

**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

**August 13, 2021**

◀ **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 August 13, 2021: Earnings Presentation for the quarter ended June 30, 2021**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 August 13, 2021 have considered Earnings presentation for the 1<sup>st</sup> Quarter of the F.Y. 2021 – 2022 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**



**NIRLON LIMITED**

**EARNINGS PRESENTATION**  
**Q1-FY22**

# Snapshot



Present in the commercial / IT-ITES real estate sector for 15 years



Experienced management team



Prime location in Mumbai's western suburbs



LEED Platinum / Gold Certified Buildings (Core & Shell) – Environmentally Friendly Campus



Marquee licensees including leading companies from IT / Financial Services sectors



Occupier friendly design with ~80% efficiency



High average occupancy



World Class infrastructure



GIC Singapore (through its affiliate) is the major shareholder



Consistent and Sustainable License Fee Income



3 Year CAGR (2018-2021) : Revenue: 2.85%, PAT: 31.76% \*



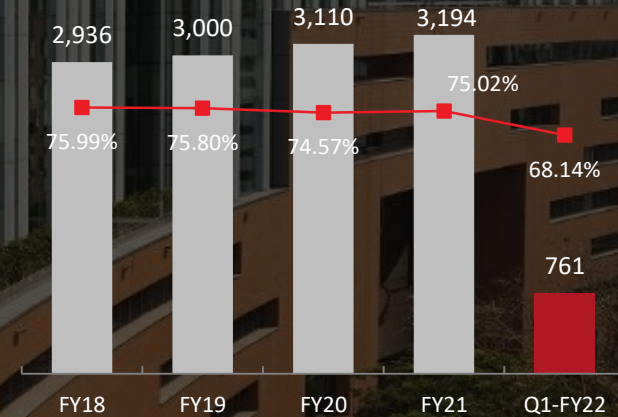
FY21 CFO: INR 2,094 Mn  
FY21 ROE: 22.18% \*



# Company Overview

- Nirlon Limited was incorporated in 1958 and was a pioneer in the manufacturing of synthetic yarns and industrial rubber products in India.
- Since 2006, Nirlon has primarily been in the business of development and management of commercial / IT-ITES Real Estate.
- The company currently owns two primary assets: Nirlon Knowledge Park (NKP), which is an approx. 23 acre Information Technology Park located in Goregaon (East), Mumbai and also 75% of undivided interest in approx. 0.05 Mn sq. ft. in Nirlon House, which is a building in the prime location of Worli, Mumbai.
- The development of the company's landmark project of Nirlon Knowledge Park began in phases from 2006, with 4 out of 5 phases of development completed, and the final Phase V expected to be completed in FY22.
- Phases I to IV have a chargeable area of approximately 1.9 Mn sq. ft. which are licensed to marquee multinational and Indian corporates. The soon to be completed Phase V will have a chargeable area ~1.16 Mn sq. ft.
- GIC Singapore became the majority shareholder and a co-promoter in 2015 vide an open offer through its affiliate, Reco Berry Private Limited (Reco) of Singapore, and currently has a 63.92% holding in the company.

Total Income (INR Mn) & EBITDA Margin (%)

