

NIRLON LIMITED

Western Express Highway,
Goregaon (E), Mumbai - 400 063.
T +91-22-4028 1919 / 2685 2256 - 59.
F +91-22-4028 1940.
www.nirlonltd.com, Email: info@nirlonltd.com
CIN: L17120 MH1958PLC011045



November 13, 2020

The Secretary,
BSE Limited,
P.J. Towers,
Dalal Street,
Mumbai 400 001.

Security Code: 500307

Dear Sir,

Sub: Outcome of the Board Meeting held on November 13, 2020

Ref: Investor Relations Presentation –Second Quarter and half year ended on September 30, 2020

We hereby inform you that inter alia; the Board of Directors of the Company at their meeting held on November 13, 2020 considered results presentation for the 2nd Quarter and half year of the F.Y. 2020 – 2021 with disclaimers, are attached herewith.

The said information with details will also be made available on the website of the Company "www.nirlonltd.com".

We request you to take the same on record.

Thanking you,

Yours faithfully,
For Nirlon Ltd.,

Jasmin K. Bhavsar

Company Secretary, Vice President- Legal & Compliance Officer

Encl: a/a



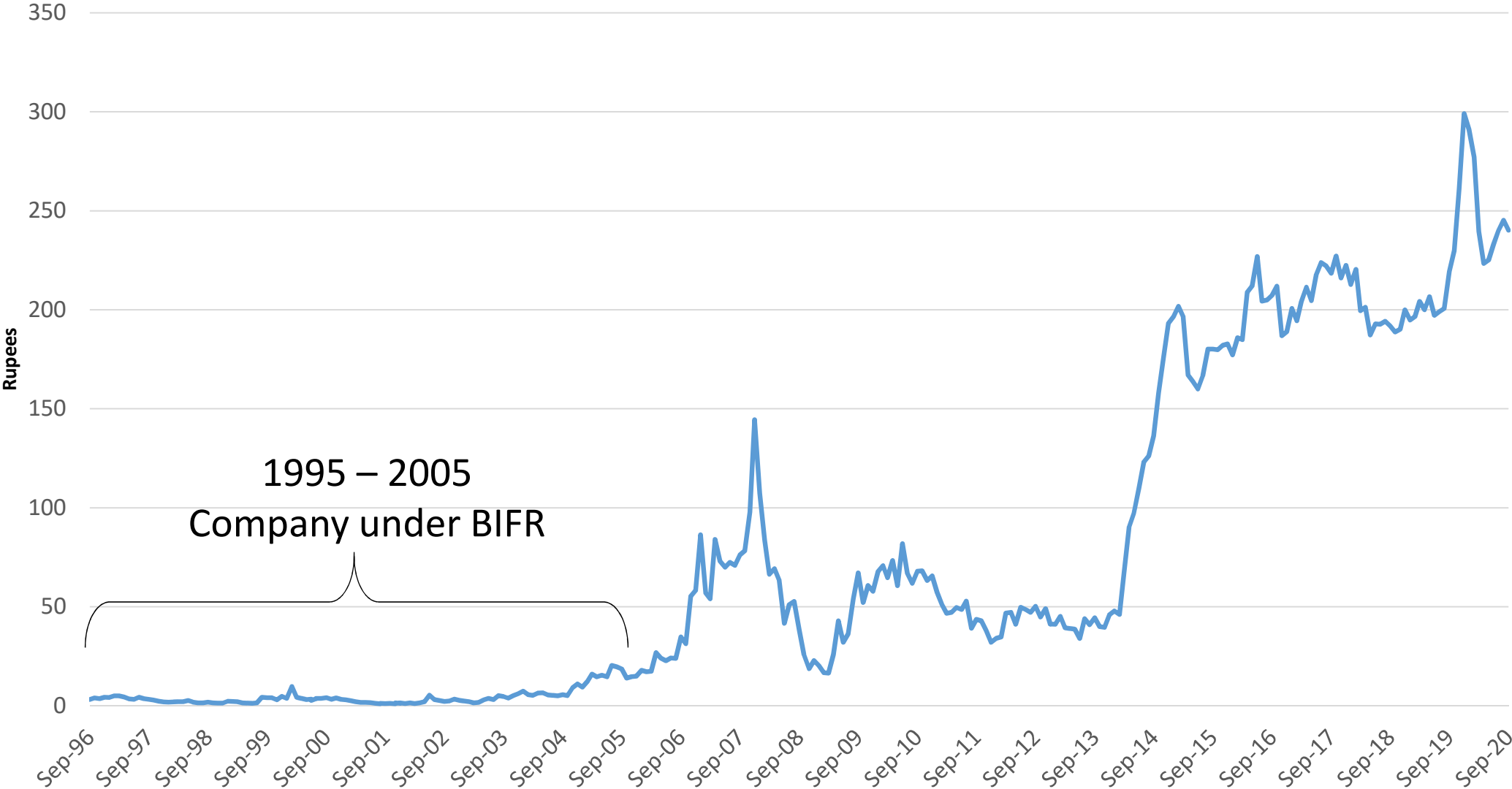


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- Financial Updates
- Quarterly Highlights
- Construction Updates



- Nirlon Ltd (“Nirlon”) was incorporated in 1958
- Nirlon was a pioneer in the manufacture of synthetic yarns and industrial rubber products. Considered a blue chip company, it was listed on the BSE in 1976
- From 1988 to 2006, Nirlon successfully underwent bankruptcy restructuring, resulting in phasing out of manufacturing
- Nirlon commenced development of Nirlon Knowledge Park (“NKP”), an IT Park, at Goregaon, Mumbai in 2006
- By 2015, Nirlon successfully developed and licensed approx. 1.9 mn. sq.ft. across four phases (phase I - IV) in NKP
