

INVESTOR RELEASE: Earnings Release for Q2 & H1-FY2021



For Immediate Release

Ahmedabad, November 07, 2020: The Board of Directors of Nila Infrastructures Ltd (BSE: 530377/NILA; NSE: NILAINFRA) at its meeting held at Ahmedabad on November 07, 2020, approved the Unaudited Financial Results for the quarter and half-year ended on September 30, 2020.

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 since Q1-FY2021, and gradually restarted operations in Q2-FY2021 to a reasonable extent as the lockdown got lifted, although it faced certain constraints in availability of: (i) labourers and (ii) clear-working-days due to heavy monsoon, which affected the financials of the Company. The Company is actively tracking the latest developments and accordingly recalibrating its execution strategies.

Standalone Financial highlights for the quarter and half-year ended on September 30, 2020:

- Standalone Revenue of the Company reduced by ₹ 297.7 million to ₹ 258.7 million from ₹ 556.5 million of the corresponding period of the previous year. On the profitability front, the EBIDTA for Q2-FY2021 is negative. The Company has booked loss of ₹ 21.2 million.
- Standalone Revenue of the Company reduced by ₹ 756.6 million to ₹ 349.2 million from ₹ 1,105.9 million of the corresponding period of the previous year. On the profitability front, the EBIDTA for H1-FY2021 is negative. The Company has booked loss of ₹ 57.7 million.
- At September 30, 2020, the Standalone Networth of the Company is ₹ 1,375.5 million and Standalone Gross Debt is ₹ 1,425.7 million, while the Cash and Bank Balances on the standalone basis is ₹ 56.4 million. The Net debt to Net worth computes 1.00x.

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

“The COVID-19 pandemic has impacted the economy and the market sentiment significantly. Being a constituent of the economy it has hit us, too. Certain projects that were slated for commencement of execution have been either called-off and/or being reviewed by the relevant client (Government Authority), as the prime focus of the entire government is to abate the further spread of COVID-19 pandemic. While certain others have since been delayed for want of certain government approval/sanction. We could not add-up the revenue of such projects during the period under review and have decided to reduce our Order-Book accordingly. We believe this financial year; we will have to live with such disturbance and hence, are very cautious as well as conservative about our financials.

Meanwhile, concurrently we are optimistic as the government has accelerate its focus to address the socio-economic impact by increased delivery of safe housing solutions with improved access to living conditions at a scale needed to respond to needs of the vulnerable and marginalized population. Resultantly, the government will float more tenders for Affordable Housing as merits of staying in home



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has been established as the most resilient remedy to abate such pandemic. Also, it is likely to act as a stimulus and contribute to the speedier recovery of the Civic Urban Infrastructure and especially Affordable Housing sector. We are actively accessing the developments and adjusting our sails. We are putting all efforts to overcome such extraneous hurdles and perform as there are enhanced prospects in Slum Redevelopment, Affordable Housing, Medical facilities, etc. We remain optimistic about our business & its growth returning to normalcy. The Affordable Housing segment is seeing green shoots of demand with beneficiary interest witnessing rising trends.

We are getting ready to bid for new orders and have identified favourable orders in pipeline to be executed across segments and geographies over the next few quarters. Our long-term outlook towards the Civic Urban Infrastructure business remains positive.”

Order-book:

At September 30, 2020 the Company has confirmed unexecuted order-book of ₹ 4,051.3 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	2,424.4	128.1	2,552.5	474.9	-	474.9	3,027.4	75%
Civic Urban Infra (EPC)	-	1,013.5	1,013.5	-	10.4	10.4	1,023.9	25%
Total	2,424.4	1,141.7	3,566.0	474.9	10.4	485.3	4,051.3	
%	59%	29%	88%	11.7%	0.3%	12%		100%

* Note: In line with ethos of the best corporate governance, fairness, and transparency; the Order-book is prudently reduced as following:

1. On 08.11.2019, the Company had received a work-order pertaining to EPC contract of ₹ 503.2 million from Ahmedabad Municipal Corporation (AMC) for development of Vegetable Market at Kalupur, Ahmedabad. The project envisaged redevelopment of the existing vegetable market afresh post demolition of super-structure and sub-structure upto foundation level of existing old building of Vegetable Market. Two (2) basement + Ground + two (2) floors were planned as fresh construction of about 353,763 sq. ft. – to be carried-out on a plot of 108,711 sq ft. However, as AMC is not in position to handover the project site, we are unable to commence the project and there is no firm visibility to execute the said work-order.
2. On 12.09.2019, the Company had entered into a Contract Agreement towards the design and construction of 17 Nos. “Service Area Buildings” aggregating ₹ 462.1 million from Dholera Industrial City Development Limited (DICDL). However, as DICDL has since decided to review the project based on the present status of the overall development of the Activation Area, the Company has handed over the Project to DICDL as per their requirement.



