

**NIRLON LIMITED**

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CIN: L17120 MH1958PLC011045



June 30, 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 June 30, 2020 – Investor Relations financial Results Presentation

**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 June 30, 2020 considered results presentation for the 4<sup>th</sup> Quarter of the F.Y. 2019 – 2020 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**





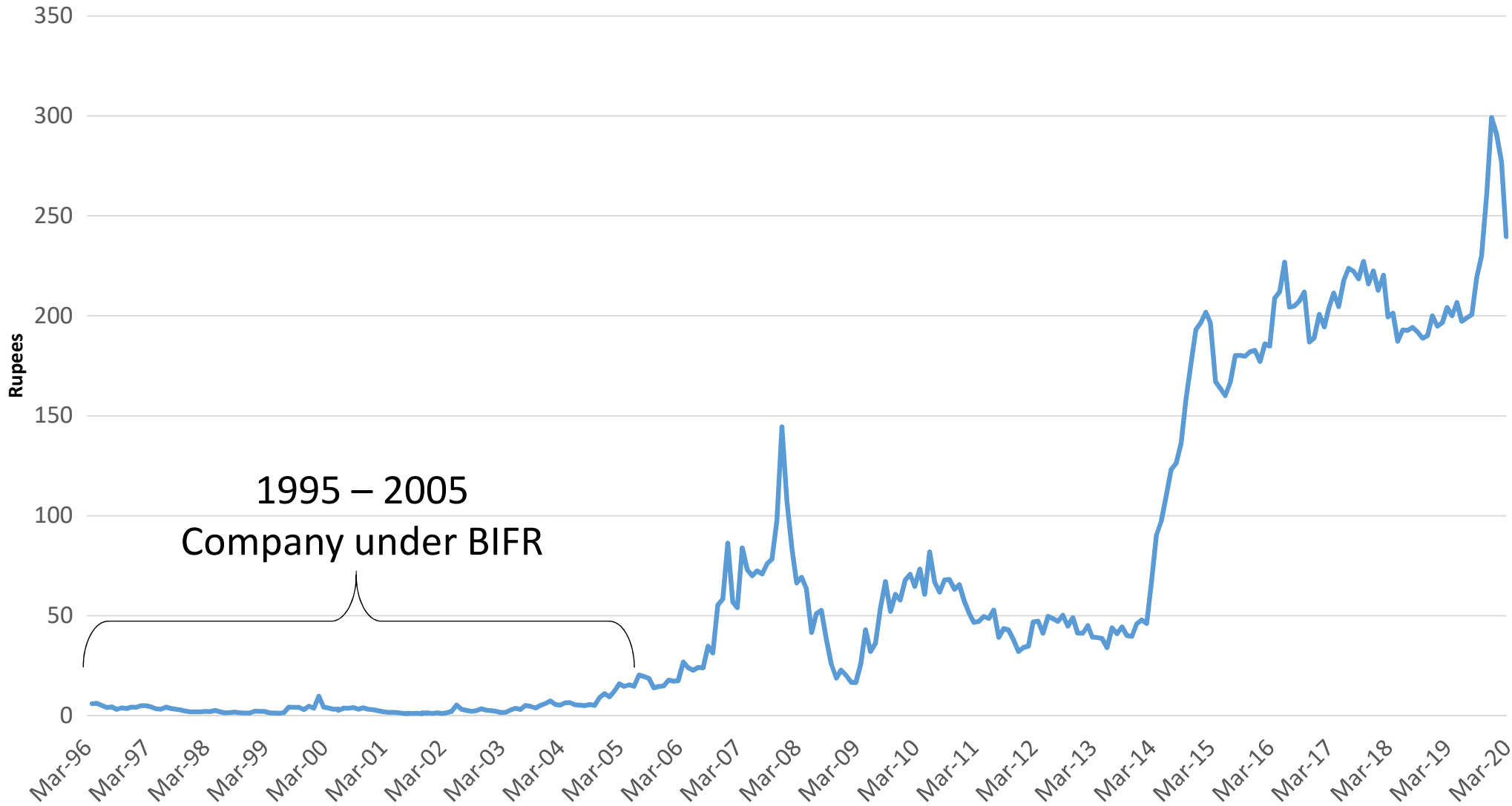
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- Construction Updates

