

Earnings Release for Q3 / 9M-FY2017

Standalone Revenue growth of 17% for Q3-FY2017

Standalone EBITDA growth of 22%

Standalone PAT growth of 24%

Standalone Financials at a glance:

₹ in millions ¹	Q3-FY2016	Q3-FY2017	YoY	9M-FY2016	9M-FY2017	YoY
Total Revenue	471.1	549.1	17%	1,246.7	1,623.7	30%
EBIDTA	78.6	96.3	22%	198.1	254.2	28%
PAT	45.0	56.1	24%	112.4	151.3	34%
Confirmed Unexecuted Order Book at December 31, 2016: ₹ 3,013.7 million						

Ahmedabad, February 10, 2017: The Board of Directors of Nila Infrastructures Ltd (BSE: 530377/NILA; NSE: NILAINFRA) at its meeting held at Ahmedabad on February 08, 2017, approved the Unaudited Financial Results for the quarter and nine-months ended December 31, 2016.

- **Standalone Financial highlights for the quarter ended December 31, 2016:**

Standalone Revenue increased by 17% to ₹ 549.1 million from ₹ 471.1 million in the corresponding previous quarter. On the profitability front, the EBIDTA for Q3-FY2017 has witnessed a growth of 22% from ₹ 78.6 million to ₹ 96.3 million with an EBITDA margin of 18% in Q3-FY2017. The Profit after Tax is ₹ 56.1 million i.e. a growth of 24%.

- **Standalone Financial highlights for the nine-months ended December 31, 2016:**

Standalone Revenue has increased by 30% to ₹ 1,623.7 million from ₹ 1,246.7 million in the corresponding previous period. On the profitability front, the EBIDTA has witnessed a growth of 28% from ₹ 198.1 million to ₹ 254.2 million with an EBITDA margin of 17% in 9M-FY2017. The Profit after Tax is ₹ 151.3 million i.e. a growth of 34%.

- **Balance Sheet at December 31, 2016:**

At December 31, 2016, the Standalone Network is ₹ 1,935.5 million and Standalone Gross Debt is ₹ 1,557.5 million, while the Cash and Bank Balances on the standalone basis is ₹ 37.9 million. The Net debt to Net worth computes 0.79x.

¹ 1 million = 10 lac

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

“We are glad to have continued to scale the growth trajectory, barring certain macro-economy level hiccups encountered during Q3-FY2017; our overall performance during 9M-FY2017 now promises a superior business this year as compared to the last year. For the year as a whole we are confident to maintain the growth momentum, which the Company has witnessed during about past eight quarters, with sustainable profit margins.

Our current business model provides us the flexibility of maintaining a sustainable profit through the EPC verticals and provides for the potential to benefit from better-margin businesses of EPC+PPP and PPP verticals. While all the verticals have contributed reasonably, our new orders (e.g. Medical College Campus, captive office complex for a prime business house) have opened up new vistas for the Company as the execution so far is progressing quite satisfactorily and the quality is comparable with the first-rung corporate EPC contractors. The diversity of order-book has aided in de-risking the concentration-risk that we were consciously trying to address.

*The Company is favorably placed to benefit from FM’s proposal to accord the **Infrastructure** status to Affordable housing projects. We stand to benefit from the incremental allocation upto ₹230 billion under Prime Minister Awas Yojana. Combined with the recent announcement of the PM, on the New Year’s eve, to reduce the interest rate on certain loans, we foresee these catalyzing a sea-change in the dynamics of construction industry. The resources, including finance, will now be available at an economical rate.*

Now, with sufficient order visibility, we are striving to increase shareholders’ value supported by higher growth in revenue and profitability.”

Order Book:

The Company has received contracts worth ₹ 2,227.3 million during 9M-FY2017. The total confirmed unexecuted Order Book at December 31, 2016 is ₹ 3,013.7 million. The composition of such order book is well balanced and in line with the Company’s core competence as 55% is from Affordable Housing; and 45% is other Civic Urban Infrastructure projects (e.g. Medical College Campus, Multilevel Parking, captive office complex for a prime business house). The major Government clientele comprise, Engineering Projects India Ltd (EPIL – a Mini Ratna), Ahmedabad Municipal Corporation (AMC), Vadodara Urban Development Authority (VUDA), Government of Rajasthan, while Adani Group is a major corporate clientele. Overall the Company is executing construction of about 3.5 million sq. ft. area; including ~6,000 units of affordable housing.

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.

