to be beneficial to the Company. As evident from **Table 1 above** , the Company is likely to save cost on account of the proposed transactions.

The Board of Directors believes that NMSCPL would be well placed to provide the Services at a high level of quality in a cost-effective manner. This is particularly relevant since these Services will be provided by NMSCPL through the Company's employees (who have successfully developed and managed Nirlon Knowledge Park for Phases I to IV comprising approximately 3 (three) million square feet constructed area) who will, following closing of the Asset Sale Agreement, be employed by NMSCPL.

II. Approval

The Audit Committee of the Company has approved the aforesaid agreements and the transactions contemplated therein in terms of Section 177(4)(iv) of the Companies Act, 2013 and Regulation 23(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**') at its meeting held on August 10, 2016.

The Board of Directors of the Company has also approved the aforesaid agreements and the transactions as contemplated therein in terms of Section 188(1)(d) and Section 188(1)(b) of the Companies Act, 2013 at their Meeting held on August 10, 2016.

Approval of the Members is being hereby sought by way of an Ordinary Resolution for the aforementioned agreements and transactions pursuant to Section 188(1) of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23(4) of the Listing Regulations.

Since the Sagar Brothers are Directors of the Company and also members and Directors of NMSCPL, NMSCPL would constitute a related party of the Company in terms of Section 2(76)(iv) of the Companies Act, 2013. Further, Reco, the Promoters and persons acting in concert with the Promoters, being related parties in terms of Regulation 2(1)(zb) of the Listing Regulations, are each required to abstain from voting on these Resolutions in accordance with Regulations 23(4) and 23(7) of the Listing Regulations.

The transactions contemplated hereinabove are also subject to such other approvals as may be required in terms of the Articles of Association of the Company.

The following documents will be available for inspection by the Members at the Registered Office of the Company from 11.00 a.m. to 1.00 p.m. on any working day , excluding Saturdays, Sundays and public holidays, upto the date of the 57th AGM:-

i Management Services Agreement to be entered into between the Company and NMSCPL;

ii Asset Sale Agreement to be entered into between the Company and NMSCPL; and

iii Name User Agreement.

Copies of these documents shall also be available for inspection at the Meeting.

The Board recommends the Ordinary Resolution set out at **Item no. 7** of the Notice for approval by the Members.

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

Mumbai, August 10, 2016

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

   b. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.

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

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

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

   b. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the **cut-off date, i.e. Wednesday, September 14, 2016** only shall be entitled to avail the facility of remote e-voting.

   c. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **Wednesday, September 14, 2016**, may obtain the User ID and password in the manner as mentioned in the Notes to the Notice.

   d. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member / Beneficial Owner (in case of Dematerialised Form) as on the cut-off date, i.e. **Wednesday, September 14, 2016.**

   e. An electronic copy of the 57th Annual Report for the Financial Year 2015-16 along with the Notice calling 57th Annual General Meeting of the Company (Attendance Slip & Proxy Form) is being sent to all Members whose email IDs are registered with the Share Transfer Agent / Depository Participant(s) for communication purposes.

      For Members who have not registered their email address, physical copies of the 57th Annual Report for the Financial Year 2015-16 along with the Notice calling the 57th 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.

   f. Information and other instructions relating to remote e-voting are given in this Notice under **Note No.12**.

3. a. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified true copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

   b. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.

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

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

4. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business item nos. 5, 6 & 7 to be transacted at the 57th AGM is annexed to the Notice.

5. a. In terms of Section 152 of the Companies Act, 2013, Mr. Kunal V. Sagar (DIN 00388877), Director, retires by rotation at the 57th AGM and being eligible, offers himself for re-appointment.

   b. In terms of Section 160 and 161 of the Companies Act, 2013, Mr. Kunnasagaran Chinniah (DIN 01590108), an additional Director, holds office upto the date of this 57th Annual General Meeting but is eligible for appointment as a Director. The Company has received a Notice in writing along with the requisite deposit under Section 160 of the Act, proposing his candidature for the office of a Director.

   c. A brief resume of Directors, including Mr. Sagar and Mr. Chinniah, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and Memberships / Chairmanships of Board / Committees, shareholding, and relationships between Directors inter-se as required by the SEBI LODR, 2015 are provided in the Notes to the Notice and the Corporate Governance Report forming part of the 57th Annual Report.

      The Board of Directors of the Company recommend the re-appointment of Mr. Kunal V. Sagar and the appointment of Mr. Kunnasagaran Chinniah as Directors liable to retire by rotation respectively.

6. The following Registers would be available for inspection by the Members at the Registered Office of the Company from 11.00 a.m. to 1.00 p.m. on any working day, excluding Saturdays, Sundays and public holidays, up to the date of the 57th AGM :-

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

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

   c. Any other documents as referred to in this Report shall be also available for inspection by the Members.

7. a. Members may note that the Notice calling the 57th Annual General Meeting and the 57th Annual Report for 2015-16 is also available on the Company's website 'www.nirlonltd.com'.

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

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

   a. In order to provide protection against fraudulent encashment of dividend warrants, shareholders holding shares in physical form are requested to intimate the Company's Share Transfer Agent, Link Intime India Pvt. Ltd. under the signature of the sole / first joint holder, the following information to be incorporated on the Dividend Warrants:

      i. Name of the Sole / First joint holder and folio number

      ii. Particulars of Bank Account, viz:

         a. Name of the Bank

         b. Name of the Branch

         c. Complete address of the Bank with Pin Code Number

         d. Bank Account Number

         e. E-mail ID

   b. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Share Transfer Agent for assistance in this regard.

   c. Inform any change of address directly to their respective depository participants in case members are holding shares in electronic form.

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

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

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

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

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

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

   j. Members holding shares in physical form are requested to advise any changes in their registered email id, bank details, NECS, mandates, nominations, power of attorney etc. to the Share Transfer Agent.

   k. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address, or demise of any member as soon as possible.

   l. Non-resident Indian members are requested to inform the Registrar / Depository participant (s) immediately on : -

      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.

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

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

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

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

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

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

s. 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.

t. For any communications, members may also send requests to the Company's Investor email id: **'share@nirlonltd.com'.**

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

v. Any briefcase / bags / eatables or such other articles as may be ordered by the authorities are not allowed inside the venue of the meeting.

9. Pursuant to Section 91 of the Act, the Register of Members and the Share Transfer books of the Company will remain closed from **Friday, September 9, 2016 to Tuesday, September 20, 2016 (both days inclusive**) for the 57th Annual General Meeting.

10. A Dividend of ₹ 0.75 paise per equity share (7.5%) has been recommended by the Board of Directors for the Financial Year 2015-16, and subject to the approval of the Members at this ensuing 57th Annual General Meeting. If the dividend as recommended by the Board of Directors is approved at this 57th Annual General Meeting, payment of such dividend will be made on or before October 19, 2016 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 8, 2016**.

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 8, 2016.**

11. 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.

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

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

ii. The facility for voting through ballot paper / poll shall be made available at the venue of the Meeting, and 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 **Mr. Alwyn D'souza,** Practising Company Secretary (FCS No.5559 CP No.5137) of Alwyn Jay & Co., Company Secretaries, Mumbai, as Scrutinizer to the remote e-voting, as also for voting in a Poll at the Meeting, to ensure the same are conducted in a fair and transparent manner. Mr. Alwyn D'souza has communicated his willingness to be appointed, and will be available for this purpose.

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

vi. Voting rights shall be reckoned on the paid-up value of Equity Shares registered in the name of the Member / Beneficial Owner (in case of Dematerialized Form) as on the cut-off date, i.e. **Wednesday, September 14, 2016.**

vii. Only persons whose names are recorded in the Dematerialized Form Register of Members or in the Register of Beneficial Owners maintained by the depositories **as on the cut-off date**, i.e. **Wednesday September 14, 2016** shall be entitled to avail the facility of remote e-voting / participate in a poll.

However, any person who becomes a member of the Company **after** dispatch of the Notice of the Meeting and is holding shares as on the cut- off date, i.e. Wednesday, September 14, 2016, 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 scrutinizing the votes cast in a Poll at the Meeting, and also votes cast through remote e-voting will, not later than two (2) days from the conclusion of the Meeting, make a consolidated scrutinizer's report and shall submit the same to the Chairman. The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company **'www.nirlonltd.com'**. The results shall simultaneously be communicated to the BSE Limited.

x. Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the day and date of the Meeting, i.e. Tuesday, September 20, 2016.

For Members (holding shares in Electronic Form or Physical Form) who receive Notice of the 57th 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), Friday, September 16, 2016

End of remote e-voting: Upto 5.00 p.m. (IST) on Monday, September 19, 2016

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

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

iii. Click on **'Shareholders'**

iv. Now enter your User ID

a. For CDSL: 16 digit beneficiary ID,

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

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

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

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

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

	For Members holding shares in Demat (Electronic) Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd / mm / yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction **iv.**

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

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

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

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

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

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

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

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

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

xvii. If a Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on **'FORGOT PASSWORD'** & 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 57th Annual General Meeting of the Company scheduled to be held on Tuesday, September 20, 2016.

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 57th Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **'www. nirlonltd.com',** and shall be also be communicated to the BSE Limited.

13. Information relating to the Directors seeking appointment and re-appointment at 57th AGM

a. Mr. Kunnasagaran Chinniah (DIN 01590108) (NED - Director Nominated by Reco Berry Pvt. Ltd. - Promoter) w.e.f. April 28, 2016

Mr. Kunnasagaran Chinniah, aged 59 years, is a Chartered Financial Analyst and his other academic qualifications include a Bachelor's Degree in Electrical Engineering from the National University of Singapore and an MBA from the University of California, Berkeley.

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

Mr. Chinniah serves on the Boards of various companies including Indian companies such as Edelweiss Financial Services Ltd., Edelweiss Commodities Services Ltd. and Edelweiss Agri Value Chain Ltd.

He does not hold any equity shares in the Company.

b. Mr. Kunal V. Sagar (DIN 00388877) (Promoter & Executive Vice Chairman up to September 25, 2015 & thereafter continuing as Promoter & NED w.e.f. September 26, 2015)

Mr. Kunal V. Sagar, aged 48 years, graduated with a B.A. in Economics.

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

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

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

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

DIRECTORS' REPORT

Your Directors present their **57th** Annual Report, and the Audited Financial Accounts for the Financial Year ended March 31, 2016.

1. Financial Performance

The Company's Financial Performance for the Year ended March 31, 2016 is summarized below:-

(₹ in Crore)

Particulars	2015-16	2014-15
Gross Income from Operations	**289.85**	240.82
Gross Profit	**224.39**	185.40
Interest Paid	**72.25**	75.55
Cash Profit	**152.14**	109.85
Depreciation	**80.48**	68.65
Net Profit / (Loss) Before Exceptional item / s	**71.66**	41.20
Add: Exceptional item / s	**(2.58)**	6.66
Net Profit / Loss for the Year after Exceptional item / s	**69.08**	47.86
Provision for Taxation:		
Current tax	**(0.01)**	0.05
Deferred tax	**25.52**	15.23
Profit / (Loss) for the Year after tax	**43.57**	32.58
Add : Carried forward surplus	**29.43**	**6.33**
Amount available for Appropriation	**73.00**	**38.91**
Proposed dividend on Equity shares	**6.76**	7.91
Tax on Dividend	**1.38**	1.57
Balance carried to Balance Sheet	**64.86**	29.43

2. Financial Operations (Summary)

i. **Gross Income from Operations** for the Financial Year 2015-16 was ₹ **289.85 crore** as against ₹ 240.82 crore for 2014-15, an increase of **approx. 20%.**

ii. **Gross Profit** for the Financial Year 2015-16 was ₹ **224.39 crore** as against ₹ 185.40 crore for 2014-15, an improvement of **approx. 21%.**

iii. **Cash Profit** for the Financial Year 2015-16 was ₹ **152.14 crore** as against ₹ 109.85 crore for 2014- 15, an improvement of **approx. 38%.**

iv. **The Exceptional Items** for the Financial Year 2015-16 are the write back of the Property Tax liability of the earlier years on account of assessment as per the Capital Value System, payment of Excise Duty and interest thereon based on the Hon'ble Supreme Court order in relation to manufacture of Nylon Tyrecord Yarn and Fabrics during the period April 1999 to June 2000, and payment of Liquidated damages and interest thereon on delayed payment of Provident Fund dues during the period January 2000 to February 2007.

v. **Net Profit** for the Financial Year 2015-16 (after taxes and exceptional items) was ₹ **43.57 crore** as against a profit of ₹ 32.58 crore for 2014-15, an improvement of **approx. 33%.**

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

3. Reserves

The Board does not propose to transfer any amount to the General Reserve account in the Balance Sheet for the Financial Year 2015-16.

4. Dividend

For the year under review, your Directors recommended a dividend of ₹ 0.75 paise per equity share of ₹ 10.00 each (7.5%) amounting to ₹ 8.14 crore (inclusive of tax of ₹ 1.38 crore), subject to the approval of Members of the Company at their 57th Annual General Meeting.

Dividend will be paid to Members whose names appear in the Register of Members as on Thursday, September 8, 2016. In respect of shares held in Dematerialized Form, dividend will be paid to Members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited, as Beneficial Owners as on that date.

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

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

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

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

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

The Company is planning 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 lakh sq. ft. area has been constructed in Phases 1, 2, 3 and 4 corresponding to approx. 18.78 lakh sq. ft. of licensable area. Licence fees for Phases 1, 2, 3 and 4 continue to be received by the Company as on March 31, 2016.

License fees for Phase 4 began to accrue to the Company in stages during March, June and July 2015.

Please Note: The total constructed area of approx. 29.46 lakh 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.

Phase 5:

The Board of Directors of the Company at their meeting held on January 29, 2016, *inter alia*, have considered and approved in principle the development of Phase 5 of NKP.

ii. License Fees

During the Financial year under review**,** gross license fees from Phases 1, 2, 3 and 4 aggregated approx. ₹ 211.36 crore, and approx. ₹ 39.71 crore by way of additional license fees from the existing old buildings. The licensee occupying one of the existing old buildings in NKP has vacated the licensed premises from February, 2016 on the expiry of the license agreement. Presently, license fees of ₹ 42.27 lakh per month are still accruing to the Company from licensees occupying the other existing old buildings. These licensees will also be vacating the premises currently occupied by them from January 1, 2017 on the expiry / mutualy agreed termination of the license agreements. This vacating of the existing old buildings by not renewing the licenses for these premises is required so that these buildings can be demolished for the proposed construction of Phase 5.

iii. Marketing

Phases 1, 2, 3 and 4 of NKP continue to be approx. 98% licensed (as on August 10, 2016) to reputed international and Indian corporates.

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

iv. Financing

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

a. Securitized Loans – ₹ 543.10 crore (as on August 10, 2016) being repaid in equal monthly installments of principal and interest from the existing license fees for Phases 1, 2, 3 and 4.

b. Proposed construction loan – Additional finance from HDFC Limited / any other Lending Agencies to meet with the capital expenditure requirement for the proposed Phase 5 development.

The Company expects the rate of interest for the proposed Phase 5 construction loan to be similar to the already competitive rate it is paying for its securitized loans.

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

In this connection, the Company has issued a Postal Ballot Notice dated July 9, 2016, *inter alia*, seeking approvals by way of Special Resolutions for the following items:-

1. To authorize the Board of Directors of the Company to borrow up to ₹ 1,500.00 Crore from Lending Agency / ies; and
2. To authorize the Board of Directors of the Company to create charges / mortgages / hypothecations on the Company's movable and / or immovable properties situate at Village Pahadi and Goregaon, Goregaon (East), Mumbai, both present and future, in order to create security in favor of Lending Agency / ies.