# About Us



- 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](http://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	
<b>SUB TOTAL (Operational Area)</b>	<b>2.99</b>	<b>1.90</b>	
Phase V	Approx. 1.78	Approx. 1.16	Ongoing development
<b>TOTAL AREA</b>	<b>4.77</b>	<b>3.06</b>	

- 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	Q4FY20	Q3FY20	Q4FY19	Q4FY20 vs Q3FY20	Q4FY20 vs Q4FY19	FY20	FY19	FY20 vs FY19 (%)
Licensable Office Space	1.90	1.90	1.90					
Support services	0.04	0.04	0.04					
<b>Total Licensable Area - Mn. Sq.Ft. #</b>	<b>1.94</b>	<b>1.94</b>	<b>1.94</b>					
Occupancy (%)	99.6%	99.7%	99.5%					
	<b>Rs. Mn.</b>	<b>Rs. Mn.</b>	<b>Rs. Mn.</b>				<b>Rs. Mn.</b>	
License Fees *	693	654	632	6%	10%	2,665	2,556	4%
Other Revenue	132	114	140	15%	-6%	445	444	0%
<b>TOTAL REVENUE</b>	<b>825</b>	<b>768</b>	<b>772</b>	<b>7%</b>	<b>7%</b>	<b>3,110</b>	<b>3,000</b>	<b>4%</b>
<b>EBITDA</b>	<b>594</b>	<b>572</b>	<b>549</b>	<b>4%</b>	<b>8%</b>	<b>2,319</b>	<b>2,274</b>	<b>2%</b>
<b>PBT</b>	<b>408</b>	<b>379</b>	<b>226</b>	<b>8%</b>	<b>81%</b>	<b>1,465</b>	<b>988</b>	<b>48%</b>
<b>PAT</b>	<b>294</b>	<b>273</b>	<b>148</b>	<b>8%</b>	<b>98%</b>	<b>1,095</b>	<b>637</b>	<b>72%</b>
EPS (Rs.)	3.26	3.03	1.64			12.15	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 123.6 mn. related to such borrowings has been capitalised as a part of Capital Work in Progress in Q3FY20 (Rs.399 mn. YTD). This has resulted in increase in the Earnings per Share (Basic & Diluted) for the current quarter by Rs 1.30 (not annualised) and for the year by Rs 3.31.**

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

# Financial Updates – Summarized Balance Sheet



<b>UNAUDITED ABRIDGED IND-AS BALANCE SHEET AS ON</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
	<b>Rs. Mn.</b>	<b>Rs. Mn.</b>
Capital Work in Progress	9,482	5,593
Other Non-current Assets	8,051	8,749
Current Assets	346	230
<b>TOTAL</b>	<b>17,880</b>	<b>14,572</b>
Equity	4,538	3,525
Net Borrowings	9,890	8,534
Other Non-current liabilities	2,576	1,575
Other Current liabilities	876	939
<b>TOTAL</b>	<b>17,880</b>	<b>14,572</b>