- An additional approx. 1.1 mn. sq.ft. is under development as phase V in NKP
- Reco Berry Pvt. Ltd., an affiliate of GIC Singapore, became the majority shareholder in 2015 vide an open offer

Nirlon Ltd. : Share Price History



Source : www.bseindia.com

Nirlon Knowledge Park (NKP), Goregaon



NKP Details	Constructed Area (mn. sq.ft.)	Chargeable Area (mn. sq.ft.)	Completed in
Phase I	1.29	0.77	October 2009
Phase II	0.38	0.31	June 2010
Phase III	0.55	0.40	September 2013
Phase IV	0.76	0.40	March 2015
Other Areas	0.01	0.02	
SUB TOTAL (Operational Area)	2.99	1.90	
Phase V	Approx. 1.78	Approx. 1.16	Ongoing development
TOTAL AREA	4.77	3.06	

- NKP will consume approx. 2.75 mn. sq.ft. of FSI including Phase V. Basis DCPR 2034 of Mumbai, it is eligible for a higher FSI, subject to payment of premiums.
- In addition to NKP, the Company also owns 75% share (co-owned with another party) in 0.05 mn. sq.ft. (out of a total of 0.08 mn. sq.ft) at Nirlon House, Worli, the erstwhile corporate office. Of this, approx. 1,600 sq.ft. is self-occupied.

Financial Updates – Summarized P&L Account



SUMMARIZED RESULTS AS PER IND-AS	Q2FY21	Q1FY21	Q2FY20	Q2FY21 vs Q1FY21 (%)	Q2FY21 vs Q2FY20 (%)	FY20
Licensable Office Space	1.90	1.90	1.90			
Support services	0.04	0.04	0.04			
Total Licensable Area - Mn. Sq.Ft. #	1.94	1.94	1.94			
Occupancy (%)	99.5%	99.6%	99.7%			
	Rs. Mn.	Rs. Mn.	Rs. Mn.			
License Fees *	710	700	656	1%	8%	2,665
Other Revenue	98	102	105	-3%	-6%	445
TOTAL REVENUE	809	802	761	1%	6%	3,110
EBITDA	619	607	566	2%	9%	2,319
PBT	463	453	320	2%	45%	1,465
PAT	334	325	272	3%	23%	1,095
EPS (Rs.)	3.71	3.60	3.02			12.15

- Includes 75% share in 0.05 mn.sq.ft. (out of a total of 0.08 mn.sq.ft) area at Nirlon House co-owned with another party.

