

INVESTOR RELEASE: Earnings Release for Q3 & 9M-FY2021



For Immediate Release

Ahmedabad, February 09, 2021: The Board of Directors of Nila Infrastructures Ltd (BSE: 530377/NILA; NSE: NILAINFRA) at its meeting held at Ahmedabad on February 08, 2021, approved the Unaudited Financial Results for the quarter and nine-months ended on December 31, 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 during Q1-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 and onwards the Company has attained recovery in operations to a reasonable extent. The Company is keeping an active watch on the latest happenings and is recalibrating its execution strategies accordingly.

Standalone Financial highlights for the quarter and nine-months ended on December 31, 2020:

- During Q3-FY2021, the total revenue of the Company is ₹ 377.7 million i.e. higher by ₹ 119.0 million to Q2-FY2021's ₹ 258.7 million, while it was ₹ 639.3 million during Q3-FY2020. Profitability at EBIDTA level has also been restated to ₹ 39.3 million i.e. higher by ₹ 47.5 million to Q2-FY2021's negative profit of ₹ 8.1 million. The Company has booked profit of ₹ 19.3 million i.e. higher by ₹ 40.5 million to Q2-FY2021's negative profit of ₹ 21.2 million.
- For 9M-FY2021, the total revenue of the Company is ₹ 727.0 million while it was ₹ 1,745.2 million for the corresponding period of FY2020. On the profitability front, the EBIDTA for 9M-FY2021 is negligible at ₹ 1.3 million which also wraps-up negative profit of H1-FY2021. The Company has been able to reduce the negative profit and contained it to ₹ 38.5 million for 9M-FY2021.
- At December 31, 2020, the Standalone Networth of the Company is ₹ 1,394.8 million and Standalone Gross Debt is ₹ 1,440.6 million, while the Cash and Bank Balances on the standalone basis is ₹ 52.7 million. The Net debt to Networth computes 1.00x.

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

“This quarter has been a quarter-of-come-back post COVID-19 pandemic with availability of clear working days i.e. not marred by lockdown or monsoon. Execution has continued to increase from the September levels and crossed pre-COVID levels post Deepawali, in December. Though, our overall financials for this financial year have been restrained as a result of COVID-19 pandemic induced disorder.”



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The government bodies have also started functioning almost fully with priority to abate the spread of COVID-19 pandemic receding with every passing day. Looking ahead, the Social Housing segment is set to chart a new chapter of growth, fuelled by affordability, reinforced desire to own a house and renewed interest from all stakeholders. During this quarter, we have added two (2) meaningful and strategic orders aggregating ₹ 883.3 million of Slum Rehabilitation and Redevelopment for Ahmedabad Municipal Corporation (AMC). These would address the need of a pucca house of about 810 slum-dwellers in approx. 24 months. We believe our satisfactory engagement in Civic Urban Infrastructure segments, adherence to stipulated cost, quality and time-line put us in a good position to capture plentiful growth opportunities.

The continued pickup in economic activity and a forward looking Union Budget has since (re)set the tone for the growth. With the launch of the nationwide vaccination drive, we hope this to be the last stage of fight against the COVID-19 pandemic. Several high frequency indicators such as GST collection, rural unemployment rates, rail freight revenues, power consumption, e-way bill generation and electronic toll collections indicate that economic activity has crossed pre-COVID levels. These trends shall also reflect in our business and results, as we continue to Think BIG and grow our business by Staying Focused for Endless Possibilities.”

Order-book:

On April 1, 2020, the Company had an unexecuted order-book of ₹ 5,345.1 million. During Q3-FY2021, AMC has awarded the following orders on PPP Basis under “Redevelopment of Public Housing Scheme – 2016” of Urban Development & Urban Housing Department, Government of Gujarat for development of Integrated Group Housing Facility alongwith common amenities, infrastructure & development works of the entire site, and SITC of Roof Top Solar PV System covering atleast 50% of roof-area - to be executed within 24 months:

- (i) *Khokhara Old Slum Quarters* with estimated development cost of ₹ 500.5 million for construction of 448 Dwelling Units (DU) and 14 shops, and
- (ii) *India Colony, Vijay Mill Municipal Health Quarters* with estimated development cost of ₹ 382.8 million for construction of 348 Dwelling Units (DU).

