



**NILA
INFRASTRUCTURES
LIMITED**

Nila/Cs/2018/379
Date: November 15, 2018

To,
The General Manager
Department of Corporate Services
BSE Limited
Phirozee Jeejeebhoy Tower,
Dalal Street, Fort, Mumbai - 400001

To,
The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Mumbai - 400051

Scrip Code: 530377

Scrip Symbol: NILAINFRA

Dear Sir,

Sub: Earnings Release of Nila Infrastructures Ltd.

We are hereby submitting a copy of Earnings Release of Nila Infrastructures Ltd. on the financial results for the quarter/half year ended on September 30, 2018 and request the exchange to take on record.

Thanking you,
Yours faithfully
For, **Nila Infrastructures Ltd.**


Dipen Y. Parikh
Company Secretary



Encl: a/a

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INVESTOR RELEASE: Earnings Release for Q2 & H1-FY2019



For Immediate Release

Standalone Revenue growth of 2.62% for Q2-FY2019
 Standalone EBITDA growth of -3.56% | EBITDA margin 18.45%
 Standalone PAT growth of -7.45% | PAT margin 9.33%

Standalone Financials at a glance:

₹ in millions ¹	Q2-FY2018	Q2-FY2019	YoY	H1-FY2018	H1-FY2019	YoY
Total Revenue	493.3	506.3	2.62%	1,115.9	971.7	-11.60%
EBIDTA	92.8	89.5	-3.56%	206.6	161.3	-21.93%
PAT	51.0	47.2	-7.45%	110.5	95.4	-13.67%
Confirmed Unexecuted Order Book at September 30, 2018: ₹ 5,399.7 million						

Ahmedabad, November 15, 2018: The Board of Directors of Nila Infrastructures Ltd (BSE: 530377/NILA; NSE: NILAINFRA) at its meeting held at Ahmedabad on November 14, 2018, approved the Unaudited Financial Results for the quarter and half-year ended September 30, 2018.

- **Standalone Financial highlights for quarter ended September 30, 2018:**

Standalone Revenue increased by 2.62% to ₹ 506.3 million from ₹ 493.3 million in the corresponding previous quarter. On the profitability front, the EBIDTA for Q2-FY2019 has witnessed degrowth of 3.56% i.e. from ₹ 92.8 million to ₹ 89.5 million with an EBITDA margin of 18.45% in Q2-FY2019. The Profit after Tax is ₹ 47.2 million.

- **Standalone Financial highlights for half-year ended September 30, 2018:**

Standalone Revenue has reduced by 11.60% to ₹ 971.7 million from ₹ 1,115.9 million in the corresponding previous period. On the profitability front, the EBIDTA has witnessed degrowth of 21.93% i.e. from ₹ 206.6 million to ₹ 161.3 million with an EBITDA margin of 16.33% in H1-FY2019. The Profit after Tax is ₹ 95.4 million.

At September 30, 2018, the Standalone Network is ₹ 1,120.8 million and Standalone Gross Debt is ₹ 1,134.4 million, while the Cash and Bank Balances on standalone basis is ₹ 70.4 million. The Net debt to Network computes 0.95x.

¹ 1 million = 10 lakh

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

“The otherwise normal growth achieved by the Company during FY2019 appears deprived of it’s worthy complements due to the exceptional base effect of Q1-FY2018. The contracts that contributed to the revenue during Q1-FY2018 were governed by the Service Tax, wherein such tax was exclusive, and at times exempt (e.g. Affordable Housing Project under PMAY/CMJAY). However, with implementation of GST the contracts are inclusive of such taxes, which confined the revenue during H1-FY2019. Meanwhile, the profitability has reduced mainly due to change in revenue-mix as during H1-FY2018, higher margin generating PPP project had contributed about 33%; wherein during H1-FY2019 there has been hardly any. We are commencing execution of certain projects in Q3-FY2019 and confident to catch-up with the continual growth momentum by timely execution of all the projects. For the year as a whole we are confident to maintain the growth momentum, with sustainable profit margins.”

Order Book:

With fresh inflow of orders worth ₹ 1,193.0 million during H1-FY2019, the Company has built a robust order-book. The total confirmed unexecuted Order Book at September 30, 2018 was ₹ 5,399.7 million and the summary is furnished below:

(₹ in millions)

Activity	Gujarat			Rajasthan			Total (A+B)	%
	AMC	PWL/Misc.	Total (A)	GoR	EPIL	Total (B)		
Affordable Housing	300.4	1,758.3	2,058.7	1,353.3	-	1,353.3	3,412.0	63%
Civic Urban Infra	93.8	1,538.6	1,632.4	-	355.3	355.3	1,987.7	37%
Total	394.2	3,296.9	3,691.1	1,353.3	355.3	1,708.6	5,399.7	
%	7%	61%	68%	25%	7%	32%		100%

The Company has a sound and diversified order-book with a focus on its core competence of “Affordable Housing” with 63% orders (₹ 3,412.0 million); and 37% is other Civic Urban Infrastructure projects (e.g. Medical College Campus, Commercial Complex and captive office complex for a prime business house, Community Hall). EPC is the major tributary with 70% orders (₹ 3,792.2 million). Geographically the state of Gujarat accounts for 68% orders (₹ 3,691.1 million), and Principalwise government entities account for 39% (₹ 2,102.8 million). The major Government clientele comprise, Engineering Projects India Ltd (EPIL – a Mini Ratna), Ahmedabad Municipal Corporation (AMC), Government of Rajasthan, while Adani Group is a major corporate client. Overall, the Company is executing construction of about 6.5 million sq. ft. area; including ~8,800 units of affordable housing.

