

NIRLON LIMITED

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CIN: L17120 MH1958PLC011045



November 7, 2019

✓ **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 7, 2019

Ref: Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby inform you that inter alia; the Board of Directors of the Company at their meeting held on November 7, 2019 considered results presentation for the 2nd Quarter of the F.Y. 2019 – 20 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

FCS4178

Encl: a/a



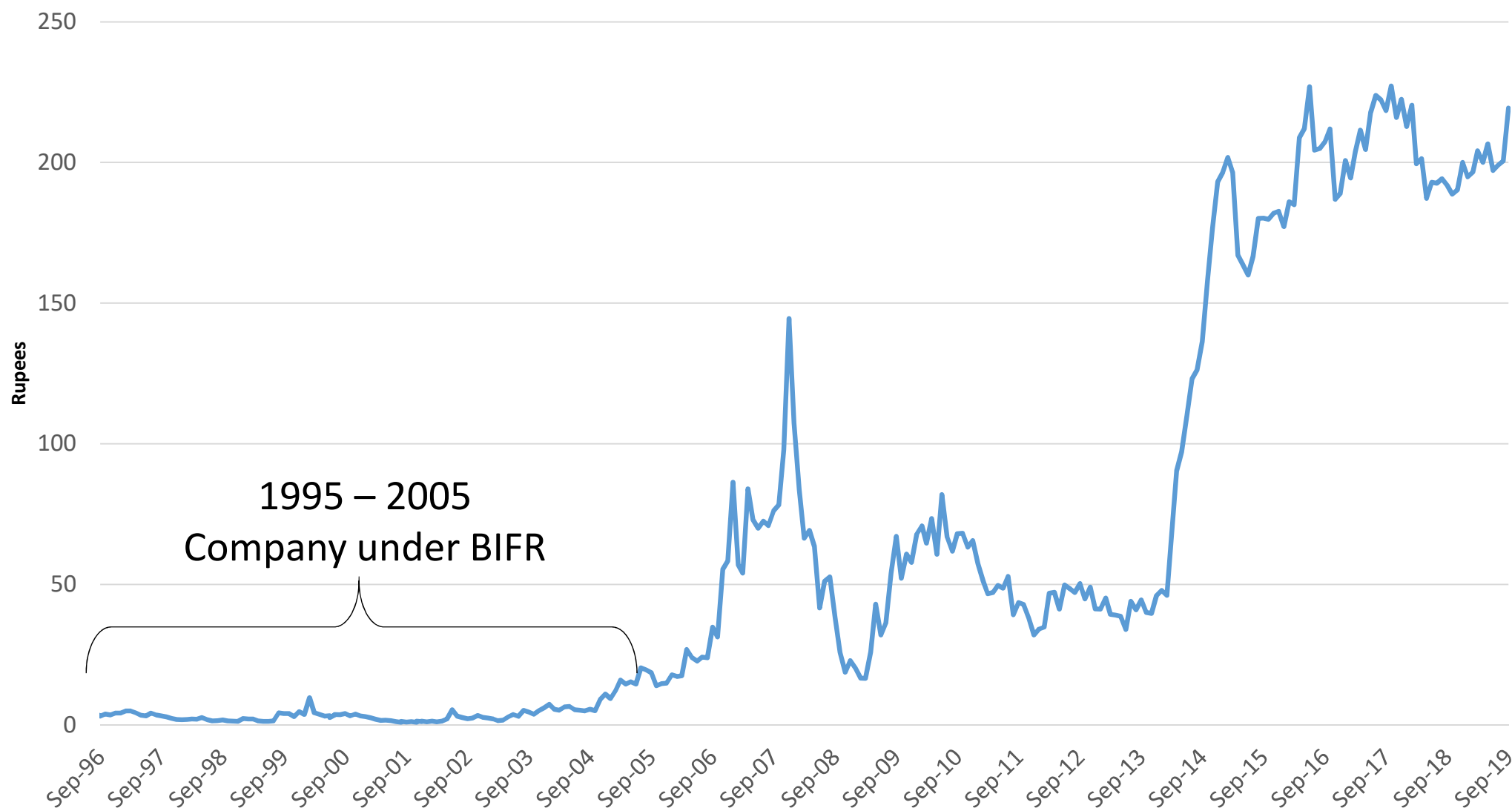


- About Us
- Financial Updates
- Quarterly Highlights
- Construction Updates



- 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
- During 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	Q2FY20	Q1FY20	Q2FY19	Q2FY20 vs Q1FY20 (%)	Q2FY20 vs Q2FY19 (%)	FY19
Licensable Office Space	1.90	1.90	1.90			
Support services	0.04	0.04	0.03			
Total Licensable Area - Mn. Sq.Ft. #	1.94	1.94	1.93			
Occupancy (%)	99.7%	99.7%	99.1%			
	Rs. Mn.	Rs. Mn.	Rs. Mn.			Rs. Mn.
License Fees *	656	662	630	-1%	4%	2,556
Other Revenue	105	95	99	11%	6%	444
TOTAL REVENUE	761	756	729	1%	4%	3,000
EBITDA	566	587	566	-4%	0%	2,274
PBT	320	358	251	-11%	28%	988
PAT	272	256	157	6%	73%	637
EPS (Rs.)	4.32	2.85	1.75			7.07

- 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 76.5 mn. related to such borrowings has been capitalised as a part of Capital Work in Progress in Q2FY20 (Rs.156.4 mn. YTD). This has resulted in increase in the Earnings per Share (Basic & Diluted) for the current quarter by Rs 0.55 (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-19	31-Mar-19
	Rs. Mn.	Rs. Mn.
Capital Work in Progress	7,275	5,593
Other Non-current Assets	8,432	8,749
Current Assets	252	230
TOTAL	15,959	14,572
Equity	3,972	3,525
Net Borrowings	9,334	8,534
Other Non-current liabilities	1,506	1,575
Other Current liabilities	1,147	939
TOTAL	15,959	14,572

