

INVESTOR RELEASE: Earnings Release for Q1-FY2022



For Immediate Release

NILA Infrastructures Ltd announces unaudited financial results for Q1-FY2022

Ahmedabad, August 14, 2021: The Board of Directors of Nila Infrastructures Ltd (BSE: 530377/NILA; NSE: NILAINFRA) at its meeting held at Ahmedabad on August 14, 2021, approved the Unaudited Financial Results for the quarter ended on June 30, 2021.

Standalone Financials at a Glance:

₹ in millions ¹	June 30, 2021	June 30, 2020	Growth (%)
Total Revenue	231.0	90.5	155%
EBIDTA	21.4	-ve30.7	70%
PAT	2.4	-ve36.5	107%

Confirmed Unexecuted Order Book at June 30, 2021: ₹ 5,410.9 million

Standalone Financial highlights for the quarter ended on June 30, 2022:

- During Q1-FY2022, the total revenue of the Company was ₹ 231.0 million i.e. higher by ₹ 140.5 million to Q1-FY2021's ₹ 90.5 million, while it was ₹ 384.2 million during Q4-FY2021. Profitability at EBIDTA level has also been restated to a large extent to ₹ 21.4 million i.e. higher by ₹ 52.1 million to Q1-FY2021's ₹ -30.7 million. The Company reported a profit of ₹ 2.4 million i.e. higher by ₹ 38.9 million to Q1-FY2021's ₹ -36.5 million.
- At June 30, 2021, the Standalone Network of the Company was ₹ 1,441.7 million and Standalone Gross Debt was ₹ 1,424.5 million, while the Cash and Bank Balances on the standalone basis was ₹ 61.2 million. The Net debt to Network computes 0.95x.

Consolidated Financial highlights for the quarter ended on June 30, 2022:

- During Q1-FY2022, the total consolidated revenue was ₹ 169.2 million i.e. higher by ₹ 81.4 million to Q1-FY2021's ₹ 87.8 million, while it was ₹ 386.4 million during Q4-FY2021. Profitability at EBIDTA level has also been restated to a large extent to ₹ 19.0 million i.e. higher by ₹ 49.8 million to Q1-FY2021's ₹ -30.8 million. The profit reported was ₹ -6.0 million i.e. higher by ₹ 34.4 million to Q1-FY2021's ₹ -40.4 million.

¹1 million = 10 lakh

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Commenting at this juncture **Mr. Deep Vadodaria, Chief Operating Officer** said:

“The global economy has since been recovering due to a series of stimulus packages driven by positive policy support, and progressive vaccination leading to improvement in sentiments. Meanwhile, Indian markets were adversely impacted again during Q1-FY2022 due to the 2nd wave of COVID-19 pandemic. It once again impacted our operations during the first two (2) months of Q1-FY2022 wherein availability of labourers and raw-materials were constrained. However, our financial performance for Q1-FY2022 is exceptionally strong as compared to Q1-FY2021 mainly due to lower-base effect. The EBITDA margin is almost back to normal levels, while the impact of rising spreads are expected to positively benefit in the coming quarters if there are no further waves/aftershocks stemming from the COVID-19 pandemic. The positive and encouraging result coupled with a healthy order book and execution visibility, indicates a reasonable potential in FY2022. It gives us sufficient confidence to restore normalcy and resume the growth by timely execution of Projects – especially the PPP projects will drive product mix enrichment and expansion of margin, strengthening our financials. We have since gained proprietary technical knowhow by satisfactorily completing four (4) Slum Rehabilitation and Redevelopment Projects at Ahmedabad - improving lives of about 1,700 slum-dwelling families. The Company is keeping an active watch on the latest developments and is recalibrating its execution strategies by building greater differentiation, accelerating growth and increasing shareholder value.”

Order-book:

At June 30, 2021 the Company has a confirmed executable order-book of ₹ 5,410.9 million. The summary is furnished further.