6. <u>Nirlon House</u>

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

7. <u>Status on Open Offer by Reco Berry Pvt. Ltd.</u>

a. Acquisition of Equity Shares

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

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;

ii. also 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; and

iii. On October 9, 2015, further acquired 18,46,402 equity shares from the Promoter group comprising approx. 2.04% of its share capital.

iv. Presently, Reco holds an aggregate of 5,76,06,274 equity shares of the Company comprising of approx. 63.92% 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.

b. Property Management Functions

i. It may be recalled that as disclosed in the Open Offer documents, Reco and Mr. Kunal V. Sagar, Mr. Rahul V. Sagar, Alfano Pte. Ltd. and Deltron Pte. Ltd. (**Promoters**) had entered into share purchase and shareholders agreements dated December 23, 2014, which provide, *inter alia*, that the property management functions of the Company will be outsourced to a new management services company ('**MSC'**) to be incorporated by Mr. Kunal V. Sagar and Mr. Rahul V. Sagar.

ii. The agrement further provides that subject to receipt of all necessary corporate authorizations and regulatory approvals (if required), the MSC shall service and provide the Company with property / project and other management services, and it was intended that the MSC shall make offers of employment to the employees of the Company engaged in the provision of such services on terms that are no less favorable than those being offered by the Company to each of its employees.

iii. Accordingly, Nirlon Management Services Company Pvt. Ltd. ('**NMSCPL**') was incorporated on October 7, 2015 by Mr. Kunal V. Sagar and Mr. Rahul V. Sagar, Promoters of the Company, who presently own 100% (one hundred per cent) of the voting rights and share capital of NMSCPL.

iv. The Company now proposes to appoint NMSCPL as a provider of project / property and other management services in respect of the properties of the Company on the terms set out in a management services agreement proposed to be executed between the Company and NMSCPL. In addition, and simultaneously with the above, the Company proposes to enter into an asset sale agreement with NMSCPL to record :

   a. the transfer of identified movable assets relating to the services, from the Company to NMSCPL; and

   b. the resignation of employees from the Company and their employment with NMSCPL as described above. The Company has also agreed to grant its no-objection and consent to NMSCPL's use, on a royalty free basis, of the name and mark "Nirlon" under a name user agreement proposed to be executed between the Company, NMSCPL, Mr. Kunal V. Sagar and Mr. Rahul V. Sagar.

v. The Audit Committee of the Board in their meeting on August 10, 2016 approved the proposed related party transactions as detailed in paragraph 7 (b) (iv) above and recommended the same to the Board of Directors of the Company, which in turn on the same day, approved, subject to receipt of Members' approval at the 57th Annual General Meeting to be held on Tuesday, September 20, 2016, and subject to such other approvals as may be required under the Articles of Association of the Company, the proposal to: -

   1. enter into an asset sale agreement to be executed between NMSCPL and the Company, under which (i) certain movable assets of the Company will be transferred to NMSCPL, and (ii) certain employees of the Company will resign as employees of the Company and take up employment with NMSCPL on terms not less favourable than those given to them by the Company, on the terms and conditions as more particularly set out in the draft Asset Sale Agreement;

   2. enter into a management services agreement to be executed between NMSCPL and the Company under which the Company will appoint NMSCPL as a provider of lease management, property management, marketing related, project management and general management services in respect of the properties of the Company, in accordance with the terms and on the conditions set out in the draft management services agreement proposed to be executed between the Company and NMSCPL; and

   3. enter into a name user agreement to be executed amongst NMSCPL, Mr. Kunal V. Sagar, Mr. Rahul V. Sagar, and the Company, under which the Company will approve the use of the name and mark 'Nirlon' in the corporate name of NMSCPL, on a royalty free basis, in accordance with the terms and conditions set out in the draft name user agreement.

   Further details of the arrangements proposed to be entered into with NMSCPL are set out in **item no. 7** of the Notice and Explanatory Statement calling for the 57th Annual General Meeting of the Company to be held on September 20, 2016.

8. <u>The Board & its Committees</u>

a. Board of Directors :

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

For more detail, please refer to the link:-

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

The Board of Directors at their meeting held on January 29, 2016 considered and approved the recommendation of the Nomination and Remuneration Committee recommending re-appointment of Mr. Rahul V. Sagar, w.e.f. February 1, 2016 for a term of 5 (Five) years as Executive Director, and the payment of his proposed Managerial Remuneration.

In this connection, the Company has issued a Postal Ballot Notice Dated July 9, 2016, *inter alia*, seeking approvals by way of special resolution for the above.

Re-appointment and Appointment of Directors at the 57th AGM

i. Mr. Kunal V. Sagar, Director, retires by rotation and being eligible, offers himself for re-appointment.

ii. Reco Berry Pvt. Ltd., a Promoter of the Company, nominated Mr. Kunnasagaran Chinniah, on the Board w.e.f. April 28, 2016. Mr. Chinniah shall hold office as a director up to the date of the 57th AGM, and the Company has received a valid notice with deposit amount as required under section 160 of the Act for his appointment.

The Board recommends the re-appointment of Mr. Sagar as a director and the appointment of Mr. Chinniah as a director to retire by rotation.

A brief resume of the Directors, including Mr. Sagar and Mr. Chinniah, nature of their expertise, and the name of company / ies where they hold Chairmanships, Directorships and Memberships of Board / Committees and Shareholdings, if any, as stipulated under the required Regulation of the Listing Obligations & Disclosure Requirements Regulations, 2015 (**LODR**), is provided in this Report, and also forms part of the Notice calling the 57th AGM.

b. Various Committees of the Board of Directors and their Role and Responsibilities

i. Audit Committee (AC)

The AC of the Board played an important role during the year under review including coordinating with the Statutory Auditors, Internal Auditors, Cost Auditors and other Key Managerial Personnel of the Company. The AC has also rendered guidance, *inter alia*, in the areas of corporate governance, internal audit, finance, taxation, accounts etc.

ii. Stakeholders Relationship Committee (SRC)

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

As on March 31, 2016, approx. 92.25% of the Company's total paid up equity share capital was held Dematerialized Form, and there were no investor grievances / complaints pending.

iii. Corporate Social Responsibility Committee (CSRC)

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

iv. Nomination & Remuneration Committee (NRC)

The NRC recommends to the Board the remuneration / compensation packages of Executive Directors, Key Managerial Personnel and other employees.

v. Risk Management Committee (RMC)

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

For more detail, please refer to the link:-

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

vi. Anti Sexual Harassment Committee (SHC) -

Prevention of Sexual Harassment at the Workplace

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

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

For more detail, please refer to the link:-

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

9. Policies & Codes

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

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

a. *Policies*

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

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

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

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

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

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

For more detail, kindly refer to the link:-

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

ii. Related Party Transaction (RPT) Policy

The RPT Policy is in accordance with the requirement of Regulation 23 of the LODR, 2015 and Section 188 of the Companies Act, 2013, and is intended to ensure the proper approval and reporting of transaction / s between the Company and its Related Parties.

Aims of the RPT Policy

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

For more detail, kindly refer to the link:-

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

iii Whistle Blower (WB) Policy

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

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

For more detail, kindly refer to the link:-

http: / / www.nirlonltd.com / pdf / whistle_blower_policy_mar_16.pdf

iv. Corporate Social Responsibility (CSR) Policy

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

Objectives of the Policy:

a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act.

b. To recommend the amount of expenditure to be incurred on CSR activities.

c. To monitor the CSR Policy.

d. To ensure that the Company spends in every financial year, at least 2 (two)% of the average net profits of the Company made during the 3 (three) preceding financial years on CSR activities.

The Company has not spent any amount on CSR activities during the Financial Year 2015-16 under Section 135 (5) of the Companies Act, 2013 as the average net profits of the Company made during the three (3) immediately preceding financial years were not positive as calculated under Section 135(5) of the Companies Act, 2013.

For more detail, kindly refer to the link:-
http: / / www.nirlonltd.com / pdf / csr_policy_mar_16.pdf

v. Nomination & Remuneration (NR) Policy

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

Objectives of the NR Policy:

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

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

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

d. ESOP and other related matters.

For more detail, kindly refer to the link:-

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

vi. Risk Management (RM) Policy

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

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

For more detail, kindly refer to the link:-

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

vii. Preservation of Documents (POD) Policy

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

Aims of the POD Policy

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

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

For more detail, kindly refer to the link:-

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

viii. Anti Sexual Harassment Policy

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

During the year under review, there were no sexual harassment complaints reported.

For more detail, kindly refer to the link:-

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

b. *Codes*

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

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

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

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

For more detail, kindly refer to the link:-

http: / / www.nirlonltd.com / pdf / iccpit_mar_16.pdf

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

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

Objectives of CCBE

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

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

For more detail, kindly refer to the link:-

http: / / www.nirlonltd.com / pdf / ccbe_mar_16.pdf

iii Code of Conduct for Independent Directors (CCID)

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

Objectives of the CCID

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

For more detail, kindly refer to the link:-

http: / / www.nirlonltd.com / pdf / ccid_mar_16.pdf

10. a. Formal Annual Evaluation by the Directors

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

b. Familiarization Programme for Independent Directors

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

For more detail, kindly refer to the link:-

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

c. Declaration by and Tenure of the Independent Directors

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

The IDs were appointed by 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 IDs shall hold office up to March 31, 2019. Letters of appointment were issued to IDs and the same were uploaded on the Company's website.

For more detail, kindly refer to the links:

1. *http: / / www.nirlonltd.com / pdf / mr_moosa_%20raza. pdf*
2. *http: / / www.nirlonltd.com / pdf / mr_rama_varma.pdf*
3. *http: / / www.nirlonltd.com / pdf / mr_arjan_gurbuxani. pdf*
4. *http: / / www.nirlonltd.com / pdf / mrs_aruna_makhan. pdf*

d. Directors' Responsibility Statement

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

a. that in the preparation of the Annual Financial Statements for the year ended March 31, 2016, 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 judgments 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, 2016, 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.

e. Number of Board & Audit Committee Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, 6 (six) Board Meetings and 5 (five) Audit Committee Meetings were convened and held.

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

11. Promoters & Key Managerial Personnel

a. Promoters

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

b. Key Managerial Personnel

1. Mr. Kunal V. Sagar, Executive Vice Chairman (up to September 25, 2015)
2. Mr. Rahul V. Sagar, Executive Director
3. Mr. Jasmin K. Bhavsar, Company Secretary & Vice President (Legal) & Compliance Officer
4. Mr. Manish B. Parikh, Chief Financial Officer

The change in the Directors and Key Managerial Personnel during the financial year is as follows : -

Mr. Kunal V. Sagar resigned as Execuive Vice Chairman of the Company w.e.f. September 25, 2015. However, he continues to be a Promoter and Non Executive Director of the Company thereafter.

Please note that Mr. Kunnasagaran Chinniah was appointed as a Nominee Director of Reco Berry Pvt. Ltd. w.e.f. April 28, 2016.

12. Loan, Guarantees, Security & Investment

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

13. Holding, Subsidiary & Associate Company

The Company is not a holding, a subsidiary, or an associate company of any company and vice versa, and hence Form AOC-1 is not applicable to the Company.

14. Fixed Deposits & Debentures

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

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

15. Transfer of any amount to the Investor Education and Protection Fund (IEPF)

There is no amount lying with the Company as unpaid / unclaimed with respect to any debenture redemption amount and / or fixed deposit, and / or any outstanding interest thereon.

However, as on August 10, 2016, there is an amount of ₹ 17.53 lakh, and ₹ 15.10 lakh lying with HDFC Bank Limited in a special account named the Nirlon Limited- Dividend unpaid / unclaimed Dividend Account – '2013-14' and '2014-15' respectively which pertains only to Shareholders who hold their shares in Physical Form.

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

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

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

17. Fraud Reporting

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

18. Related Party Transactions

a. There were no related party transactions during the Financial Year, except:-

i. the appointment of and remuneration being paid to the Executive Vice Chairman and the Executive Director of the Company pursuant to the special Resolutions passed by the Members / to be passed by the Members;

ii. Payment of dividend as declared by the Members of the Company.

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.

b. The Company has proposed to enter in to a transaction / arrangement with NMSCPL, details of which are given in **item no. 7** of the Notice and Explanatory Statement dated August 10, 2016 calling the 57th AGM, under which the Members' consent is being sought for such transactions / arrangements at this 57th AGM.

The Company has not entered in to any contracts or arrangements with related parties as defined under Section 188 of the Act as on date, and hence reporting in the Form AOC-2 or under the LODR is not applicable.

The Company shall make the reqisite disclosures and reporting in Form AOC-2 as well as under the LODR in the Directors' Report for the year ending on March 31, 2017 in relation to the arrangements proposed with NMSCPL, subject to receipt of approval from the Members at the 57th AGM for such arrangements.

19. Details of Significant & Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern Status & the Company's Operations in Future

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

20. Spending on the Corporate Social Responsibility Programme

The Company was not required to spend any amount during the Financial Year 2015-16 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.

21. Intellectual Property Rights

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

22. Auditors

a. Statutory Auditors & their Report

i. 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 57th 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.

ii. 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.

iii. As required under Act, 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.

iv. 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.

v. Accordingly, the consent of Members is sought for passing an Ordinary Resolution as set out at **Item no. 4** of the Notice.

Statutory Auditors Report

i. The observations 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.

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

b. Internal Auditors

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

ii. KPMG India has been appointed as Internal Auditors of the Company by the Board, based on the recommendation of the Audit Committee for the Financial Year 2016-17.

c. Secretarial Auditors & Secretarial Audit Report

i. Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M / s. Alwyn Jay & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report is attached as ***Annexure 2***.

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

d. Cost Auditors & Cost Audit Records

i. The Companies (Cost Records and Audit) Rules, 2014 read along with Companies (Cost Records and Audit) Amendment Rules 2014, specifies criteria for specified industries which are required to maintain cost records and get them audited. The Company's business as an Industrial Park is covered under Clause 5(a) of Schedule VI of the Companies Act, 2013 and its turnover is in excess of ₹ 100 crore. It is therefore required to maintain cost records which should be audited by a practicing Cost Auditor.

ii. 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 Mr. 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.

iii. 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.

iv. 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.

v. The Board appointed Mr. 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, 2017.

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

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

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

B. 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 ₹ Nil crore, and the Company has no foreign earnings.

The Company has incurred professional fee expenses in foreign currency aggregating to ₹ 0.37 crore.

24. 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 (as amended) in respect of employees of the Company forms a part of this Report as ***Annexure 3***.

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

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

26. Employees Stock Option Scheme (Nirlon ESOP 2012)

Applicable disclosures as on March 31, 2016 are attached as ***Annexure 5*** and form a part of this Report. The relevant details of the schemes have also been disclosed on the website of the Company.

Under the Nirlon ESOP 2012**,** the Board approved the 7,17,656 options out of which 7,15,000 options were granted to eligible employees and vesting period were accelerated (options corresponding to 2,656 equity shares of the Company have not been granted till date). Furthermore, eligible employees have exercised their rights for 6,80,000 options, save and except for one employee to whom 35,000 options have vested but have not been exercised. All other eligible employees have fully exercised their rights arising out of the Nirlon ESOP 2012. There have been no material changes to the Nirlon ESOP 2012. The Nirlon ESOP complies in all respects with applicable rules and regulations.

The Company has received a certificate from its Statutory Auditors 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 57th Annual General Meeting for inspection by Members.

27. Corporate Governance Disclosure

a. The Company adheres to the principles of Corporate Governance mandated by SEBI under clause 49 of the Listing Agreement / LODR (as applicable), and has complied with all mandatory requirements. The non-mandatory requirements have been complied with to the extent practical and applicable.

A separate section on Corporate Governance, ***Annexure 6*** to this Report, and a certificate from M / s. Alwyn Jay & Co., the practicing Company Secretaries confirming compliance with Corporate Governance requirements as applicable, form part of this Report.

b. The Executive Director's declaration regarding compliance with the Code of Business Conduct and Ethics forms part of the Corporate Governance Report.

c. The Executive Director's and Chief Financial Officer's certification under Regulation 17(8) of the LODR forms part of the Corporate Governance Report.

28. Management Discussion & Analysis

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

29. Extract of Annual Return

The details forming part of the extract of the Company's Annual Return in form MGT 9 are provided in ***Annexure 8.***

30. Appointment of Share Transfer Agent (STA)

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

In view of the change in Share Transfer Agent, the Registers of Members, Annual Returns etc. are maintained by Link Intime India Pvt. Ltd. at their registered office situate at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 and / or at such other place(s) within the city of Mumbai where the STA may have their office from time to time.

In this connection, the Company has issued the a Postal Ballot Notice Dated July 9, 2016, *inter alia*, seeking approvals by way of Special resolution for Ratification of the appointment of Link Intime India Pvt. Ltd., to act as the Share Transfer Agent (**STA**) of the Company, and to keep the Register of Members, Index of Members, Annual Returns etc. at the registered office of the STA, and to allow inspection of the same as required under the Act.