While, AMC has cancelled to pursue the P.P.P. project pertaining to the Integrated Slum In-situ Development at *Kanku Ma Ni Chali, Stadium, Ahmedabad* under Urban Development & Urban Housing



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Department, Government of Gujarat's Slum Rehabilitation and Redevelopment Policy-2013. Consequently, the Company has reduced the order-book to that extent. Further, in line with ethos of the good corporate governance, ethical practices, fairness, and transparency; the Order-book is prudently reduced and/or realigned to depict the factual revenue potential. At January 1, 2021 the Company has confirmed unexecuted order-book of ₹ 4,690.0 million. The summary is furnished further.

(₹ in millions)

| Activity | Gujarat | | | Rajasthan | | | Total confirmed unexecuted at 01/Jan/2021 (A+B) | % |
|---------------------------|------------|------------|------------|------------|----------|------------|---|-------------|
| | GoG | PWL/ Misc. | Total (A) | GoR | EPIL | Total (B) | | |
| Affordable Housing | 3,177.8 | 95.9 | 3,273.7 | 501.9 | - | 501.9 | 3,775.6 | 81% |
| Civic Urban Infra | - | 904.1 | 904.1 | - | 10.3 | 10.3 | 914.4 | 19% |
| Total | 3,177.8 | 1,000.0 | 4,177.8 | 501.9 | 10.3 | 512.1 | 4,690.0 | |
| % | 68% | 21% | 89% | 11% | % | 11% | | 100% |

The Company's order-book is in line with its core competence of "Affordable Housing" with 81% orders (₹ 3,775.6 million); while for de-risking 19% is from other Civic Urban Infrastructure projects (e.g. bus-ports, Industrial and Logistics park). PPP is the major tributary with 67% orders (₹ 3,158.2 million). Geographically, the state of Gujarat accounts for 89% orders (₹ 4,177.8 million), and Principalwise government entities account for 79% (₹ 3,690.0 million).

On 07/Jan/2021, Jaipur Development Authority has issued the following work orders under CMJAY-2015 provision 4A(I) to the Company for construction of EWS flats in two (2) phases – to be executed within total 30 months:

- (i) *Kheda Jaganathpura* with estimated development cost of ₹ 189.3 million for construction of 384 EWS flats,
- (ii) *Anand Vihar* with estimated development cost of ₹ 154.1 million for construction of 316 EWS flats, and
- (iii) *Surya Nagar* with estimated development cost of ₹ 126.2 million for construction of 256 EWS flats.

The major Government clientele of the Company comprise Ahmedabad Municipal Corporation (AMC), Government of Rajasthan. Overall, the Company is executing construction of 9,012 units of social/affordable housing.



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

(₹ in millions)

