



**NIRLON LIMITED**

**CIN: L17120MH1958PLC011045**

Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400063.

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

**Email:** [info@nirlonltd.com](mailto:info@nirlonltd.com) • **Website :** [www.nirlonltd.com](http://www.nirlonltd.com)

---

**September 15, 2023**

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

**Security Code: 500307**

**Dear Sirs,**

**Sub:** Proceedings of the 64<sup>th</sup> Annual General Meeting of the Company held on **Friday, September 15, 2023 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 64<sup>th</sup> 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), Statutory Auditors and the Scrutiniser were in attendance.
- 3** 65 (Sixty five) Members attended the 64<sup>th</sup> 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. Manish Jain , Sr. Manager of S R B C & CO. LLP, Statutory Auditors of the Company, and
  - d.** 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 64<sup>th</sup> 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 64<sup>th</sup> Annual Report for the F.Y. 2022-23 comprising the Notice of the 64<sup>th</sup> AGM, the Audited Financial Statements for the F.Y. 2022-23, 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 64<sup>th</sup> 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 Monday, September 11, 2023 at 9.00 a.m. (IST) and ended on Thursday, September 14, 2023 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 64<sup>th</sup> AGM notice.

E-voting is also open for 15 (fifteen) 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 64<sup>th</sup> Annual General Meeting of the Company.

Thereafter, the Chairman stated he is attending this Meeting from his residence at Gurugram.

The Chairman then introduced all Directors present:

- i.** Mr. Rahul Sagar, Executive Director & CEO, attending this Meeting from Mumbai and Mr. Kunal Sagar, Promoter Director, 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 Mumbai.
- iv.** Mr. Sridhar Srinivasan, Independent & Non-Executive Director, attending this meeting from Mumbai.

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-Economic Environment**

#### **i. Global :**

Global economic conditions will continue to increasingly have a bearing on real estate demand in India, and consequently Mumbai. The quantum of investments into India, and specifically Indian real

estate, are driven to a large extent by economic conditions and changing paradigms for commercial real estate in the developed world. The possibility of an extended inflationary cycle has still not entirely receded in many major economies, and remains concerning when combined with the continuing possibility of a recession in major economic regions. Central Banks continue to do a difficult balancing act required to address often conflicting priorities of how much and how often to raise interest rates and tighten monetary policy, amid inconsistent and fluctuating economic indicators.

**ii. In India:**

The year under review has seen increasingly strong demand for commercial real estate in India from institutional investors as well as end users. For institutional investors, this has been driven by the desire and need to be part of a market that has shown resilience post the Covid 19 pandemic, and offers the possibility for sustained growth over the medium to long term. Additionally, for end users, India's enormous domestic potential for growth, efficiencies of cost as compared to their home markets and the availability of the required talent pool continue to be significant attractions.

**iii. Demand for Commercial Real Estate in Suburban Mumbai:**

Demand for commercial real estate in suburban Mumbai continues to be driven by the Information Technology (**IT**), especially the global GIC/GCC sectors, and the multinational Banking and Financial sectors. With the large pool of qualified personnel and cost arbitrage available in India as compared to developed economies, this trend is likely to continue for the foreseeable future.

The demand for high quality, well planned ESG conscious and professionally managed commercial developments like NKP in your Company's micro market is estimated to remain steady.

**iv. The Company's Operations:**

A total of approx.47.63 lakh sq. ft. of construction has been completed in NKP comprising Phases 1-5.

During the Year under review, the Company continued to successfully license and manage all five phases of Nirlon Knowledge Park (**NKP**), which corresponds to approx. 30.58 lakh sq. ft. of licensable area.

License Fees from all five phases, including from Phase 5 comprising 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 for the entire year.

**a. Development of Phase 5:**

Phase 5 was completed and handed over to JPM on December 15, 2021, and License Fees are recognised in the Company's Profit & Loss Account from this date.

**b. Occupancy & Licensee Fee Renewals/ Escalations:**

During the Year under review, on the strength of increased demand for well located and managed Grade A Commercial Real Estate in established Indian metros, the Company has been successful in ensuring that as on March 31, 2023, in excess of 99.00% of licensable area in Phases 1 - 5 of NKP has remained licensed to predominantly institutional 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 limited amount of vacant space in NKP has seen reasonable traction, and as on 30<sup>th</sup> June 2023 in excess of 99.00% of the Company's licensable area was successfully licensed.

**c. Loan Repayments:**

The outstanding loan amounts as on March 31, 2023 aggregated to Rs.1,150.00 Crore (**as per IGAAP**). The Company's debt up to May 2, 2022 was provided by HDFC Limited ("**HDFC**"). On May 2, 2022, the Company refinanced its entire HDFC debt by availing a loan of Rs.1,230.00 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 2, 2022. The Company executed and registered a Mortgage Deed by creating a first and exclusive charge in favour of HSBC by mortgaging the Company's immovable property, i.e. land, buildings and structures standing on the Land, situate at Goregaon (East), Mumbai 400 063, as per the facilities documents executed by and between the Company and HSBC.

**This Loan facility rating has been reaffirmed by Crisil Rating as AA+/Stable.**

**d. Profitability and Cash Flow:**

The Year under review saw an increase in occupancy, as well as an increase in Gross Income and Profitability.

The increase in Gross Income and Profitability was driven by the recognition of JPM License Fees in the Company's Profit & Loss Account for the entire F.Y. for the first time, as well as from the License Fee escalations, renewals (for the most part at improved terms) and higher occupancy levels during the F.Y. 2022-23.

The Company's profit before tax during the Year under review increased from Rs.190.05 Crore to Rs.232.53 Crore when compared to the previous year (**as per Ind AS**).

The Company continued to generate strong and improved free cash flows during the Year under review after accounting for all expenses including payment of interest to its lender.

In the context of the available free cash flows, improved profitability levels, close to full occupancy levels, the successful Licensing of the Phase 5 development and payment of majority of Phase 5 costs, after suitable deliberation, the Board of Directors have recommended for Shareholder's consideration 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.

**e. Priorities:**

Key priorities for the Company during the F.Y. 2023- 24 are as follows:

- i.** To make every effort to renew licenses due for renewal and to license the currently vacant space at competitive rates at the earliest;
- ii.** To ensure the continued satisfaction of its licensees by maintaining and operating NKP to the highest possible standards, such that all 5 phases remain as fully occupied as possible;
- iii.** To ensure the ongoing scheduled servicing of its loans;
- iv.** To continue to work on making its ESG initiatives as meaningful as possible;
- v.** To obtain a Leed Zero Water Certification and a TRUE Certification for Zero Waste, as well as to continue to work on reducing its carbon footprint, increasing the share of its electrical power sourced from renewables and further improving the efficiencies in its water consumption;
- vi.** To continue to proactively identify and evaluate the emerging trends/paradigms in 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; and
- vii.** To make every effort to keep its Licensees, employees and everyone who works at its locations as safe as possible from any pandemic like circumstances, by continuing to follow processes and awareness measures already implemented, as may be required.

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. Tushar Sodha, Mr. Bharat Shah, Mrs. Smita Shah, Mrs. Celestine Mascarenhas, Mr. Aloysius Mascarenhas, Mrs. Lekha Shah, Mr. Rajendra Jamnadas Sheth, Mr. Sharadkumar Jivraj Shah, Mr. Dilip Ashok Jain, Mr. Sudhir Golecha, Mr. Satinder Singh Bedi and Mr. Yusuf Rangwala.

- 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 12.58 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](http://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