* - Considers the Company's share (75%) of license fees from space at Nirlon House co-owned with the other party.

The above numbers are as per Ind-AS. Previous quarters numbers have been regrouped wherever necessary.

During the financial year, pursuant to the amendment in Ind AS-23 "Borrowing Costs", the Company has considered the specific borrowings obtained for completed phases as a part of general borrowings. Accordingly, the finance cost amounting to Rs 132 mn. related to such borrowings has been capitalised as a part of Capital Work in Progress in Q1FY21 (Rs.259 mn. YTD). This has resulted in increase in the Earnings per Share (Basic & Diluted) for the current quarter by Rs 1.46 (not annualised).

For further details, please refer to the various intimations made to the Stock Exchange.

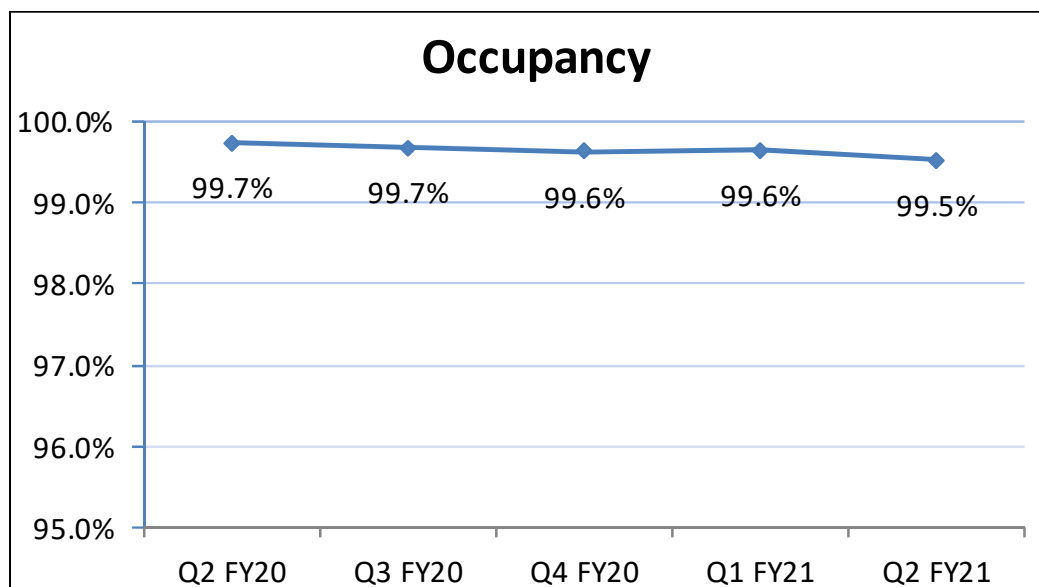
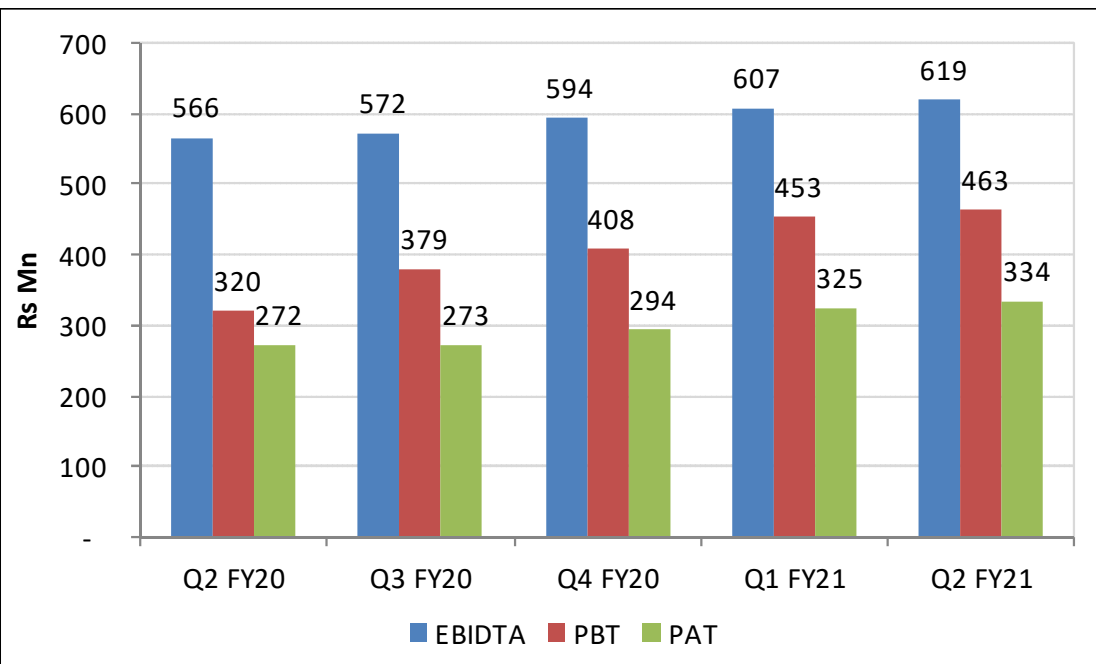
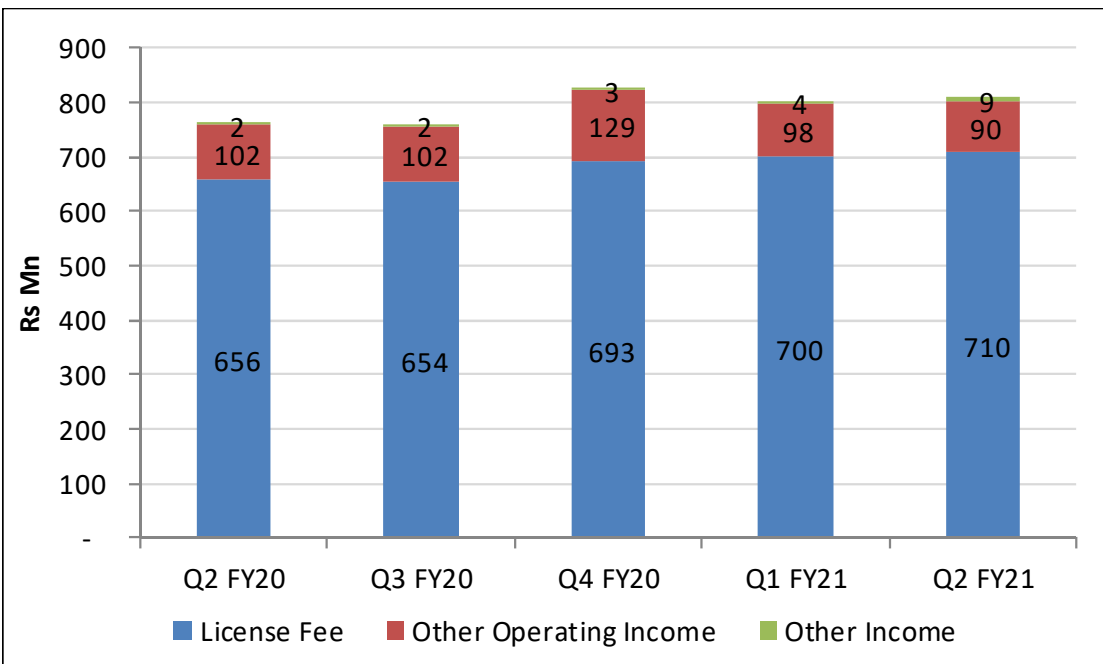
Financial Updates – Summarized Balance Sheet



UNAUDITED ABRIDGED IND-AS BALANCE SHEET AS ON	30-Sep-20	31-Mar-20
	Rs. Mn.	Rs. Mn.
Capital Work in Progress	10,387	9,482
Other Non-current Assets	7,779	8,051
Current Assets	582	346
TOTAL	18,748	17,880
Equity	5,129	4,538
Net Borrowings	9,888	9,890
Other Non-current liabilities	2,248	2,576
Other Current liabilities	1,483	876
TOTAL	18,748	17,880

The above numbers are as per Ind-AS. Previous period numbers have been regrouped wherever necessary.