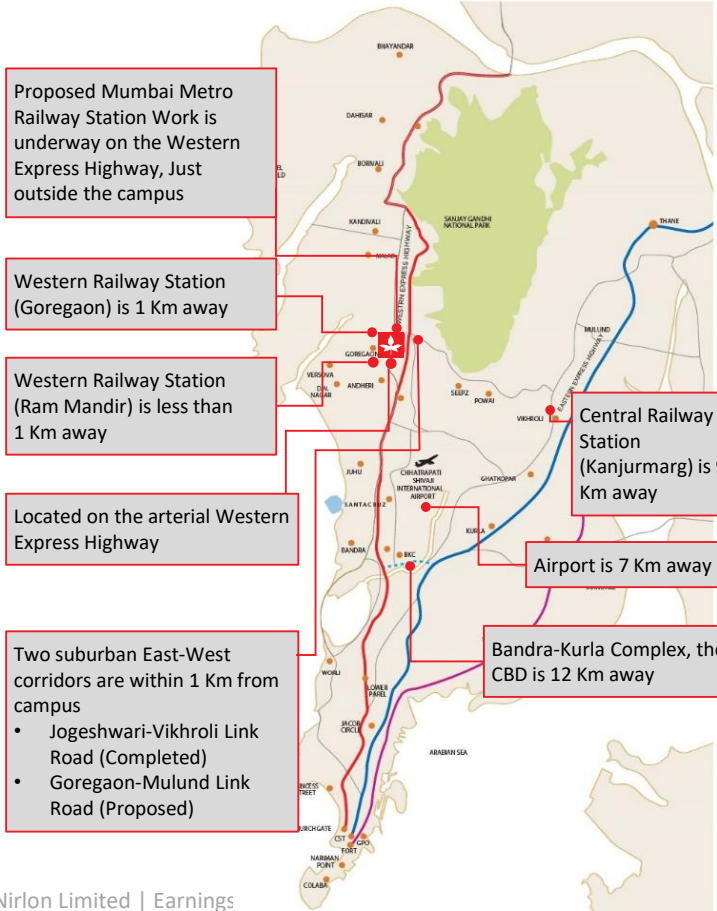


**NIRLON LIMITED**

FY18 onward figures as per Ind AS



# Nirlon Knowledge Park – The Master Plan

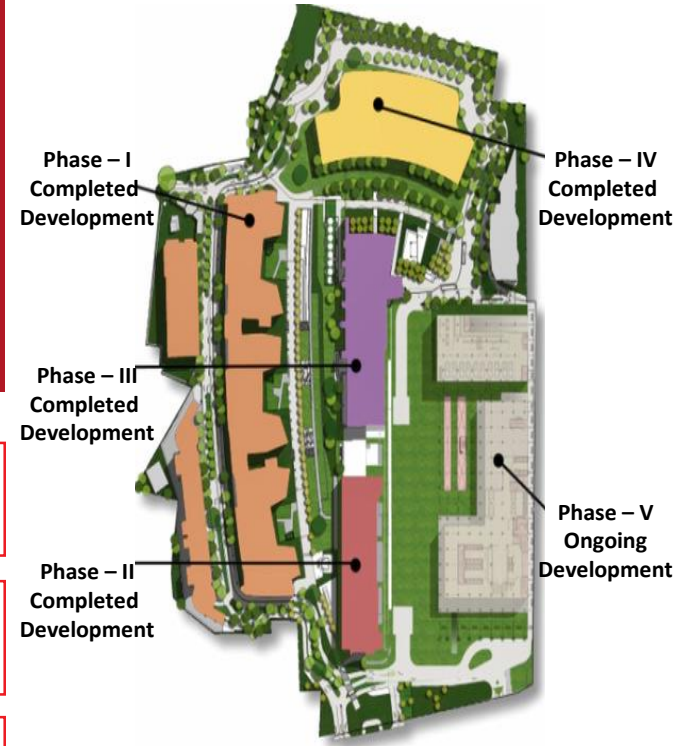


Conveniently located on Mumbai's Western Express Highway, one of Mumbai's main arterial roads, NKP is an easy commute from the western and eastern suburbs of Mumbai. A majority of the city's professional workforce live in the western suburbs, which have a ready availability of residential accommodation. NKP is also located close to educational institutions, hospitals, and recreational facilities.

