

INVESTOR RELEASE: Earnings Release for Q4-FY2021 & FY2021



For Immediate Release

NILA Infrastructures Ltd announces audited financial results for Q4-FY2021 and FY2021

Ahmedabad, June 21, 2021: The Board of Directors of Nila Infrastructures Ltd (BSE: 530377/NILA; NSE: NILAINFRA) at its meeting held at Ahmedabad on June 19, 2021, approved the Audited Financial Results for the quarter and year ended on March 31, 2021.

The Company is engaged in construction of Civic Urban Infrastructure that the government had ordered for lockdown, right from the first phase (i.e. March 25, 2020), in order to contain the spread of COVID-19 pandemic. Consequently, operations of the Company were ceased during H1-FY2021, while it faced certain constraints in availability of: (i) labourers and (ii) clear-working-days due to heavy monsoon during Q2-FY2021. These have affected the financials of the Company, however from Q2-FY2021 the Company has attained recovery in operations to a reasonable extent. The Company is keeping an active watch on the latest developments and is recalibrating its execution strategies accordingly.

Standalone Financial highlights for the quarter and year ended on March 31, 2021:

- During Q4-FY2021, the total revenue of the Company was ₹ 384.2 million i.e. higher by ₹ 6.4 million to Q3-FY2021's revenue of ₹ 377.7 million. Profitability at EBIDTA level has also improved to a large extent to ₹ 89.2 million i.e. higher by ₹ 49.9 million compared to Q3-FY2021's EBITDA of ₹ 39.3 million. The Company reported a profit of ₹ 43.4 million i.e. higher by ₹ 24.1 million compared to Q3-FY2021's profit of ₹ 19.3 million.
- For FY2021, the total revenue of the Company was ₹ 1,111.1 million compared to ₹ 2,633.3 million in FY2020. The EBIDTA for FY2021 was ₹ 94.0 million which also negated the effect of loss reported in H1-FY2021 and the Company was able to report a marginal profit of ₹ 4.9 million for FY2021.
- As on March 31, 2021, the Standalone Networth of the Company was ₹ 1,439.1 million and Standalone Gross Debt was ₹ 1,454.5 million, while the Cash and Bank Balances on the standalone basis was ₹ 189.4 million. The Net debt to Networth computes to 0.88x.

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

"We are glad to demonstrate resilience to counter the impact of the COVID-19 induced disorder, which constrained our financials during H1-FY2021. The Company could generate limited revenues during FY2021 mainly as H1-FY2021 was lackluster while the Second-wave broke in Q4-FY2021. Meanwhile, certain running projects had attained completion-stage, while the fresh orders were in planning phase and hence, could not contribute much to the revenue."

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Looking ahead, the Social Housing segment is set to chart a new chapter of growth, fueled by affordability, reinforced desire to own a house and renewed interest from all stakeholders. During Q4-FY2021, we have added four (4) meaningful and strategic orders aggregating ₹587.7 million to construct EWS flats at Jaipur for Jaipur Development Authority (JDA). These would provide for 1,192 flats in approx. 30 months. We believe our satisfactory engagement in Civic Urban Infrastructure segments, adherence to stipulated cost, quality and timeline put us in a good position to capture plentiful growth opportunities.

With the nationwide vaccinations drive gaining momentum, we believe this would ensure sufficient and constant availability of healthy manpower. The improving sentiment with the reopening of the economy, especially in Gujarat, is providing requisite impetus to further the economic growth. A series of stimulus packages by the government is also catalyzing the economic activities. These trends shall also reflect in our business and results. We now look forward to a resilient FY2022.”

Order-book:

At March 31, 2021 the Company has confirmed and practically executable order-book of ₹ 5,558.4 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	3,735.9	17.4	3,753.3	1,095.7	-	1,095.7	4,849.0	87%
Civic Urban Infra (EPC)	-	709.4	709.4	-	-	-	709.4	13%
Total	3,735.9	726.8	4,462.7	1,095.7	-	1,095.7	5,558.4	
%	67%	13%	80%	20%	0%	20%		100%

In line with ethos of the good corporate governance, ethical practices, fairness, and transparency; the confirmed-unexecuted Order-book at 1-Apr-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 87% orders (₹ 4,849.0 million); while for de-risking 13% is from other Civic Urban Infrastructure projects (e.g. bus-ports). High-margin PPP is the major tributary with 67% orders (₹ 3,726.4 million). Geographically, the state of Gujarat accounts for 80% orders (₹ 4,462.7 million), and Principal wise government entities account for 87% (₹ 4,831.6 million). The major Government clientele comprise Ahmedabad Municipal Corporation (AMC), Government of Rajasthan. Overall, the Company is executing construction of 8,778 units of affordable housing.