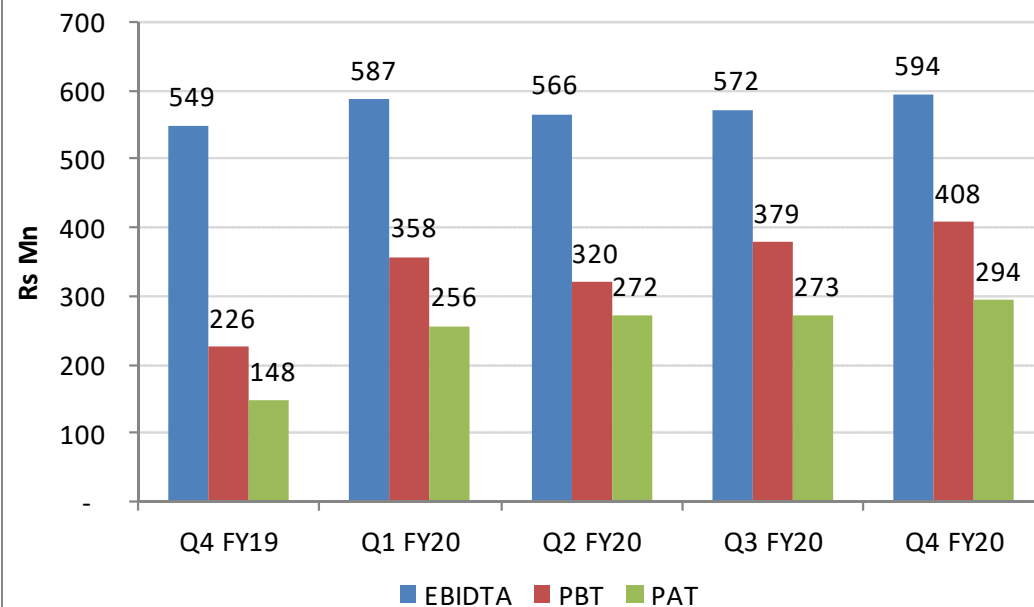
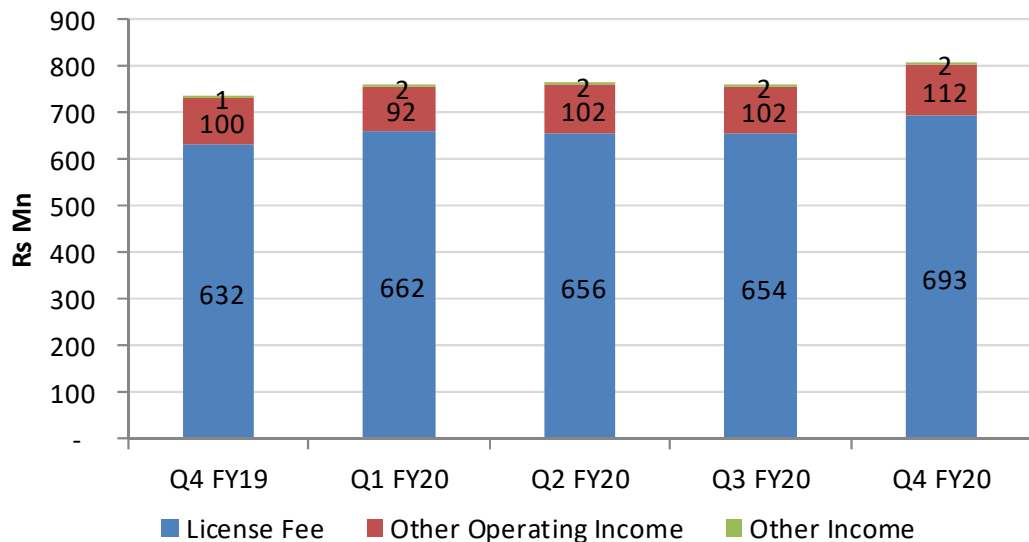
The above numbers are as per Ind-AS. Previous period numbers have been regrouped wherever necessary.



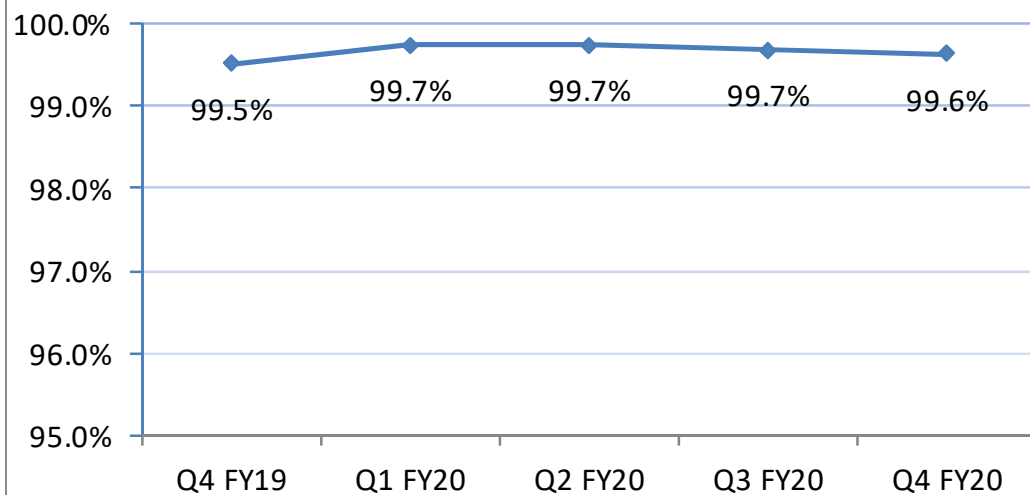
# Summary of Financial Performance



### Revenue Breakup



### Occupancy



# Debt Summary (as on 31 March 20)



Particulars - Term Loan	Debt o/s (Rs. Mn.)
Operational Areas	5,809
Phase V	3,840
<b>TOTAL OUTSTANDING</b>	<b>9,649</b>
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 had reduced from 9.9% to 9.35% p.a. (floating rate) in February 2020. This was further reduced to 8.8% p.a. in May 2020.
- In addition, secured Buyers Credit facility of approx. Rs. 256 mn. has been availed. This is US\$ denominated and unhedged.
- The above numbers are as per Indian GAAP.