≈ 1.90 Mn Sq. ft. Operational office space

≈ 1.16 Mn Sq. ft. Under construction office space

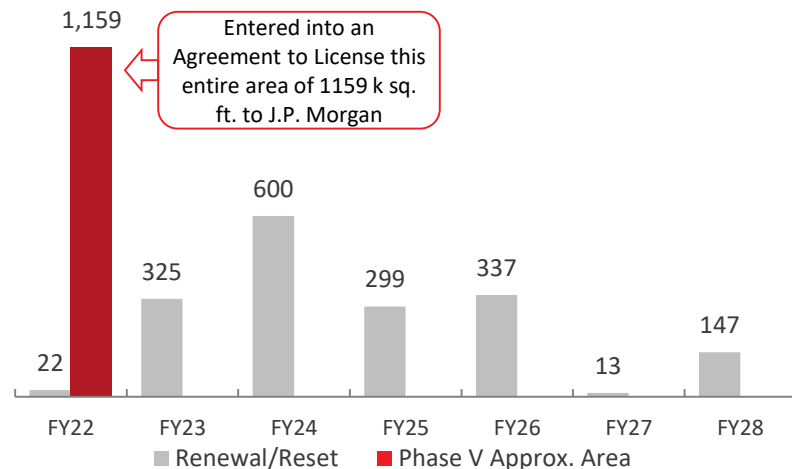
≈ 3.06 Mn Sq. ft. Total Planned office space



# Phase Wise Details & License Renewals

Phases	I	II	III	IV	V	Total
Constructed Area (Mn Sq. Ft.)	1.29	0.38	0.55	0.76	~1.78	<b>~4.77</b>
Chargeable Area (Mn Sq. Ft.)	0.77	0.31	0.4	0.4	~1.16	<b>~3.06</b>
Date of Completion	Oct-09	Jun-10	Sep-13	Mar-15	FY22	<b>NA</b>

**License Due for Renewals/Resets (Thousands Sq. ft.)  
as on 30 June 2021**



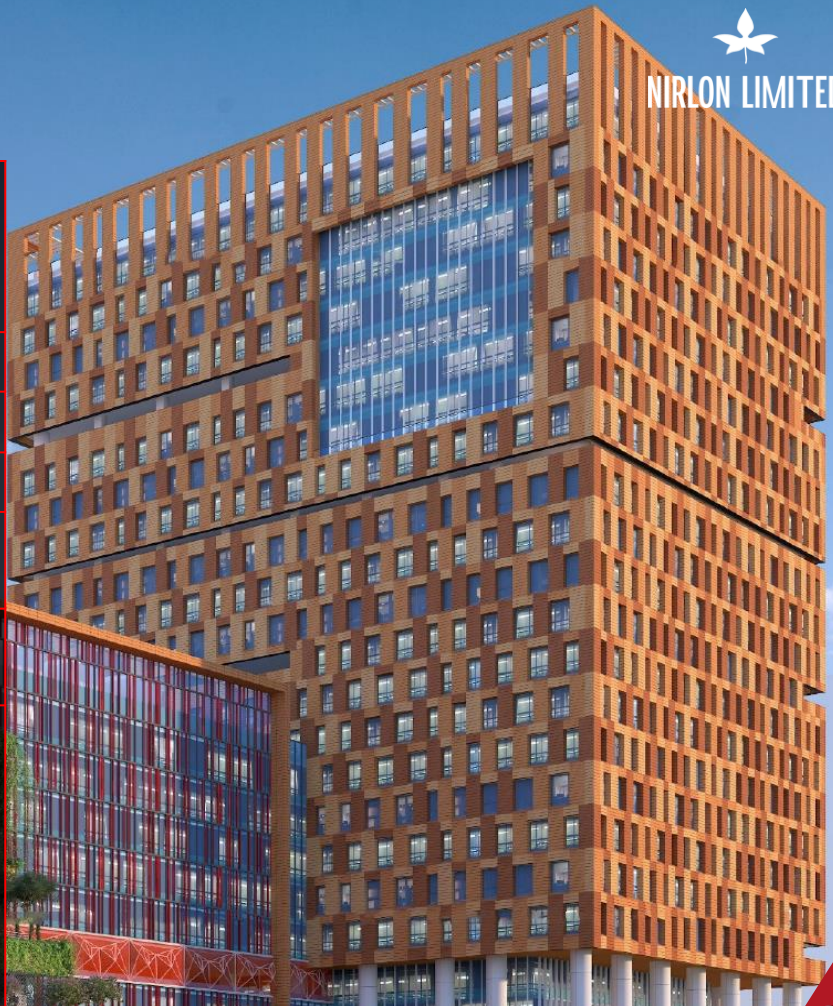
As on 30 June 2021, approx. 158,000 sq.ft. area was vacant.