(₹ in millions)

Activity	Gujarat			Rajasthan			Total A+B	%
	GoG	PWL/Misc.	Total (A)	GoR	EPIL	Total (B)		
Affordable Housing	3,731.8	-	3,731.8	1,049.0	-	1,049.0	4,762.8	88%
<i>EPC</i>	7.5	-	7.5	1,049.0	-	1,049.0	1,056.5	19%
<i>PPP</i>	3,706.3	-	3,706.3	-	-	-	3,706.3	69%
Civic Urban Infra (EPC)	-	648.1	648.1	-	-	-	648.1	12%
Total	3,731.8	648.1	4,361.9	1,049.0	-	1,049.0	5,410.9*	
%	69%	12%	81%	19%	0%	19%		100%

In line with ethos of the good corporate governance, ethical practices, fairness, and transparency; the confirmed-unexecuted Order-book at 1-Jul-2021 is prudently reduced and/or realigned to depict the factual revenue potential. The book-to-bill ratio is not comparable at this point in time.

The Company's order-book is quite balanced with a focus on its core competence of “Affordable Housing” with 88% orders (₹ 4,762.8 million); while for de-risking 12% is from other Civic Urban Infrastructure projects (e.g. bus-ports). High-margin PPP is the major tributary with 69% orders (₹ 3,706.3 million). Geographically, the state of Gujarat accounts for 81% orders (₹ 4,361.9 million), and Principalwise government entities account for 88% (₹ 4,762.8 million). The major Government clientele

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comprise Ahmedabad Municipal Corporation (AMC), Government of Rajasthan. Overall, the Company is executing construction of 7,184 units of affordable housing.

Summary Profit and Loss Statement (Standalone) (as per Indian Accounting Standards (Ind-AS)):

(₹ in millions)

Particulars	Q1-FY2022	Q4-FY2021	Q-on-Q	Q1-FY2021	Y-on-Y	FY2021
	Unaudited	Audited		Unaudited		Audited
TOI (A)	203.1	370.2	-167.1	65.5	137.6	1,011.2
Add: Other income (B)	27.9	14.0	13.9	25.0	2.9	99.9
Total Income (A + B)	231.0	384.2	-153.2	90.5	140.5	1,111.1
Less:						
<i>Operating expense</i>	<i>181.7</i>	<i>281.0</i>	<i>-99.3</i>	<i>96.2</i>	<i>84.8</i>	<i>917.3</i>
<i>Depreciation</i>	<i>4.7</i>	<i>4.5</i>	<i>0.2</i>	<i>4.4</i>	<i>0.3</i>	<i>17.8</i>
<i>Finance cost</i>	<i>40.8</i>	<i>39.6</i>	<i>1.2</i>	<i>38.5</i>	<i>2.3</i>	<i>160.9</i>
= Profit Before Tax (PBT)	3.8	59.0	-55.2	-48.6	52.4	11.7
Less: Tax	1.4	15.7	-14.2	-12.1	13.5	6.8
= Profit After Tax (PAT)	2.4	43.4	-41.0	-36.5	38.9	4.9

Note: The figures for the corresponding periods have been restated, reclassified, regrouped and rearranged wherever necessary.

Operating review for FY2020 (Standalone):

- The profitability at EBIDTA level increased mainly due to the lower-base in Q1-FY2021.
- The project/operations cost and other costs increased with a few projects being in preliminary stage.
- The depreciation and amortisation expense increased due to additional depreciation towards fresh fixed assets.
- The Company successfully renegotiated the RoI with the lenders for existing as well as fresh debt and has marginally lowered the average rate of interest. While, higher utilisation of fund-based limits has accordingly increased the Finance Cost.
- The overall increment in income improved the profitability.
- None of the Bank Guarantees submitted by the Company has ever been invoked by any Principal/Client.

External credit rating:

Brickwork Ratings India Pvt Ltd

March 19, 2021

“BBB+” (Stable) and “A2”

Reaffirmed the bank loan rating of the Company.