## Marketing Updates

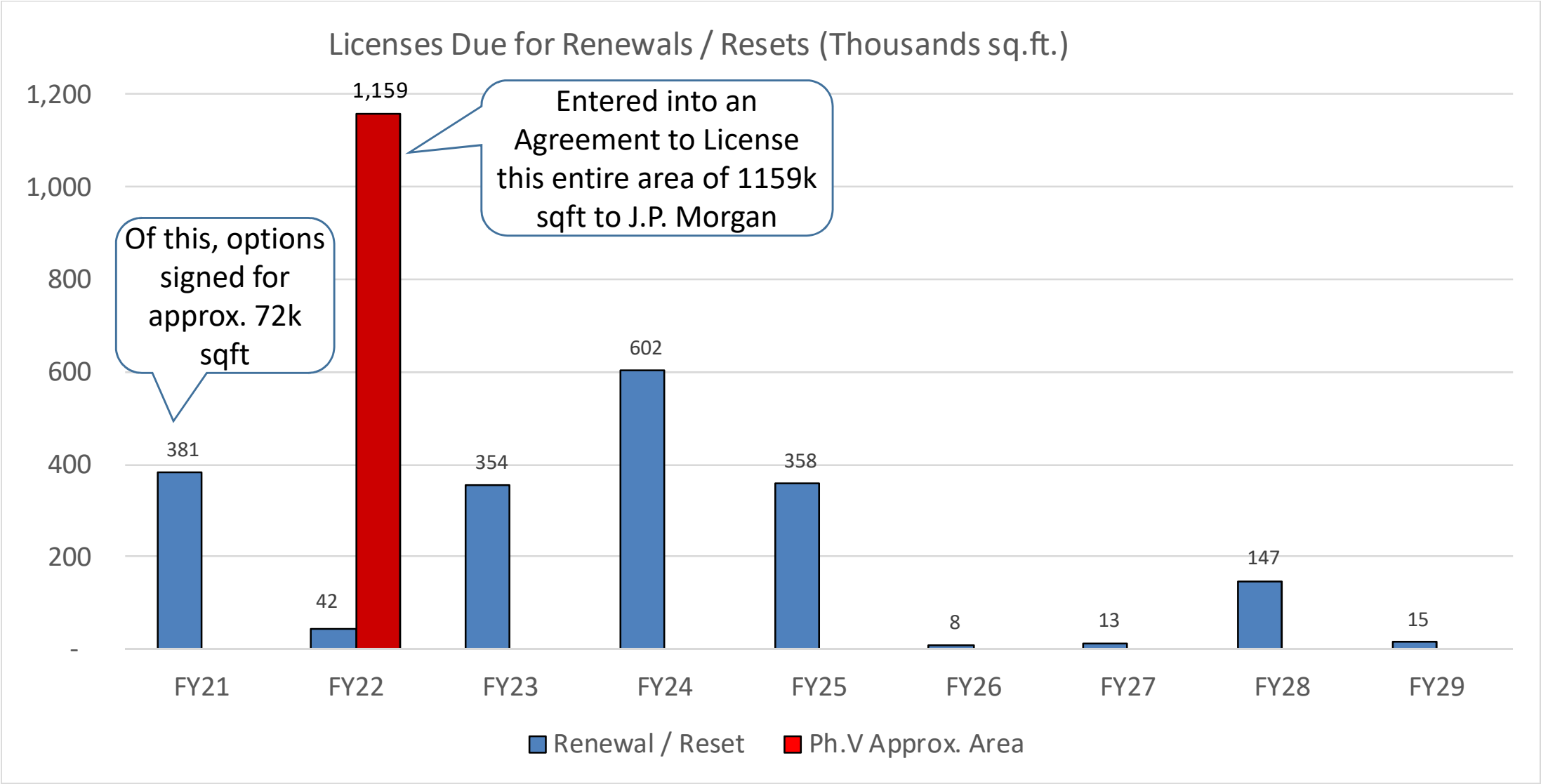
- **For FY20, achieved spread of approx. 24% over existing in-place rentals for the same space (excluding vacant spaces and license free period adjustments).**
- Virtela / NTT has re-licensed approx. 57,000 sq.ft. at NKP.
- Deibold Nixdorf has given notice to vacate approx. 9,600 sq.ft. at NKP in September 2020, earlier than its licensed term.
- Barclays has given notice to vacate approx. 31,500 sq.ft. (of approx. 148,000 sq.ft. it occupies) at NKP in September 2020, earlier than its licensed term.