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.



# 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+
Construction Area	~1.78 Mn sq. ft.
Chargeable Area	~1.16 Mn sq. ft.
Scheduled Completion / OC	OC has been received on 18 June 2021
Typical Floor Plate (Estimated)	B9 - 42,000 sq. ft., B10 - 30,000 sq. ft.
Elevators	<b>Building B9</b> <ul style="list-style-type: none"><li>• 16 Passenger lifts, 2 Service lifts</li><li>• 2 Parking lifts from Basement to Ground</li></ul> <b>Building B10</b> <ul style="list-style-type: none"><li>• 5 Passenger &amp; 1 Service lift</li></ul> <b>Building B11</b> <ul style="list-style-type: none"><li>• 2 Passenger &amp; 1 Service lift</li></ul>





# Phase V Update

- OC has been received on 18 June 2021.
- Phase V is estimated to be completed largely as per the budgeted cost.
- Phase V license fees are estimated to be begin before the end of FY 21-22.
- At full occupancy, Phase V has the potential to contribute additional revenue of approx. INR 2,000 Mn p.a., without a proportionate increase in total operational costs, which would lead to improved margins.







**Q1-FY22 Financial Overview**

# Q1-FY22 Financial Highlights

## Q1-FY22 Financial Highlights:

**INR 761 Mn**

Total Income

**INR 519 Mn**

EBITDA

**68.20%**

EBITDA Margin

**INR 367 Mn**

PBT

**INR 266 Mn**

PAT

**34.95%**

PAT Margin



# Operational Highlights

## **Debt Summary (as of 30 June 2021)**

- The entire Term Loan is from HDFC Ltd. and is secured by a mortgage on NKP. The 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 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% p.a. w.e.f. 1 November 2020.
- The outstanding debt as on 30 June 2021 was INR 990 Cr.
- The Company's total debt post completion of Phase V is expected to be approx. 1200 cr.

## **Marketing Updates**

- Morgan Stanley has licensed & occupied approx. 28,000 sq. ft. in June 2021.
- As on 30 June 2021, approx. 158,000 sq. ft. area was vacant, as compared to approx. 190,000 sq.ft. on 31 March 2021. Of this vacant area, Morgan Stanley has agreed to license an additional approx. 38,000 sq.ft. from August 2021.
- Ericsson has given notice to vacate approx. 5,000 sq.ft. in November 2021.



