



Nirlon Limited

CIN:L17120MH1958PLC011045

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September 20, 2022

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

Security Code: 500307

Dear Sirs,

Sub: Proceedings of the 63rd Annual General Meeting of the Company held on **Monday, September 19, 2022 at 12.00 noon (IST)** through Video Conference (**VC**) / Other Audio Visual Means (**OAVM**)

With reference to the above mentioned subject, we would like to, interalia, inform you of the following:

- 1** The 63rd AGM of the Company commenced at 12.00 noon (IST) as per the appointed day, date and time with requisite quorum as required.
- 2** All Directors of the Company, Company Secretary, Vice President (Legal) and Compliance Officer, CFO & V.P (Finance), V. P. (Business Development and Investor Relations) of Nirlon Management Services Pvt. Ltd., Statutory Auditors and the Scrutiniser were in attendance.
- 3** Forty eight (48) Members attended the 63rd AGM of the Company.
- 4** The Company Secretary welcomed shareholders to the virtual AGM and confirmed attendance of the following persons :
 - a.** Mr. Rajinder Pal Singh, Chairman, Ms. Anjali Seth, Mr. Sridhar Srinivasan, Mr. Kunna Sagar Chinniah, Mr. Kunal Sagar and Mr. Rahul Sagar, Directors of the Company,
 - b.** Mr. Manish Parikh - CFO & V.P. (Finance) of the Company,
 - c.** Mr. Ashish Bharadia - V. P. (Business Development and Investor

Relations) of Nirlon Management Services Pvt. Ltd.,

- d.** Mr. Abhishek Agarwal, Partner of S R B C & CO. LLP, Statutory Auditors of the Company, and
- e.** CS Alwyn D'souza, of Alwyn Jay & Co., Company Secretary in Practice who has been appointed as the Scrutinizer to scrutinize the e- voting at the AGM and the remote e-voting process.

The Company Secretary then further confirmed that:

- a.** The 63rd AGM of the Company is being conducted through audio-visual means, and complies with Regulation 44(6) of SEBI listing regulations, and is also in compliance with the concerned MCA and SEBI Circulars.
- b.** Proposed Resolutions will be put to vote only through e-voting, and hence the practice of proposing and seconding of Resolutions will not be followed.
- c.** During the proceedings of this Meeting, the participants would be on mute.
- d.** Since this AGM is being held virtually, the facility for appointment of proxies by the Members is not available. Members attending this AGM through audio-visual means shall be counted for the purpose of reckoning the quorum under Sec. 103 of the Companies Act 2013.
- e.** The 63rd Annual Report for the F.Y. 2021- 2022 comprising the Notice of the 63rd AGM, the Audited Financial Statements for the F.Y. 2021-2022, Report of the Directors' (along with all required Reports and Annexures) and the Auditor's Report have been sent through electronic mode to all Members who have registered their e-mail addresses with the Company, or their respective depository participants. The Notice calling the 63rd AGM is hence taken as read.
- f.** The Company has provided to its Members the facility of remote e-voting on Link Intime India Private Limited's platform which commenced on Thursday, September 15, 2022 at 9.00 a.m. (IST) and ended on Sunday, September 18, 2022 at 5.00 p.m. (IST). Pursuant to said e-voting facility, certain Members might have already exercised their vote between these dates.

Members who have still not voted on Resolutions may cast their votes during the AGM. The detailed process of e-voting is mentioned in the 63rd AGM notice.

E-voting is also open for 30 minutes from the time of closure of this Meeting.

- g.** The Independent Auditor's Report on the Audited Financial Statements of the Company do not contain any qualifications, and hence the same is not required to be read at the AGM.
 - h.** There are no qualifications, observations and adverse comments or remarks made by the Secretarial Auditor on the Secretarial Report.
 - i.** Once the e-voting is completed, the Scrutinizer will scrutinize the e-voting results and submit the final report of e-voting results within 48 hours to the Company Secretary. The results of the e-voting will be announced by uploading the same on the Company's website and sending it to the BSE Limited.
- 5** Thereafter, the Company Secretary requested Mr. Rajinder Pal Singh, Chairman, to call this meeting to order.
- 6** The Chairman called meeting to order, and on behalf of the Board of Directors of Nirlon Limited extended a warm welcome to all present at the 63rd Annual General Meeting of the Company.

Thereafter, the Chairman stated he is attending this Meeting from the Registered Office of the Company.

The Chairman then introduced all Directors present:

- i.** Mr. Rahul Sagar, Executive Director & CEO, attending this Meeting from the Registered Office of the Company and Mr. Kunal Sagar, Promoter Director, also attending this meeting from the Registered Office of the Company.
- ii.** Mr. Kunnasagaran Chinniah, Nominee Director of Reco Berry Pvt. Ltd., attending this meeting from Singapore.
- iii.** Ms. Anjali Seth, Independent & Non – Executive Director, Chairperson of the Shareholders Relationship Committee, attending this meeting from the Registered Office of the Company.
- iv.** Mr. Sridhar Srinivasan, Independent & Non-Executive Director, attending this meeting from the Registered Office of the Company. The Chairman thanked his colleagues on the Board of Directors and all Shareholders for their co-operation and support.

- 7 The Chairman then made his opening remarks, a summary of which are as below:

Macro Outlook:

Most economics in the world suffered contraction due to the pandemic.

The Ukraine war has caused an actuate food shortage and energy crisis which has impacted the western economics severely.