## 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 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 March 2020.
- Please refer the note submitted to the stock exchange for details.

# License Renewals 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



J.P.Morgan  
For upcoming Ph.V

Morgan Stanley

Deutsche Bank

Virtela™  
An NTT Communications Company

DIEBOLD  
NIXDORF

ICICI PRUDENTIAL

ERICSSON  LRN®

 EVALUESERVE  
POWERED BY MIND + MACHINE

 EY  anunta®

  
Starbucks

SUBWAY



CHAI POINT

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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 (%)	86% (As on 31 <sup>st</sup> March 2020)
Scheduled Completion	Presently estimated in Q1 FY22 due to Covid-19 lockdowns and assuming full site mobilization by 1 <sup>st</sup> August 2020 and 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	3,592	3,425
MEP	1,902	1,636	1,033
Common Area Interiors	419	345	109
Landscape	209	49	13
Façade	1,001	904	301
FSI Premiums	1,856	1,279	1,279
Finance Cost / Interest	1,102	547	547
Soft services and Others	2,471	2,858	2,363
<b>TOTAL</b>	<b>11,983</b>	<b>11,210</b>	<b>9,071</b>

The above numbers are as per Indian GAAP.

# Phase V - Construction Progress



**NKP Phase V as on 31<sup>st</sup> December 2019**

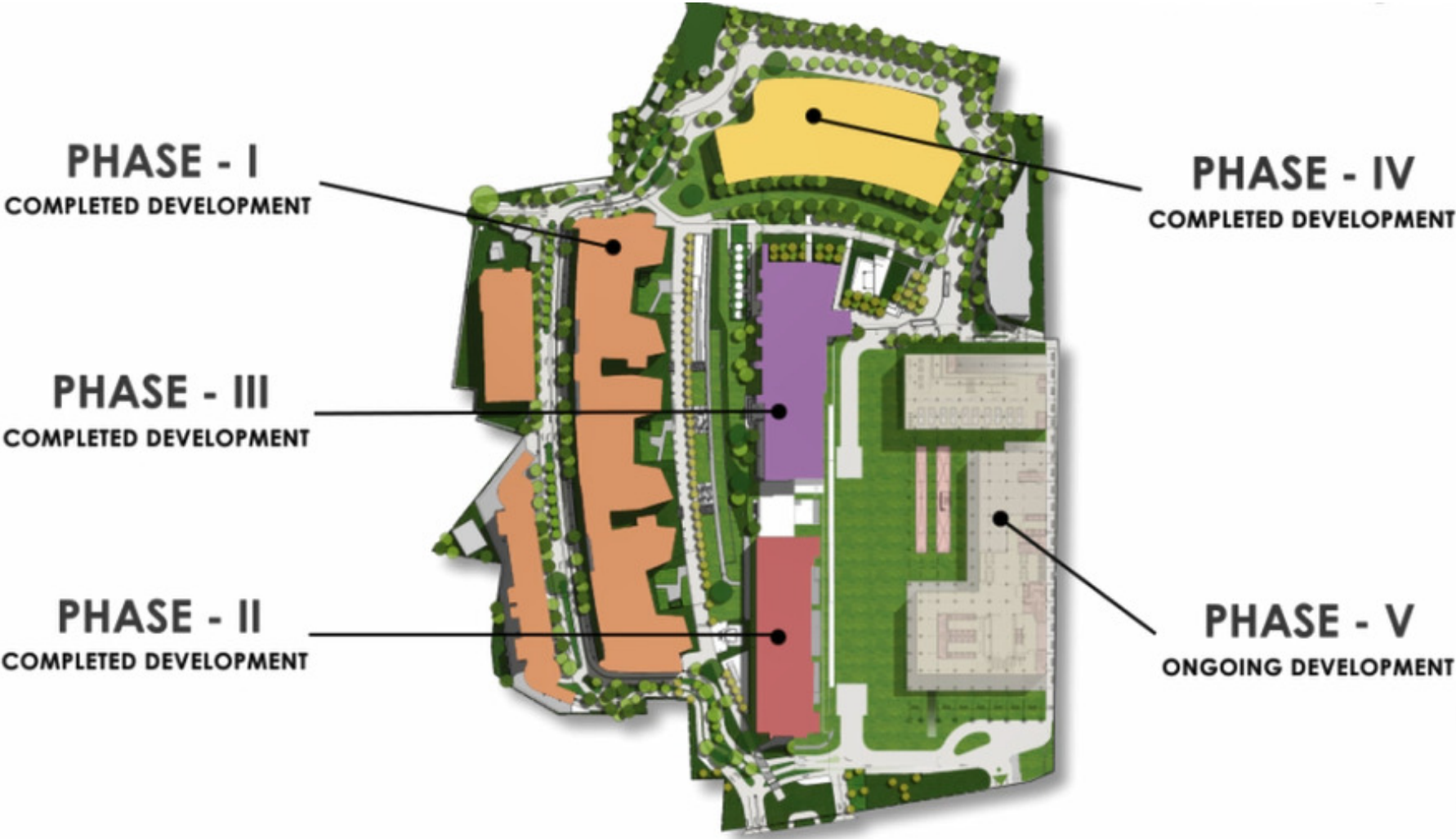


**NKP Phase V – March 2020**

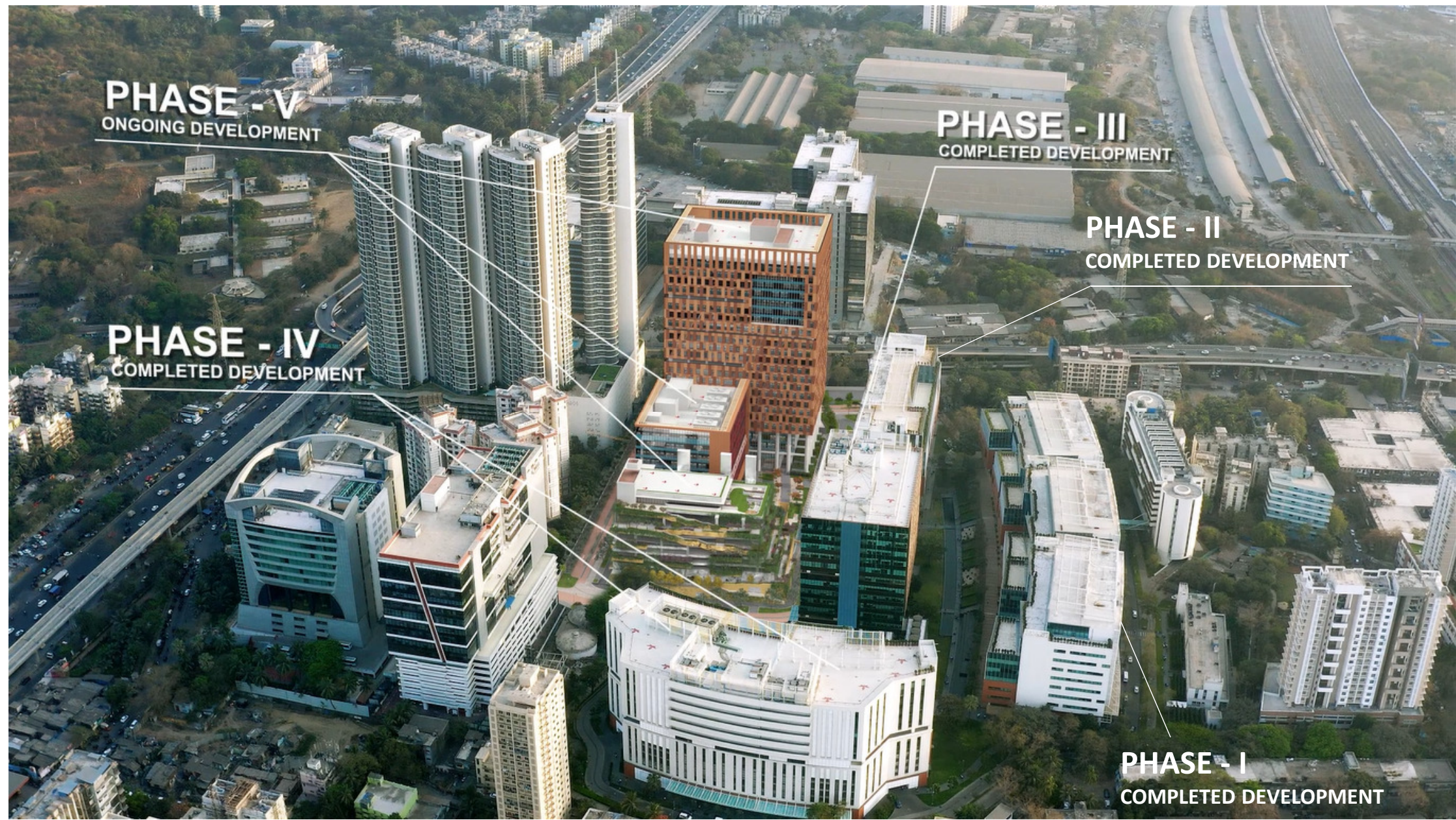
# Construction Updates (March 2020)