# Operational Highlights (contd.)

## COVID-19 Preparedness

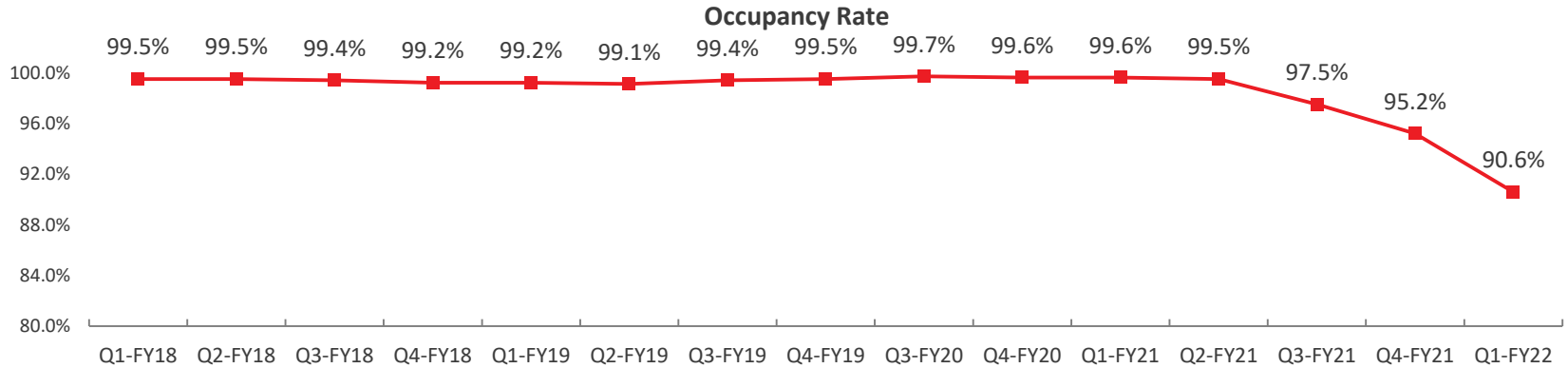
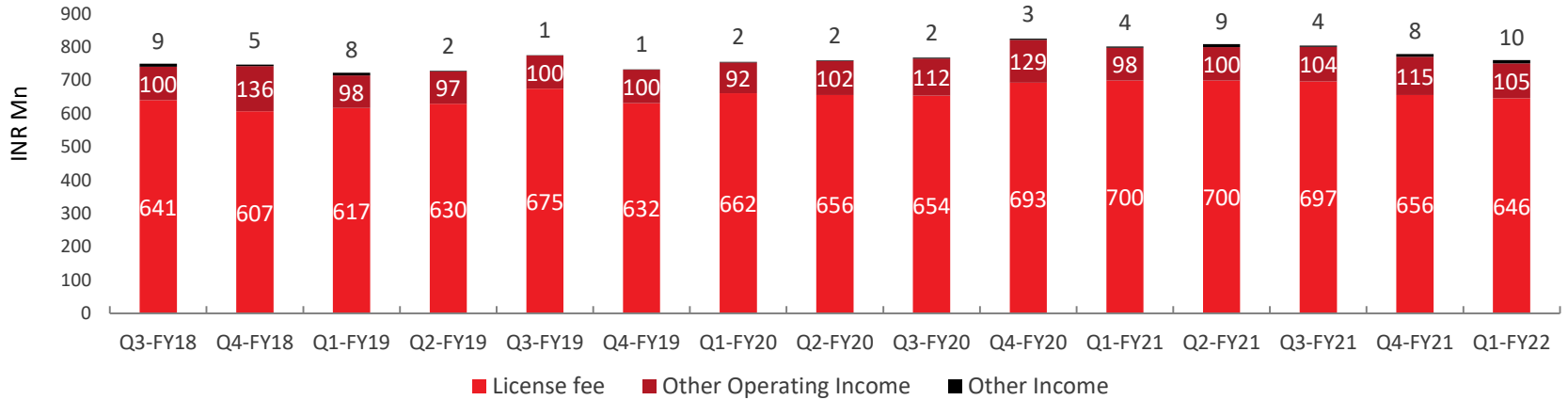
- NKP was awarded the WELL Health-Safety Rating for Facility Operations and Management in January 2021 by the International WELL Building Institute, USA. NKP achieved all 16 features across 6 categories.
- Nirlon has undertaken several measures and necessary precautions to prevent the spread of Covid-19 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. INR 1 Mn per month (less than 0.5% of total contracted license fees) w.e.f. 21 March 2020.
- The Company has collected approx. 99% of its total contracted license fees for the quarter.
- The Company had commenced a vaccination drive in Q1-FY22 for all its eligible employees, vendors, contractors and their dependants. **These personnel have taken at least one dose of the vaccine. The Company will organize the second dose once the specified interval between doses is complete.**