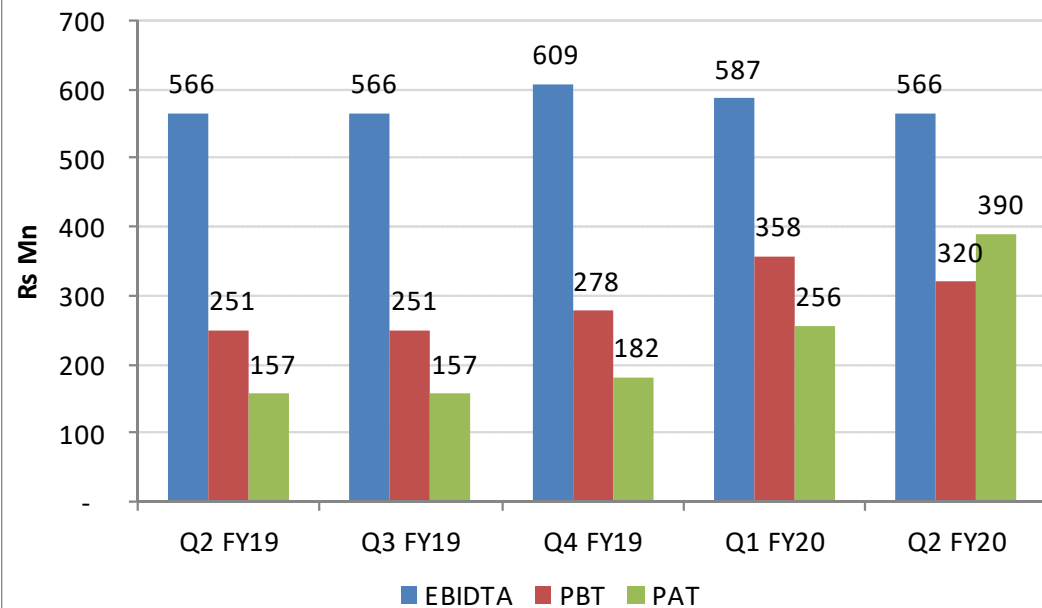
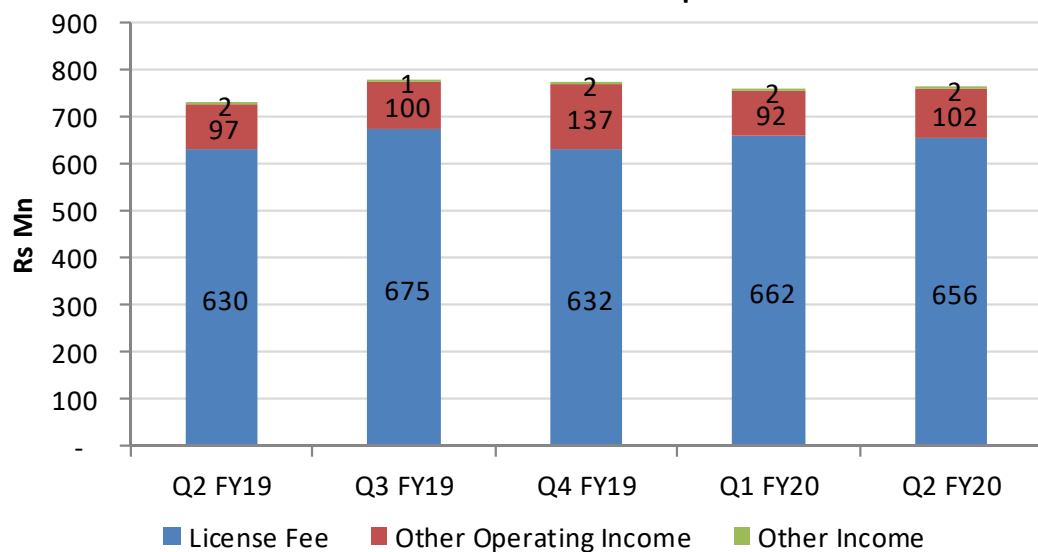
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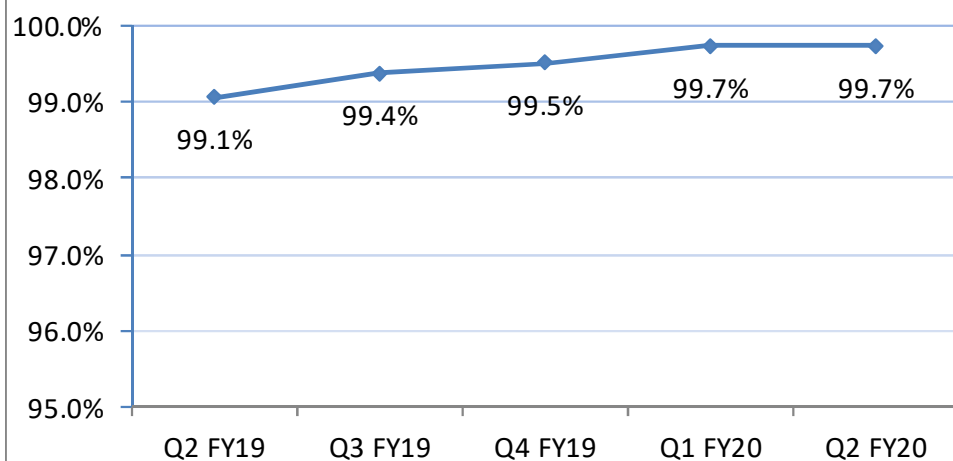
Summary of Financial Performance



Revenue Breakup



Occupancy



Debt Summary (as on 30 September 19)



Particulars - Term Loan	Debt o/s (Rs. Mn.)
Operational Areas	5,809
Phase V	3,540
TOTAL OUTSTANDING	9,349
Balance undrawn limit for Phase V	2,750

- The entire Term Loan is borrowed from HDFC Ltd. and is secured by a mortgage on NKP.
- Interest is being serviced for the entire loan on a monthly basis.
- At present, the company enjoys a principal repayment moratorium on the entire debt till FY 22-23 or till 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.
- The weighted average gross cost of debt is 10.15% p.a. (floating rate).
- In addition, secured Buyers Credit facility of approx. Rs. 32 mn. has been availed. This is US\$ denominated and unhedged.
- The above numbers are as per Indian GAAP.