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

(₹ in millions)

	Q3-FY2016	Q3-FY2017	9M-FY2016	9M-FY2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total Operating Income				
• Infrastructure	333.7	434.2	929.5	1,239.6
• Land trading	49.2	34.6	49.2	132.0
• Real Estate	43.0	32.0	143.2	107.3
• Rental income	5.1	6.8	16.1	22.1
Total Operating Income (A)	431.0	507.6	1,138.4	1,501.0
Other income (B)	40.1	41.4	108.3	122.7
Total income (A+B)	471.1	549.0	1,246.7	1,623.7
Less:				
Operating expense	352.4	411.4	938.9	1,246.8
Depreciation	6.5	4.1	12.7	11.9
Finance cost	43.1	45.9	122.9	134.0
Profit Before Tax	69.0	87.6	172.2	231.0
Tax	24.0	31.5	59.8	79.7
Profit After Tax	45.0	56.1	112.4	151.3

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

Operating review for 9M-FY2017 (standalone):

- The Total Operating Income of the Company has grown by 32% over 9M-FY2016 mainly due to swift and timely execution of infrastructure projects (81% contribution to TOI).
- The profitability at EBIDTA level has reduced by 49 bps mainly due to higher contribution of moderate-margin Infrastructure revenue and towards Project/Operations cost to initiate a couple of sizeable sites. However, the PAT has marginally improved by 32 bps.
- The increment in depreciation is attributable mainly to the new capital expenditure incurred by the Company during H1-FY2017. The focused approach towards the debt has started bearing the results as evident from the further 189 bps reduction in Finance cost on 9M-to-9M basis i.e. 96 bps on Q3-to-Q3 basis.
- The network of the Company has increased to ₹ 1,935.5 million due to conversion of 225 lakh warrants into equity shares alongwith premium, which were issued to the Promoters as well as plough-back of profit.
- The total debt of the Company is ₹ 1,557.5 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.



Update on Memorandum of Understanding under the “Resurgent Rajasthan Partnership Summit – 2015”:

The Company has entered into five (5) contracts aggregating ₹ 668.7 million with two Urban Improvement Trusts (“UIT”) of Rajasthan i.e. (i) Bhilwara, and (ii) Udaipur for the construction of total 2,044 affordable housing flats on turnkey basis under the Chief Minister’s Jan Awas Yojana – 2015. The large scale affordable housing schemes for Economically Weaker Section (“EWS”: 325-350 sq. ft.) and Low Income Group (“LIG”: 500-550 sq. ft.) categories envisage overall construction of approx. 8,00,000 sq. ft. super built-up area on the Government lands. The Project will be constructed on 75% of the land area and remaining 25% will be allotted to the Company, free of cost.

Update on Memorandum of Understanding with Kataria Group:

Under the MoU executed on October 7, 2015 with Kataria Group, the Company has created three (3) legal entities in the form of Joint Venture (JV) and Associate to work jointly for acquiring land and developing industrial and logistics parks, units, sheds, plots, residential colonies, and allied infrastructure at various locations situated near the upcoming automobile hub at Bechraji – about 90 kms from Ahmedabad at Gujarat. The entities are actively engaged in land aggregation process.

Update on Slum Rehabilitation and Redevelopment - PPP Projects:

- The Company has already got the possession of the Girdharnagar (Shahibaug) Project site from the AMC. The project involves construction of 609 (revised) residential units and 21 shops over a period of 24 months. The total cost of the project is ₹ 492.0 million. The contract remuneration will be in the form of vacant land worth ₹ 149.8 million and Transferable Development Rights (TDR) worth ₹ 342.2 million. The Company has initiated the process to execute an agreement for sale of such TDR and the funds will be deployed to execute the Project. While, the balance vacant land at the prime locality at Ahmedabad can be either used for captive consumption or monetized depending on the market conditions and available opportunities. On-site operation has already commenced and the Company has started booking revenue.
- The Company has also got the work order for the Kailashnagar (Sabarmati) Project site from the AMC. The project involves construction of 80 residential units over a period of 18 months. The total cost of the project is ₹ 68.0 million. The contract remuneration will be in the form of vacant land worth ₹ 78.1 million. The Project shall commence shortly.

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. Nila is 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. Nila has major presence in Gujarat and has expanded footprint into Rajasthan. Its major clients include Ahmedabad Municipal Corporation (AMC), Vadodara Urban Development Authority (VUDA), Government of Rajasthan, EPIL, Adani Group, Sandesh Applewood, etc. For more information on Nila Infrastructures Limited, please visit www.nilainfra.com



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.

For more Information please contact:

Nila Infrastructures Limited

CIN: L45201GJ1990PLC013417

Mr. Prashant Sarkhedi

Email: phsarkhedi@nilainfra.com

Mobile: +91 9978445566

Strategic Growth Advisors Pvt. Ltd

CIN: U74140MH2010PTC204285

Mr. Jigar Kavaiya / Mr. Kevin Shah

Email: jigar.kavaiya@sgapl.net / kevin.shah@sgapl.net

Mobile: +91 9920602034 / +91 9769122099