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

(₹ in millions)

Particulars	Q4-FY2021	Q3-FY2021	Q-on-Q	Q4-FY2020	Y-on-Y	FY2021	FY2020	Y-on-Y
	Audited	Unaudited		Unaudited		Audited	Audited	
TOI (A)	370.2	340.7	29.5	848.1	-477.9	1,011.2	2,509.9	-1,498.7
Add: Other income (B)	14.0	37.0	-23.0	39.9	-26.0	99.9	123.4	-23.5
Total Income (A + B)	384.2	377.7	6.4	888.0	-503.9	1,111.1	2,633.3	-1,522.1
Less:								
Operating expense	281.0	301.4	-20.4	799.8	-518.8	920.7	2,223.1	-1,302.4
Depreciation	4.5	4.5	0.0	4.8	-0.3	17.8	17.5	0.3
Finance cost	39.6	42.3	-2.7	45.8	-6.2	160.9	169.0	-8.2
= Profit Before Tax (PBT)	59.0	29.5	29.5	37.7	21.4	11.7	223.7	-211.9
Less: Tax	15.7	10.2	5.4	10.1	5.6	6.8	47.4	-40.6
= Profit After Tax (PAT)	43.4	19.3	24.1	27.6	15.8	4.9	176.3	-171.4

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

Operating review for FY2021 (Standalone):

- The profitability at EBIDTA level has reduced mainly due to reduction in operational efficiency on back of change in revenue-mix i.e. higher contribution from low-margin projects.
- The project/operations cost and other costs have increased with a few projects being in preliminary stage.
- The employee cost has reduced due to reduction in overall employee base.
- The depreciation and amortisation expense has increased, while net-block of PPE has increased mainly on back of fresh purchase of a building.
- The Company has successfully re-negotiated the RoI with the lenders for existing as well as fresh debt and has lowered the finance cost.
- The overall reduction in income has constrained PBT, which has been offset at PAT level mainly due to lower income tax amount. The net tax payable for FY2021 is reduced mainly owing to reduction in overall reduction in income.
- None of the Bank Guarantees submitted by the Company has ever been invoked by any Principal/Client.

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Summary Balance Sheet (Standalone) (as per Indian Accounting Standards (Ind-AS)):

(₹ in millions)

Particulars	31-Mar-2021 (Audited)	31-Mar-2020 (Audited)
Capital & Liabilities:		
Equity	393.9	393.9
Other Equity	1,045.2	1,039.4
Borrowings	1,454.5	1,194.8
Provisions	18.2	17.5
Trade Payable	484.4	463.1
Tax Liabilities	75.6	84.3
Other Liabilities	181.7	288.4
Total Capital & Liabilities	3,653.4	3,481.3
Assets:		
Property, plant and equipment	382.2	306.4
Inventories	289.0	352.0
Investments	179.4	154.4
Loans	899.1	808.4
Trade Receivables	650.4	683.3
Other Financial Assets	21.9	77.2
Cash & Bank Balance	189.4	62.6
Other Assets	1,042.0	1,037.0
Total Assets	3,653.4	3,481.3

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

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	Q4-FY2021	Q3-FY2021	Q-on-Q	Q4-FY2020	Y-on-Y	FY2021	FY2020	Y-on-Y
	Audited	Unaudited		Unaudited		Audited	Audited	
TOI (A)	372.3	295.9	76.4	820.6	133.9	968.5	2,435.4	-1,466.9
Other income (B)	14.1	32.3	-18.1	40.5	30.9	91.1	116.1	-25.0
Total Income (A + B)	386.4	328.2	58.2	861.1	164.8	1,059.6	2,551.5	-1,491.9
Less:								
Operating expense	280.9	252.6	28.3	769.5	186.2	871.5	2,150.1	-1,278.6
Depreciation	4.5	4.5	0.0	4.8	-0.2	17.8	17.5	0.3
Finance cost	39.6	42.3	-2.7	45.8	17.4	160.9	169.0	-8.1
= Profit Before Tax	61.4	28.7	32.6	41.0	-51.4	9.4	214.9	-205.5
Less: Tax	15.7	8.3	7.4	10.1	-16.4	3.9	47.7	-43.8
PB share in profit of JV, associates	45.7	20.5	25.2	30.9	-38.6	5.5	167.2	-161.7
Add: Share in profit of JV & associates (net of tax)	0.8	-4.4	5.2	-10.6	-12.8	-12.0	-2.3	-9.7
= Profit After Tax (PAT)	46.5	16.1	30.4	20.3	26.2	-6.5	164.9	-171.4

Summary Balance Sheet (Consolidated) (as per Indian Accounting Standards (Ind-AS)):

(₹ in millions)

Capital & Liabilities:	31-Mar-2020 (Audited)	31-Mar-2019 (Audited)
Equity	393.9	393.9
Other Equity	955.7	961.3
Borrowings	1,454.5	1,194.8
Provisions	18.2	17.5
Trade Payable	484.5	463.1
Tax Liabilities	41.0	52.7
Other Liabilities	290.0	365.0
Total Capital & Liabilities	3,637.8	3,448.2
Assets:		
Fixed Assets	382.2	306.4
Inventories	471.6	485.0
Investments	74.4	61.4
Loans	782.2	759.8
Trade Receivables	650.4	641.2
Other Financial Assets	25.9	81.0
Cash & Bank Balance	189.9	62.7
Other Assets	1,048.1	1,041.9
Other Tax Assets	13.0	8.7
Total Assets	3,637.8	3,448.2

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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