



**NILA
INFRASTRUCTURES
LIMITED**

Nila/Cs/2017/301
Date: October 17, 2017

To,
The General Manager
Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street
Mumbai - 400 001

To,
The Manager
Listing Department
National Stock Exchange of India Limited
Bandra-Kurla Complex
Mumbai - 400 051

Scrip ID 530377

Scrip ID: NILAINFRA

Dear Sir,

Sub: Investor Release

An Investor Release issued by the Company today with regard to the Scheme of Demerger of Real Estate Undertaking is enclosed herewith for the information of the exchanges.

Thanking you,
Yours faithfully,
For, Nila Infrastructures Limited


Dipen Y. Parikh
Company Secretary



Encl: a/a

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INVESTOR RELEASE

FOR IMMEDIATE RELEASE

**NILA INFRASTRUCTURES LTD. ANNOUNCED SCHEME OF ARRANGEMENT FOR
DEMERGER OF REAL ESTATE UNDERTAKING**

Ahmedabad: October 17, 2017: Nila Infrastructures Limited (“NILA”) together with its wholly owned subsidiary Company Parmananday Superstructure Limited (“PSL”) today announced a Scheme of Arrangement (‘Scheme’) for demerger of the ‘Real Estate Undertaking’ of NILA into PSL and the resulting listing of PSL on the BSE Limited and the National Stock Exchange of India Limited.

Key Highlights:

- Demerger of the Real Estate Undertaking (which includes businesses of development of housing and commercial projects and as more specifically described in the scheme) of NILA comprising of all the businesses, undertakings, activities, properties, investments, movable and immovable assets and liabilities pertaining to Real Estate Undertaking of NILA into PSL;
- The appointed date for the Scheme, being the date on which the Real Estate Undertaking shall vest in PSL, has been fixed at April 01, 2017.
- Pursuant to the demerger of Real Estate Undertaking of NILA into PSL, PSL will issue and allot 1 (one) equity share of Re. 1 each of PSL credited as fully paid up for every 1 (one) equity share held by the shareholders of NILA. The existing equity shares held by NILA in PSL will be cancelled pursuant to the scheme.
- Equity shares of PSL shall be listed on the BSE Limited and the National Stock Exchange of India Limited pursuant to the Scheme and subject to requisite approvals.
- The transaction contemplated under the Scheme is expected to be completed by first quarter of 2018. It may however be noted that the aforesaid period is only an indicative timeline and is subject to the timely receipt of all applicable regulatory and statutory approvals.

Transaction Advisory, Recommendation and Reports:

The Board of Directors had constituted Restructuring Committee comprising of Independent Directors and Senior Executives of the Company to evaluate and analyze various value unlocking options for the stakeholders. The Committee carried out detailed exercise and has submitted a report to the Board recommending demerger of the Real Estate Undertaking. The Audit Committee reviewed the demerger proposal and recommended to the Board for consideration. The Board of Directors at their meeting held on October 17, 2017 approved the scheme of demerger and recommended in the interest of shareholders.

- *M/s M.B.D. & Co. LLP* – Independent Chartered Accountants, Ahmedabad has issued a share issue report to the Board of Directors of NILA and PSL for their consideration.
- *M/s Tipsons Financial Services Pvt. Ltd.* has provided Fairness Opinion on the fairness of the share issue report issued by the Independent Chartered Accountants.
- *M/s Singhi & Co.,* Advocates and Notary have been appointed as Legal Advisors.
- *M/s Umesh Ved & Associates,* Practicing Company Secretary has been appointed for the advisory on compliance and procedural aspect of the transaction.
- *KPMG* has been engaged for the taxation and regulatory advisory.

Approvals:

The scheme is subject to the approval from:

- BSE Limited and the National Stock Exchange of India Limited;
- Securities and Exchange Board of India;
- Shareholders and creditors of each of NILA and PSL;
- Hon'ble National Company Law Tribunal, Bench at Ahmedabad; and
- Such other regulatory and statutory approvals as may be required.

On the occasion, **Mr. Manoj Vadodaria – CMD** and **Mr. Kiran Vadodaria – JMD** in a joint statement commented:

"We are thankful to the Board for their consideration and recommendation in the interest of the shareholders a strategic scheme that tends to provide an excellent opportunity of value unlocking for investors. With each of businesses having meaningful potential, and given the complexity of corporate structure with future prospects of each business, it is now prudent to carve out these businesses to an independent corporate entity for further pursuing future growth plans. The envisaged scheme does not bring any change in the respective share-holding of any shareholder. Both the Companies will be able to improve in prioritisation of capital allocation commensurate with the potential and performance of their business, based on own merits of risk and return. It is the most appropriate time to offer our investors two "pure play" companies as it will enable them to calibrate the right portfolio exposures.

The Company has been engaged in the realty business since inception and is a connoisseur with rich experience, proprietary skills, and appropriate resources. While our Infrastructure business is almost in auto-mode, the Affordable Housing segment of Real Estate business has also come into limelight with the government's promising initiatives of "Housing for All by 2022" as well as granting the most coveted status of "Infrastructure". Also, the monetary and fiscal benefits presented to Affordable Housing are making the home-owning more economical. In this backdrop, it makes a pure business sense for us to spin-off the Real Estate business to assist alignment of primacies and creation of focused entities.

Meanwhile, we foresee a lot of consolidation within the Real Estate industry and only organized players like us who appreciate and have bandwidth to comply with various regulations shall survive to benefit from one of the most conducive eco-system today with RERA, GST, etc. in place.

The split in businesses is clear-cut and better thought out for value unlocking and to create value for shareholders in the long-term. We are confident that this would unlock immense value as it will catalyze and empower both the operational entities to reach their fullest potential with sharpened focus of the respective management on a particular business."

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. It also has a long track record of developing and marketing own Real Estate Projects with varied spectrum ranging from Affordable Housing to Luxurious Housing. 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 ISO 9001:2008 accredited. The Company has major presence in Gujarat and has expanded footprint into Rajasthan. The major clientele include Ahmedabad Municipal Corporation (AMC), Government of Rajasthan, EPIL (a Mini-Ratna Company of GoI), Adani Group, etc. The Company possesses excellent track record of profitability, dividend distribution and has accumulated strong capital reserve base. The total confirmed unexecuted Order Book at June 30, 2017 was ₹ 4,521.2 million towards construction of about 4.1 million sq. ft. super built up area; that includes 7,718 units of affordable housing. The book-to-bill ratio of 1.72 provides revenue visibility of further one (1) year+. To know more about the Company, please visit www.nilainfra.com or view the latest presentation at http://www.nilainfra.com/pdfs/NILA_Investor_Presentation_September_2017.pdf

For more Information please contact:

Nila Infrastructures Limited

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