NILA

NILA
INFRASTRUCTURES
LIMITED

Nila/Cs/2016/848
Date: November 16, 2016

To,
The General Manager
Department of Corporate Services
Bombay Stock Exchange Limited
Phirozee Jeejeebhoy Toweres,
Dalal Street, Fort, Mumbai – 400001

Scrip Code: 530377

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

Scrip Symbol: NILAINFRA

Dear Sir,

Sub: Investor Release on Unaudited Financial Results for the quarter/half year ended on September 30, 2016

With respect to the captioned subject matter we are hereby submitting an Investor Release on the unaudited financial results for the quarter/ half year ended on September 30, 2016 and performance of the Company.

Please find the enclosure herewith and arrange to take the same on your record.

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

NILA INFRASTRUCTURES LTD AHD

Dipen Y. Parikh
Company Secretary

Encl: a/a

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www.nilainfra.com

CIN : L45201GJ1990PLC013417

Investor Release

For Immediate Release

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Earnings Release for Q2 / H1-FY2017

Standalone Revenue growth of 36% for Q2-FY2017
Standalone EBITDA growth of 20%
Standalone PAT growth of 48%

Standalone Financials at a glance:

₹ in millions[1]	Q2-FY2016	Q2-FY2017	YoY	H1-FY2016	H1-FY2017	YoY
Total Revenue	416.1	**567.9**	*36%*	775.6	**1,074.6**	*39%*
EBIDTA	73.5	**88.0**	*20%*	120.7	**157.9**	*31%*
PAT	37.2	**55.1**	*48%*	67.3	**95.3**	*42%*
Confirmed Unexecuted Order Book at September 30, 2016: ₹ 2,974.1 million						

Ahmedabad, November 16, 2016: The Board of Directors of Nila Infrastructures Ltd (BSE: 530377/NILA; NSE: NILAINFRA) at its meeting held at Ahmedabad on November 14, 2016, approved the Unaudited Financial Results for the quarter and half-year ended September 30, 2016.

- **Standalone Financial highlights for the quarter ended September 30, 2016:**
  Standalone Revenue increased by 36% to ₹ 567.9 million from ₹ 416.1 million in the corresponding previous quarter. On the profitability front, the EBIDTA for Q2-FY2017 has witnessed a growth of 20% from ₹ 73.5 million to ₹ 88.0 million with an EBITDA margin of 17% in Q2-FY2017. The Profit after Tax is ₹ 55.1 million i.e. a growth of 48%.

- **Standalone Financial highlights for the half-year ended September 30, 2016:**
  Standalone Revenue has increased by 39% to ₹ 1,074.6 million from ₹ 775.6 million in the corresponding previous period. On the profitability front, the EBIDTA has witnessed a growth of 31% from ₹ 120.7 million to ₹ 157.9 million with an EBITDA margin of 16% in H1-FY2017. The Profit after Tax is ₹ 95.3 million i.e. a growth of 42%.

- **Balance Sheet at September 30, 2016:**
  At September 30, 2016, the Standalone Networth is ₹ 1,878.2 million and Standalone Gross Debt is ₹ 1,403.1 million, while the Cash and Bank Balances on the standalone basis is ₹ 50.7 million. The Net debt to Net worth computes 0.72x. 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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[1] *1 million = 10 lac*

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Commenting at this juncture **Mr. Deep Vadodaria, Chief Operating Officer** said:
"We have accelerated the growth momentum and continued to scale the growth trajectory; wherein our Q2-FY2017 results have reinforced our belief for a better performance this year as compared to last year. It is satisfying to note that the growth is coming from all the segments we are present in. All the divisions of the company have shown improved performance.

The recent order wins by Civic Urban Infrastructure and While Label Constructions divisions add to diversity of order-book and provides for de-risking as we had consciously planned. The affordable housing division including Slum-rehabilitation projects on PPP basis is offering huge growth potential with new order wins. While affordable housing on EPC basis, being a self-sustaining model, provides for better cashflow clarity; the Slum-rehabilitation projects on PPP basis provides for operational and financial flexibility.

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. The current order-book provides a base for the company to graduate to the next orbit of growth.

The second half of the year holds great promises as we have started to work on our strategy to capitalize on the MoU we signed with Kataria Group for development of Industrial and Logistics parks at Becharaji. We are confident about the huge growth opportunities this initiative offers.

Now, with sufficient order visibility of our EPC business, we are striving to increase shareholders' value supported by higher growth in revenue and profitability."