| Particulars | Q3-FY2021 | Q2-FY2021 | Q-on-Q | Q3-FY2020 | Y-on-Y | 9M-FY2021 | 9M-FY2020 | Y-on-Y | FY2020 |
|----------------------------------|--------------|---------------|--------------|--------------|-------------|---------------|----------------|--------------|----------------|
| | Unaudited | Unaudited | | Unaudited | | Unaudited | Unaudited | | Audited |
| TOI (A) | 340.7 | 234.0 | 46% | 608.5 | -44% | 641.0 | 1,661.8 | -61% | 2,509.9 |
| ADD: Other income (B) | 37.0 | 24.7 | 50% | 30.9 | 20% | 85.9 | 83.4 | 3% | 123.4 |
| Total Income (A + B) | 377.7 | 258.7 | 46% | 639.3 | -41% | 727.0 | 1,745.2 | -58% | 2,633.3 |
| Less: | | | | | | | | | |
| <i>Operating expense</i> | 301.4 | 242.1 | 24% | 524.8 | -43% | 639.7 | 1,423.4 | -55% | 2223.1 |
| <i>Depreciation</i> | 4.5 | 4.3 | 5% | 4.1 | 12% | 13.3 | 12.6 | 5% | 17.5 |
| <i>Finance cost</i> | 42.3 | 40.5 | 4% | 39.5 | 7% | 121.3 | 123.3 | -3% | 169.0 |
| = Profit Before Tax (PBT) | 29.5 | - 28.2 | -205% | 70.9 | -58% | - 47.3 | 186.0 | -125% | 223.7 |
| Less: Tax | 10.2 | - 6.9 | -247% | 19.3 | -47% | - 8.8 | 37.3 | -124% | 47.4 |
| = Profit After Tax (PAT) | 19.3 | - 21.2 | -191% | 51.6 | -63% | - 38.5 | 148.7 | -126% | 176.3 |

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

Operating review for 9M-FY2021 (Standalone):

- The Company could not generate any meaningful revenues due to COVID-19 pandemic induced lockdown as well as reverse-migration of labourers and heavy-monsoon.
- The profitability from EBIDTA level is restored to positive from Q3-FY2021, though it is marginal mainly due to cessation of income during H1-FY2021, while the overheads were being incurred and increment in certain project/operations cost 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 increased during Q3-FY2021 due to higher utilisation of fund-based limits, while it has reduced for 9M-FY2021 as a result of reduction in overall weighted average debt-cost. 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.
- On back of loss, the networth of the Company has reduced by ₹ 38.5 million to ₹ 1,394.8 million.
- The total debt of the Company has increased to ₹ 1,440.6 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 | Q3-FY2021 | Q2-FY2021 | Q-on-Q | Q3-FY2020 | Y-on-Y | 9M-FY2021 | 9M-FY2020 | Y-on-Y | FY2020 |
|---|--------------|--------------|--------------|--------------|-------------|--------------|----------------|--------------|----------------|
| | Unaudited | Unaudited | | Unaudited | | Unaudited | Unaudited | | Audited |
| TOI (A) | 295.9 | 234.3 | 26% | 571.2 | -48% | 596.2 | 1,614.8 | -63% | 2,435.4 |
| ADD: Other income (B) | 32.3 | 22.9 | 41% | 26.7 | 21% | 77.0 | 75.6 | 2% | 116.1 |
| Total Income (A + B) | 328.2 | 257.2 | 28% | 597.9 | -45% | 673.2 | 1,690.4 | -60% | 2,551.5 |
| Less: | | | | | | | | | |
| <i>Operating expense</i> | 252.7 | 242.1 | 4% | 490.1 | -48% | 590.6 | 1,380.6 | -57% | 2,150.2 |
| <i>Depreciation</i> | 4.5 | 4.3 | 5% | 4.1 | 10% | 13.3 | 12.6 | 6% | 17.5 |
| <i>Finance cost</i> | 42.3 | 40.5 | 4% | 39.6 | 7% | 121.3 | 123.3 | -2% | 169.0 |
| = Profit Before Tax (PBT) | 28.7 | -29.7 | -197% | 64.2 | -55% | -52.0 | 173.9 | -130% | 214.9 |
| Less: Tax | 8.3 | -7.3 | -214% | 17.7 | -53% | -11.8 | 37.6 | -131% | 47.7 |
| Add: Share in profit of JV & associates (net of tax) | -4.4 | -6.3 | -30% | 1.2 | -467% | -12.8 | 8.3 | -254% | -2.3 |
| = Profit After Tax (PAT) | 16.1 | -28.7 | -156% | 47.7 | -66% | -53.0 | 144.6 | -137% | 164.9 |

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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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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