Quarterly Updates



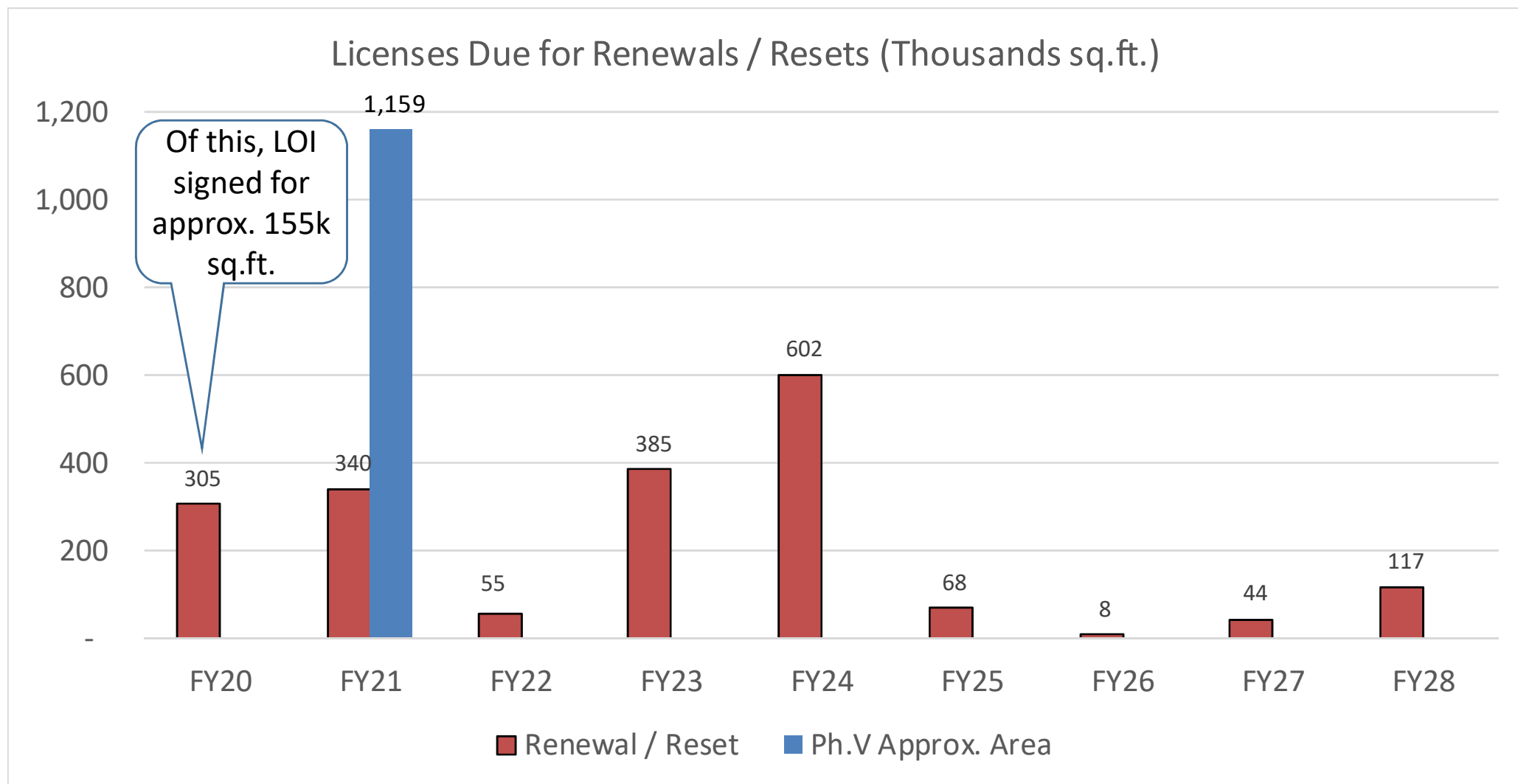
Marketing Updates

- Morgan Stanley licensed an additional approx. 31,000 sq.ft. at NKP
- The LOI signed during the Q1FY20 for marketing of 1,30,000 sq.ft. in Phase I of NKP has been amended to 1,55,000 sq.ft. during the Q2FY20.

