

INVESTOR RELEASE: Earnings Release for FY2017



For Immediate Release

Standalone Revenue growth of 22%
Standalone EBITDA growth of 33% | EBITDA margin 16%
Standalone PAT growth of 34% | PAT margin 10%

Standalone Financials at a glance:

₹ in millions ¹	Q4-FY2016	Q4-FY2017	YoY	FY2016	FY2017	YoY
Total Revenue	692.7	740.9	7%	1,831.0	2,241.9	22%
EBIDTA	74.6	111.1	49%	274.1	365.3	33%
PAT	58.0	77.1	33%	170.4	228.4	34%

Confirmed Unexecuted Order Book at March 31, 2017: ₹ 4,076.1 million

Ahmedabad, May 26, 2017: The Board of Directors of Nila Infrastructures Ltd (BSE: 530377/NILA; NSE: NILAINFRA) at its meeting held at Ahmedabad on May 26, 2017, approved the Audited Financial Results for the quarter and year ended March 31, 2017.

- **Standalone Financial highlights for quarter ended March 31, 2017:**

Standalone Revenue increased by 7% to ₹ 740.9 million from ₹ 692.7 million in the corresponding previous quarter. On the profitability front, the EBIDTA for Q4-FY2017 has witnessed a growth of 49% from ₹ 74.6 million to ₹ 111.1 million with an EBITDA margin of 15% in Q4-FY2017. The Profit after Tax is ₹ 77.1 million i.e. a growth of 33%.

- **Standalone Financial highlights for year ended March 31, 2017:**

Standalone Revenue has increased by 22% to ₹ 2,241.9 million from ₹ 1,831.0 million in the corresponding previous period. On the profitability front, the EBIDTA has witnessed a growth of 33% from ₹ 274.1 million to ₹ 365.3 million with an EBITDA margin of 16% in FY2017. The Profit after Tax is ₹ 228.4 million i.e. a growth of 34%.

At March 31, 2017, the Standalone Network is ₹ 2,014.3 million and Standalone Gross Debt is ₹1,457.5 million, while the Cash and Bank Balances on the standalone basis is ₹ 51.4 million. The Net debt to Net worth computes 0.70x.

¹ 1 million = 10 lakh

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- **Consolidated Financial highlights for year ended March 31, 2017:**

Consolidated Revenue has increased by 21% to ₹ 2,224.6 million from ₹ 1,831.1 million in the corresponding previous period. On the profitability front, the EBIDTA has witnessed a growth of 33% i.e. ₹ 273.4 million to ₹ 363.1 million with an EBITDA margin of 16% in FY2017. The Profit after Tax is ₹ 231.9 million i.e. a growth of 65%. At March 31, 2017, the Consolidated Networth is ₹ 1,981.0 million and Gross Debt is ₹ 1,735.2 million, while the Cash and Bank Balances on the consolidated basis is ₹ 52.9 million. The Net debt to Net worth computes 0.85x.

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

“This is one of the best times to be developing the Civic Urban Infrastructure in our country. The outlook of government spending in civic urban infrastructure is absolutely positive in short, medium and long-term. Be it PM’s “Housing for All by 2022 Mission” or “Smart Cities” – the scales here are very encouraging and additionally now the Fiscal and Monetary eco-systems are also galvanized. Affordable Housing has since got the coveted “Infrastructure” status and loans on Affordable Housing are also being made readily available at economical/concessional rates.

At present, the Company is executing about 7,350+ units under Affordable Houses – including three Slum Rehabilitation and Redevelopment Projects for the benefit of 2,250 families at Ahmedabad. Our conscious planning and execution has since ensured business continuity and addressed the concentration risk by having well-diversed order-book. Apart from Affordable Housing, the Company is executing variety of Civic Urban Infrastructure projects (within the Company’s core competence) e.g. Bus Terminals, Medical College Campus, Office Building, Industrial facility, Warehouses, Community Hall, etc. Meanwhile, we do not run any major project marketing or sales risk on our books as we are executing various projects for our resourceful customers like government authorities as well as reputed and established corporates.

FY2017 had its own highs, while we addressed certain unforeseen challenges in a unique way. As a result we have successfully maintained the pace and direction of the growth trajectory. Meanwhile, we are meticulously executing our strategies to make FY2018 an exciting year for the Company and all its stakeholders.”

External credit rating:

India Ratings & Research Pvt Ltd has revised the Outlook of the Company’s bank loan rating to “Negative” from “Stable” while affirming its Rating at “BBB” and “A3+” on October 21, 2016. While, an upgrade by Brickwork Ratings India Pvt Ltd from “BBB” (Stable) and “A3” to “BBB+” (Stable) and “A2” on December 28, 2015, continues.

