



INVESTOR RELEASE: Earnings Release for Q2 & H1-FY2020

For Immediate Release

Standalone Financials at a glance:

₹ in millions ¹	Q2-FY2019	Q2-FY2020	Y-o-Y	H1-FY2019	H1-FY2020	Y-o-Y
Total Revenue	506.3	556.5	9.91%	1,034.6	1,105.9	6.89%
EBIDTA	89.5	74.6	-16.64%	161.3	154.8	-4.03%
PAT	47.2	56.8	20.34%	95.4	97.1	1.78%
Confirmed Unexecuted Order Book at September 30, 2019: ₹ 6,786.3 million						

Ahmedabad, November 14, 2019: The Board of Directors of Nila Infrastructures Ltd (BSE: 530377/NILA; NSE: NILAINFRA) at its meeting held at Ahmedabad on November 12, 2019, approved the Unaudited Financial Results for the quarter and half-year ended September 30, 2019.

Standalone Financial highlights for period ended September 30, 2019:

- **Q2-FY2020:** Standalone Revenue of the Company increased by 9.91% to ₹ 556.5 million from ₹ 506.3 million as compared to the corresponding period of the previous year. On the profitability front, the EBIDTA for Q2-FY2020 has witnessed decline by 16.64% i.e. from ₹ 89.5 million to ₹ 74.6 million with an EBITDA margin of 14.16% in Q2-FY2020. The Profit after Tax is ₹ 56.8 million i.e. 10.21%.
- **H1-FY2020:** Standalone Revenue of the Company increased by 6.89% to ₹ 1,105.9 million from ₹ 1,034.6 million as compared to the corresponding period of the previous year. On the profitability front, the EBIDTA for H1-FY2020 has witnessed decline by 4.03% i.e. from ₹ 161.3 million to ₹ 154.8 million with an EBITDA margin of 14.70% in Q2-FY2020. The Profit after Tax is ₹ 97.1 million i.e. 8.78%.
- At September 30, 2019, the Standalone Networth of the Company is ₹ 1,353.5 million and Standalone Gross Debt is ₹ 1,467.2 million, while the Cash and Bank Balances on the standalone basis is ₹ 68.2 million. The Net debt to Net worth computes 1.03x.

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

"We ended the quarter with steady growth, despite increased volatility in the general economy. We remain confident for the medium to longer term as the demand continues to be very strong, as evidenced by our robust order book and in getting repeat/multiple orders. Our meticulous execution is

¹ 1 million = 10 lakh

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seeing increased client appreciation as it is clearly helping Principal clients in their growth and achievement of objectives.

Our strategy on anchoring or participating in meaningful tenders for varied structures for selective clients is with a strong fundamental belief to maintain growth momentum while ensuring healthy margins and balance sheet strength. During the quarter, we also secured well-diversified orders that augurs well for our sustainable growth.

The restricted availability of labour during Q1-FY2020 on account of the general elections that succeeded the vacation of Holi; and abundant rainfall during Q2-FY2020 unduly restricted the possible execution – though we had a robust order-book. The labour-force has since been fully deployed, while the Rains have since subsided, and with clear possession of most of the project-sites, we are certain about the sustainable growth during the remaining of FY2020..”

Order-book:

At September 30, 2019 the Company has confirmed unexecuted order-book of ₹ 6,786.3 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	1,410.6	1,796.6	3,207.2	519.2	-	519.2	3,726.4	55%
Civic Urban Infra (EPC)	469.6	2,422.8	2,892.4	-	167.5	167.5	3,059.9	45%
Total	1,880.2	4,219.4	6,099.6	519.2	167.5	686.7	6,786.3	
%	28%	62%	90%	2%	8%	10%		100%

The composition of such order book is well balanced and in line with the Company's core activity as 55% is from Affordable Housing; and 45% is other Civic Urban Infrastructure projects. Overall the Company is developing 8,684 units of affordable housing. The major Government clientele comprise, Engineering Projects India Ltd (EPIL – a Mini Ratna), Ahmedabad Municipal Corporation (AMC), Ahmedabad Urban Development Authority (AUDA), Government of Rajasthan, while Adani Group is a major corporate client.



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

(₹ in millions | % change)

Particulars	Q2-FY2020	Q1-FY2020	Q-on-Q	Q2-FY2019	Y-on-Y	H1-FY2020	H1-FY2019	Y-on-Y	FY2019
	Unaudited	Unaudited		Unaudited		Unaudited	Unaudited		Audited
TOI									
• Infrastructure	524.5	525.1	-0.11%	476.5	10.07%	1,049.6	971.7	8.02%	2,227.8
• Rental income	1.9	1.8	5.56%	8.3	-77%	3.7	15.9	-77%	27.2
• Share of profit	-	-	-	-	-	-	-	-	2.9
Total TOI (A)	526.4	526.9	-0.10%	484.8	9%	1,053.3	987.6	7%	2,258.0
Other income (B)	30.1	22.5	34%	21.5	40%	52.6	47.0	12%	82.8
Total Income (A + B)	556.5	549.4	1.28%	506.3	10%	1,105.9	1,034.6	7%	2,340.8
Less:									
Operating expense	451.8	446.7	1.14%	395.5	15.31%	898.5	826.3	9.88%	1,878.6
Depreciation	4.2	4.4	-6.08%	4.3	-4.55%	8.6	8.6	-0.72%	18.6
Finance cost	43.3	40.4	7.38%	38.3	12.95%	83.7	69.7	20.02%	129.9
= Profit Before Tax (PBT)	57.1	57.9	-1.38%	68.2	-16.2%	115.1	129.9	-11%	313.7
Less: Tax	0.3	17.7	-98%	21.0	-99%	18.0	34.5	-48%	92.0
= Profit After Tax (PAT)	56.8	40.2	41.27%	47.2	20.49%	97.1	95.4	1.77%	221.7