Other Corporate Action

- Approved final dividend at 7.5% for 2018-19 in AGM

License Renewals Schedule



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

Indicative list of NKP Licensees



Morgan Stanley



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 (%)	77% (As on 30 th September 2019)
Scheduled Completion	Stage I – Approx. 0.73 Mn. sq.ft. chargeable area by April 2020 Stage II – Approx. 0.43 Mn. sq.ft. chargeable area by Oct 2020

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. 5,850 mn.
Deposits	Rs. 350 mn.

PHASE V - COST SUMMARY (Rs. Mn.)	Budgeted	Committed	Incurred / Certified
Civil	3,025	3,013	2,820
MEP	1,902	1,592	471
Common Area Interiors	419	344	39
Landscape	209	16	10
Façade	1,001	792	115
FSI Premiums	1,856	1,279	1,279
Finance Cost / Interest	1,102	370	370
Soft services and Others	2,470	2,248	2,011
TOTAL	11,983	9,656	7,115

The above numbers are as per Indian GAAP.

Phase V - Construction Progress



NKP Phase V as on 30th June 2019



NKP Phase V as on 30th September 2019

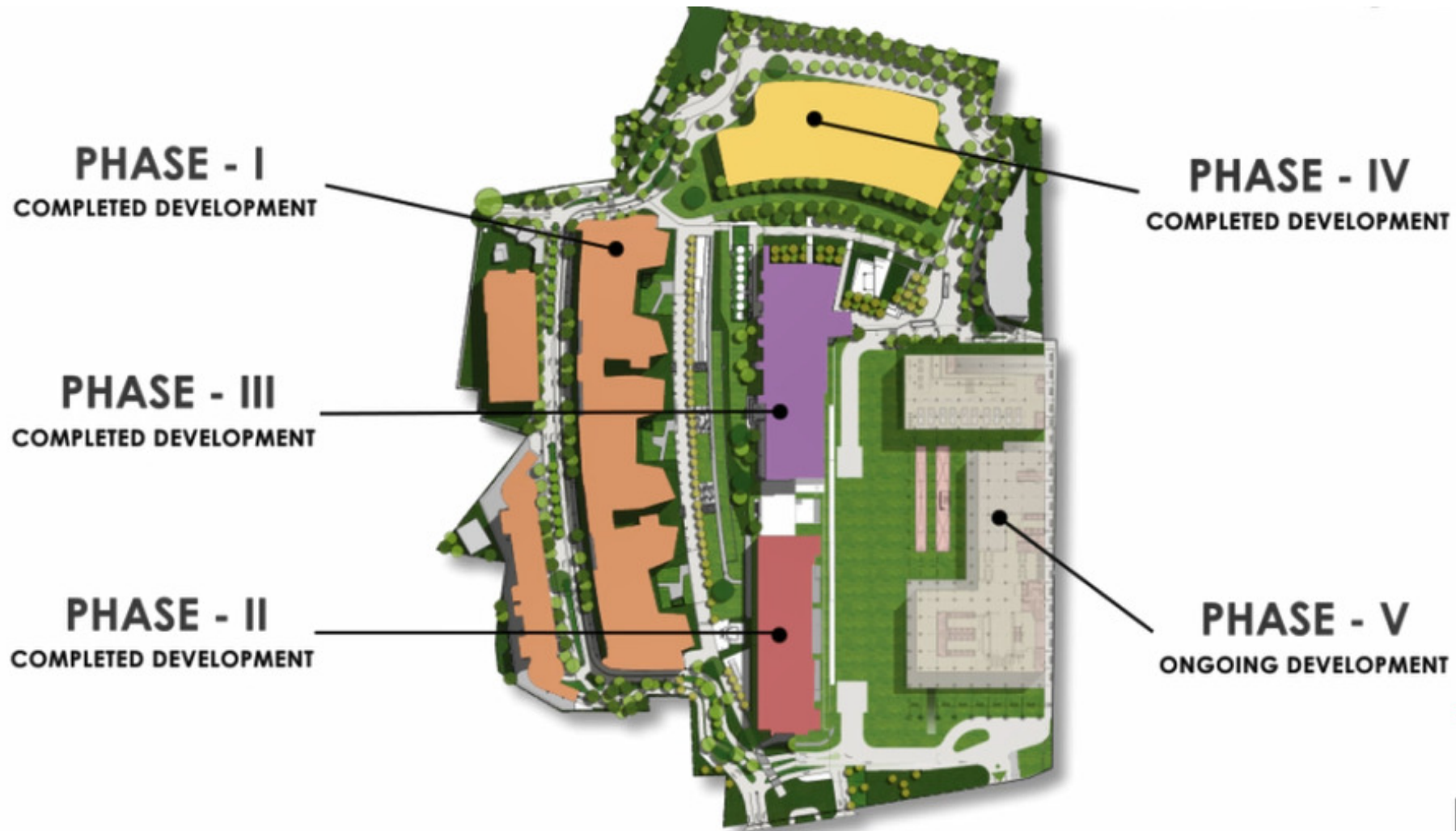
Construction Updates (September 2019)