Summary of Financial Performance



Debt Summary (as on 30 September 20)



Particulars - Term Loan	Debt o/s (Rs. Mn.)
Operational Areas	5,809
Phase V	3,840
TOTAL OUTSTANDING	9,649
Balance undrawn limit for Phase V	2,150

- The entire Term Loan is from HDFC Ltd. and is secured by a mortgage on NKP. The entire undrawn limit is available for drawdown, notwithstanding the Covid-19 crisis.
- Interest is being serviced for the entire loan on a monthly basis.
- The company enjoys a principal repayment moratorium on the entire debt till FY 22-23 or Phase V completion, post which the entire debt is proposed to be converted into an EMI repayment. Historically, HDFC loans to the company have had a repayment tenure of 108 to 120 months.
- Cost of debt was reduced to 8.8% p.a. in May 2020.
- In addition, secured Buyers Credit facility of approx. Rs. 255 mn. has been availed. This is US\$ denominated and unhedged.
- The above numbers are as per Indian GAAP.

Quarterly Updates



Marketing Updates

- Citigroup has re-licensed approx. 196,000 sq.ft. at NKP.

Other Updates

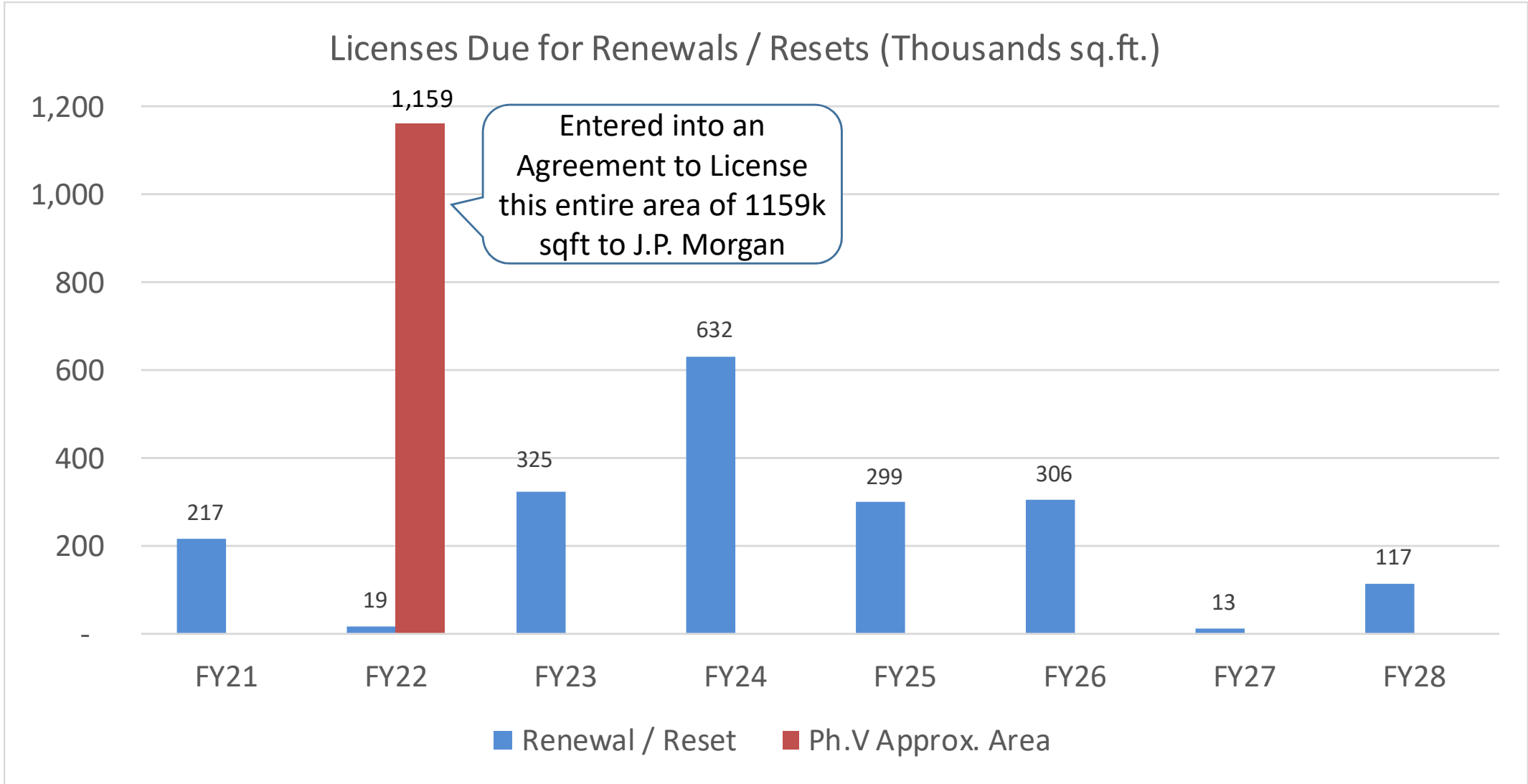
- Shareholders have approved final dividend at 7.5% for 2019-20 in AGM