Vaccination Drive at NKP



# License Fees & Occupancy Rates



# Q1-FY22 Income Statement (Ind AS)

Particulars (INR Mn)	Q1-FY22	Q4-FY21	Q-o-Q	Q1-FY21	Y-o-Y
License Fees	646	656	(1.5)%	700	(7.7)%
Other Operating Income (CAM, etc.)	105	115	(8.7)%	98	7.1%
Other Income	10	8	25%	4	150.0%
<b>Total Income</b>	<b>761</b>	<b>779</b>	<b>(2.3)%</b>	<b>802</b>	<b>(5.1)%</b>
Total Expenses	242	223	8.5%	195	24.1%
<b>EBITDA</b>	<b>519</b>	<b>556</b>	<b>(6.7)%</b>	<b>607</b>	<b>(14.5)%</b>
<b>EBITDA Margin</b>	<b>68.20%</b>	<b>71.37%</b>	<b>(317) Bps</b>	<b>75.69%</b>	<b>(749) Bps</b>
Depreciation	115	122	(5.7)%	118	(2.5)%
Finance Cost*	37	36	2.8%	36	2.8%
<b>PBT</b>	<b>367</b>	<b>398</b>	<b>(7.8)%</b>	<b>453</b>	<b>(19.0)%</b>
Tax	101	111	(9.0)%	128	(21.1)%
<b>Profit After Tax / Total Comprehensive Income</b>	<b>266</b>	<b>287</b>	<b>(7.3)%</b>	<b>325</b>	<b>(18.2)%</b>
<b>PAT Margin</b>	<b>34.95%</b>	<b>36.84%</b>	<b>(189) Bps</b>	<b>40.52%</b>	<b>(557) Bps</b>
Diluted EPS (INR per share)	2.94	3.19	(7.7)%	3.60	(18.2)%

\* - 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 related to such borrowings has been capitalized as a part of Capital Work in Progress.





## Historical Financial Overview

# Historical Income Statement (Ind AS)

Particulars (INR Mn)	FY18	FY19	FY20	FY21
License Fees	2,486	2,556	2,665	2,753
Other Operating Income (CAM, etc.)	422	431	435	416
Other Income	28	13	10	25
<b>Total Income</b>	<b>2,936</b>	<b>3,000</b>	<b>3,110</b>	<b>3,194</b>
Total Expenses	705	726	791	798
<b>EBITDA</b>	<b>2,231</b>	<b>2,274</b>	<b>2,319</b>	<b>2,396</b>
<b>EBITDA Margin</b>	<b>75.99%</b>	<b>75.80%</b>	<b>74.57%</b>	<b>75.02%</b>
Depreciation	722	589	533	487
Finance Cost	656	697	321*	140*
<b>PBT</b>	<b>853</b>	<b>988</b>	<b>1,465</b>	<b>1,769</b>
Tax	296	351	370	495
<b>Profit After Tax / Total Comprehensive Income</b>	<b>557</b>	<b>637</b>	<b>1,095</b>	<b>1,274</b>
<b>PAT Margin</b>	<b>18.97%</b>	<b>21.23%</b>	<b>35.21%</b>	<b>39.89%</b>
Diluted EPS (INR per share)	6.18	7.07	12.15	14.14

FY18 onward figures as per Ind AS

\* - 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 related to such borrowings has been capitalized as a part of Capital Work in Progress.



# Balance Sheet (Ind AS)

Particulars (INR Mn)	FY20	FY21
<b>EQUITY</b>	<b>4,538</b>	<b>5,744</b>
a) Equity Share Capital	901	901
b) Other Equity	3,637	4,843
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>	<b>12,210</b>	<b>12,019</b>
a) Financial Liabilities		
i) Borrowings	9,634	9,784
ii) Other Financial Liabilities	1,463	1,004
b) Provisions	4	5
c) Deferred Tax Liabilities (Net)	587	751
d) Other Non-Current Liabilities	522	475
<b>Current Liabilities</b>	<b>1,132</b>	<b>1,298</b>
a) Financial Liabilities		
i) Borrowings	256	-
ii) Trade Payables	86	70
iii) Other Financial Liabilities	614	1,082
b) Other Current Liabilities	174	145
c) Provisions	1	1
d) Current Tax Liabilities (Net)	1	-
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>17,880</b>	<b>19,061</b>