31. Postal Ballot

a. The Company has proposed the following Special Resolutions to be passed through Postal Ballot for the special business as stated in the Notice dated **July 9, 2016:-**

1. To authorise the Board of Directors to borrow up to ₹ 1,500.00 Crore from Lending Agency / ies;
2. To authorise the Board of Directors to create charge(s) / mortgage(s) / hypothecation(s) on the Company's movable and / or immovable properties situate at Goregaon (East), Mumbai, both present and future, in order to create security in favor of Lending Agency / ies;
3. Appointment of Mr. Rahul V. Sagar (DIN 00388980) as Executive Director of the Company and the proposed payment of his Managerial Remuneration for a period of 5 (five) years w.e.f. February 1, 2016 to January 31, 2021; and

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

b. The Directors have appointed Mr. Alwyn D'souza, Practising Company Secretary (FCS No.5559 CP No.5137) of M / s. Alwyn Jay & Co., Company Secretaries, Mumbai, as Scrutinizer ('the Scrutinizer') for scrutinizing the voting through the Postal Ballot, including e-voting, in a fair and transparent manner.

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

d. The Scrutinizer will submit his report to the authorised Director after the completion of the scrutiny of the Postal Ballot including e-voting. The result of the Postal Ballot including e-voting shall be declared on Monday, August 29, 2016 and be communicated to the BSE Limited and CDSL. The same would also be displayed on the Company's website at 'www.nirlonltd.com'.

The following Link is attached for the Postal Ballot:-

1. *http: / / nirlonltd.com / pdf / postal_ballot_notice_jul_16.pdf*
2. *http: / / nirlonltd.com / pdf / postal_ballot_form_jul_16.pdf*

32. 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.

33. Personnel Relations & 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.

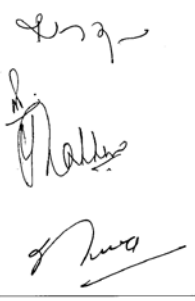
For and on behalf of the Board of Directors
Nirlon Limited

sd / -
Moosa Raza
Chairman
DIN 00145345

Mumbai, August 10, 2016

Annexure 1 to the Directors Report

FORM A (for audit report with unmodified opinion)

1.	Name of the Company	Nirlon Ltd.
2.	Annual financial statements for the year ended	March 31 , 2016
3.	Type of Audit observation	Un Modified
4.	Frequency of observation	NA
5.	To be signed by- • Executive Director • CFO • Auditor of the Company • Audit Committee Chairman	

Mumbai, April 28,2016

Annexure 2 to the Directors Report

FORM NO. MR. 3

Secretarial Audit Report

For the Financial Year Ended March 31, 2016

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

To,

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, Agent 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, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined above mentioned books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

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

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

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

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

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

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

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);

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

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company)

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

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company) and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company)

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

(ii) Listing Agreements entered into by the Company with BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 1, 2015).

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 a proper balance of Executive Director / s and Non-Executive Directors as well as Independent Directors. The changes in the composition of the Board of Directors that took place during the

period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on the 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.

We further report that during the audit period the following significant events / actions have taken place:

(a) Reco Berry Private Limited (**Reco**) of Singapore, an affiliate of GIC, the Sovereign Wealth Fund of Singapore, acquired 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. As on March 31, 2016, Reco is holding an aggregate of 5,76,06,274 equity shares of the Company comprising of approx. 63.92% of its share capital.

(b) Special Resolution in terms of Section 13 and 64 of the Act seeking shareholders' authorisation through postal ballot for re-classification of 1,00,000 un-issued Cumulative Redeemable Preference Shares of ₹ 100 / - each, in to 10,00,000 Equity Shares of ₹ 10 / - each and consequent alteration of the Capital Clause of the Memorandum of Association of the Company.

(c) Special Resolution in terms of Section 14 of the Act seeking shareholders' authorisation through postal ballot for adoption of a New Set of Articles of Association of the Company.

(d) Special Resolution in terms Sections 196, 197 and 198 of the Act seeking shareholders' authorisation through postal ballot for Appointment of Mr. Rahul V. Sagar as Executive Director of the Company and Payment of his Managerial Remuneration for a period of 10 months w.e.f. April 1, 2015 to January 31, 2016.

For ALWYN JAY & CO.,
Company Secretaries

sd / -
Vijay Sonone
Partner0
FCS - 7301
Certificate of Practice No. 7991

Mumbai, July 29, 2016

Annexure 3 to the Directors Report

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

SALARY PAID TO Directors AND TOP 10 EMPLOYEES IN FY 2015-16

Sr. No.	NAME OF EMPLOYEE	GROSS SALARY	NET SALARY	AGE	DESIGNATION	QUALIFICATION	EXPERIENCE	DATE OF COMMENCEMENT	LAST EMPLOYMENT
1	Mr. Kunal Sagar @	12,359,218	5,230,483	48	Director	BA (Ecominics)	25	01-Mar-96	Republic National Bank of New York.
2	Mr. Rahul Sagar	23,167,992	9,281,841	45	Executive Director	BA (Ecominics)	22	01-Jul-09	Sempertrans Nirlon Pvt. Ltd.
3	Mr. Jasmin Bhavsar	6,851,814	3,995,418	44	Company Secretary, Vice President (Legal), & Compliance Officer	B.Com, M.Com, LL.B, LL.M, FCS, MBA and Diploma in Real Estate Management.	24	06-Mar-06	Enercon (India) Limited
4	Mr. Manish Parikh	3,308,731	2,052,949	54	Chief Financial Officer	B. Com	32	01-Sep-04	Nirlon Limited
5	Mr. Dileep Pandya	7,535,245	4,342,777	56	Vice President (Projects	Diploma in Civil Engineering.	34	01-Sep-04	Nirlon Limited
6	Mr. Vikas Rawat #	8,658,573	5,366,737	47	Vice President (Operations)	BA	25	02-Mar-09	Capgemini India Pvt. Ltd.
7	Mr. Suresh Loni	3,945,665	2,411,596	48	Sr. DGM (Projects)	Diploma in Construction Technology, Diploma in Interior Designing and Decoration.	21	03-Dec-07	JP Parekh & son
8	Mr. Sanjay Gupta	3,097,710	1,998,707	47	Sr. DGM (Contracts)	B. Sc. MA (economics) M Phil (Economics) & Post Graduate Diploma in Management	22	11-Oct-10	GTL Limited
9	Mr. Mahesh Thakare	2,596,564	1,664,385	48	DGM - IT	Diploma in Construction Technology	21	01-Sep-04	Nirlon Limited
10	Mr. Dilip Gaonkar	2,566,025	1,769,948	43	DGM - Projects	Diploma in Civil Engineering.	23	03-Sep-07	Growel Projects Ltd.
11	Ms. Shikha Dhareshwar	2,542,831	1,693,090	41	DGM - Project & Property Management & Executive Assistant	BA. Dip. in Personnel Management, Dip. in Interior Designing, PG in Labour Laws, MBA in Project and Construction and Management	18	14-May-07	EPSILON
12	Mr. Sunil Patil	2,469,240	1,603,705	53	DGM - Liaisoning & finance	B. com	31	01-Sep-04	Nirlon Limited

Notes :

1 Salaries include exgratia / variable perfomance linked pay and the Company's contribution to Provident Fund, but do not include retirement gratuity

2 Salaries exclude one-time additional ex-gratia payment made to certain employees

3 @ Executive Vice Chairman up to September 25, 2016.

4 # Includes performance linked pay for the years 2014-15 as well as 2015-16

Annexure 4 to the Directors Report

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

Disclosures for the Financial Year 2015 - 2016

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

Executive Directors	Ratio to Median (No. of times)
Mr. Kunal V. Sagar (Up to 25.9.2015)	6.87
Mr. Rahul V. Sagar	14.02
Non-Executive Directors	**Ratio to Median (No. of times)**
Mr. Moosa Raza	0.23
Mr. Rama Varma	0.22
Mr. Arjan R. Gurbuxani	0.23
Mrs. Rajani M. Bhagat	0.06
Mrs. Aruna Makhan	0.23
Mr. Kunal V. Sagar (w.e.f. 26.9.2015)	0.05

Notes :

a) Payment of gratuity of ₹ 10 lakh to Mr. Kunal V. Sagar is not considered

b) The remuneration to Non-Executive Directors consists of Sitting Fees only. The percentage increase in remuneration of each Director, Chief Financial Officer & the Company Secretary in the Financial Year:

Name	Designation	Percentage Increase / (Decrease)
Mr. Kunal V. Sagar	Executive Director up to 25.9.2015 and thereafter Non-Executive Director	(25.64)%
Mr. Rahul V. Sagar	Executive Director	73.43%
Mr. Moosa Raza	Non-Executive Director	(5.00)%
Mr. Rama Varma	Non-Executive Director	20.00%
Mr. Arjan R. Gurbuxani	Non-Executive Director	5.56%
Mrs. Rajani M. Bhagat	Non-Executive Director	0%
Mrs. Aruna Makhan	Non-Executive Director	0%
Mr. Manish B. Parikh	Chief Financial Officer	15.03%
Mr. Jasmin K. Bhavsar	Company Secretary	15.13%

Notes:

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

b) The remuneration to Mr. Kunal V. Sagar consists of remuneration as an executive director up to 25.9.2015 and thereafter sitting fees paid as a Non-Executive Director but excludes payment of gratuity of ₹ 10 lakh

2. The percentage increase in the median remuneration of employees in the financial year was 136.39%

3. The number of permanent employees on the rolls of Company as on 31.3.2016 was 43

4. The explanation on the relationship between average increase in remuneration and Company performance:

   The average increase in employee remuneration was 36.74%. The average increase in employee remuneration excluding remuneration to Executive Directors was 44.56%. The increase in remuneration is in line with the market trends. The profit after tax of the Company increased by 33.74% and the profit before tax increased by 44.33%.

5. Comparison of the remuneration of the Key Managerial Personnel (**KMP**) against the performance of the Company:

   The total remuneration of Key Managerial Personnel increased by 18.94% whereas profit after tax of the Company increased by 33.74% and the profit before tax increased by 44.33%.

6. Variations in the market capitalisation 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 decreased from ₹ 1,77,172.07 lakh as on 31.3.2015 to ₹ 1,66,628.26 lakh as on 31.3.2016.

   The Price Earnings Ratio moved from 54.01 as on 31-3-2015 to 38.20 as on 31-3-2016.

   The Market Price of the shares as at 31-3-2016 has increased by 1749% to ₹ 184.90 over its last right issue at a price of ₹ 10.00 per share issued in the year 1994-1995.

7. The average percentile increase already made in the salaries of employees other than the key managerial personnel in the last financial year was 49.55%. Percentile increase in the key managerial remuneration was 18.94%.

8. The key parameters for any variable component of remuneration availed by the Directors:

   The variable component of Executive Directors' remuneration consists of performance bonus. Subject to applicable provisions of the Companies Act, 2013, the performance bonus is recommended by the Nomination and 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 Management Services to Licensees
   - Researching, analysing and recommending the commencement / development of other Phases / projects.

9. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

   None

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

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

Annexure 5 to the Directors Report

Disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 as on 31.3.2016

Sr. No.	Particulars		Details
(i)	**Employee Stock Option Scheme / Plan**		**NIRLON ESOP 2012**
	(a)	Date of shareholder's approval	23.5.2012
	(b)	Total number of options approved	7,17,656
	(c)	Total number of options granted	7,15,000
	(d)	Vesting Requirements	Refer Note 1
	(e)	Exercise Price	₹ 41.30
	(f)	Maximum Term of options granted	6.25 years revised to 4.33 years
	(g)	Source of Shares	Primary (Issuance by the Company)
	(h)	Variation of terms of options	Refer Note 1
(ii)	**Method used to account for ESOS**		**Intrinsic Value**
(iii)	**The difference between employee compensation cost using intrinsic value method and fair value of the options**		**NIL**
		The impact of this difference on:-	
	*	Profits of the company	NIL
	*	Basic EPS of the company	NIL
	*	Diluted EPS of the company	NIL
(iv)	**Option movement during the year**		
	*	Number of options outstanding at the beginning of the year	35,000
	*	Number of options granted during the year	NIL
	*	Number of options forfeited / lapsed during the year	NIL
	*	Number of options vested during the year	NIL
	*	Number of options exercised during the year	NIL
	*	Number of shares arising as a result of exercise of options	NIL
	*	Money realised by exercise of options, if scheme implemented directly by Company	Not Applicable
	*	Loan repaid by the Trust from exercise price received	NIL
	*	Number of options outstanding at the end of the year	35,000
	*	Number of options exercisable at the end of the year	35,000
(v)	**(a)**	**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
	(b)	**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
(vi)	**Employee wise details of options granted to:-**		
	(i)	Senior managerial Personnel	Refer Note 2
	(ii)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NIL
	(iii)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding options and conversions) of the company at the time of grant	NIL

(vii)	**A description of the method and significant assumtions used during the year to estimate the fair value of options:**			
	(a)	*	The price of the underlying share in market at the time of option grant	₹ 41.30
		*	Exercise price	₹ 41.30
		*	Expected volatility	0.5874
		*	Expected life	3.75 Years to 5.38 Years
		*	Expected dividends	NIL
		*	Risk-free interest rate	8.32% - 8.37%
	(b)	Method used for calculating the fair value of options		Black-Scholes model
	(c)	Determination of expected volatility		The volatility is estimated considering the daily volatility of the stock prices on the BSE over a period prior to the grant, corresponding with the expected life of the option.
	(d)	Any other feature of option grant incorporated in measurement of fair value		None
(viii)	**Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'**			**₹ 4.83**

Note 1. The weighted average contractual life for the stock options was 5 years and they vested at the rate of 15%, 20%, 25%, 40% at the end of 15 months, 30 months, 42 months, 54 months respectively from the date of grant. During the year 2014-15, the Nomination and Remuneration committee had vide its Resolution dated February 9, 2015, accelerated the vesting period for all the unvested options to February 15, 2015 and accelerated the exercise period for all the options upto September 30, 2016. Accordingly all the options granted have been already vested.

Note 2. Employee wise details of options granted to Senior Managerial Personnel

Sr. No.	**Name & Designation**	**No. of Options Granted ***
1)	Mr. Dileep A. Pandya - Vice President - Projects	1,70,000
2)	Mr. J. K. Bhavsar - Company Secretary & Vice President - Legal	1,45,000
3)	Mr. Vikas Rawat - Vice President - Operations	1,45,000
4)	Mr. Manish B. Parikh - Chief Financial Officer	1,05,000
5)	Mr. Sanjay K. Gupta - Sr. General Managerial - Contracts & Commercials	95,000
6)	Mr. Sunil B. Patil - Dy General Manager -Finance	55,000

* No options are granted during the year. The exercise price of the options granted is ₹ 41.30.

Details Related to Trust

(i)	General Information	
Sr. No.	**Particulars**	**Details**
1)	Name of the Trust	Nirlon Employees Stock Option Trust
2)	Details of Trustees	Mr. Mahendra Doshi & Mr. N.R.Mohan
3)	Amount of loan disbursed by the Company during the year	NIL
4)	Amount of loan outstanding (repayable to the Company) at the end of the year	₹ 15,55,193
5)	Amount of loan, if any, taken from any other source for whichthe Company has provided any security or guarantee	NIL
6)	Any other contribution made to the Trust during the year	NIL
(ii)	Brief details of transactions in shares by the Trust	
a)	Number of shares held at the beginning of the year	37,656
b)	Number of shares acquired during the year through primary issuance / secondary acquisition	NIL
c)	Number of shares transferred to the employees / sold	NIL
d)	Number of shares held at the end of the year	37,656

Annexure 6 to the Directors' Report

Corporate Governance Report

[Information given in this Report relates to the Financial Year ended March 31, 2016]

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 Directors

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

2 Mr. Rama Varma (ID* & NED*)

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

4 Mrs. Aruna Makhan (ID* & NED*)

5 Mrs. Rajani M. Bhagat (Promoter & NED*)

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

$7 Mr. Kunal V. Sagar (Promoter & Executive Vice Chairman up to September 25, 2015, & thereafter continuing as a Promoter & NED* w.e.f. September 26, 2015)

8 Mr. Rahul V. Sagar (Promoter & Executive Director)

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

Director seeking appointment at the 57th AGM

$ Director seeking re-appointment at the 57th AGM

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

B Brief Resume of Directors

1. Padma Bhushan Mr. Moosa Raza (DIN 00145345) Chairman – ID & NED

Mr. Moosa Raza, aged 79 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.