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Order Book:

The Company has received contracts worth ₹ 3,975.8 million during FY2017 and built a robust orderbook. The total confirmed unexecuted Order Book at March 31, 2017 is ₹ 4,076.1 million. The book-to-bill ratio of 2.12 provides revenue visibility of further two (2) years. The break-up of the order-book on relevant parameters is furnished below as:

(₹ in millions)

Parameter	A	B	TOTAL = A+B
Geography	Gujarat	Rajasthan	
	2,398.5	1,677.6	4,076.1
	59%	41%	100%
Structure	Affordable Housing	Civic Urban Infra	
	2,628.3	1,447.8	4,076.1
	65%	35%	100%
Principal	Government	Private	
	2,419.6	1,656.5	4,076.1
	59%	41%	100%

The major clientele comprise Government agencies like Ahmedabad Municipal Corporation (AMC), Government of Rajasthan, Vadodara Urban Development Authority (VUDA), EPIL (a Mini-Ratna Company of Gol).

Summary Profit and Loss Statement (Standalone) (as per unconsolidated Indian GAAP accounts):

(₹ in millions)	Q4-FY2016 (Audited)	Q4-FY2017 (Audited)	FY2016 (Audited)	FY2017 (Audited)
Total Operating Income				
• Infrastructure	645.2	687.0	1,574.6	1,925.6
• Real Estate	34.8	6.3	178.0	115.5
• Land trading	6.6	21.9	55.8	153.9
• Rental income	6.4	9.2	22.9	30.4
• Other operating income	(0.3)	16.6	(0.3)	16.6
Total Operating Income (A)	692.7	740.9	1,831.0	2,241.9
Other income (B)	35.6	51.6	143.9	174.4
Total income (A+B)	728.3	792.5	1,975.0	2,416.3
Less:				
Operating expense	618.1	629.8	1,556.8	1,876.5
Depreciation	1.5	4.3	14.2	16.3
Finance cost	22.3	42.3	145.2	176.3
Profit Before Tax	86.4	116.1	258.6	347.2
Tax	28.4	39.0	88.2	118.8
Profit After Tax	58.0	77.1	170.4	228.4

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

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Summary Balance Sheet (Standalone):

(₹ in millions)

At the year ending	March 31, 2016	March 31, 2017
	(Audited)	(Audited)
Capital and Liabilities		
Capital	398.4	393.4
Reserves and surplus	1,301.7	1,620.9
Long-term Borrowings	1,313.9	1,239.9
Other long-term liabilities/provisions	65.9	53.6
Short-term Borrowings	49.1	55.0
Other short-term liabilities/provisions	547.1	629.6
Total – Capital and Liabilities	3,676.1	3,992.4
Assets		
Fixed assets	333.5	346.2
Investments	198.8	237.2
Other assets	49.2	105.1
Long-term Loans and Advances	335.4	435.4
Current assets	1,696.2	1,795.2
Cash and Bank Balances	31.7	51.4
Short-term Loans and Advances	1,031.3	1,021.9
Total – Assets	3,676.1	3,992.4

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

Operating review for FY2017 (standalone):

- The Total Operating Income of the Company has grown by 22% over FY2016 mainly due to timely execution of infrastructure projects (86% contribution to TOI), whose contribution has increased by 22% i.e. from ₹ 1,574.6 million in FY2016 to ₹ 1,925.6 million in FY2017.
- The EBIDTA margin has substantially improved mainly due to contribution from PPP and certain better margin projects. Meanwhile, with higher utilization of working capital the finance cost has restrained the increment in net profit. With contribution from other income (mainly from interest), the increment at PAT level is marginal by 83 bps.
- With increase in operations, the finance expense has increased as the Company has incurred financial facility processing/upfront charges. However, the average rate of interest has reduced.
- The networth of the Company has increased to ₹ 2,014.3 million due to plough-back of substantial part of profit as well as conversion of 225 lakh warrants into equity shares alongwith premium, which were issued to the Promoters.
- The total debt of the Company has reduced to ₹ 1,457.5 million. The Company has honoured all its financial commitments and the 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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- The Board of Directors has recommended a dividend of ₹ 0.11 per equity share of face value of ₹ 1.0 each (i.e. 11% dividend) for FY2017. The declaration and payment of dividend is subject to requisite approvals. The record/book closure dates will be announced in due course.

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 Infrastructure 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.

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About Nila Infrastructures Limited

Incorporated in the year 1990, Nila Infrastructures Limited (“Nila”/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. Its major clients include Ahmedabad Municipal Corporation (AMC), Government of Rajasthan, EPIL, Vadodara Urban Development Authority (VUDA), Adani Group, Sandesh Applewood, etc. The Company possesses excellent track record of profitability, dividend distribution and has accumulated strong capital reserve base. To know more about the Company, please visit www.nilainfra.com

For more Information please contact:

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