Covid-19 Update

- The Company has undertaken various measures and necessary precautions to prevent the spread of Covid-19 at both NKP and Nirlon House.
- The Company continues to regularly evaluate the implications of Covid-19 on its operations at NKP (Phase I to IV) and Nirlon House.
- The Company continues to regularly evaluate the implications of Covid-19 on the timelines and costs for Phase V.
- The Company has provided abatements to some support services like F&B, crèche, gym, etc. totalling to approx. Rs. 1 mn. per month (less than 0.5% of total contracted license fees) w.e.f. 21st March 2020.
- The Company has collected approx. 99% of its total contracted license fees for the quarter.

License Renewals / Expiry Schedule



- Assumes all licenses continue for the anticipated tenure of their License / notice period and only NL's share considered for co-owned space at Nirlon House.

Indicative list of NKP Licensees



Deutsche Bank

Morgan Stanley

J.P.Morgan
(For upcoming Ph.V)



BNP PARIBAS



Starbucks



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Proposed Phase V – Indicative Facade



Construction Updates – Phase V



Building Configuration	B9 - 3 Basements + Ground Floor + 23 Floors B10 - 3 Basements + Ground Floor + 9 Floors B11 - 3 Basements + Ground Floor + 7 Parking + Terrace Cafe (Multi Level Car Parking)
Number of Car Parks	Approx. 1,150+
Building height (above Ground Level)	B9 – 105.9m, B10 - 45m, B11 - 35.7m
Type	IT / ITES
Work Completion (%)	88% (As on 30th September 2020)
Scheduled Completion / OC	Presently estimated in Q1 FY22 due to Covid-19 lockdowns and assuming no further Covid-19 related interruptions

Financial Summary – Phase V



Budgeted Cost (including Interest)	Rs. 11,983 mn.
Proposed to be funded by: *	
Internal Accruals	Rs. 5,783 mn.
Debt	Rs. 4,687 mn.
Deposits	Rs. 1,513 mn.

* - The debt level is calculated post receipt of final deposit instalment, which is contracted to be received on occupation by the proposed licensee i.e. it assumes that deposits will be used to pay down debt to the maximum extent possible.

PHASE V - COST SUMMARY (Rs. Mn.)	Budgeted	Committed	Incurred / Certified
Civil	3,025	3,598	3,486
MEP	1,902	1,657	1,084
Common Area Interiors	419	345	150
Landscape	209	54	23
Façade	1,001	904	386
FSI Premiums	1,856	1,279	1,279
Finance Cost / Interest	1,102	725	725
Soft services and Others	2,471	2,885	2,476
TOTAL	11,983	11,448	9,609

Please note:

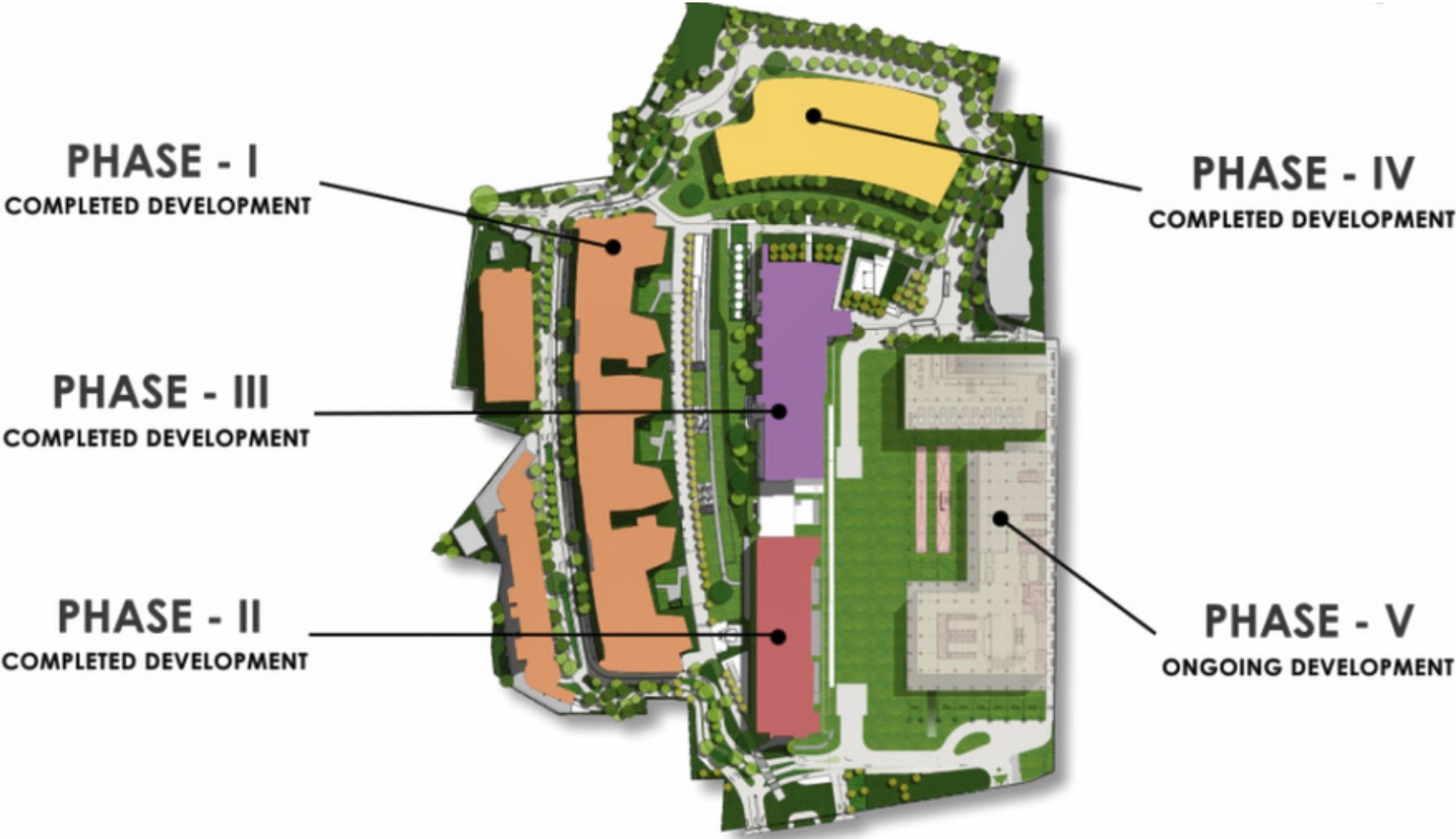
These are pre-Covid-19 budgetary estimates. Impact of Covid is presently being assessed.

The above numbers are as per Indian GAAP.