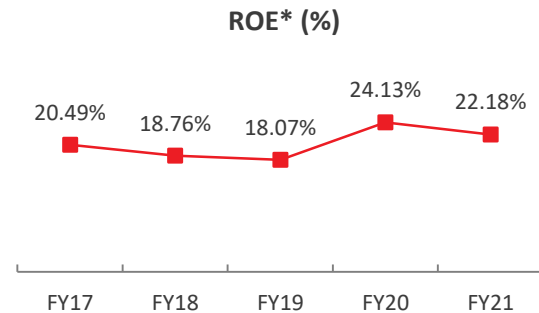
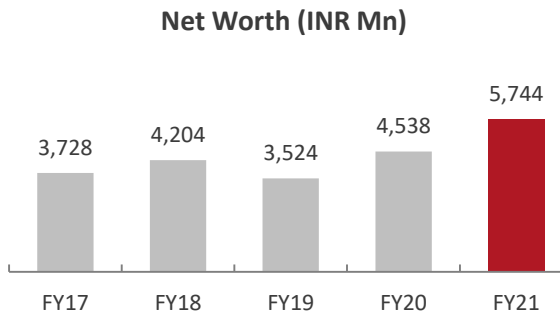
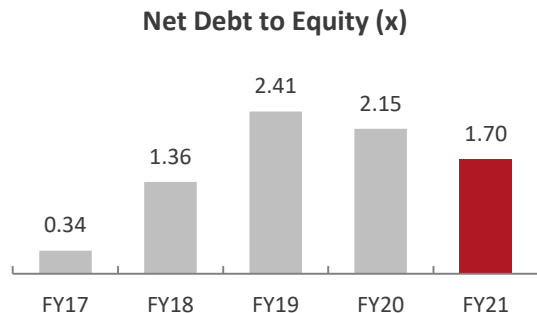
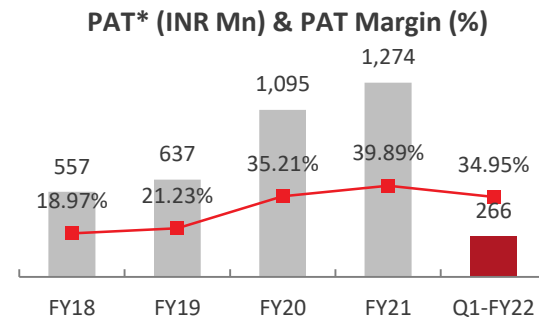
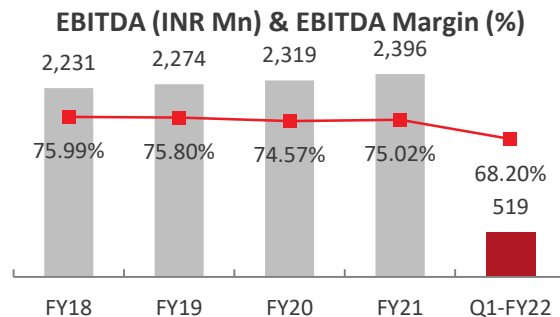
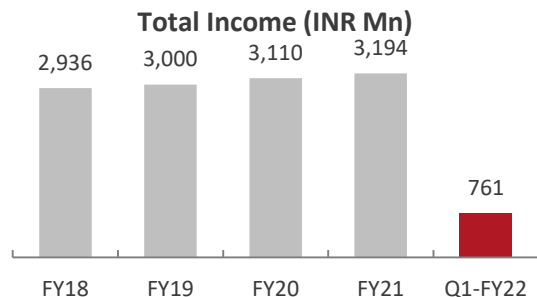
Particulars (INR Mn)	FY20	FY21
<b>Non-Current Assets</b>	<b>17,534</b>	<b>18,845</b>
a) Property, Plant and Equipment	5	4
b) Capital Work In Progress	9,482	11,402
c) Investment Properties	7,407	7,050
d) Intangible Assets	-	-
e) Financial Assets		
i) Loans	22	22
ii) Other Financial Assets	12	12
f) Non-Current Tax Assets (Net)	44	30
g) Other Non-Current Assets	562	325
<b>Current Assets</b>	<b>346</b>	<b>216</b>
a) Financial Assets		
i) Trade Receivables	39	19
ii) Cash and Cash Equivalents	116	16
iii) Bank Balances other than ii) above	10	12
iv) Other Financial Assets	19	23
b) Other Current Assets	162	146
<b>GRAND TOTAL – ASSETS</b>	<b>17,880</b>	<b>19,061</b>