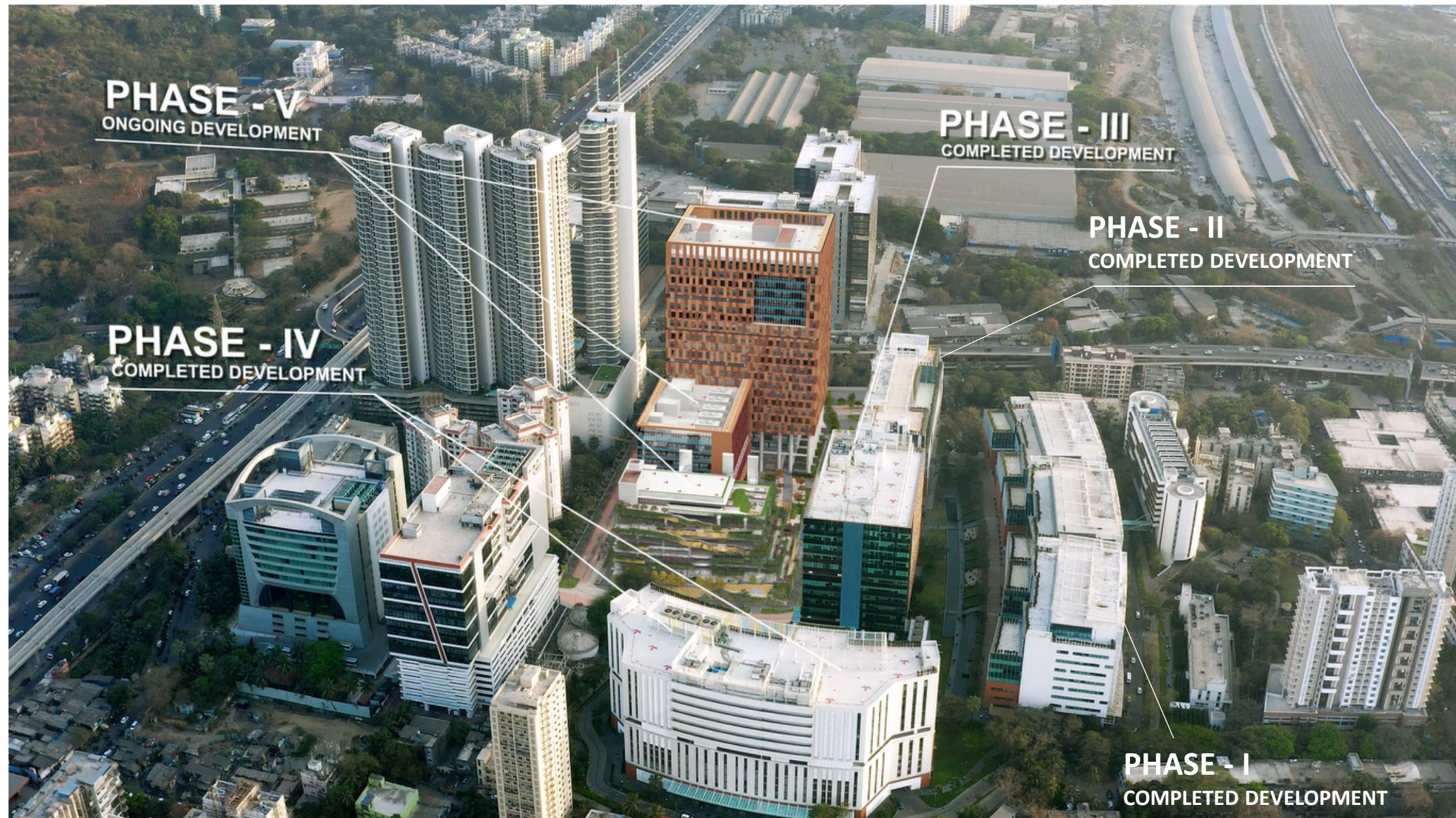
Construction Updates (September 2019)