While the whole world is experiencing a kind of recession, the Indian economy, despite inflation is expected to perform reasonably well.

Demand for Commercial Real Estate in Suburban Mumbai:

Demand for commercial real estate in suburban Mumbai continues to be driven by the Information Technology (**IT**), especially the GIC/GCC operations of the Banking and Financial Services Industry (**BFSI**) sectors. This trend is likely to continue for the foreseeable future.

Demand for high quality, well planned and professionally managed commercial developments like NKP in the Company's micro market is estimated to remain steady.

In an encouraging development, as on date, the quantum of daily footfall in NKP has steadily increased to approx. 65% of pre pandemic levels. The Company estimates this trend will be maintained and/or gradually increase, as long as the Covid 19 situation continues to remain under control.

The Company's Operations:

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

During the Year under review, the Company continued to successfully license and manage the four (4) completed phases of Nirlon Knowledge Park (**NKP**), comprising approx. 29.83 lakh sq. ft. of constructed area, which corresponds to approx. 18.93 lakh sq. ft. of licensable area. Additionally, License Fees from Phase 5, comprising of approx. 11.60 lakh sq. ft. of licensable area (corresponding to approx. 17.80 lakh sq. ft. of constructed area) entirely licensed to J.P. Morgan Services India Pvt. Ltd. (**JPM**), are recognized in the Profit & Loss

Account w.e.f. December 15, 2021, i.e. the date of commencement of the License for Phase 5.

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

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

Loan Repayments:

The outstanding loan amounts as on March 31, 2022 aggregated Rs. 1179.86 Crore (**as per IGAAP**).

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

On May 02, 2022, the Company refinanced its entire HDFC debt by availing a loan of Rs. 1230.00 Crore as a Green Loan with a sub-limit of Rs. 80.00 crore by way of an Overdraft limit from The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**"), and paid all its dues of Rs. 1,179.86 Crore to HDFC on May 02, 2022. The rate of interest is reduced from 6.70 % to 6.10% p.a.

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

Profitability and Cash Flow:

The Year under review saw an increase in occupancy, as well an increase in Gross Income and Profitability. The increase in occupancy was helped by a reduction in Covid 19 related restrictions as compared to the previous year, which, among other macro factors, resulted in an improvement in demand. The increase in Gross Income and Profitability was driven by the recognition of JPM License Fees in the

Company's Profit & Loss Account from December 15, 2021, as well as from the License Fee escalations/renewals and higher occupancy levels during the F.Y. 2021- 2022.

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

In the context of the available free cash flows, the Board of Directors have decided to recommend a final dividend of Rs.11.00 per share (@ 110%) for the Year under review, in addition to the interim dividend of Rs.15.00 per share (@150%) already paid during the Year under review (as against the final dividend of Rs.8.00 per share in F.Y. 2020-2021).

Priorities:

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

- i.** To make every effort to renew licenses due for renewal and to license the currently vacant space at competitive rates at the earliest;
- ii.** To ensure the continued satisfaction of its licensees by maintaining and operating NKP to the highest possible standards, such that all five phases remain as fully occupied as possible;
- iii.** To ensure the ongoing scheduled servicing of its loans;
- iv.** To continue to work on making its ESG initiatives as meaningful as possible;
- v.** To continue to work on reducing its carbon footprint;
- vi.** To continue to proactively evaluate the impact of Covid 19 on the commercial office space market and the IT/ Financial Services/Banking Industries, in so far as the same could have an impact on the Company's business, and to implement mitigation strategies for the same. This evaluation includes the possible impact of the Work From Home (**WFH**) and flexible work space trends;

Covid 19:

Since the beginning of the Pandemic, the Management has worked continually to raise awareness, put in place and maintain

required processes, resources and infrastructure to best help ensure the safety of its occupants, employees, vendors, contractors etc.

As on date, almost all the Company's employees, their families, as well as its vendors and contractors continue to be fully vaccinated.

The Company is also in regular dialogue with its Licensees to support efforts to keep fully vaccinated Licensee Staff working from NKP.

Finally, the Chairman thanked all stakeholders for their continued support and faith in the Company, and wished them the best of health.

- 8** The Chairman then moved to the Q&A session of this Meeting. He mentioned that the answers to the questions posted/received will be given by Mr. Rahul Sagar and Mr. Kunal Sagar, after all the questions have been asked.

Mr. Kunal Sagar and Mr. Rahul Sagar answered the questions raised by the Speakers i.e. Mr. Yusuf Rangwala, Mr. Bharat Shah, Mrs. Smita Shah, Mr. Tushar Sodha, Mr. Sudhir Golecha Mr. Bimal Agarwal, Mr. Vinod Agarwal, Mrs. Lekha Shah and Mr. Ashok Jain.

- 9** Post the Q&A session, the Company Secretary mentioned that as there was no further business to transact, the meeting could be concluded, and proposed a vote of thanks to Shareholders, the Chairman, Directors and Auditors for their kind co-operation and support. Accordingly, the meeting was concluded at 12.43 p.m. (IST).

We request you to please note that we will be sending the results of the e-voting separately as per the Regulation 44 (3) of SEBI (LODR) Regulation, 2015, and the same will be displayed on the Company's website i.e. "www.nirlonltd.com".

We request you to take the same on record and acknowledge receipt of the letter.

Thanking you,
Yours faithfully,
For Nirlon Limited



Jasmin K. Bhavsar
Company Secretary & Vice President (Legal) & Compliance Officer
FCS 4178