

INVESTOR RELEASE: Earnings Release for Q4-FY2020 & FY2020



For Immediate Release

Q4-FY2020 – Standalone:

Revenue growth of 39% | EBITDA Margin 5.70% | PAT margin 3.11%

FY2020 – Standalone:

Revenue growth of 12% | EBITDA Margin 11.43% | PAT margin 6.69%

Standalone Financials at a glance:

₹ in millions ¹	Q4-FY2020	Q4-FY2019	Y-o-Y		FY2020	FY2019	Y-o-Y
Total Revenue	888.0	760.2	17%		2,633.3	2,340.8	12%
EBIDTA	48.3	121.1	-11%		286.8	379.3	-24%
PAT	27.6	74.0	-63%		176.3	221.7	-21%
Confirmed Unexecuted Order Book at March 31, 2020: ₹ 5,345.1 million							

Ahmedabad, June 30, 2020: The Board of Directors of Nila Infrastructures Ltd (BSE: 530377/NILA; NSE: NILAINFRA) at its meeting held at Ahmedabad on June 29, 2020, approved the Unaudited Financial Results for the quarter and year ended March 31, 2020.

Standalone Financial highlights for period ended March 31, 2020:

- **Q4-FY2020:** Standalone Revenue of the Company increased by 17% to ₹ 888.0 million from ₹ 760.2 million as compared to the corresponding period of the previous year. On the profitability front, the EBIDTA for Q4-FY2020 has witnessed decline by 11% i.e. from ₹ 121.1 million to ₹ 48.3 million with an EBITDA margin of 5.70% in Q4-FY2020. The Profit after Tax is ₹ 27.6 million i.e. 3.11%.
- **FY2020:** Standalone Revenue of the Company increased by 12% to ₹ 2,633.3 million from ₹ 2,340.8 million as compared to the corresponding period of the previous year. On the profitability front, the EBIDTA for FY2020 has witnessed decline by 24% i.e. from ₹ 379.3 million to ₹ 286.8 million with an EBITDA margin of 11.43% in FY2020. The Profit after Tax is ₹ 176.3 million i.e. 6.69%.
- At March 31, 2020, the Standalone Networth of the Company is ₹ 1,433.2 million and Standalone Gross Debt is ₹ 1,194.8 million, while the Cash and Bank Balances on the standalone basis is ₹ 62.6 million. The Net debt to Net worth computes 0.79x.

¹ 1 million = 10 lakh

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

"We are glad to share that the Company has booked its historically highest quarterly revenue during Q4-FY2020. The icing - it is equally true for the financial year, too. While we have since redefined the unique dynamics of redevelopment on PPP basis (e.g. slum/bus-port), our successful delivery of landmark projects (e.g. Medical College Campus) has significantly boosted our Brand Equity. This financial year the revenue contribution has been relatively equal amongst both the segments i.e. Affordable Housing and Civic Urban Infrastructure. During FY2020, while the Company has reasonably grown, product-mix and maturity-stage of certain projects have been unable to offer analogous profitability. We genuinely believe there are endless possibilities in our prominent business and eagerly look forward to contribute meaningfully. We have already initiated steps to recalibrate and accordingly, staying focused for a novel FY2021."

Order-book:

At March 31, 2020 the Company has confirmed and practically executable order-book of ₹ 5,345.1 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	2,482.7	257.5	2,740.3	529.3	-	529.3	3,269.6	61%
Civic Urban Infra (EPC)	965.4	1,096.4	2,061.7	-	13.8	13.8	2,075.5	39%
Total	3,448.1	1,353.9	4,802.0	529.3	13.8	543.1	5,345.1*	
%	64.5%	25.3%	89.8%	9.9%	0.3%	10.2%		100%

*Note: Post effecting the below accounts:

1. During the Q3-FY2020, orders worth ₹ 44.7 million (e.g. DK Patel Hall for AMC) were completed below the stipulated amount, and therefore the Order-book is meaningfully reduced by that extent.
2. On 31.03.2017, the Company had entered into a construction contract with M/s Vivyan Infraprojects LLP ("Vivyan") for construction and implementation of slum rehabilitation project at Ramapir No Tekro, Juna Wadaj, Ahmedabad for an amount of ₹ 1,316.7 million. The ambitious project involves construction of approximately 8.0 million sq ft and with execution period of 24 months. However, as Vivyan has not got possession of the project site from the local civic body, the project is yet to commence. Hence, the Company has not been able to initiate execution towards evident satisfaction of the said Contract. Resultantly, the Board has prudently decided to terminate the same with immediate effect, and therefore the Order-book is meaningfully reduced by that extent.
3. On 07.03.2019, the Company had received a work-order pertaining to EPC contract of ₹ 577.8 million from Ahmedabad Urban Development Authority (AUDA). The project envisaged overall construction of approximately 219,800 sq. ft. carpet area for total 546 EWS (Cat.-II) flats with ~402 sq. ft. super built-up area each, along with common amenities, infrastructure & development works of the entire site, electrification, and Supply, Installation, Testing and

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Commissioning (SITC) of Roof Top Solar PV System. The execution period was stipulated as 30 months. However, as the project site is involved in certain legal issues (not attributable to us), the project could not commence. Hence, the Company could not initiate execution towards evident satisfaction of the said work-order. Resultantly, it has been prudently decided to terminate the same and therefore the Order-book is meaningfully reduced by that extent.