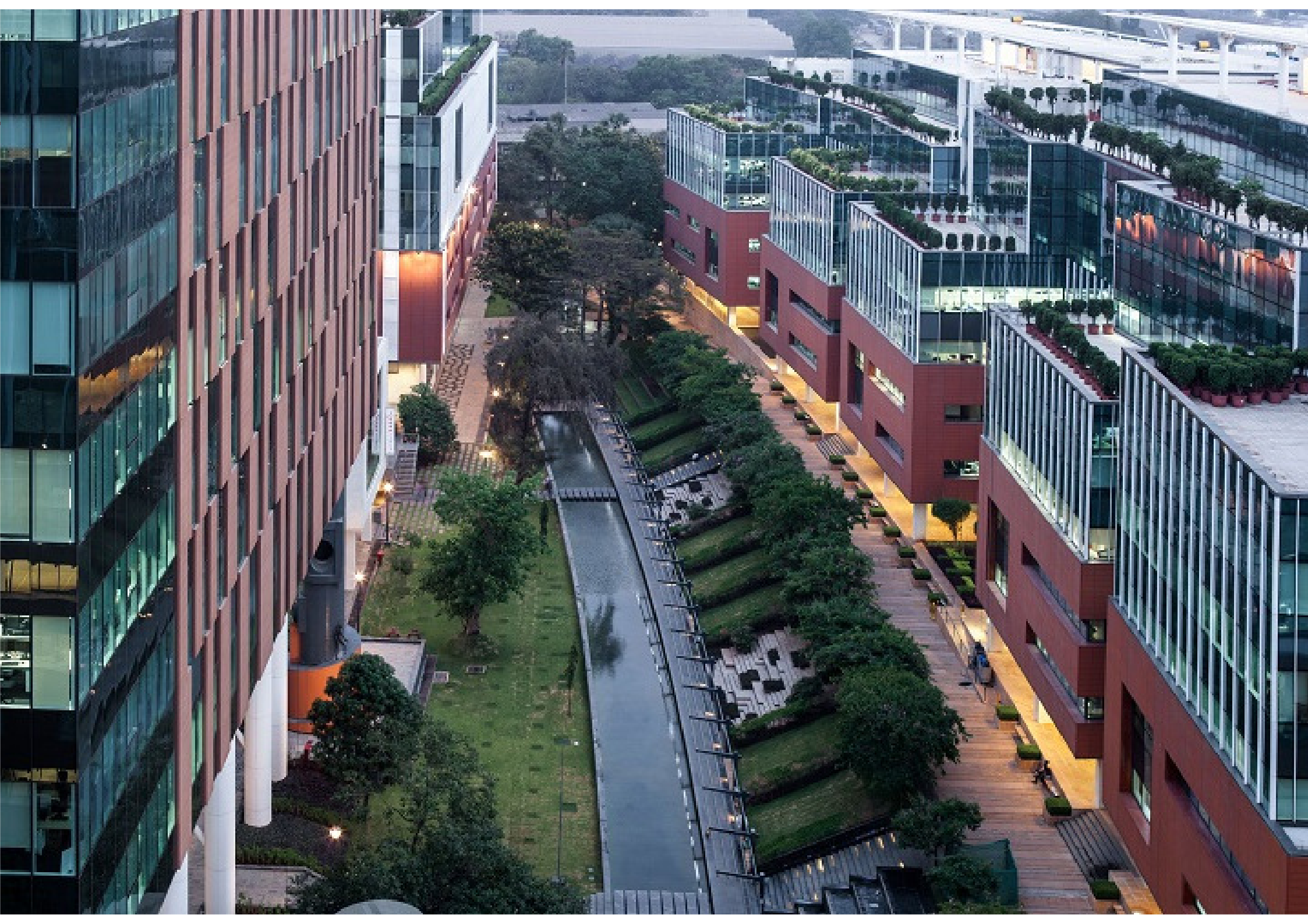
NKP Master Plan

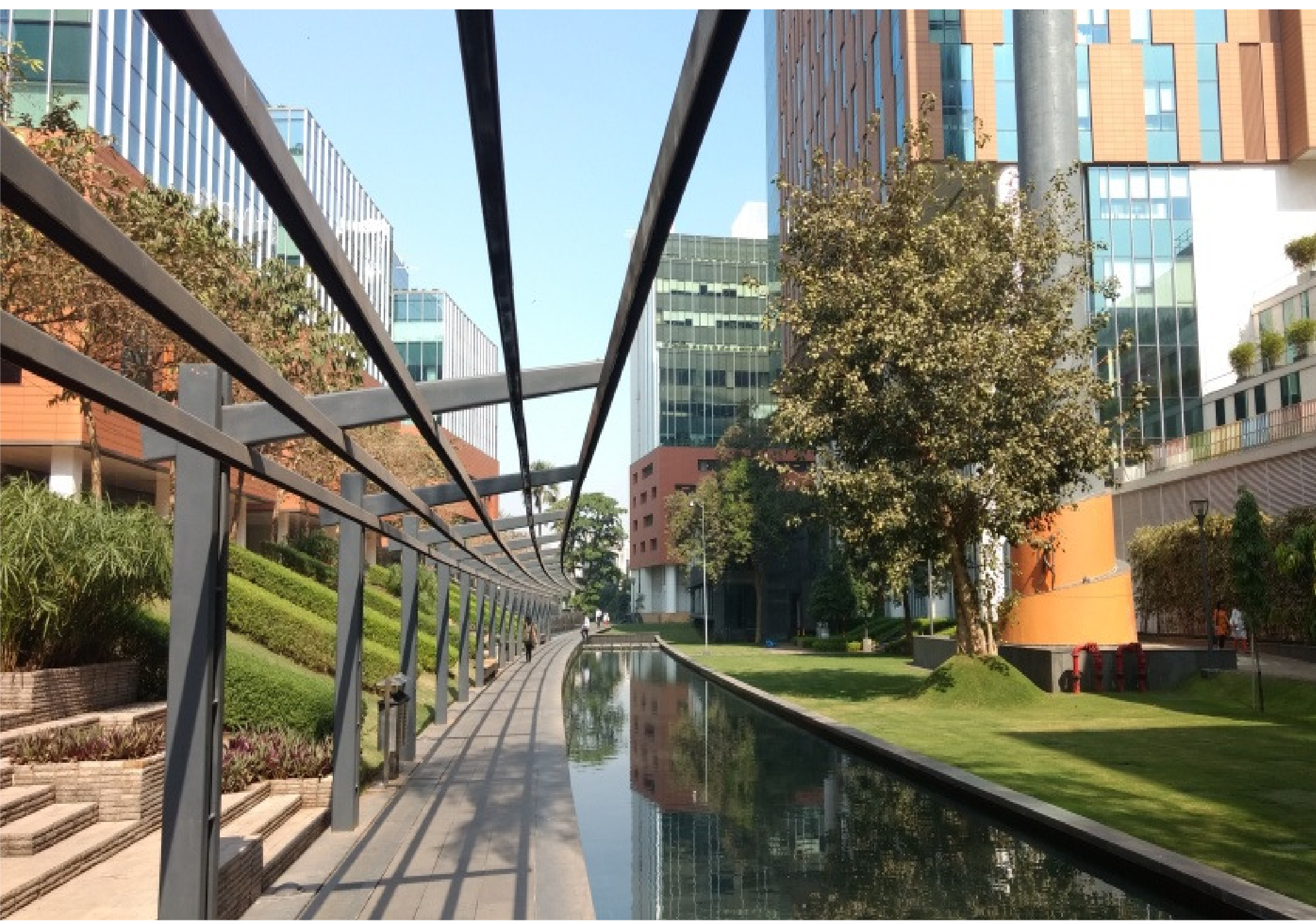


NKP Master Plan









Disclaimer



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Thank You

For further Information, please contact:

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Nirlon Limited

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