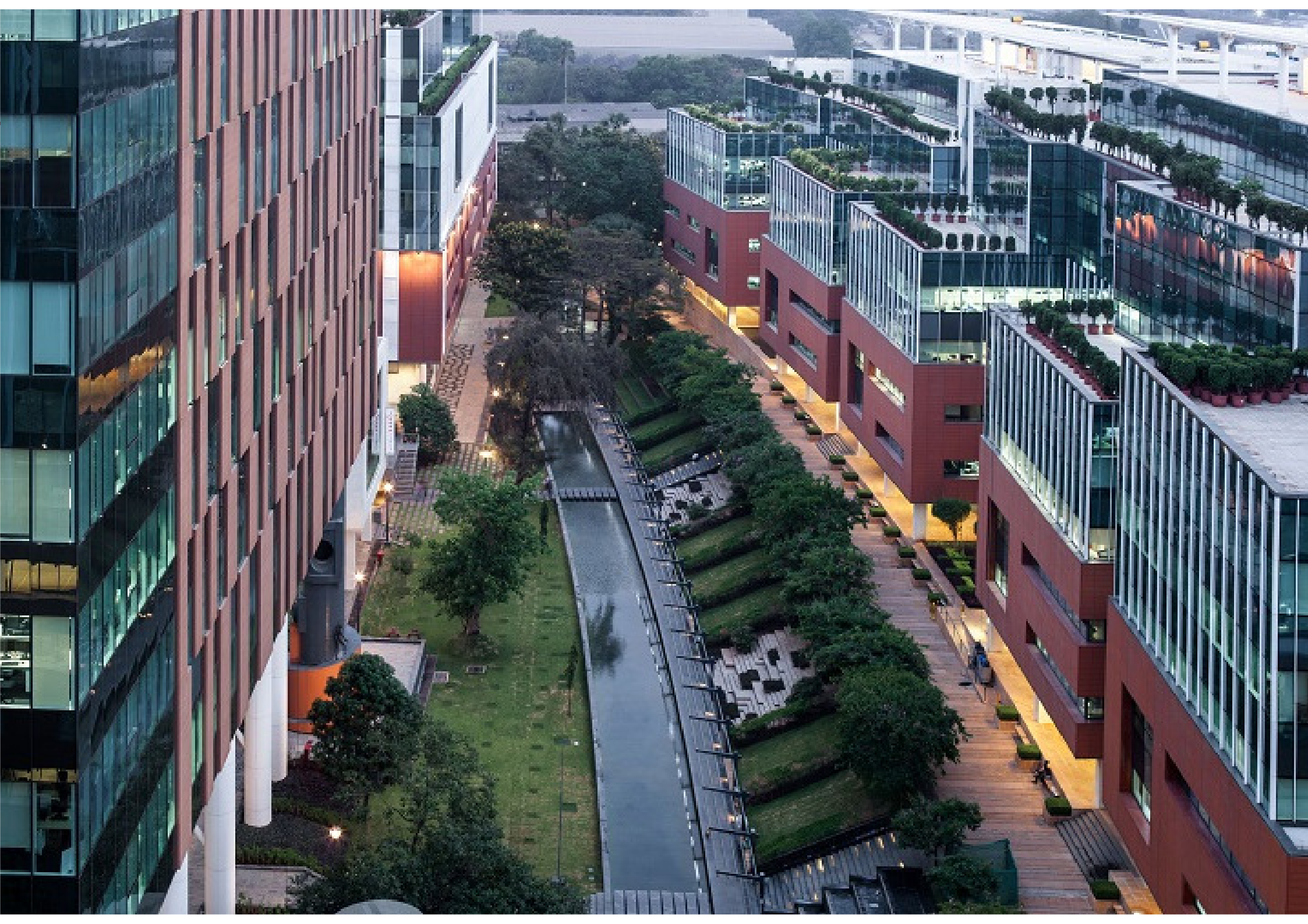
# NKP Master Plan

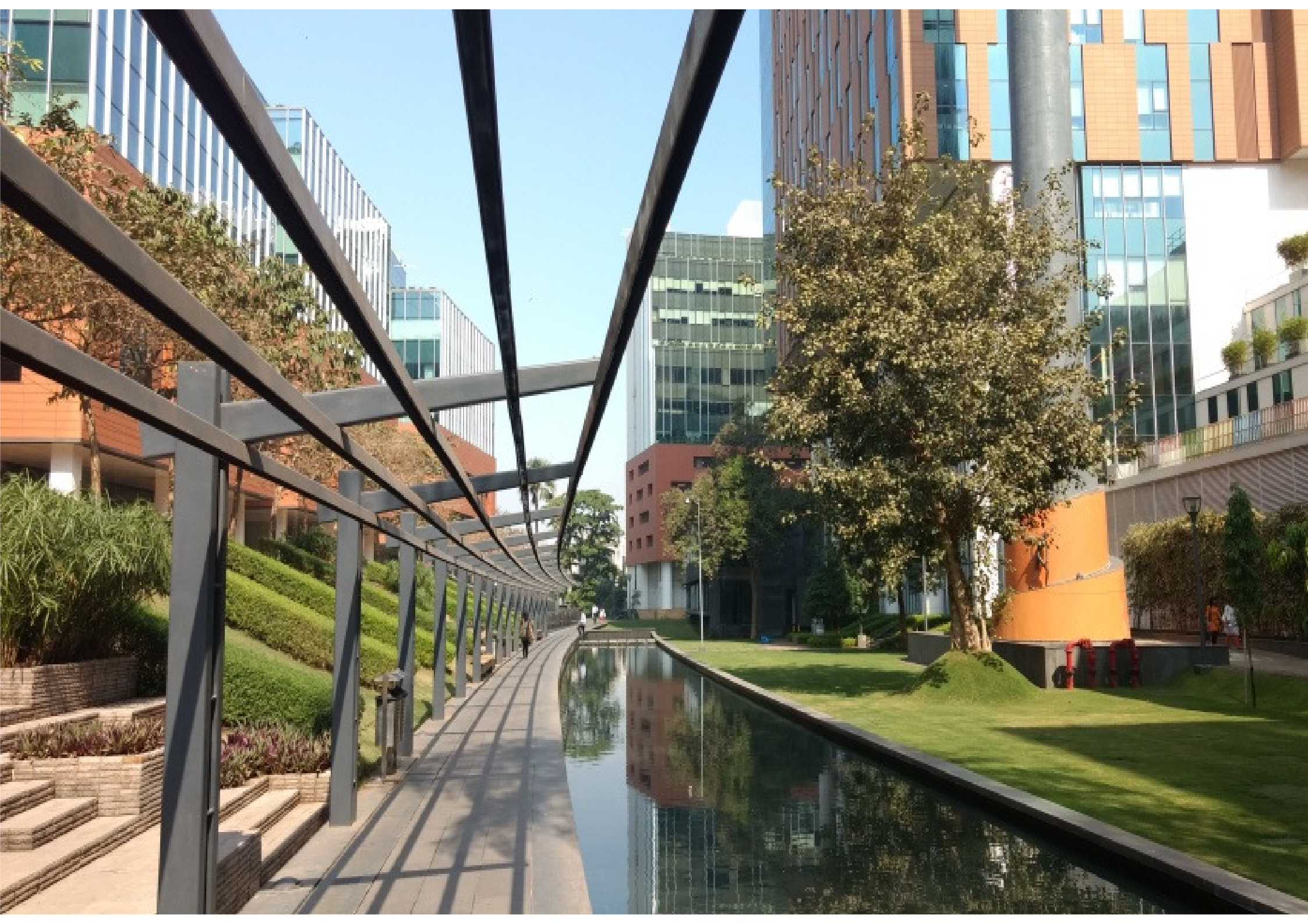


# NKP Master Plan











# Disclaimer



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# Thank You

*For further Information, please contact:*

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*Company Secretary, Vice President (Legal) & Compliance Officer*

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