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The Company's order-book is in line with its core competence of "Affordable Housing" with 75% orders (₹ 3,027.4 million); while for de-risking 25% is from other Civic Urban Infrastructure projects (e.g. bus-ports, Industrial and Logistics). PPP is the major tributary with 58% orders (₹ 2,390.2 million). Geographically, the state of Gujarat accounts for 88% orders (₹ 3,566.0 million), and Principalwise government entities account for 71% (₹ 2,899.3 million). The major Government clientele comprise Ahmedabad Municipal Corporation (AMC), Government of Rajasthan. Overall, the Company is executing construction of 7,693 units of affordable housing.

External credit rating:

Brickwork Ratings India Pvt Ltd

January 11, 2020

"BBB+" (Stable) and "A2"

Reaffirmed the bank loan rating of the Company.

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

(₹ in millions)

Particulars	Q2-FY2021	Q1-FY2021	Q-on-Q	Q2-FY2020	Y-on-Y	H1-FY2021	H1-FY2020	Y-on-Y	FY2020
	Unaudited	Unaudited		Unaudited		Unaudited	Unaudited		Audited
TOI (A)	234.0	66.3	253%	526.4	-56%	300.3	1,053.3	-71%	2,509.9
ADD: Other income (B)	24.7	24.2	2%	30.1	-18%	48.9	52.6	-7%	123.4
Total Income (A + B)	258.7	90.5	186%	556.5	-54%	349.2	1,105.9	-68%	2,633.3
Less:									
<i>Operating expense</i>	242.1	96.2	152%	451.9	-46%	338.3	898.6	-62%	2223.1
<i>Depreciation</i>	4.3	4.4	-2%	4.2	2%	8.7	8.6	1%	17.5
<i>Finance cost</i>	40.5	38.5	5%	43.3	-6%	79.0	83.7	-6%	169.0
= Profit Before Tax (PBT)	-28.2	-48.6	42%	57.1	-149%	-76.8	115.1	-167%	223.7
Less: Tax	-6.9	-12.1	43%	0.3	-2487%	-19.1	18.0	-206%	47.4
= Profit After Tax (PAT)	-21.2	-36.5	42%	56.8	-137%	-57.7	97.1	-159%	176.3

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



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Summary Balance Sheet (Standalone):

(₹ in millions)

Equities & Liabilities	At	At	Assets	At	At
	30/09/2020 (Unaudited)	31/03/2020 (Audited)		30/09/2020 (Unaudited)	31/03/2020 (Audited)
Equity	393.9	393.9	Non-CA:	1,409.1	1,313.0
R&S	981.6	1,039.4	PPE	62.1	68.0
Networth	1,375.5	1,433.2	Investment properties	310.5	238.3
Non-CL:	1,342.7	1,130.8	Capital WIP	4.6	-
Borrowings	1,215.4	999.1	Intangible assets	0.1	0.1
Trade Payable	26.9	35.9	Financial assets	1,004.0	998.1
Other financial liabilities	7.6	1.6	Other Tax assets	27.7	8.5
Provisions	11.6	9.9			
Deferred Tax liabilities	81.1	84.3			
			CA:	2,201.7	2,168.3
CL:	892.6	917.2	Inventories	311.5	352.0
Borrowings	101.8	98.2	Trade receivables	509.0	683.3
Trade Payable	403.8	427.2	Cash and Bank	56.4	62.6
Other financial liabilities	117.7	105.9	Loans	99.3	11.7
Other CL	261.4	278.4	Other financial assets	12.9	30.2
Provisions	8.0	7.6	Other CA	1,212.7	1,028.5
TOTAL	3,610.8	3,481.3	TOTAL	3,610.8	3,481.3