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

Mr. Raza also headed as CEO more than 10 public and private sector Industrial and Commercial organizations, such as the National Textile Corporation, Gujarat State Fertilizers & Chemicals, the India Trade Promotion Organization, the Calico Group of Companies, etc. 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.

Mr. Raza has been a director of the Company since July 1996 and was re-appointed as an Independent Director and Chairman by the Board effective from October 28, 2006. Subsequently, Members at their meeting held on August 30, 2007 confirmed the appointment of Mr. 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 Mr. Raza as an Independent Director to hold office upto March 31, 2019, and not liable to retire by rotation.

Mr. Raza has confirmed that he meets with the criteria for an independent director as required.

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 in the Company.

2. Mr. Rama Varma (DIN 00031890) - ID & NED

Mr. Rama Varma, aged 66 years, graduated with a B.Sc. Mr. Varma has been occupying the office of Director of the Company since March 1978 and was re-appointed as an Independent Director by the Board effective from June 24, 2006.

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

Members of the Company at their 55th Annual General Meeting held on September 23, 2014 appointed Mr. 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.

Mr. Varma has confirmed that he meets with the criteria for an independent director as required.

He holds 1,925 Equity Shares in the Company.

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

Mr. Arjan R. Gurbuxani, aged 82 years, graduated with B.A. (Hons.), and LL.B., both from Bombay University and completed C.A.I.I.B.

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

Mr. Gurbuxani has been a Director of 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 confirmed the appointment of Mr. Gurbuxani as an Independent Director liable to retire by rotation.

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

Mr. Gurbuxani since 2006 is the CEO of a Public Charitable Trust established 1903. The Trust manages in Rishikesh (Uttarakhand) two CBSE affiliated Public Schools with more than 3,000 students. The Trust also manages two Hospitals with more than 280 Beds. One of the Hospital is dedicated to Eye Care only and has performed more than 81,000 free Eye Surgeries since 2007.

Mr. Gurbuxani has confirmed that he meets the criteria for an independent Director as required.

Mr. Gurbuxani holds 724 Equity Shares in the Company.

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

Mrs. Aruna Makhan, aged 72 years, joined the IA&AS in 1967 and opted for the ICAS in 1976.

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

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

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

Members of the Company at their 55th Annual General Meeting held on September 23, 2014 appointed Mrs. 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.

Mrs. Makhan has confirmed that she meets with the criteria for an independent director as required.

She does not hold any Equity Shares in the Company.

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

Mrs. Rajani M. Bhagat, aged 78 years, graduated with B.A. (Hons.), B.Com, B.Sc. (Economics).

Mrs. Bhagat has been occupying the office of Director since March 2003 and was reappointed as a director by the Board effective from October 28, 2006. Subsequently, Members at their meeting held on August 30, 2007 confirmed the appointment of Mrs. Bhagat as a Director liable to retire by rotation and as such Members of the Company at their 51st, 54th, 55th & 56th Annual General Meetings held on September 14, 2010, September 27, 2013, September 23, 2014 and September 21, 2015 respectively have re-appointed Mrs. Bhagat as a Director liable to retire by rotation.

She is also holding the position of Director on the Board of Pharma Fill Ltd. and the Bombay Garage (Ahmedabad) Ltd.

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

6. Mr. Kunnasagaran Chinniah (DIN 01590108) - NED - Director Nominated by Reco Berry Pvt. Ltd. - Promoter - w.e.f. April 28, 2016

Mr. Kunnasagaran Chinniah, aged 59 years, is a Chartered Financial Analyst and his other academic qualifications include a Bachelor's Degree in Electrical Engineering from the National University of Singapore and an MBA from the University of California, Berkeley.

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

Mr. Chinniah serves on the Boards of various companies including Indian companies such as Edelweiss Financial Services Ltd., Edelweiss Commodities Services Ltd. and Edelweiss Agri Value Chain Ltd.

He does not hold any equity shares in the Company.

7. Mr. Kunal V. Sagar (DIN 00388877) - (Promoter & Executive Vice Chairman up to September 25, 2015 & thereafter continuing as a Promoter & NED w.e.f. September 26, 2015)

Mr. Kunal V. Sagar, aged 48 years, graduated with a B.A. in Economics.

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

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

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

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

8. Mr. Rahul V. Sagar (DIN 00388980) - Promoter & Executive Director

Mr. Rahul V. Sagar, aged 45 years, graduated with a B.A. in Economics.

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

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

Mr. Rahul V. Sagar has been occupying the office of the Executive Director effective from July 1, 2009. Mr. Rahul V. Sagar is re-appointed, w.e.f. February 1, 2016 for a period of five years and is not liable to retire by rotation, subject to the Shareholders' approval by way of a special resolution under the Postal Ballot Notice dated July 9, 2016. The result of the Postal Ballot will be announced on August 29, 2016.

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

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

Notes:

a. Other than as disclosed here, there are no inter-se relationships between the Board members.

b. Based on the respective disclosures made by the Directors, none of the Directors on the Company were members of more than 10 Committees or acted as Chairperson of more than 5 Committees, across all the companies in which he / she was a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

c. None of the Directors held Directorship in more than 20 Indian companies including 10 public limited companies.

d. None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies.

e. None of the Independent Directors is a Whole - Time Director in any other company.

f. All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013.

g. Formal letters of appointment have been issued to the Independent Directors.

C Particulars of Directors' attendance at the Board Meetings during the Financial Year 2015-16, at the last Annual General Meeting, the number of Directorships, Chairmanships / Memberships of Committees held by Directors on the Board of various other companies, and the Shareholding of the Directors in the Company as on March 31, 2016 :

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

*** C**: Chairman, **ED**: Executive Director, **NED**: Non-executive Director, **ID**: Independent Director & **P**: Promoter

i. Mr. Moosa Raza is the Chairman of the Board.

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

iii. Mr. Rahul V. Sagar is the Executive Director of the Company.

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

v. All Directors, except Mr. Kunal V. Sagar, Mr. Rahul V. Sagar, Mrs. Rajani M. Bhagat and Mr. Kunnasagaran Chinniah are Independent and Non-Executive Directors.

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

During the Financial Year 2015-16, the Board met 6 (six) times on the following dates:-

Sr. No.	Date of Board Meeting
1	April 28, 2015
2	May 07 , 2015
3	July 29 , 2015
4	September 21, 2015
5	November 06, 2015
6	January 29, 2016

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

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

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

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

D Training of Board Members

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

E Mechanism for Evaluating Board Members

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

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

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

a. Ability to contribute to and monitor corporate governance practices

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

c. Active participation in long term strategic planning

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

3. Audit Committee (AC)

i Role of the Audit Committee is as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that Financial Statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms for Auditors of the Company;
3. Approval of payment to the Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the Management the Annual Financial Statements and the Auditors Report before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134 (3) (c) of the Companies Act, 2013
   b) Changes, if any, in accounting policies, practices, and reasons for the same
   c) Major accounting entries involving estimates based on the exercise of judgment by the Management
   d) Significant adjustments made in the Financial Statements arising out of audit findings
   e) Compliance with the listing and other legal requirements relating to the Financial Statements
   f) Disclosure of any related party transactions
   g) Modified opinion / s 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, the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in the matter as may be required;
7. Review and monitor the Auditors' independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the Management the performance of the Statutory and the Internal Auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of the internal audit function including the structure of the appointment of the Internal Auditor, remuneration, internal audit department, reporting structure, coverage and frequency of the internal audit;
14. Discussion with the Internal Auditors on any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any areas of concern;
17. To look into reasons for substantial defaults in the payment to lenders, depositors, debenture holders, Shareholders / Members (in case of non-payment of declared dividends) and creditors, if any.
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of 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. Mr. Moosa Raza (Chairman), Mr. Rama Varma, Mr. Arjan R. Gurbuxani and Mrs. Aruna Makhan.

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

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

v During the F.Y. 2015 - 2016, the Audit Committee met 5 (Five) times on the following dates and the details of the Directors' attendance are as stated below :-

Sr. No.	Name of the Members	7/5/15	29/7/15	21/9/15	6/11/15	29/1/16	To-tal
1	Mr. Moosa Raza (Chairman)	Yes	Yes	Yes	Yes	Yes	**5**
2	Mr. Rama Varma	Yes	Yes	Yes	Yes	Yes	**5**
3	Mr. Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	Yes	**5**
4	Mrs. Aruna Makhan	Yes	Yes	Yes	Yes	Yes	**5**

4. Stakeholders Relationship Committee (SRC)

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

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

As on March 31, 2016 the number of pending share transfer requests / complaints were nil, and pending requests for dematerialization were also nil.

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

v. During the F.Y. 2015-2016, the Stakeholders Relationship Committee Met 4 (Four) times on the following dates and the details of the Directors' attendance are as stated below:-

Sr. No.	Name of the Members	7/5/15	29/7/15	6/11/15	29/1/16	Total
1	Mr. Moosa Raza (Chairman)	Yes	Yes	Yes	Yes	**4**
2	Mr. Rama Varma	Yes	Yes	Yes	Yes	**4**
3	Mr. Arjan R. Gurbuxani	Yes	Yes	Yes	Yes	**4**
4	Mrs. Aruna Makhan	Yes	Yes	Yes	Yes	**4**

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

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

viii. Investors Grievance Redressal

Qtr. of the F.Y. 2015-16	Complaints from regulatory authorities	Complaints from Investors	Request from Investors	Replied / Resolved	Pending
1st	0	0	496	496	0
2nd	2	0	451	453	0
3rd	4	0	437	441	0
4th	0	0	265	265	0
Total	**6**	**0**	**1,649**	**1,655**	**0**

As on March 31, 2016 the number of pending share transfer requests / complaints were nil, and pending requests for dematerialization were also nil.

5. Nomination and Remuneration Committee (NRC)

Role of the NRC is as under:-

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

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

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

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

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

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

vii. To recommend to the Board :-

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

b. the Executive Director / s remuneration and incentive;

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

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

x. To devise a policy on Board diversity;

xi. To develop a succession plan for the Board and to regularly review the plan;

xii. To monitor Nirlon's ESOP Plan;

xiii. To ensure that there is an appropriate induction and training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;

xiv. To ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

xv. To identify and recommend Directors who are to be put forward for retirement by rotation;

xvi. To determine the appropriate size, diversity and composition of the Board;

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

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

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

xx. To recommend any necessary changes to the Board;

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

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

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

The Chairman of the Nomination and Remuneration Committee may 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.

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

xxiii. **During the F.Y. 2015-2016, the Nomination & Remuneration Committee met 2 (two) times on the following dates and the details of the Directors' attendance are as stated below :-**

Sr. No.	Name of the Members	7/5/15	29/1/16	Total
1	Mr. Arjan R. Gurbuxani (Chairman)	Yes	Yes	2
2	Mr. Moosa Raza	Yes	Yes	2
3	Mr. Rama Varma	Yes	Yes	2
4	Mrs. Aruna Makhan	Yes	Yes	2

xxiv. Details of Remuneration paid to all Directors for the Financial Year ended March 31, 2016 is as follows:

(₹ in lakh)

Sr. No.	Name of the Director	Salary	PF*	VC*	Sitting fees**	Total	Service contract / Notice period / severance fees
1	Mr. Moosa Raza	0	0	0	3.8	**3.8**	N.A.
2	Mr. Rama Varma	0	0	0	3.6	**3.6**	N.A.
3	Mr. Arjan R. Gurbuxani	0	0	0	3.8	**3.8**	N.A.
4	Mrs. Rajani M. Bhagat	0	0	0	1.0	**1.0**	N.A.
5	Mrs. Aruna Makhan	0	0	0	3.8	**3.8**	N.A.
6	Mr. Rahul V. Sagar	96.00	7.68	128.00	N.A	**231.68**	1. Agreement for a period of 10 months w.e.f. April 1, 2015 to January 31, 2016 executed by Mr. Rahul V. Sagar with the Company - Three months notice. 2. Draft agreement is prepared for a period of five years w.e.f. February 1, 2016 which will be executed post approval of the Members - vide Postal Ballot notice dated July 9, 2016 - Three month notice.
7	Mr. Kunal V. Sagar	47.64	3.73	62.22	0.8	**114.39#**	1. Agreement dated September 26, 2011 for a period of 5 years w.e.f. February 1, 2011 - Three months notice. 2. Resigned as Executive Vice Chairman w.e.f. September 25, 2015 and the notice of three months was waived by the Board.

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

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

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

Mr. Kunal V. Sagar's total remuneration is inclusive of a Gratuity amount ₹ 10.00 lakh.

6. Anti Sexual Harassment Committee (SHC)

The Anti Sexual Harassment Committee is comprised of :-

1	Mr. Moosa Raza	**Chairman**
2	Mr. Arjan Gurbuxani	Member
3	Mrs. Aruna Makhan	Member
4	Advocate Mrs. Madhvi Deshpande Ravuri	Member
5	Concerned Ethics Officer / Head HR at location	Member
There were no complaints pertaining to sexual harassment during the year under review.		

7. General Body Meetings

a. Annual General Meetings (AGMs)

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

AGMs	Financial Year	Day and Date	Venue of the Meeting	Time
54th	2012-2013	Friday, September 27, 2013	Pama Thadhani Auditorium, Jai Hind College Building, A Road, Churchgate, Mumbai 400 020.	11.00 a.m.
55th	2013-2014	Tuesday, September 23, 2014		10.30 a.m.
56th	2014-2015	Monday, September 21, 2015		11:00 a.m.

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

iii. **Postal Ballot :-**

a. Postal Ballot conducted during the Financial Year

The Company issued Postal Ballot Notice dated June 20, 2015 seeking the Members 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; and
3. Appointment of Mr. 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.

Mr. Alwyn D'souza, Practising Company Secretary appointed as Scrutinizer by the Board of Directors of Nirlon Limited for conducting the Postal Ballot process for seeking members assent or dissent for the following items of business specified in the notice dated June 20, 2015 gave his report dated August 14, 2015, and accordingly, the following results on the above business items were declared on August 17, 2015 as each resolution has been carried with the requisite majority.

Details of the same are given below:-

Item No. 1: Special Resolution

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

i. Voted **in favour** of the resolution:

Particulars of Postal Ballot Voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	450	65,51,859	10.519
E-voting	35	5,57,16,540	89.461
TOTAL	**485**	**6,22,68,399**	**99.980**

ii. Voted **against** the resolution:

Particulars of Postal Ballot Voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	27	11,772	0.018
E-voting	4	1,238	0.002
TOTAL	**31**	**13,010**	**0.020**

iii. **Invalid / Abstain** votes:

Particulars of Postal Ballot Voting	Total number of members whose votes were declared invalid / abstain	Total number of votes cast by them
Physical	36	25,456
E-voting	Nil	Nil
TOTAL	**36**	**25,456**

Item No. 2 : Special Resolution

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

i. Voted **in favour** of the resolution:

Particulars of Postal Ballot Voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	445	65,51,680	10.519
E-voting	35	5,57,16,540	89.461
TOTAL	**480**	**6,22,68,220**	**99.980**

ii. Voted **against** the resolution:

Particulars of Postal Ballot Voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	23	11,036	0.018
E-voting	4	1,238	0.002
TOTAL	**27**	**12,274**	**0.020**

iii. **Invalid / Abstain** votes:

Particulars of Postal Ballot Voting	Total number of members whose votes were declared invalid / abstain	Total number of votes cast by them
Physical	45	26,371
E-voting	Nil	Nil
TOTAL	**45**	**26,371**

Item No.3: Special Resolution

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

i. Voted **in favour** of the resolution:

Particulars of Postal Ballot Voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	435	65,50,910	10.518
E-voting	31	5,57,10,527	89.452
TOTAL	**466**	**4,22,61,437**	**99.970**

ii. Voted **against** the resolution:

Particulars of Postal Ballot Voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	32	12,057	0.019
E-voting	6	6,751	0.011
TOTAL	**38**	**18,808**	**0.030**

iii. **Invalid / Abstain** votes:

Particulars of Postal Ballot Voting	Total number of members whose votes were declared invalid / abstain	Total number of votes cast by them
Physical	46	26,120
E-voting	2	500
TOTAL	**48**	**26,620**

b. Ongoing Post Ballot - Special Resolutions are also under consideration by the Members of the Company through the ongoing Postal Ballot - *Please refer to point no. 31 in the Directors Report.*

8. Means of Communication:

i. Financial Results (Quarterly Unaudited and Audited Financial Results)

a. Quarterly Unaudited and Yearly Audited financial results of the Company are sent to the BSE Limited within the prescribed period after they are approved by the Board.

b. They are also published as required in the prescribed pro-forma within 48 hours of the conclusion of the meeting of the Board in which they are considered, and displayed at the Company's website.

ii. Newspapers in which results are published

Free Press Journal (English daily), Navshakti (Marathi daily)

iii. Website where displayed

www.nirlonltd.com

iv. Official News released

Whenever applicable, the Company also displays official news releases

v. Presentations made to institutional investors / analysts

None

9. General Shareholder Information

i. 57th Annual General Meeting :

Day & Date : Tuesday, September 20, 2016

Time : 11.30 a.m.(IST)

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

ii. 58th Annual General Meeting : on or before September 30, 2017 (tentative)

iii. Financial Year: April 1, 2015 to March 31, 2016

iv. Board Meetings (tentative*)

- 1st Quarter of 2016-17 : April – June 2016 quarter results – Meeting already held on July 29, 2016
- *2nd Quarter of 2016-17 : July – September 2016 quarter results – on or before November 11, 2016
- *3rd Quarter of 2016-17: October – December 2016 quarter results – on or before February 3, 2017
- *4th Quarter of 2016-17: Audited results for the year ended March 31, 2016 – on or before April 27, 2017

v. Date of Book closure for the 57th AGM

Friday, September 9, 2016 to Tuesday, Septmber 20, 2016 (both days inclusive)

vi. Dividend Recommendation and Payment Date

a. 0.75 paise (7.5%) per share of ₹ 10 / - each

b. Payment Date (tentative) :

The Dividend warrants will be posted / dividend amounts will be remitted / paid into Members accounts on or before October 19, 2016.