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

(₹ in millions)

	Q2- FY2019	Q1- FY2019	Q-o-Q	Q2- FY2018	Y-o-Y	H1- FY2019	H1- FY2018	Y-o-Y
Total Operating Income (TOI)								
• Infrastructure	476.5	495.2	-4%	463.7	3%	971.7	1,115.9	-13%
• Rental income	8.3	7.6	9%	8.0	4%	15.9	15.9	0%
Total TOI (A)	484.8	502.8	-4%	471.6	3%	987.6	1,131.7	-13%
Add: Other income (B)	21.5	25.5	-16%	21.6	0%	47.0	38.6	22%
Total Income (A+B)	506.3	528.4	-4%	493.3	3%	1,034.6	1,170.4	-12%
Operating expense	395.4	431.0	-8%	378.8	4%	826.4	925.1	-11%
Depreciation	4.3	4.3	0%	4.5	-4%	8.6	9.1	-5%
Finance cost	38.3	31.4	22%	31.0	24%	69.7	62.6	11%
= Profit Before Tax (PBT)	68.2	61.7	11%	79.0	-14%	129.9	173.6	-25%
Less: Tax	21.0	13.5	56%	28.0	-25%	34.5	63.1	-45%
= Profit After Tax (PAT)	47.2	48.2	-2%	51.0	-7%	95.4	110.5	-14%

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

Summary Balance Sheet (Standalone):

(₹ in millions)

Equities & Liabilities	At 31/03/2018	At 30/09/2018	Assets	At 31/03/2018	At 30/09/2018
	(Audited)	(Unaudited)		(Audited)	(Unaudited)
<i>Equity</i>	393.9	393.9	Non-CA:		
<i>R&S</i>	684.3	726.9	PPE	89.9	86.6
Networth	1,078.2	1,120.8	Intangible	-	0.1
			Investment properties	250.0	247.7
Non-CL:			Investment in subsidiary/associate/JV	128.7	128.9
Financial liabilities	616.5	906.9	Financial assets	529.4	506.1
Provisions	11.2	11.2	Other non-CA	0.3	-
DT liabilities	98.2	97.6	Other tax assets	1.1	-
CL:			CA:		
Financial liabilities	8,479.9	8,552.4	Inventories	636.5	731.2
Other CL	150.9	149.3	Financial assets	850.9	977.6
Provisions	3.9	7.8	Other CA	345.0	465.5
Current Tax liabilities	24.7	-	Current tax assets	-	5.3
TOTAL	2,831.6	3,149.0	TOTAL	2,831.6	3,149.0

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

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Operating review for H1-FY2019 (standalone):

- The Total Operating Income of the Company has remained range-bound mainly due to taxation effect and exceptional base effect of Q1-FY2018.
- The movement in EBITDA margin is mainly due to the change in revenue-mix with contribution from PPP projects is minimal/negligible. With contribution from other income (mainly from interest), the PAT level has remained range bound at ~9%.
- With higher utilization of credit facilities especially towards certain projects that are in nascent/primary stage, the finance expense has increased towards interest as well as Bank Guarantee Commission. However, the Company has successfully negotiated the RoI with lenders/banks and the weighted average rate of interest has reduced during Q2 and H1-FY2019.
- The networth of the Company has increased to ₹ 1,120.8 million due to plough-back of profit.
- The total debt of the Company has increased to ₹ 1,134.4 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 (CARE)
March 19, 2018
Initiated the bank loan rating of the Company at “BBB+” and “A2” (Credit watch with developing implication).
- Brickwork Ratings India Pvt Ltd
November 3, 2018
Reaffirmed the bank loan rating of the Company at “BBB+” (Stable) and “A2”.

Update on Industrial Parks initiative at Becharaji:

The SPV JVs of the Company have acquired land and are developing industrial and logistics parks, units, sheds, plots, residential colonies, and allied infrastructure near the modern automobile hub at Becharaji, which is about 90 kms from Ahmedabad at Gujarat. The two (2) JV entities viz. Romanovia Industrial Park Pvt Ltd and Kent Residential and Industrial Park LLP have since procured majority of the requisite clearances and already delivered warehouses, dormitory, etc. on selective basis to the clients – including reputed MNCs. These JVs are constructing total about 1.0 million sq feet bua comprising warehouse, dormitory, commercial center, etc. on Built-To-Suit and/or Ready-To-Shift basis for the established/high-rated corporate clients.

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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.

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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 ISO 9001:2015 accredited. The Company has major presence in Gujarat and has expanded footprint into Rajasthan. The major clientele include Ahmedabad Municipal Corporation (AMC), Government of Rajasthan, EPIL (a Mini-Ratna Company of GoI), Adani Group, etc. The Company possesses excellent track record of profitability, dividend distribution and has accumulated strong capital reserve base. The Company has recently spun-off the Real Estate undertaking into a separate company viz. Nila Spaces Limited (NSL), pursuant to order of the National Company Law Tribunal. NSL shall be listed on BSE and NSE in due course, subject to relevant approvals/processes. To know more, please visit www.nilainfra.com

For more Information please contact:

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