FY18 onward figures as per Ind AS





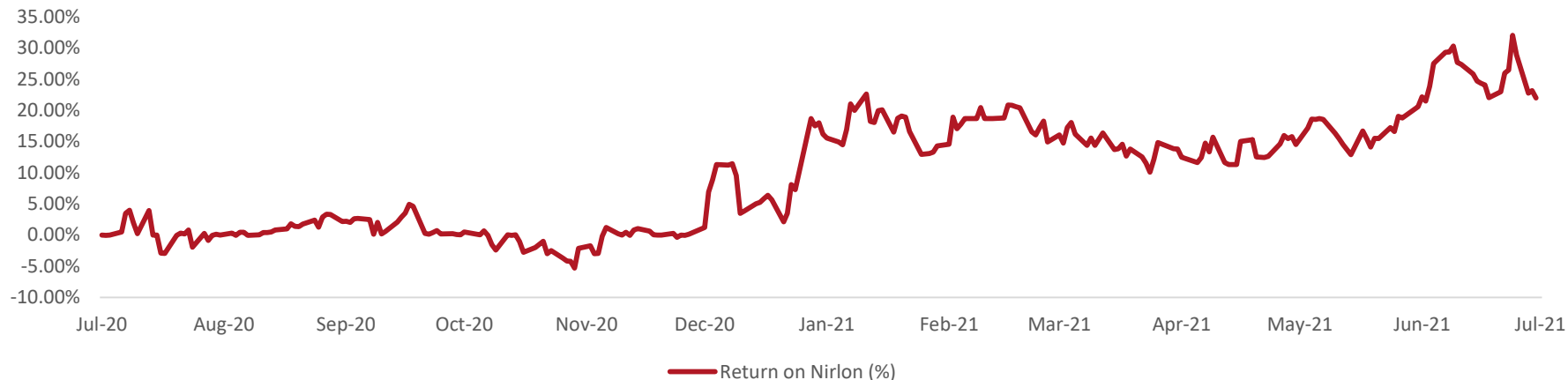
# Key Financial Highlights



FY18 onward figures as per Ind AS

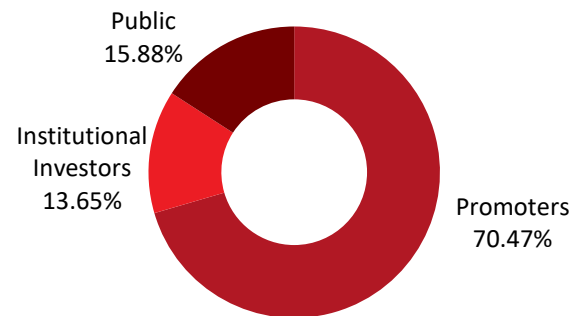
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# Capital Markets



Price Data (30 <sup>th</sup> June, 2021)	INR
Face Value	10
Market Price	292.85
52 Week H/L	321/225.25
Market Cap (Mn)	26,391.07
Equity Shares Outstanding (Mn)	90.12
1 Year Avg Trading Volume ('000)	6.47

Shareholding Pattern as on 30<sup>th</sup> June 2021



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**Mr. Anuj Sonpal**

**Valorem Advisors**

Tel: +91-22-4903 9500 | Email: [nirlon@valoremadvisors.com](mailto:nirlon@valoremadvisors.com)