Order Book:
The Company has received contracts worth ₹ 1,753.5 million during H1-FY2017. The total confirmed unexecuted Order Book at September 30, 2016 is ₹ 2,974.1 million. The composition of such order book is in line with the Company's core competence as 65% is from Affordable Housing; and 35% is other Civic Urban Infrastructure projects. The major Government clientele comprise Ahmedabad Municipal Corporation (AMC), Vadodara Urban Development Authority (VUDA), Government of Rajasthan, while major corporate clientele comprise Adani Group, Engineering Projects India Ltd (EPIL).

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

(₹ in millions)

	Q2-FY2016	Q2-FY2017	H1-FY2016	H1-FY2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total Operating Income				
• *Infrastructure*	*320.9*	*452.6*	*595.7*	*805.4*
• *Real Estate*	*57.0*	*65.5*	*100.2*	*72.7*
• *Land trading*	*0*	*0*	*0*	*100*
• *Rental income*	*5.5*	*7.6*	*10*	*15.2*
Total Operating Income **(A)**	383.4	525.7	705.9	993.3
Other income (B)	32.7	42.2	69.7	81.3
Total income (A+B)	416.1	567.9	775.6	1,074.6
Less:				
Operating expense	311.0	437.7	586.4	835.4
Depreciation	3.2	4.0	6.3	7.8
Finance cost	45.1	43.6	79.8	88.0
Profit Before Tax	56.8	82.6	103.1	143.5
Tax	19.6	27.5	35.8	48.2
Profit After Tax	**37.2**	**55.1**	**67.3**	**95.3**

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

Summary Balance Sheet (Standalone): (₹ in millions)

At the year/period ending	March 31, 2015	Sept 30, 2015	March 31, 2016	Sept 30, 2016
	(Audited)	(Unaudited)	(Audited)	(Unaudited)
Capital and Liabilities				
Capital	370.2	370.2	370.2	393.0
Reserves and surplus	1,208.5	1,275.9	1,329.9	1,485.3
Long-term Borrowings	1,019.3	1,215.1	1,313.9	1,095.6
Other long-term liabilities/provisions	31.6	17.6	65.9	47.9
Short-term Borrowings	70.4	72.0	49.1	75.5
Other short-term liabilities/provisions	728.2	600.0	547.1	524.6
Total – Capital and Liabilities	**3,428.1**	**3,550.8**	**3,676.1**	**3,621.9**
Assets				
Fixed assets	330.6	327.2	333.5	338.8
Investments	182.8	182.7	198.8	211.7
Other assets	33.2	25.7	49.2	70.8
Long-term Loans and Advances	82.2	138.0	335.4	398.6
Current assets	1,687.8	1,673.1	1,696.1	1,677.4
Cash and Bank Balances	45.9	54.1	31.7	50.7
Short-term Loans and Advances	1,065.6	1,150.0	1,031.3	873.9
Total – Assets	**3,428.1**	**3,550.8**	**3,676.0**	**3,621.9**

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

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Operating review for H1-FY2017 (standalone):

- The Total Operating Income of the Company has grown by 41% over H1-FY2016 mainly due to timely execution of infrastructure projects (81% contribution to TOI).
- The profitability at EBIDTA level for Q2-to-Q2 basis has reduced by 214 bps mainly due to higher contribution of moderate-margin Infrastructure revenue, while for H1-to-H1 basis the reduction is 103 bps. It is also attributable to the increase in Project/Operations cost. However, the PAT has remained almost constant with minuscule improvement.
- The increment in depreciation is attributable mainly to the new capital expenditure incurred by the Company during H1-FY2017. The focussed approach towards the debt has started bearing the results as evident from the 347 bps reduction in Finance cost on Q2-to-Q2 basis i.e. 245 bps on H1-to-H1 basis. This has provided sufficient cushion to the increase in Project/Operations cost with a marginal improvement at PAT level.
- The networth of the Company has increased to ₹ 1,878.2 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 ₹ 1,403.1 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 graduation into medical/health related construction:

The Company has since graduated into medical/health related civil construction by getting work order from EPIL of ₹ 874.6 million for construction of the Medical College Campus and Residences at Barmer, Rajasthan.

Department of Medical Education (DME), Govt. of Rajasthan (GOR) has entrusted EPIL to execute construction of a Medical College campus for 100 MBBS admission annually as per applicable MCI norms at Barmer, Rajasthan. The facilities are required for obtaining the LOP (Letter of Permission from MCI) of 1st MBBS admission from session 2017-18. The Medical College Campus site is 9.3 km from District Hospital at Barmer and spread over 19.38 acres of land on NH-15. The Project of about 300,000 sq. ft. has to be completed within 12 months' time. This project will facilitate development of budding MBBS professionals and hence, will ensure healthy-and-disease-free future generations of existing 2.6 million citizens of Barmer District.

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With a huge deficit of doctors/medical professionals in the country, it opens-up yet another area for the Company's sustainable growth.

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.

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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. 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

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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:

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