Summary Balance Sheet (Standalone):

(₹ in millions)

Equities & Liabilities	At 30/09/2019	At 31/03/2019	Assets	At 30/09/2019	At 31/03/2019
	(Unaudited)	(Audited)		(Unaudited)	(Audited)
Equity	393.9	393.9	Non-CA:	1,349.9	1,103.5
R&S	959.6	856.2	PPE	67.3	72.6
Networth	1,353.5	1,250.1	Intangible	0.1	0.1
			Investment properties	241.8	244.5
Non-CL:	1,249.1	1,013.9	Investment in subsidiary/associate/JV	159.2	155.2
Financial liabilities	1,157.4	906.5	Financial assets	879.6	630.2
Provisions	7.1	7.3	Other non-CA	-	-
Deferred Tax liabilities	84.6	100.1	Other Tax assets	1.9	0.9
CL:	1,365.0	992.9	CA:	2,617.7	2,153.4
Financial liabilities	809.4	804.9	Financial assets	509.4	412.1
Provisions	9.7	7.2	Inventories	761.4	745.3
Other CL	545.9	179.3	Other CA	1,346.9	996.0
Current Tax liabilities	-	1.5	Current Tax assets	-	-
TOTAL	3,967.6	3,257.0	TOTAL	3,967.6	3,257.0

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Operating review for Q2-FY2020 (Standalone):

- The profitability at EBIDTA level has reduced mainly due to reduction in operational efficiency on back of change in revenue-mix i.e. higher contribution from low-margin EPC projects.
- The project/operations cost has 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.
- The higher finance cost has further affected 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 has increased due to higher utilization of credit facilities.
- The networth of the Company has increased to ₹ 1,353.5 million due to plough-back of profit.
- The total debt of the Company has increased to ₹ 1,467.2 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.

External credit rating:

CARE Ratings Limited	Brickwork Ratings India Pvt Ltd
March 29, 2019 “BBB+” (Stable) and “A2” Reaffirmed the bank loan rating of the Company while removed from Credit Watch.	November 3, 2018 “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 | % change)

Particulars	Q2-FY2020	Q1-FY2020	Q-on-Q	H1-FY2020	H1-FY2019	Y-on-Y	FY2019
	Unaudited	Unaudited		Unaudited	Unaudited		Audited
TOI							
• Infrastructure	5,322	5,077	4.83%	10,399	9,197	13%	21,105
• Rental income	18	18	-%	37	150	-75%	272
• Share of profit	-	-	-	-	-	-	-
Total TOI (A)	534.0	509.5	4.81%	1,043.6	934.7	11.65%	2,137.8
Other income (B)	32.3	16.7	93.41%	49.0	36.6	33.83%	60.1
Total Income (A + B)	566.3	526.3	7.60%	1,092.6	971.4	12.47%	2,197.9
Less: Operating expense	460.9	429.6	7.29%	890.5	775.4	14.85%	1,779.1
Depreciation	4.2	4.4	-4.76%	8.6	8.6	-0.35%	18.6
Finance cost	43.3	40.4	7.39%	83.7	69.7	20.09%	129.9
PB share in profit of JV, associates and tax	57.9	51.8	11.77%	109.7	117.6	-6.70%	270.2
Add: Share in profit of JV & associates (net of tax)	4.5	2.6	73.07%	7.1	3.3	116%	10.1
= Profit Before Tax (PBT)	62.4	54.4	14.74%	116.9	120.8	-3.25%	280.3
Less: Tax	4.0	15.9	-75%	19.9	31.2	-36%	80.2
= Profit After Tax (PAT)	58.5	38.5	51.84%	97.0	89.6	8.23%	200.1

Summary Balance Sheet (Consolidated):

(₹ in millions)

Equities & Liabilities	At 30/09/2019 (Unaudited)	At 31/03/2019 (Audited)	Assets	At 30/09/2019 (Unaudited)	At 31/03/2019 (Audited)
<i>Equity</i>	393.9	393.9	Non-CA:	1,223.35	971.6
<i>R&S</i>	892.8	789.5	PPE	67.3	72.6
Networth	1,286.7	1,183.4	Intangible	0.8	0.1
			Investment properties	241.8	244.5
Non-CL:	1,219.1	981.7	Investment in subsidiary/associate/JV	-	-
Financial liabilities	1,157.4	906.5	Financial assets	911.9	653.4
Provisions	7.1	7.3	Other non-CA	-	-
Deferred Tax liabilities	54.6	67.9	Other Tax assets	2.2	0.9
CL:	1397.6	996.1	CA:	2,680.0	2,190.0
Financial liabilities	809.8	804.9	Financial assets	509.7	390.2
Provisions	9.7	7.2	Inventories	819.0	800.1
Other CL	578.1	181.5	Other CA	1,351.3	999.7
Current Tax liabilities	-	2.4	Current Tax assets	-	-
TOTAL	3903.4	3,161.6	TOTAL	3903.4	3,161.6

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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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