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 Bombay Stock Exchange Limited **(BSE)**, Mumbai. The Company has paid the annual listing fee for the Financial Year to the BSE Ltd. as applicable.

viii. Payment of Annual Custodial fees

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

ix. Stock Script Code

a BSE Code: 500307; and

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

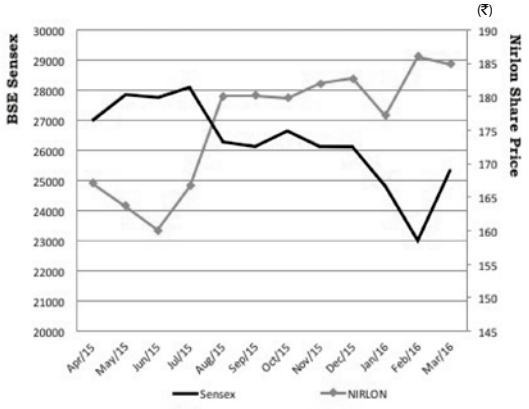
x. *Stock Market Data: April 1, 2015 to March 31, 2016

The BSE Limited, Mumbai

Month	Low (in ₹)	High (in ₹)	*BSE SENSEX (closing)
April-15	156.0	213.9	27011.31
May-15	155.1	173.0	27828.44
June-15	153.0	165.9	27780.83
July-15	159.0	174.8	28114.56
August-15	164.0	191.9	26283.09
September-15	175.0	189.7	26154.83
October-15	175.2	185.7	26656.83
November-15	179.5	191.2	26145.67
December-15	175.0	189.0	26117.54
January-16	170.0	184.5	24870.69
February-16	165.1	196.9	23002.00
March-16	178.0	194.0	25341.86

*Data are sourced from the BSE Limited

xi. *Share Price Performance in Comparison to Board Based Indices



*Based on closing of BSE Sensex and share price

xii. The securities are suspended from trading during the year

No

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 Share Transfer Agent.

xiv. Share Transfer Agent (STA)

Upto June 2, 2016	w.e.f. June 3, 2016
Sharepro Services (India) Pvt. Ltd. 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	Link Intime India Pvt. Ltd. C-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400078. Tel: +91(22) 2594697 Fax: +91(22) 25946969 **CIN:U67190MH1999PTC118368** Website: www.linkintime.co.in Email: rnt_helpdek@linkintime.co.in c.c. email to: share@nirlonltd.com

xv. Distribution of Shareholding (As on March 31, 2016)

Range of equity Shares	No. of Shareholder	Percentage of Shareholders to total (%)	No. of Equity Shares	Percentage of Shares amount to total (%)
Up to 500	38,054	92.89	40,92,615	4.54
501-1,000	1,620	3.95	12,87,047	1.43
1,001-2,000	665	1.62	10,17,635	1.13
2,001-3,000	203	0.50	5,16,005	0.57
3,001-4,000	92	0.23	3,29,573	0.37
4,001-5,000	67	0.16	3,16,651	0.35
5,001-10,000	124	0.30	8,99,375	1.00
10,001 and above	143	0.35	8,16,59,139	90.61
Total	**40,968**	**100**	**9,01,18,040**	**100**

xvi. Dematerialization of Shares

As per notification issued by SEBI, the shares of the Company are traded in Dematerialized Form. As on March 31, 2016, approx. **92.25%** of the paid-up Equity Share Capital of the Company has been dematerialized

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

Not Applicable

xviii Commodity price risk or foreign exchange risk and hedging activities

Derivative instruments : **(₹ in lakh)**

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 facilities

		2015-16	2014-15
(a)	Hedged		
	Amount in USD (in lakh)	7.75	28.22
	Amount in ₹ (in lakh)	540.82	1830.37
(b)	Unhedged foreign currency exposure:		
	Buyers credit		
	Amount in USD (in lakh)	15.19	22.34
	Amount in ₹ (in lakh)	1007.85	1398.33
	Vendors		
	Amount in USD (in lakh)	0.92	2.14
	Amount in ₹ (in lakh)	60.94	134.13

xix. Industrial Park / IT Park Location & NIC code

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

b. NIC code: 42901

xx. Address for Communication

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

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

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

Fax No. : + 91 (022) 4028 1940

CIN No. : L17120MH1958PLC011045

E-mail : share@nirlonltd.com

Website : www.nirlonltd.com

xxi. Shareholding Pattern (As on March 31, 2016)

		No. of Equity Shares	Percentage (%)
A	**Promoters and Promoter Group**		
a	Indian	37,30,699	4.14
b	Foreign	6,07,82,426	67.45
	Sub Total A = (a+b)	**6,45,13,125**	**71.59**
***B**	**Public Shareholding**		
a	Bank / MFs / Insurance Cos.	2,13,212	**0.23**
b	Foreign Institutional Investors (FIIs)	14,23,493	**5.40**
c	Others	2,39,68,210	**22.78**
	Sub Total : *B = (a+b+c)	**2,56,04,915**	**28.41**
Grand Total A+*B		**9,01,18,040**	**100**
			Total No. of Shareholder : 40,968

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

xxii. Reconciliation of the Share Capital Audit

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

xxiii. Other Disclosures:

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

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

*Attention of Members is drawn to the disclosure of transactions with related parties set out in **Note 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.*

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

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

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

Not Applicable

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

http: / / www.nirlonltd.com / pdf / related_party_ transaction_policy_mar_16.pdf

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

Attention of Members is drawn to the disclosure of transactions with related parties set out in Note 2.41 of the Audited Financial Statements, forming part of this Annual Report, and the said transactions were fully disclosed at the meeting of the Board of Directors.

xxiv. Discretionary Requirements

The Corporate Governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II of the LODR have been adopted

a. Modified opinion(s) in Audit Report

The Financial Statements of the Company have un-modified audit opinions.

b. Separate posts of Chairperson and Chief Executive Officer

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

c. Reporting of the Internal Auditor

The Internal Auditor may report directly to the Audit Committee.

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

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

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

NIL

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

We , Rahul V. Sagar, Executive Director and Manish B. Parikh, Chief Financial Officer, hereby certify for the Financial Year ended March 31, 2016 that :

a. We have reviewed the Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There were to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

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

d. We have indicated to the auditors and the Audit committee:-
   i. That there are no significant changes in internal control over financial reporting during the year;
   ii. That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. That there are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Nirlon Limited

Rahul V. Sagar
Executive Director
DIN 00388980

Manish B. Parikh
Chief Financial Officer

Mumbai, July 29, 2016

xxviii. Declaration – Code of Conduct

All Board Members and Senior Management personnel have, for the Financial Year ended March 31, 2016, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of clause 49 of the Listing Agreement / SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

For Nirlon Limited,

sd / -
Rahul V. Sagar
Executive Director
DIN 00388980

Mumbai, August 10, 2016

xxix. Compliance certificate of M / s. Alwyn Jay & Co., Practicing Company Secretaries regarding compliance with conditions of corporate governance is attached with the Directors' Report.

Alwyn Jay & Co.

Company Secretaries

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

Branch Office: B-002, Gr. Floor, Shreepati-2, Royal Complex, Behind Olympia Tower, Mira Road (E), Thane-401107 ; **Tel**:022-28125781 ; **Mob**: 09820465195; 09819334743

Email : alwyn.co@gmail.com Website:www.alwynjay.com

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 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015("Listing Regulations") for the respective period of applicability.
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 compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Mumbai, August 10, 2016

ALWYN JAY & Co.
Company Secretaries

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

Sd / -
Alwyn P D'Souza FCS.5559
Partner
Certificate of Practice No.5137

Annexure 7 to the Directors' Report

Management Discussion Analysis

Overview

During the year under review, the Company successfully integrated the approx. 4.03 lakh sq. ft. of chargeable area from Phase 4, which had been completed during the 2014-2015 Financial Year, into the Nirlon Knowledge Park (**NKP**) development. Phase 4 was successfully licensed in its entirety, (except the approx. 7000 sq. ft. of chargeable area to be used for the operations of the Company) and a majority of the license fees for this Phase began accruing to the Company in stages by July 2015.

The Company has thus successfully developed, licensed and managed four phases of NKP since construction began in April / May, 2007. NKP now comprises approx. 29.46 lakh sq. ft. of newly constructed area in Phases 1, 2, 3 and 4, which corresponds to approx. 18.78 lakh sq. ft .of licensable area.

The Company has also evaluated in detail and decided to proceed with a proposed Phase 5 development in NKP. This decision has been taken in the context of the proposed modification (subsequently confirmed) of the GOM's IT policy to allow higher FSI for IT Parks, subject to the payment of the prescribed premium in this regard, and the stipulated terms and conditions being complied with. On completion of Phase 4, the Company had utilized almost all the FSI available to it on a 2 : 1 basis, the maximum previously allowed as per the then existing IT policy of the GOM. Phase 5 will therefore now be developed through a mixture of redevelopment of existing old buildings and new development. However, the Company will only be able to utilize part of the potential extra FSI available to it under the modified IT policy of the GOM. Planning of Phase 5 has progressed satisfactorily.

As Members are aware, 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. Reco presently holds an aggregate of 5,76,06,274 equity shares of the Company representing approx. 63.92% of the Company's share capital.

Segment Analysis, Review & Outlook

Industrial Park / Industrial Technology Park - Goregaon, Mumbai

Occupancy & License Fee Escalations

During the year under review, the Company has been successful in ensuring that approx. 98% of licensable area in Phases 1, 2, 3 & 4 of NKP has remained licensed to corporate occupants. With the successful completion of Phase 4 the Company added approx. 4.03 lakh sq. ft. of licensable area to NKP. Apart from the area of 7,000 sq. ft. aforementioned, Phase 4 has also been almost fully licensed to successful and well known corporate clients. Therefore, NKP now has a total of approx. 18.78 lakh sq. ft. of licensable area in Phases 1, 2, 3 and 4, all of which is almost fully occupied. Accordingly, license fees for all four phases are regularly received by the Company.

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 continues to reduce year on year, resulting in a pro rata reduced annual interest expense.

Profitability and Cash Flow

As a result of increased license fee income, largely due to the receipt of Phase 4 license fees, enhenced licence fees from the Company's existing old buildings (**Please note:** as already mentioned in the Directors' Report, license fee income from these old buildings will reduce substantially during the 2016-2017 financial year, as the buildings are scheduled to be demolished to make way for the proposed development of Phase 5 on their existing footprint) for a majority of the 2015-2016 Financial Year, and the implementation of contracted escalations during the year, the Company's income from operations increased by approx. 20% during the year under review as compared to the previous year. Further, as a proportion of license fees, expenses (including interest expense) also reduced. Accordingly, the Company's profitability during the year under review also increased.

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.

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 continuation of the dividend of ₹ 0.75 paise per share (7.5%) for the year under review.

Priorities

Major priorities for the Company during the Financial Year 2016 – 17 are as follows:

i. To ensure the continued satisfaction of its licensees by maintaining and operating NKP to the highest possible standards, such that the existing four phases remain fully occupied;

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

iii. To complete planning, and begin development of the proposed Phase 5, such that it is on budget and on schedule to be completed and licensed in the shortest possible time.

iv. To proactively evaluate increasing competition and trends in the IT industry in so far as the same would have an impact on the Company's business, and to impliment mitigation strategies for the same.

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 continuing efforts to simplify the regulatory frame work and make it easier to start and run businesses is a much needed and welcome development. A successful implementation of this initiative, when combined with the promised improved governance, a constructive bureaucracy and better infrastructure, should help Mumbai move toward re-

establishing its pre-eminent position as a preferred business / investment destination in India. In recent years, this pre-eminence has been challenged by other destinations in India which have 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 educated work force need to be coupled with effective implementation of the Government's stated 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 entrepreneurs are waiting to see evidence on the ground of the implementation of the committed business friendly policies / reforms / legislation intended to accelerate growth, investment and entrepreneurship. The constitutional amendment leading to the now likely introduction of the GST in the 2017-2018 Financial Year, is certainly the most promising single development with the potential to appreciably accelerate the Country's growth in recent times. This is true despite the uncertainties that will unquestionably have to be addressed during the early days of this new regime. It remains vital that growth and investment achieve better traction in the next few months, especially with the good monsoon, so that demand at the pan India level is sustained and enhanced. From the point of view of commercial real estate, continuing 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 continue to lead to the broadening and deepening of the commercial real estate capital markets in India.

The global economic scenario will also continue to increasingly have a bearing on real estate demand in India, and consequently Mumbai. The inflow of international money into Indian real estate will, *inter alia*, be driven by economic conditions in the developed world. Of great significance in the coming months will be the result of the elections in the United States, the extent and timing of interest rate increases in the United States, the ability of the Euro Zone to sustain a cohesive economic policy post Brexit 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 other Emerging Markets, slowing growth and demand is now a reality. 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 beyond 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 at least 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.

Material developments in Human Resources / Industrial Relations, including number of people employed by the Company.

On August 10, 2016, the Audit Committee and the Board have approved and recommended, subject to approval of the Members of the Company and subject to such other approvals as may be required under the Articles of Association of the Company, the proposed Related Party Transactions, which are set out in item no. 7 of the Notice and Explanatory Statement calling for the 57th Annual General Meeting of the Company. Pursuant to the proposed Related Party Transactions, and subject to the necessary approvals, including from the Members of the Company, *inter alia*, the Company proposes to appoint Nirlon Management Services Company Pvt. Ltd. (NMSCPL) as a provider of lease management, property management, marketing related services, project management services and general management services to the Company.

Once Members give their consent to the above transactions, NMSCPL shall service and provide the Company with property / project and other management services as contemplated under the proposed transactions, It is intended that the employees of the Company involved in such services shall resign from the services of the Company. It is further proposed that NMSCPL shall make offers of employment to these employees resigning from the Company on terms that are no less favorable than those being offered by the Company as on their date of resignation. Post this occurrence, the Company will employ, at a minimum, those persons as is required for a public limited company under relevant statute.

The total number of permanent employees of the Company as at March 31, 2016 is 43 and as on date is 41.