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Summary Profit and Loss Statement (Consolidated) (as per Indian Accounting Standards (Ind-AS)):

(₹ in millions)

Particulars	Q1-FY2022	Q4-FY2021	Q-on-Q	Q1-FY2021	Y-on-Y	FY2021
	Unaudited	Audited		Unaudited		Audited
TOI (A)	145.7	372.3	226.6	65.1	80.6	968.5
Other income (B)	23.5	14.1	9.4	22.6	0.8	91.1
Total Income (A + B)	169.2	386.4	-217.2	87.8	81.4	1,059.6
Less:						
<i>Operating expense</i>	126.7	280.9	-154.4	95.9	30.8	871.5
<i>Depreciation</i>	4.7	4.5	0.2	4.4	0.3	17.8
<i>Finance cost</i>	40.6	39.6	0.9	38.5	20.0	160.9
= Profit Before <i>share in profit of JV, associates</i>	-2.8	61.4	-64.1	-51.1	48.3	9.4
Less: Tax	-0.7	15.7	-16.4	-12.7	12.0	3.9
<i>Add: Share in profit of JV & associates (net of tax)</i>	-4.0	0.8	-4.8	-2.1	-1.9	-12.0
= Profit After Tax (PAT)	-6.0	46.5	-52.5	-40.4	34.4	-6.5

Note: The figures for the corresponding periods have been restated, reclassified, regrouped and rearranged wherever necessary.

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Safe harbor Statement

All financial and other information in this release, other than financial and other information for specific subsidiaries/JVs/Associate where specifically mentioned, is on an unconsolidated basis for Nila Infrastructures Limited only unless specifically stated to be on a consolidated basis for Nila Infrastructures Limited and its subsidiaries/JVs/Associate. Please also refer to the statement of unaudited unconsolidated results required by Indian regulations that has, along with this release, been filed with the stock exchanges where Nila Infrastructures Limited's equity shares are listed, and is available on our website www.nilainfra.com

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'expected to', etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in demand for real estate, infrastructure, etc. construction and other construction activities and services in the geographies that we operate or where a material number of our customers reside, our ability to successfully implement our strategy, including our selecting apt Project, getting possession of site within stipulated time, executing the Project as per stipulated schedule, employing and deploying sufficient skilled/unskilled manpower, and manage the risks associated with timely sales and collection to achieve our strategic and financial objectives, our ability to manage the increased complexity of the risks we face following our rapid growth, future levels of profit margins, our growth and expansion in affordable housing and other urban infrastructure related sectors, the adequacy of our allowance for low-margin infrastructure business, technological changes, our ability to get into new markets, cash flow projections, the outcome of any legal, tax or regulatory proceedings against us or we become a party to, the future impact of new accounting standards, our ability to implement our dividend policy, the impact of changes in real-estate/infrastructure related regulations and other regulatory changes on us, the capital market and bank credit leniency and availability of liquidity amongst the investor community in these markets, the nature or level of profit margins, cost escalations from time to time, availability of raw materials e.g. cement, steel, etc., including the possibility of increasing rates of raw materials, our ability to roll over our short-term funding sources and our exposure to credit, market and liquidity risks as well as other risks that are detailed in the reports filed by us with the statutory authorities. Nila Infrastructures Ltd undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. This release does not constitute an offer of securities.

About Nila Infrastructures Limited

Incorporated in the year 1990, Nila Infrastructures Limited (the "Company") has been promoted by first-generation promoters, Mr. Manoj B. Vadodaria and Mr. Kiran B. Vadodaria. The Company is a well-established player in developing Civic Urban Infrastructure Projects on EPC, Turnkey, PPP Mode, as well as Private White Label Construction and Industrial Infrastructure Projects. The Company is registered as Special Category-I Buildings Class and pre-approved contractor with various civic bodies as well as established corporate real estate players. The Quality Management System of the Company is assuredly ISO 9001:2015 accredited. The Company has notable presence in Gujarat and Rajasthan. The major clientele includes Ahmedabad Municipal Corporation (AMC), Ahmedabad Urban Development Authority (AUDA), Government of Rajasthan, EPIL (a Mini-Ratna Company of GoI), Adani Group, etc. The Company possesses an excellent track record of consistent profitability, dividend distribution and has accumulated strong capital reserve base. To know more, please visit www.nilainfra.com

For more Information please contact:

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