4. *The Company had received a couple of civil construction contracts for Adani Group aggregating ₹ 1,036.3 million. All these contracts have either been completed and/or have been handed over at certain stage to Adani Group as per their requirement. Resultantly, the Order-book is meaningfully reduced by that extent.*

The Company's order-book is quite balanced with a focus on its core competence of "Affordable Housing" with 61% orders (₹ 3,269.6 million); while for de-risking 39% is from other Civic Urban Infrastructure projects (e.g. bus-ports, vegetable market, Industrial and Logistics). EPC is the major tributary with 54% orders (₹ 2,909.3 million). Geographically, the state of Gujarat accounts for 90% orders (₹ 4,802.0 million), and Principalwise government entities account for 75% (₹ 3,991.1 million). The major Government clientele comprise Ahmedabad Municipal Corporation (AMC), Government of Rajasthan. Overall, the Company is executing construction of 7,729 units of affordable housing.

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

(₹ in millions)

Particulars	Q4-FY2020	Q3-FY2020	Q-on-Q	Q4-FY2019	Y-on-Y	FY2020	FY2019	Y-on-Y
	Audited	Unaudited		Unaudited		Audited	Audited	
TOI (A)	848.1	608.5	239.6	739.5	108.6	2,509.9	2,258.0	251.9
Add: Other income (B)	39.9	30.9	9	20.7	19.2	123.4	82.8	40.6
Total Income (A + B)	888.0	639.3	248.7	760.2	127.8	2,633.3	2,340.8	292.5
Less:					0			
<i>Operating expense</i>	799.7	524.8	274.9	618.3	181.4	2,223.1	1,878.6	344.5
<i>Depreciation</i>	4.8	4.1	0.7	5.0	-0.2	17.5	18.6	-1.1
<i>Finance cost</i>	45.8	39.5	6.3	28.4	17.4	169.0	129.9	39.1
= Profit Before Tax (PBT)	37.7	70.9	-33.2	108.5	-70.8	223.7	313.7	-90
Less: Tax	10.1	19.3	-9.2	34.5	-24.4	47.4	92.0	-44.6
= Profit After Tax (PAT)	27.6	51.6	-24	74.0	-46.4	176.3	221.7	-45.4

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 has reduced mainly due to change in revenue-mix i.e. higher contribution from low-margin EPC 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 and/or replacement of high-cost manpower with fresher/economical manpower.



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- The higher finance cost has constrained PBT, which has collectively been marginally offset at PAT level mainly due to one-time exceptional income tax-rate reduction benefit.
- The marginal reduction in depreciation corresponds to commensurate movement in fixed assets.
- The finance cost increased due to higher utilisation of fund-based limits as well as towards the processing fees of fresh debt.
- None of the Bank Guarantees submitted by the Company has ever been invoked by any Principal/Client.

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

(₹ in millions)

Particulars	31-Mar-2020 (Audited)	31-Mar-2019 (Audited)
Capital & Liabilities:		
Equity	393.9	393.9
Other Equity	1,039.4	856.2
Borrowings	1,194.8	1,219.5
Provisions	17.5	14.6
Trade Payable	463.1	464.1
Tax Liabilities	84.3	101.6
Other Liabilities	288.3	207.1
Total Capital & Liabilities	3,481.3	3,257.0
Assets:		
Property, plant and equipment	306.4	317.2
Inventories	352.0	745.4
Investments	154.4	155.2
Loans	808.4	599.0
Trade Receivables	683.3	340.0
Other Financial Assets	47.0	33.0
Cash & Bank Balance	62.6	70.3
Other Assets	1,058.7	996.0
Other Tax Assets	8.5	0.9
Total Assets	3,481.3	3,257.0

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

External credit rating:

Brickwork Ratings India Pvt Ltd

January 11, 2020

“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- FY2020 Audited	Q3- FY2020 Unaudited	Q-on- Q	Q4- FY2019 Unaudited	Y-on-Y	FY2020 Audited	FY2019 Audited	Y-on-Y
TOI (A)	820.6	571.2	249.4	686.7	133.9	2,435.4	2,137.8	297.6
Other income (B)	40.5	26.7	13.8	9.6	30.9	116.1	60.1	56.0
Total Income (A + B)	861.1	597.9	263.2	696.3	164.8	2,551.5	2,197.9	353.6
Less:								
Operating expense	769.5	490.1	279.4	583.3	186.2	2,150.1	1,779.1	371.0
Depreciation	4.8	4.1	0.7	5.0	-0.2	17.5	18.6	-1.1
Finance cost	45.8	39.6	6.2	28.4	17.4	169.0	129.9	39.1
PB share in profit of JV, associates	41.0	64.1	-23.1	79.6	-38.6	214.9	270.2	-55.3
Add: Share in profit of JV & associates (net of tax)	-10.6	1.2	-11.8	2.2	-12.8	-2.3	10.1	-12.4
= Profit Before Tax (PBT)	30.4	65.3	-34.9	81.8	-51.4	212.6	280.3	-67.7
Less: Tax	10.1	17.7	-7.6	26.5	-16.4	47.7	80.2	-32.5
= Profit After Tax (PAT)	20.3	47.6	-27.3	55.3	-35.0	164.9	200.1	-35.2

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	961.3	789.5
Borrowings	1,194.8	1,219.5
Provisions	17.5	14.5
Trade Payable	463.1	464.1
Tax Liabilities	52.7	70.7
Other Liabilities	364.9	209.4
Total Capital & Liabilities	3,448.2	3,161.6
Assets:		
Fixed Assets	306.5	317.2
Inventories	485.0	800.1
Investments	61.4	46.9
Loans	759.8	571.8
Trade Receivables	641.2	317.9
Other Financial Assets	81.0	36.6
Cash & Bank Balance	62.7	70.4
Other Assets	1,041.9	999.8
Other Tax Assets	8.7	0.9
Total Assets	3,448.2	3,161.6

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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