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 8 to the Directors Report
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
of
NIRLON LIMITED
As on Financial Year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L17120MH1958PLC011045
2	Registration Date	12.3.1958
3	Name of the Company	**NIRLON LIMITED**
4	Category / Sub-category of the Company	Company limited by shares / Indian Non-Government
5	Address of the Registered office & contact details	Pahadi Village, Off the Western Express Highway, Goregaon (East), Mumbai 400 063. Tel: 4028 1919, 2685 2257 Email id : info@nirlonltd.com Website : www.nirlonltd.com
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078. Tel: 022 – 2594 6970, 2596 3838

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)

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Industrial Park	42901	99.70%

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

S. 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. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	69,02,386	0	69,02,386	7.66	29,13,135	0	29,13,135	3.23	(4.43)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	8,17,564	0	8,17,564	0.91	8,17,564	0	8,17,564	0.91	0
e) Banks / FI	0	0	0	0	0	0	0	0	0

f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):	77,19,950	0	77,19,950	8.57	37,30,699	0	37,30,699	4.14	(4.43)
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	13,29,750	0	13,29,750	1.48	1.48
b)other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	36,92,804	0	36,92,804	4.10	5,94,52,676	0	5,94,52,676	65.97	61.97
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)(2):	36,92,804	0	36,92,804	4.10	6,07,82,426	0	6,07,82,426	67.45	63.35
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**1,14,12,754**	**0**	**1,14,12,754**	**12.66**	**6,45,13,125**	**0**	**6,45,13,125**	**71.59**	**58.93**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	8,500	0	8,500	0.01	0	0	0	0	(0.01)
b) Banks / FI	6,146	18,033	24,179	0.03	1,91,087	13,475	2,04,562	0.23	0.20
c) Central Govt	0	0	0	0	0	0	0	0	0
d) 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	8,650	8,650	0.01	0
g) FIIs	49,285	0	49,285	0.05	14,23,493	0	14,23,493	1.58	1.52
h)Foreign Portfolio – Corp.	0	0	0		48,62,547	0	48,62,547	5.40	5.40
i) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
ii) Qualified Foreign Investor (Corporate)	0	0	0	0	4,40,760	0	4,40,760	0.49	0.49
Sub-total (B)(1):-	**63,931**	**25,458**	**89,389**	**0.10**	**69,17,887**	**22,125**	**69,40,012**	**7.70**	**(7.60)**
2. Non-Institutions									
a) Bodies Corp.	23,07,843	11,93,669	35,01,512	3.89	43,44,523	9,59,258	53,03,781	5.89	2.00
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	47,68,584	34,56,685	82,25,269	9.13	48,26,788	31,90,812	80,17,600	8.90	(0.23)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	22,84,656	56,832	23,41,488	2.60	20,78,011	36,832	21,14,843	2.35	(0.25)

c) Others (specify)									
i) Non Resident Individuals	4,56,489	26,87,519	31,44,008	3.49	4,10,856	26,81,422	30,92,278	3.43	(0.06)
ii) Overseas Corporate Bodies	0	3,100	3,100	0	0	3,100	3,100	0	0
iii) Foreign Nationals	0	0	0	0	262	0	262	0	0
iv) NBFC	0	0	0	0	4,759	2,833	7,592	0.01	0.01
v) Trust	2,52,485	22,303	2,74,788	0.30	38,947	0	38,947	0.04	(0.26)
vi) Foreign Bodies	2,63,19,211	86,500	2,64,05,711	29.30	0	86,500	86,500	0.10	(29.20)
vii) KCPL Escrow Account – Nirlon Ltd – Open Offer	3,47,20,021	0	3,47,20,021	38.53	0	0	0	0	(38.53)
Sub-total (B)(2):-	**7,11,09,289**	**75,06,608**	**7,86,15,897**	**87.24**	**1,17,04,146**	**69,60,757**	**1,86,64,903**	**20.71**	**(66.53)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**7,11,73,220**	**75,32,066**	**7,87,05,286**	**87.34**	**1,86,22,033**	**69,82,882**	**2,56,04,915**	**28.41**	**(58.93)**
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**8,25,85,974**	**75,32,066**	**9,01,18,040**	**100.00**	**8,31,35,158**	**69,82,882**	**9,01,18,040**	**100.00**	**0.00**

ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Reco Berry Pvt. Ltd.	0	0	0	5,76,06,274	63.92	0	63.92
2	* Mr. Kunal V. Sagar	13,29,750	1.48	0	13,29,750	1.48	0	0
3	Mr. Rahul V. Sagar	13,29,750	1.48	0	13,29,750	1.48	0	0
4	Mrs. Rajani M. Bhagat	6,73,299	0.75	0	6,73,299	0.75	0	0

Note: * Mr. Kunal V. Sagar has resigned as Executive Vice Chairman of the Company with effect from close of business hours on September 25, 2015. However, he continues as a Promoter and NED of the Company.

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each Promoter At the beginning of the year					
1	Reco Berry Pvt. Ltd.	0	0	#	#
2	Mr. Kunal V. Sagar	13,29,750	1.48	#	#
3	Mr. Rahul V. Sagar	13,29,750	1.48	#	#
4	Mrs. Rajani M. Bhagat	6,73,299	0.75	#	#
	Total	**33,32,799**	**3.71**	**#**	**#**
	Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
#1	Reco Berry Pvt. Ltd. On 17 / 4 / 2015 (acquisition of 2,56,00,000 shares – 28.41%) On 30 / 04 / 2015 (further acquisition of 3,01,59,872 shares – 33.46%) On 9 / 10 / 2015 (further acquisition of 18,46,402 shares – 2.04%)	0	0	5,76,06,274	63.92
#2	Mr. Kunal V. Sagar	0	0	13,29,750	1.48
#3	Mr. Rahul V. Sagar	0	0	13,29,750	1.48
#4	Mrs. Rajani M. Bhagat	0	0	6,73,299	0.75
	Total	**0**	**0**		
	At the end of the year	**33,32,799**	**3.71**	**6,09,39,073**	**67.63**

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At The Beginning Of The Year				
1	KCPL Escrow Account-Nirlon Limited-Open Offer	3,47,20,021	38.53	#	#
2	Geraldton Finance Ltd - Reco Berry Pvt. Ltd. - SH. ESC. AC.	1,62,47,998	18.03	#	#
3	Real India Invest Ag. - Reco Berry Pvt. Ltd. - SH. ESC. AC.	1,00,71,213	11.18	#	#
4	Gulu C Waney	26,70,247	2.96	#	#
5	Chatterjee Management Services Private Limited	7,11,761	0.79	#	#
6	Hongkong Bank Agency Pvt. Ltd.	4,54,826	0.50	#	#
7	Yashpal Kumar	3,75,000	0.42	#	#
8	Indus Securities Limited	2,70,000	0.30	#	#

9	Narayanan Investment Trust Private Limited	2,13,538	0.24	#	#
10	Vinod Mohan Nair	2,00,000	0.22	#	#
	Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
				At the End of the year	
#1	KCPL Escrow Account-Nirlon Limited i) On 17 / 04 / 2015 - Transfer of 3,47,19,716 shares ii) On 19 / 06 / 2015 - Transfer of 52 shares iii) On 31 / 12 / 2015 - Transfer of 80 shares iv) On 08 / 01 / 2016 - Transfer of 173 shares	(3,47,20,021)	(38.53)	0	0.00
#2	Geraldton Finance Ltd - Reco Berry Pvt. Ltd. - SH. ESC. AC. (Transfer of 1,62,47,998 Shares On May 1, 2015)	(1,62,47,998)	(18.03)	0	0.00
#3	Real India Invest Ag. - Reco Berry Pvt. Ltd. - SH. ESC. AC. (Transfer of 1,00,71,213 Shares on May 1, 2015)	(1,00,71,213)	(11.18)	0	0.00
#4	Gulu C Waney (Nil movement during the year)	0	0	26,70,247	2.96
#5	Chatterjee Management Services Private Limited (Nil movement during the year)	0	0	7,11,761	0.79
#6	Hongkong Bank Agency Pvt. Ltd. (Nil movement during the year)	0	0	4,54,826	0.50
#7	Yashpal Kumar (Transfer of 3,75,000 Shares on May 1, 2015)	(3,75,000)	(0.42)	0	0
#8	Indus Securities Limited i) On 25 / 12 / 2015 - Transfer of 36,927 shares ii) On 31 / 12 / 2015 - Transfer of 19,741 shares	(56,668)	(0.06)	2,13,332	0.2367
#9	Narayanan Investment Trust Private Limited (Transfer of 2,13,538 Shares on May 1, 2015)	(2,13,538)	(0.24)	0	0.00
#10	Vinod Mohan Nair (Nil movement during the year)	0	0	2,00,000	0.22

v) Shareholding of Directors and Key Managerial Personnel:

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year **Directors:**				
1.	Padma Bhushan Mr. Moosa Raza	0	0.00	0	0.00
2.	Mr. Rama Varma	1,925	0.002	1,925	0.002
3.	Mr. Arjan R. Gurbuxani	724	0.00	724	0.00
4.	Mrs. Rajani M. Bhagat	6,73,299	0.75	6,73,299	0.75
5.	Mrs. Aruna Makhan	0	0.00	0	0.00
6.	Mr. Kunal V. Sagar	13,29,750	1.48	13,29,750	1.48

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	68,342.40	0	0	68,342.40
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	369.72	0	0	369.72
Total (i+ii+iii)	**68,712.12**	**0**	**0**	**68,712.12**
Change in Indebtedness during the financial year				
Addition	5,700	0	0	5,700
Reduction	9,268.80	0	0	9,268.80
Net Change	**3,568.80**	0	0	**3,568.80**
Indebtedness at the end of the financial year				
i) Principal Amount	64,773.60	0	0	64,773.60
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	275.22	0	0	275.22
Total (i+ii+iii)	**65,048.82**	**0**	**0**	**65,048.82**

VI. REMUNERATION OF Directors AND KEY MANAGERIAL PERSONNEL:

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

S. No.	Particulars of Remuneration	Mr. Kunal V. Sagar (Executive Vice Chairman) (In ₹)	Mr. Rahul V. Sagar (Executive Director) (In ₹)
1	Gross salary	1,13,59,218#	2,31,67,972
	Basic* + HRA + LTA	47,63,667	96,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u / s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		

2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as% of profit - others, specify…	0	0
5	Others, please specify		
5.i	Bonus	62,22,218	1,27,99,972
5.ii	Provident Fund	3,73,333	7,68,000
	Total (A) (i.e. Gross salary)	**1,13,59,218#**	**2,31,67,972**

Note: 1) Basic salary x 0.12 = Company's Provident Fund, i.e. in case of Mr. Kunal V. Sagar ₹ 3,73,333 (31,11,109 x 0.12) and in case of Mr. Rahul V. Sagar ₹ 768000 (6399996 x 0.12);

2) Mr. Kunal V. Sagar has resigned as Executive Vice Chairman of the Company with effect from close of business hours on September 25, 2015, thereafter he continues as a Promoter and Non-Executive Director of the Company.

Inclusive of a Gratuity amount of ₹ 10 lakh

B. Remuneration to other Directors:

1. Independent Directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Moosa Raza	Mr. Arjan R. Gurbuxani	Mr. Rama Varma	Mrs. Aruna Makhan	
	Fee for attending board committee meetings	3,80,000	3,80,000	3,60,000	3,80,000	15,00,000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (B)(1)	**3,80,000**	**3,80,000**	**3,60,000**	**3,80,000**	**15,00,000**

2. Other Non Executive Directors

Particulars of Remuneration	Name of Director	Name of Director	Total Amount
	Mrs. Rajani M. Bhagat	Mr. Kunal V. Sagar*	
Fee for attending Board / Committee Meetings	1,00,000	80,000	1,80,000
- Commission	0	0	0
- Other please specify	0	0	0
Total (B)(2)	**1,00,000**	**80,000**	**1,80,000**
Total (B) = (B)(1)+ (B)(2)			**16,80,000**

Note: * Mr. Kunal V. Sagar has resigned as Executive Vice Chairman of the Company with effect from close of business hours on September 25, 2015. However, he continues as a Promoter and NED of the Company.

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

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Jasmin K. Bhavsar (Company Secretary V.P. (legal) & Compliance Officer)	**Mr. Manish Parikh (Chief Financial Officer)**	**Total Amount**
1	Gross salary	**68,51,614**	**33,08,731**	**1,01,60,345**
	Basic Salary + HRA + Medical Allowance + Conveyance + Lunch Allowance	52,63,945	25,39,415	78,03,360
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u / s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as% of profit			
	others, specify…			
5	Others, please specify			
5.i	Exgratia	10,08,458	4,86,478	14,94,936
5.ii	Provident Fund	5,79,211	2,82,838	8,62,049
	Total	**68,51,614**	**33,08,731**	**1,01,60,345**

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					

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 2016, 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 fraud 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 misstatements, 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 misstatement.

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 misstatement 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. 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, 2016, 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, 2016 ('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 2016 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
   f. The Company has adequate internal financial control systems in place and the same are generally operating effectively.
   g. 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

Place : Mumbai
Date : 28.04.2016
Membership No: 33329

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

(Referred to in paragraph 1 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;

c) The title deeds of immovable properties are held in the name of the Company;

ii) The Company does not have any inventory. Thus paragraph 3(ii) of the Order is not applicable to the Company;

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

iv) The Company has neither granted any loans or made any investments nor has it given any guarantee or provided security in connection with loan to others;

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

vi) In relation to the activity of the Company, the Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. The Company has made and maintained such accounts and records;

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;

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

viii) The Company has not defaulted in repayment of loans or borrowing to any financial institution, banks, Government or debenture holders;

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Further money raised by way of term loans during the year were applied for the purpose for which they were raised;

x) During the year, no fraud by the company or on the Company by its officers or employees has been noticed or reported;

xi) The Board of Directors of the Company has reappointed the Executive Director – Mr. Rahul Sagar with effect from 01.02.2016 for a period of 5 years which is subject to approval of the shareholders. Consequentially the Remuneration and Performance Bonus of ₹ 38.61 Lakh for the period 01.02.2016 to 31.03.2016 is subject to approval of his reappointment by the shareholders.

Subject to the above, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013

xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) The Company has not entered into non-cash transactions with Directors or persons connected with them.

xvi) The Company is not required to be registered under section 45–IA of the Reserve Bank of India Act, 1934.

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

CA. Y. N. THAKKAR
Partner

Place : Mumbai
Date : 28.04.2016

Membership No:33329

Annexure - A

STATEMENT FORMING PART OF AUDIT REPORT

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

Name of the Statue	Nature of Dues	₹ (in lakh)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty and Penalty thereon	135.10	CESTAT
Finance Act,1994	Service Tax and Penalty thereon	821.88	CESTAT
Income Tax Act ,1961	Penalty	45.33	Income Tax Appellate Tribunal
Maharashtra Value Added Tax Act,2002	Vat, Interest and Penalty thereon	35.40	Asst. Commissioner Of Sales Tax

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BALANCE SHEET

(₹ in lakh)

	Note	As at 31-Mar-16	As at 31-Mar-15
EQUITY & LIABLITIES			
SHAREHOLDERS FUNDS			
Share Capital	2.1	**9,008.03**	9,008.03
Reserves & Surplus	2.2	**1,36,551.25**	1,33,008.11
		1,45,559.28	1,42,016.14
NON CURRENT LIABILITIES			
Long term borrowings	2.3	**58,056.80**	61,534.97
Deferred Tax liabilities (net)	2.4	**3,483.01**	931.20
Other long-term liabilities	2.5	**4,573.75**	6,485.89
Long term provisions	2.6	**142.17**	123.40
		66,255.73	69,075.46
CURRENT LIABILITIES			
Short term borrowings	2.7	**1,521.91**	3,164.90
Trade Payables	2.8	**936.59**	962.19
Other current liabilities	2.9	**18,801.34**	20,388.25
Short term provisions	2.10	**4,033.99**	3,069.77
		25,293.83	27,585.11
		2,37,108.84	2,38,676.71
ASSETS / NON CURRENT ASSETS			
Fixed assets			
Tangible assets	2.11	**2,25,054.22**	2,29,939.36
Intangible Assets	2.11	**2.05**	-
Capital work in progress		**2,620.11**	722.52
Intangible Assets under developement		**-**	2.05
		2,27,676.38	2,30,663.93
Long term loans & advances	2.12	**3,942.89**	2,442.64
Other non current assets	2.13	**467.80**	699.14
		4,410.69	3,141.78
CURRENT ASSETS			
Trade receivables	2.14	**409.98**	299.16
Cash & cash equivalents	2.15	**351.35**	946.11
Short term loans & advances	2.16	**3,851.07**	3,159.24
Other current assets	2.17	**409.37**	466.49
		5,021.77	4,871.00
		2,37,108.84	2,38,676.71
Notes forming part of the financial statements	1 & 2		

As per our report attached

FOR AND ON BEHALF OF THE BOARD

For **N.M. RAIJI & CO.**
Chartered Accountants
(firm registration no 108296 W)