Construction Updates (September 2020)



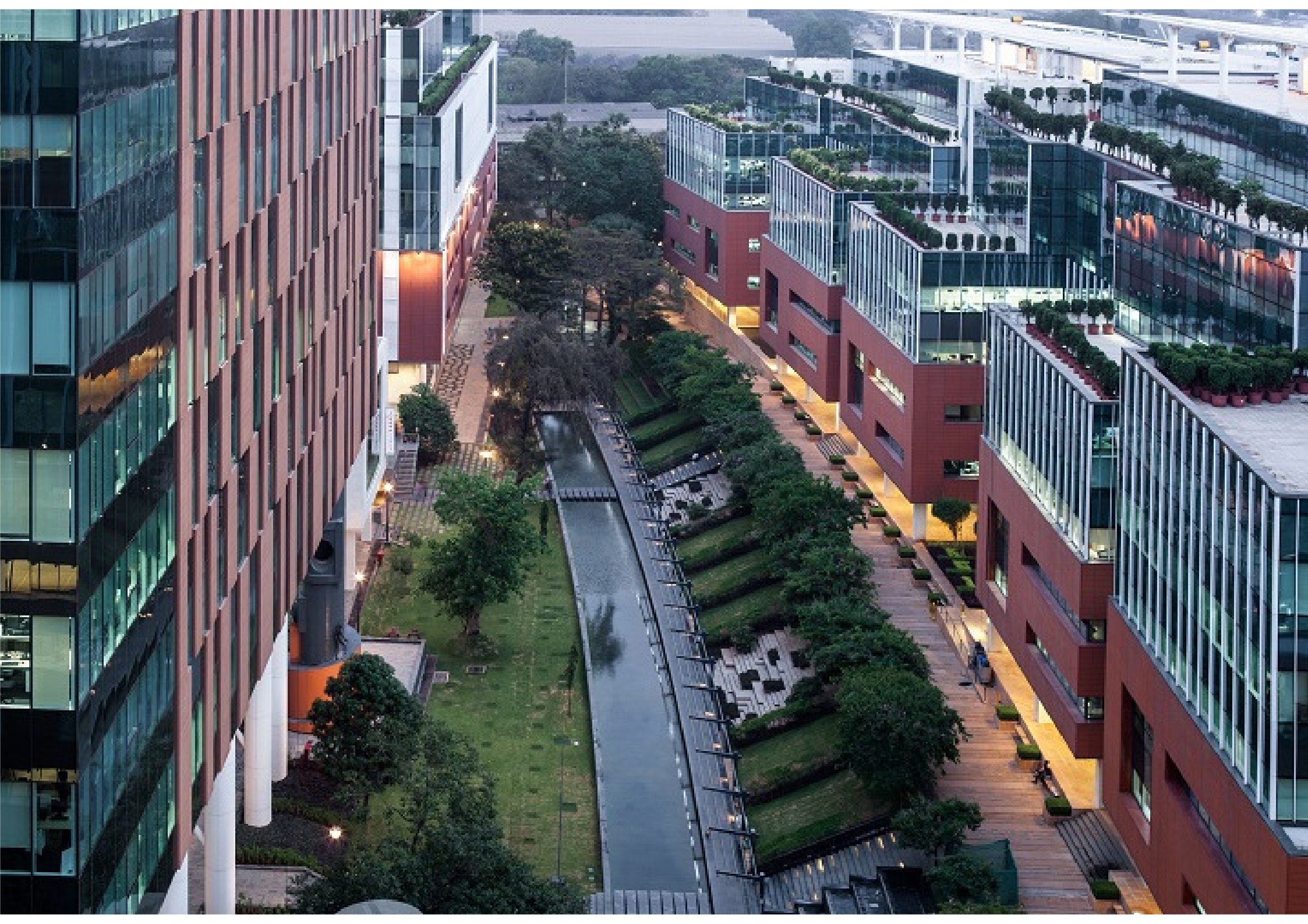
NKP Master Plan



NKP Master Plan









Disclaimer



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Thank You

For further Information, please contact:

Mr. Jasmin K. Bhavsar

Company Secretary, Vice President (Legal) & Compliance Officer

Phone No.: 022 - 40281919

Email: info@nirlonltd.com

Nirlon Limited

Website : www.nirlonltd.com