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

Operating review for H1-FY2021 (Standalone):

- The Company could not generate any meaningful revenues due to COVID-19 induced lockdown as well as reverse-migration of labourers and heavy-monsoon.
- The profitability at the EBIDTA level has registered loss mainly due to cessation of income, while the overheads were being incurred in certain project/operations towards the (PPP) projects that are in preliminary stage.
- The depreciation has remained constant as there has been no major increment in PPE.
- The finance cost reduced due to lower utilisation of fund-based limits consequent to lockdown of operations. The Company has honoured all its financial obligations and refrained from availing the benefits of moratorium under the "Reserve Bank of India COVID-19 Regulatory Package", except holding the reduction in SBI's DLOD limit – wherein the utilization was well below the stipulated drawing power.
- Due to the loss incurred, the networth of the Company has reduced by ₹ 57.7 million to ₹ 1,375.5 million.
- The total debt of the Company increased to ₹ 1,425.7 million. The Company's account is "Standard" with all the lenders.
- None of the Bank Guarantees submitted by the Company has ever been invoked by any Principal/Client.



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

(₹ in millions)

Particulars	Q2-	Q1-	Q-on-	Q2-	Y-on-Y	H1-	H1-FY2020	Y-on-Y	FY2020
	FY2021	FY2021	Q	FY2020		FY2021	Unaudited		Audited
	Unaudited	Unaudited		Unaudited		Unaudited	Unaudited		
TOI (A)	234.3	66.0	255%	534.0	-56%	300.3	1,043.6	-71%	2,435.4
ADD: Other income (B)	22.9	21.8	5%	32.3	-29%	44.7	49.0	-9%	116.1
Total Income (A + B)	257.2	87.8	193%	566.3	-55%	345.0	1,092.5	-68%	2,551.5
Less: Operating expense	242.1	95.9	152%	460.9	-47%	338.0	890.5	-62%	2,150.2
Depreciation	4.3	4.4	-2%	4.2	2%	8.7	8.6	1%	17.5
Finance cost	40.5	38.5	5%	43.3	-6%	79.0	83.7	-6%	169.0
PB share in profit of JV, associates	-29.7	-51.1	-42%	57.9	-151%	-80.7	109.7	-174%	214.9
Add: Share in profit of JV & associates (net of tax)	-6.3	-2.1	200%	4.5	-240%	-8.4	7.1	-218%	-2.3
= Profit Before Tax (PBT)	-36.0	-53.2	-32%	62.4	-158%	-89.1	116.9	-176%	212.6
Less: Tax	-7.3	-12.7	-43%	4.0	-283%	-20.1	19.9	-201%	47.7
= Profit After Tax (PAT)	-28.7	-40.4	-29%	58.5	-149%	-69.1	97.0	-171%	164.9

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

Summary Balance Sheet (Consolidated):

(₹ in millions)

Equities & Liabilities	At	At	Assets	At	At
	30/09/2020	31/03/2020		30/09/2020	31/03/2020
	(Unaudited)	(Audited)		(Unaudited)	(Audited)
Equity	393.9	393.9	Non-CA:	1,254.2	1,175.2
R&S	892.2	961.3	PPE	62.1	68.0
Networth	1,286.1	1,355.2	Investment properties	310.5	238.3
Non-CL:	1,310.1	1,099.2	Capital WIP	4.6	-
Borrowings	1,215.4	999.1	Intangible assets	0.1	0.1
Trade Payable	26.9	35.9	Financial assets	849.2	860.3
Other financial liabilities	7.6	1.6	Other Tax assets	27.7	8.5
Provisions	11.6	9.9			
Deferred Tax liabilities	48.5	52.7	CA:	2,349.4	2,273.0
			Inventories	445.4	485.0
CL:	1,007.4	993.8	Trade receivables	509.0	641.2
Borrowings	101.8	98.2	Cash and Bank	56.5	62.7
Trade Payable	404.1	427.2	Loans	99.3	11.7
Other financial liabilities	117.7	105.9	Other financial assets	12.9	30.2
Other CL	375.9	355.0	Tax assets (net)	0.3	0.3
Provisions	8.0	7.6	Other CA	1,226.1	1,041.9
TOTAL	3,603.6	3,448.2	TOTAL	3,603.6	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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