CA Y.N. THAKKAR
Partner
Membership No. 33329

Mumbai, 28th April, 2016

MOOSA RAZA
Chairman

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

MANISH B. PARIKH
Chief Financial Officer

RAHUL SAGAR
Executive Director

Directors
KUNAL SAGAR
RAMA VARMA
ARJAN GURBUXANI
ARUNA MAKHAN
KUNNASAGARAN CHINNIAH

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in lakh)

	Particulars	Note	2015-16	2014-15
I	Revenue from operations	2.18	**28,885.63**	23,897.64
II	Other Income	2.19	**99.85**	184.46
III	Total Revenue (I + II)		**28,985.48**	**24,082.10**
IV	Expenses			
	Employee benefits expense	2.20	**767.49**	632.66
	Finance costs	2.21	**7,225.33**	7,555.40
	Depreciation and amortization expense		**8,048.83**	6,865.11
	Other operating expenses	2.22	**5,778.22**	4,909.43
	Total expenses		**21,819.87**	19,962.60
V	Profit / (Loss) before exceptional and extra ordinary items and tax (III - IV)		**7,165.61**	4,119.50
VI	Add / (Less) : Exceptional items	2.23	**(257.94)**	666.52
VII	Profit / (Loss) before tax (V+VI)		**6,907.67**	4,786.02
VIII	Less : Tax Expense			
	Current Tax	2.24	**(0.78)**	5.62
	Deferred Tax		**2,551.81**	1,522.80
IX	Profit / (Loss) for the year after Tax (VII - VIII)		**4,356.64**	3,257.60
X	(a) Basic earning per share in ₹ (on Face value of ₹ 10 / - per share)		**4.84**	3.64
X	(b) Diluted earning per share in ₹ (on Face value of ₹ 10 / - per share)		**4.83**	3.64
	Notes forming part of the financial statements	1 & 2		

As per our report attached

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CASH FLOW FOR THE YEAR ENDED MARCH 31, 2016 (₹ in lakh)

			2015-16		2014-15
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit / (Loss) before tax and after exceptional and extra ordinary items		**6907.67**		4786.00
	ADJUSTED FOR :				
	Depreciation & amortization	**8048.83**		6865.11	
	Interest Income	**(51.82)**		(25.07)	
	Finance cost	**7225.33**		7555.40	
	Marketing fees	**473.32**		401.18	
	Foreign exchange (gain) / loss	**18.99**		(53.34)	
	Loss on sale of assets	**1.31**		-	
	Exceptional item - Property tax written back	**(107.98)**		(237.73)	
	Liability written back	**(14.19)**		(85.10)	
			15593.79		14420.45
	Operating Profit / (Loss) before Working Capital changes		**22501.46**		**19206.45**
	CHANGES IN :				
	Trade receivables	**(110.82)**		25.31	
	Other current / non current assets	**333.74**		(1,053.32)	
	Trade payables / current and non current liabilities	**(442.47)**		4,371.70	
	Marketing fees paid	**(218.45)**		(863.37)	
	Cash generated from Operations	**(438.00)**		2480.32	
	Direct taxes (paid) / refund	**(1,533.75)**		(1,193.68)	
	Cash generated from Operating Activities		**(1971.75)**		1286.64
	Net Cash from Operating Activities	**(A)**	**20529.71**		**20493.09**
(B)	**CASHFLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed assets (including intangible assets, CWIP & capital advances)	**(7562.08)**		(16320.74)	
	Sale of fixed assets	**0.39**		29.91	
	Interest received	**68.45**		58.02	
	Net Cash from Investing Activities	**(B)**	**(7493.24)**		**(16232.81)**
(C)	**CASHFLOW FROM FINANCING ACTIVITIES**				
	Increase / (decrease) of buyers credit (net)	**(1728.80)**		1407.29	
	Increase / (decrease) of borrowings (net)	**(3568.80)**		3860.42	
	Dividend paid (including Dividend Distribution Tax)	**(798.81)**		(772.76)	
	Finance cost	**(7534.82)**		(8380.70)	
	Net Cash from Financing Activities	**(C)**	**(13631.23)**		(3885.75)
	Net increase / (decrease) in Cash & Cash Equivalent (A+B+C)		**(594.76)**		**374.53**
	Cash & Cash Equivalent at the commencement of the year		**946.11**		571.58
	Cash & Cash Equivalent at the end of the year		**351.35**		946.11

Notes :

1) Closing Cash & Cash equivalents includes all items under note 2.15 forming part of financial statemement.
2) Undrawn borrowing facility as on 31st March 2016 - ₹ 12690.90 lakh (Previous year ₹ 16747.91 lakh)
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 108296 W)

CA Y.N. THAKKAR
Partner
Membership No. 33329

Mumbai, 28th April, 2016

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NOTES FORMING PART OF FINANCIAL STATEMENTS

1.1 Basis for preparation of 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 Comapnies Act, 2013 read with rules 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 the assets to the condition required 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 include 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 are complete, 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 the 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 Minimum Alternative TAX 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 :**

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 is 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 & License agreements are amortised over the lock in period of respective licensees.

(₹ in lakh)

		As at 31st March 2016	As at 31st March 2015
2.1 SHARE CAPITAL			
Authorised			
15,00,00,000	Equity Shares of ₹ 10 each (previous year 14,90,00,000 equity shares of ₹ 10 / - each)	**15,000.00**	14,900.00
Nil	Cumulative Redeemable Preference Shares of ₹ 100 each (previous year 1,00,000 cumulative	**-**	100.00
	reedemable prefrence shares of ₹ 100 / - each)	**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 7,17,656) shares of ₹ 10 / - each alloted to the Trust) (refer note d)		**(3.77)**	(3.77)
		9,008.03	9,008.03

a. **The reconciliation of the equity shares outstanding as at March 31, 2016 and March 31, 2015 is set out below:**

Particulars	2015-16		2014-15	
	Nos.	₹ in lakh	Nos.	₹ in lakh
At the Beginning of the year	9,01,18,040	**9,011.80**	9,01,18,040	9,011.80
Addition / deduction during the year	-	**-**	-	-
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 dividend 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 are 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.

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

Shareholder	As at 31st March 2016		As at 31st March 2015	
	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	Nil	**-**	Nil	-
Total	**18,66,974**		**18,66,974**	

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

	as at 31st March 2016		as at 31st March 2015	
Name of the shareholders	**No. of shares**	**% of Holding**	**No. of shares**	**% of Holding**
Real India Invest Aktiengesellschaft - Reco Berry Pvt Ltd - Share escrow account.	-	**0.00**	1,00,71,213	11.18
Geraldton Finance Ltd.- Reco Berry Pvt Ltd. - Share escrow account.	-	**0.00**	1,62,47,998	18.03
Reco Berry Pvt Ltd	5,76,06,274	**63.92**	-	0.00

d. **Shares Issued to Nirlon Employees Stock Option Trust**

In accordance with Nirlon ESOP 2012, during the financial year 2013-14 the Company had issued 7,17,656 shares of ₹ 10 each at a premium of ₹ 31.3 per share to the Nirlon Employees Stock Option Trust. The Company had provided a loan of ₹ 296.39 lakh to the Trust for subscribing such shares. As on 31st March, 2016, 6,80,000 (previous year 6,80,000) 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'.

Nirlon ESOP Plan 2012

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

The weighted average contractual life for the stock options was 5 years and they vested at the rate of 15%, 20%, 25%, 40% at the end of 15 months, 30 months, 42 months, 54 months respectively from the date of grant. During the year 2014-15, the Nomination and Remuneration committee has vide its Resolution dated February 9, 2015, accelerated the vesting period for all the unvested options to February 15, 2015 and accelerated the exercise period for all the options upto September 30, 2016. Accordingly all the options granted have been already vested.

Details regarding the number of stock options are as follows :

Particulars	2015-16	2014-15
i) Outstanding options, beginning of the period	**35,000**	7,15,000
ii) Granted during the year	**0**	0
iii) Forfeited during the period	**0**	0
iv) Exercised during the period	**0**	6,80,000
v) Expired during the period	**0**	0
vi) Outstanding at the end of the period	**35,000**	35,000
vii) Exercisable, Vested at the end of the period	**35,000**	35,000

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

The Company measures the cost of ESOP 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 the amounts indicated below:

Particulars	2015-16	2014-15
Profits after tax as reported	**4,356.64**	3,257.60
Add: ESOP cost using the intrinsic value method	**-**	-
Less: ESOP cost using the fair value method	**-**	72.29
Proforma Profit after tax	**4,356.64**	3,185.31

Earnings per share	2015-16	2014-15
Basic		
As reported	**4.84**	3.64
Proforma	**4.84**	3.56
Diluted		
As reported	**4.83**	3.64
Proforma	**4.83**	3.56

(₹ in lakh)

		As at 31-Mar-16	As at 31-Mar-15
2.2 RESERVES & SURPLUS			
Securities premium reserve			
As per last Balance Sheet	12,540.17		12,540.17
Less: Amount recoverable from Nirlon Employees Stock Option Trust	(11.79)		(11.79)
(Refer note 2.1 - d)		**12,528.38**	12,528.38
Revaluation reserve			
As per last Balance sheet	1,17,537.12		1,52,576.87
Less: Reversal (Refer note no 2.11 (5))	-		35,039.75
		1,17,537.12	1,17,537.12
Surplus			
Opening Balance	2,942.61		633.45
Add: Net profit / (loss) after tax transferred from Statement of Profit and Loss	4,356.64		3,257.60
Amount available for appropriation		**7,299.25**	3,891.05
Appropriations : (Refer note a & b)			
Dividend	675.88		791.21
Dividend Tax	137.62		157.23
	813.50		948.44
Surplus- Closing Balance		**6,485.75**	2,942.61
		1,36,551.25	1,33,008.11

(a) The Board of Directors, in their meeting held on 28th April 2016 has proposed a dividend of 7.50% i.e ₹ 0.75 per equity share on the face value of ₹ 10 / - (previous year ₹ 0.75 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 lakh (previous year ₹ 675.88 lakh) and dividend distribution tax thereon amounting to ₹ 137.62 lakh (previous year ₹ 137.62 lakh) is appropriated during the year.

(b) At the AGM held on 23rd September, 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 lakh and tax thereon of ₹ 19.61 lakh aggregating to ₹ 134.94 lakh has also been appropriated during the year 2014-15 by debiting the same to surplus.

2.3 LONG-TERM BORROWINGS

Term Loans		
Loan from HDFC Ltd (Refer note below)	**58,056.80**	61,534.97
	58,056.80	61,534.97

Note :

Details	Loan 1 : Ph-0,1,2 & 3 amounting to ₹ 32,788.88 lakh	Loan 2 : Ph-3 & 4 amounting to ₹ 23,684.72 lakh	Loan 3 : Ph- 4 amounting to ₹ 8,300 lakh
Date of Maturity	Aug-21	Oct-24	*
Rate of Interest (floating)	10.15%	10.15%	10.15%
Balance No. of Installments (Monthly)	65	103	*
Amount of each Installment (including interest) ₹ in lakh #	665.34	346.50	*

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 e ach installment is subject to change based on changes in Interest rates & other factors.

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

(₹ in lakh)

		As at 31-Mar-16	As at 31-Mar-15
2.4 DEFERRED TAX ASSETS / LIABILITIES (NET)			
Deferred Tax adjustments for the year amounting to ₹ 2,551.81 lakh (Previous year ₹ 1,522.80 lakh) have been recognised in the statement of Profit & Loss.			
Deferred tax liabilities			
Depreciation		**4,056.42**	3,250.29
Deferred tax assets			
Unabsorbed depreciation	**(425.80)**		(2,084.49)
Others	**(147.61)**		(234.60)
		(573.41)	(2,319.09)
		3,483.01	931.20

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.

	As at 31-Mar-16	As at 31-Mar-15
2.5 OTHER LONG TERM LIABILITIES		
Security deposits received from licencees	**4,573.75**	6,485.89
	4,573.75	6,485.89
2.6 LONG TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	**121.08**	106.09
Provision for compensated absences	**21.09**	17.31
	142.17	123.40
2.7 SHORT TERM BORROWINGS		
Buyers credit from HDFC Bank	**1,521.91**	3,164.90
	1,521.91	3,164.90

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.

(₹ in lakh)

	As at 31-Mar-16	As at 31-Mar-15
2.8 TRADE PAYABLES		
Trade payables (refer note 2.27)	**936.59**	962.19
	936.59	962.19
2.9 OTHER CURRENT LIABILITIES		
Current maturity of long term debts	**6,716.80**	6,807.43
Interest accrued but not due on borrowings	**275.23**	369.72
Income received in advance	**-**	0.08
Capital Vendors	**812.35**	3,550.71
Security deposits received from licencees	**10,552.67**	8,435.36
Advance received from licensees	**1.95**	3.77
Employees related liabilities	**217.80**	177.97
Statutory liabilities	**67.16**	473.24
Unpaid dividend	**32.69**	18.00
Provision for expenses	**93.87**	484.13
Other payables	**30.82**	67.84
	18,801.34	20,388.25
2.10 SHORT TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	**11.62**	23.28
Provision for compensated absenses	**10.70**	12.99
Provision for taxes		
Provision for income tax	**3,198.17**	2,220.00
Others		
Proposed Dividend	**675.88**	675.88
Tax on Dividend	**137.62**	137.62
	4,033.99	3,069.77

2.11 FIXED ASSETS

(₹ in lakh)

TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK
	AS ON 01-Apr-15	ADDITIONS DURING 2015-16	DEDUCTIONS / ADJUSTMENTS DURING 2015-16	AS ON 31-Mar-16	UP TO 01-Apr-15	PROVIDED DURING 2015-16	DEDUCTIONS / ADJUSTMENTS DURING 2015-16	UP TO 31-Mar-16	AS ON 31-Mar-16
LAND	**129,900.00**	**-**	**-**	**129,900.00**	**-**	**-**	**-**	**-**	**129,900.00**
(FREEHOLD)	(129,900.00)	(-)	(-)	(129,900.00)	(-)	(-)	(-)	(-)	(129,900.00)
BUILDINGS	**88,919.17**	**2,661.64**	**-**	**91,580.81**	**12,102.50**	**4,347.87**	**-**	**16,450.37**	**75,130.44**
	(104,598.41)	(23,561.93)	(39,241.17)	(88,919.17)	(12,915.30)	(3,358.71)	(4,171.51)	(12,102.50)	(76,816.67)
PLANT & EQUIPMENT	**25,575.03**	**105.70**	**-**	**25,680.73**	**8,001.43**	**2,237.01**	**-**	**10,238.44**	**15,442.29**
	(18,536.76)	(7,038.27)	(-)	(25,575.03)	(6,369.49)	(1,631.94)	(-)	(8,001.43)	(17,573.60)
FURN., FIX & APPLIANCE	**12,833.61**	**386.08**	**-**	**13,219.69**	**7,348.71**	**1,426.44**	**-**	**8,775.15**	**4,444.54**
	(11,091.73)	(1,741.88)	(-)	(12,833.61)	(5,535.64)	(1,813.07)	(-)	(7,348.71)	(5,484.90)
OFFICE EQUIPMENT	**317.21**	**-**	**-**	**317.21**	**167.69**	**31.25**	**-**	**198.94**	**118.27**
	(314.74)	(2.47)	(-)	(317.21)	(117.94)	(49.75)	(-)	(167.69)	(149.52)
VEHICLES	**69.62**	**11.03**	**7.26**	**73.39**	**54.95**	**5.32**	**5.56**	**54.71**	**18.68**
	(69.62)	(-)	(-)	(69.62)	(43.31)	(11.64)	(-)	(54.95)	(14.67)
TOTAL TANGIBLE ASSETS	**257,614.64**	**3,164.45**	**7.26**	**260,771.83**	**27,675.28**	**8,047.89**	**5.56**	**35,717.61**	**225,054.22**
	(264,511.26)	(32,344.55)	(39,241.17)	(257,614.64)	(24,981.68)	(6,865.11)	(4,171.51)	(27,675.28)	(229,939.36)
INTANGIBLE ASSETS									
SOFTWARE & LICENSEES	**3.06**	**2.99**	**-**	**6.05**	**3.06**	**0.94**	**-**	**4.00**	**2.05**
	(3.06)	(-)	(-)	(3.06)	(3.06)	(-)	(-)	(3.06)	**0.00**
TOTAL INTANGIBLE ASSETS	**3.06**	**2.99**	**-**	**6.05**	**3.06**	**0.94**	**-**	**4.00**	**2.05**
	(3.06)	(-)	(-)	(3.06)	(3.06)	(-)	(-)	**(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 lakh)

	Gross Block	Accumulated Depreciation	Net Block
Land	**503.75**	**-**	**503.75**
	(503.75)	(-)	(503.75)
Buildings	**64,710.31**	**12,559.41**	**52,150.90**
	(64,044.38)	(9,698.05)	(54,346.33)
Furniture & Fixtures	**2,311.21**	**1,529.78**	**781.43**
	(2,074.40)	(1,292.63)	(781.77)
Plant & Machinery	**46.24**	**19.02**	**27.22**
	(46.24)	(15.28)	(30.96)
Total	**67,571.51**	**14,108.21**	**53,463.30**
	(66,668.77)	(11,005.96)	(55,662.81)

4. Buildings include building constructed on Leasehold Land at Worli, Mumbai having a written down value of ₹ 56.62 lakh (Previous year ₹ 67.39 lakh), 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 of Goregaon had been revalued on 1st April, 1984, 30th June, 2006 and 31st March, 2012 on the basis of assessment of their market value. The company had 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 lakh)

	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 31.03.2016
Freehold Land (including FSI purchased)	117,537.12	-	-	-	117,537.12
Building	39,158.80	39,158.80	4,119.05	4,119.05	-
	156,695.92	39,158.80	4,119.05	4,119.05	117,537.12

(₹ in lakh)

	As at 31-Mar-16	As at 31-Mar-15
2.12 LONG TERM LOANS & ADVANCES		
(Unsecured - considered good, unless otherwise stated)		
Security deposit placed	**222.75**	212.79
Deposits with Excise & Income Tax	**21.15**	31.15
Prepaid expenses	**38.21**	6.09
Loan to officers of the company	**2.00**	2.00
MAT credit entitlement	**3,658.78**	2,190.61
	3,942.89	2,442.64
2.13 OTHER NON CURRENT ASSETS		
Unamortized expenses - marketing fees	**467.80**	669.14
Others (refer note no. 2.15)	**-**	30.00
	467.80	699.14
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.	**3.58**	-
Other Debts	**406.40**	299.16
	409.98	299.16

Of the above Trade Receivables of ₹ 398.55 lakh (previous year ₹ 289.58 lakh) are secured.

2.15 CASH & CASH EQUIVALENTS		
Balances with Bank in current account	**104.18**	723.63
Balance with Bank in deposit account	**200.00**	200.00
Balance with Bank in margin money	**14.48**	4.48
Balances with Bank in unpaid dividend account	**32.69**	18.00
	351.35	946.11

Margin Money with maturity of more than 12 months after the reporting date is shown under Note No. 2.13 amounting to ₹ Nil lakh (Previous year ₹ 30 lakh).

2.16 SHORT TERM LOANS & ADVANCES		
(Unsecured - considered good, unless otherwise stated)		
Advance Income Tax	**3,523.43**	2,489.67
Service Tax / Cenvat available	**198.61**	162.10
Advance to vendors	**3.23**	414.16
Prepaid expenses	**125.80**	93.31
	3,851.07	3,159.24
2.17 OTHER CURRENT ASSETS		
Unamortized expenses - marketing fees	**389.36**	442.90
Income receivable	**14.77**	15.16
Deferred premium on forward contract	**5.24**	8.43
	409.37	466.49

2.18 REVENUE FROM OPERATIONS			
Licence fees	25,184.43		20,965.41
Common Area Maintenance charges	3,255.65		2,626.84
Other operating income	445.55		305.39
		28,885.63	23,897.64
		28,885.63	23,897.64

(₹ in lakh)

	As at 31-Mar-16	As at 31-Mar-15
2.19 OTHER INCOME		
Interest income	**51.82**	25.07
Excess provision / liability written back (Net)	**14.19**	85.10
Miscellaneous receipts	**12.64**	49.12
Scrap sales	**21.20**	25.17
	99.85	184.46
2.20 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	**506.79**	379.63
Contribution to Provident Fund and other funds	**215.61**	211.83
Staff Welfare expenses	**45.09**	41.20
	767.49	632.66
2.21 FINANCE COST		
Interest expenses	**6,942.26**	7,321.83
Other Borrowing cost	**197.26**	142.83
Foreign exchange loss (net)	**85.81**	90.74
	7,225.33	7,555.40
2.22 OTHER OPERATING EXPENSES		
Stores and spares consumed	**2.04**	1.73
Power, fuel and water charges	**79.25**	104.75
Rent	**1.58**	1.43
Insurance	**84.60**	69.46
Rates and taxes	**1,005.71**	818.85
Directors' sitting fees	**16.80**	15.40
Legal and Professional expenses	**460.97**	448.75
Telephone expenses	**6.31**	6.57
Repairs and Maintenance expenses	**66.00**	95.87
Travelling expenses	**12.74**	25.53
Property Management Expenses	**3,285.91**	2,667.83
Marketing fees	**473.32**	401.18
Security expenses	**36.51**	30.98
Loss on sale of assets	**1.31**	-
Miscellaneous expenses	**245.17**	221.10
	5,778.22	4,909.43

2.23 EXCEPTIONAL ITEMS			
Exceptional income			
Property tax write back (Refer note c)	107.98		237.73
Sale of receivables (net) (Refer note d)	-		428.79
		107.98	666.52
Less : Exceptional expenses			
Excise duty & interest thereon (Refer note a)	347.12		-
Liquidated damages & interest thereon (Refer note b)	18.80		-
		365.92	-
		(257.94)	666.52

a) Excise duty of ₹ 110.53 lakh and interest thereon of ₹ 236.59 lakh based on the Supreme Court order received during the year in relation to manufacture of Nylon Tyrecord Yarn and Fabrics for the period April 1999 to June 2000.

b) Liquidated damages of ₹ 13.45 lakh and interest thereon of ₹ 5.35 lakh on delayed payment of Provident Fund dues for the period January 2000 to February 2007.

c) Property tax write back is for earlier years on account of assessment as per the Capital Value system.

d) Sale of receivables is with respect to sale of receivables of future license fees from licensees of the Nirlon House premises owned by the Company of ₹ 444.60 lakh, less expenses thereon of ₹ 15.81 lakh

(₹ in lakh)

	As at 31-Mar-16	As at 31-Mar-15
2.24 CURRENT TAX		
MAT provision	**1475.00**	1010.00
MAT credit entitlement	**(1475.00)**	(1010.00)
Income tax adjustment of earlier years	**(0.78)**	5.62
	(0.78)	5.62

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 ₹ 2,301.00 lakh (previous year ₹ 538.56 lakh).

b) Other commitments: # (₹ in lakh)

Forward Contracts outstanding as at	As at 31-Mar-16	As at 31-Mar-15
In USD	**7.75**	28.22
In Rupees	**540.82**	1,830.37

Excludes Commitment given to ex-employees.

2.26 CONTINGENT LIABILITIES

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

ii) Contingent liabilities not provided for :

Excise Duty	**146.25**	963.61
Service Tax	**821.88**	2,012.19
Income Tax	**55.33**	55.33
Value Added Tax	**35.40**	35.40

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 other expenses in Note 2.22):

Audit Fees	**7.00**	7.00
Taxation matters	**4.00**	2.33
Management and other services	**9.88**	7.40
Reimbursement of expenses	**0.51**	0.40
	21.39	17.13

(₹ in lakh)

	As at 31-Mar-16	As at 31-Mar-15
2.30 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF :		
Capital	**28.75**	1,670.99
Stores	**-**	10.99
	28.75	1,681.98
2.31 a) Expenditure In Foreign Currency :		
Professional fees *	**36.96**	99.08
Travelling expenses (Fully capitalized)	**-**	3.47
Buyers Credit interest *	**28.27**	23.22
	65.23	125.77

* of the above, professional fees capitalized ₹ 32.52 lakh (previous year ₹ 85.82 lakh), and Buyers credit interest capitalised ₹ Nil lakh (previous year ₹ 5.13 lakh).

b) Remittance Of Dividend In Foreign Currency :

	2015-16	2014-15
Total number of non resident shareholders	**4**	5
Total number of shares held by them	**3,692,804**	13,764,017
Dividend remitted for the year	**2014-15**	2013-14
Amount of dividend remitted Rs in lakh	**27.69**	103.23

2.32 VALUE OF STORES AND SPARES CONSUMED:

(₹ in lakh)

	2015-16		2014-15	
	Value	%	Value	%
Stores & Spare parts :				
Imported	**-**	**0.00%**	-	0.00%
Indigenous	**2.04**	**100.00%**	1.73	100.00%
	2.04	**100.00%**	1.73	100.00%

2.33 EARNINGS PER SHARE :

Particulars	2015-16	2014-15
1 Profit / (Loss) net of tax (₹ in lakh)	**4,356.64**	3,257.60
2 Weighted Average number of Equity Shares		
Weighted average number of equity shares for calculating Basic EPS	**90,083,040**	89,430,687
Add: Effect of Dilution - stock options granted under ESOP	**26,973**	27,186
Weighted average number of equity shares for calculating Diluted EPS	**90,110,013**	89,457,873
3 Earning per share before extra ordinary items (Basic)	**4.84**	3.64
4 Earning per share before extra ordinary items (Diluted)	**4.83**	3.64

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 LEASE & 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 lakh)

	31st March 2016	31st March 2015
The total of minimum license fee payments :		
Not more than one year	**9,067.44**	14,723.29
Not less than one year and not more than five years	**11,723.29**	14,271.20
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 ₹ 1.58 lakh (previous year ₹ 1.43 lakh.

2.36 EMPLOYEE BENEFITS

a) Gratuity (₹ in Lakh)

Defined benefits plan

		2015-16	2014-15
I	Change in Obligation during the year		
1	Present Value of Defined Benefit Obligation at beginning of the year	**129.37**	112.82
2	Current Service Cost	**6.85**	9.90
3	Past Service Cost	**-**	-
4	Interest Cost	**10.35**	9.02
5	Actuarial (Gains) / Losses	**(13.87)**	(2.37)
6	Benefits Paid	**-**	-
7	Present value of Defined Benefit Obligation at the end of the year.	**132.70**	129.37
II	Change in Assets during the year		
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	**-**	-
III	Net Asset / (Liability) recognized in the Balance Sheet at the end of the year.		
1	Present Value of Defined Benefits Obligation as at March	**132.70**	129.37
2	Fair value of plan assets	**-**	-
3	Fund status (Surplus / (Deficit))	**(132.70)**	(129.37)
4	Net Assets / (Liability) as at end of the year	**(132.70)**	(129.37)
IV	Expenses recognized in the statement of Profit & Loss for the year		
1	Current Service Cost	**6.85**	9.90
2	Interest Cost	**10.35**	9.02
3	Expected return on plan assets	**-**	-
4	Past Service Cost	**-**	-
4	Net Actuarial (Gains) / Losses	**(13.87)**	(2.37)
5	Total Expenses	**3.33**	16.55
	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	**7.51%**	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 actuarial valuation take into account inflation, seniority and other relevant factors.

Details of Current Annual period and Previous Annual periods

	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of Defined Benefits Obligation as at end of the year	**132.70**	129.37	112.82	97.58	81.34
Fair value of plan assets as at end of the year	**-**	-	-	-	-
Fund status (Surplus / (Deficit))	**(132.70)**	(129.37)	(112.82)	(97.58)	(81.34)
Net Assets / (Liability) as at end of the year	**(132.70)**	(129.37)	(112.82)	(97.58)	(81.34)

b) Contribution to Provident Fund and Other Funds charged to Statement of Profit & Loss stated under the Defined Contribution Plans is ₹ 190.26 lakh (previous year ₹ 194.17 lakh).

2.37 DISCLOSURE OF RELATED PARTIES / RELATED PARTY TRANSACTIONS :

The list of related parties are as stated below :

Name	Nature of relation
Mr. Rahul V. Sagar, Executive Director	Key Managerial Personnel
Mr. Kunal V. Sagar, Director	Key Managerial Personnel upto 25.9.2015 & brother of Mr. Rahul Sagar
Mrs. Mallika V. Advani	Sister of Mr. Kunal Sagar & Mr. Rahul Sagar
Mrs. Maneesha R. Bhat	Sister of Mr. Kunal Sagar & Mr. Rahul Sagar

Reco Berry Pvt. Ltd.	Holds 63.92% Shares in the Company
Nirlon Management Services Pvt. Ltd.	Owned by Mr. Kunal Sagar & Mr. Rahul Sagar & both are Directors in that Company

Related party transactions :

(₹ in Lakh)

	2015-16	2014-15
Mr. Kunal V. Sagar		
- Remuneration	113.59	153.84
- Gratuity	10.00	-
- Sitting fees	0.80	-
- Dividend paid	9.97	13.78
Mr. Rahul V. Sagar		
- Remuneration *	231.68	133.59
- Dividend paid	9.97	13.78
Mrs. Mallika V. Advani		
- Dividend paid	-	6.17
Mrs. Maneesha R. Bhat		
- Dividend paid	-	6.17
Reco Berry Pvt. Ltd.		
- Dividend paid	418.20	-

* Remuneration paid to Mr. Rahul Sagar includes ₹ 38.61 lakh for the month of February 2016 & March 2016 which is approved by the Board of Directors and is subject to approval of shareholders for re-appointment as Executive Director.

2.38 Borrowing cost capitalised during the year - ₹ 300.81 lakh (previous year ₹ 936.80 lakh).

2.39 Miscellaneous expenses under Note No 2.22 includes Foreign Exchange loss amounting to ₹ 28.16 lakh (previous year gain of ₹ 49.01 lakh included in the miscellaneous income.)

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 facilities.

(₹ in Lakh)

	2015-16	2014-15
Hedged		
Amount in USD in lakh	7.75	28.22
Amount in Rupees in lakh	540.82	1830.37

(b) Unhedged foreign currency exposure :

	2015-16	2014-15
Buyers credit		
Amount in USD in lakh	15.19	22.34
Amount in Rupees in lakh	1007.85	1398.33
Vendors		
Amount in USD in lakh	0.92	2.14
Amount in Rupees in lakh	60.94	134.13

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

Signatures to Notes 1 to 2.42

FOR AND ON BEHALF OF THE BOARD

MANISH B. PARIKH
Chief Financial Officer

J.K. BHAVSAR
Vice President (Legal) & Company Secretary

MOOSA RAZA
Chairman

RAHUL SAGAR
Executive Director

As per our report attached
For **N.M. RAIJI & CO.**
Chartered Accountants
(firm registration no 108296 W)

CA Y.N. THAKKAR
Partner
Membership No. 33329

Mumbai, 28th April, 2016

Directors
KUNAL SAGAR
RAMA VARMA
ARJAN GURBUXANI
ARUNA MAKHAN
KUNNASAGARAN CHINNIAH

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NIRLON LIMITED

CIN No.: L17120MH1958PLC011045

Regd Office: Pahadi Village, Off the Western Express Highway, Goregaon (East), Mumbai: 400 063
Tel. No.: + 91-022-4028 1919 / 2685 2257/58/59 • 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 57th Annual General Meeting of Nirlon Limited to be held on Tuesday, September 20, 2016 at 11.30 a.m. at the Registered office of the Company, Pahadi Village, Off the Western Express Highway, Goregaon (East), Mumbai 400 063.

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

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.

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 57th Annual General Meeting of the Company to be held on Tuesday, September 20, 2016 at 11.30 a.m. (IST) at the Registered office of the Company situate at Pahadi Village, Off the Western Express Highway, Goregaon (East), Mumbai 400 063, 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, 2016, Including The Statement of Profit And Loss for the year ended on that date, Audited Balance Sheet as at March 31, 2016, and the Reports of the Directors' and the Auditors thereon		
2	Declaration of dividend on equity shares for the Financial Year ended March 31, 2016		
3	Re-appointment of Mr. Kunal V. Sagar (DIN: 00388877), 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, 2017		
Special Business:			
5	Appointment of Mr. Kunnasagaran Chinniah (DIN 01590108) as a Director liable to retire by rotation		
6	Ratification of remuneration payable to M/s. Vinay Mulay & Co., 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, 2017		
7	Approval for the proposed Related Party Transaction / s		

Affix Revenue Stamp of ₹ 1/-

Signed this _____ day of _____2016

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.

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NIRLON LIMITED

CIN No. L17120MH1958PLC011045

Registered Office :

Pahadi Village, Off the Western Express Highway, Goregaon (East), Mumbai-400 063.
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Email : info@nirlonltd.com • **Website :** www.nirlonltd.com