



Nirlon Limited

CIN:L17120MH1958PLC011045

Pahadi Village, off the Western Express Highway, Goregaon (East), Mumbai 400 063.

Tele:+91 (022) 4028 1919/2685 2257/58/59, Fax: +91 (022) 4028 1940

CIN:L17120MH1958PLC011045

E-mail id:info@nirlonltd.com, Website:www.nirlonltd.com

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February 9, 2022

**The Secretary,
BSE Limited,**

P.J. Towers,
Dalal Street,
Mumbai: 400 001.

Dear Sir,

Sub: Outcome of the Board meeting held on February 9, 2022: Earnings Presentation for the quarter and Nine months ended December 31, 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 February 9, 2022 have considered Earnings presentation for the quarter and Nine months ended December 31, 2021 with disclaimers, as 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.,

Sd/-

Jasmin K. Bhavsar

Company Secretary, Vice President (Legal) & Compliance Officer

FCS4178

Encl: a/a



NIRLON LIMITED

EARNINGS PRESENTATION

9M / Q3-FY22

Snapshot



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



Experienced management team



Prime location in Mumbai's western suburb



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



Historically 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% *

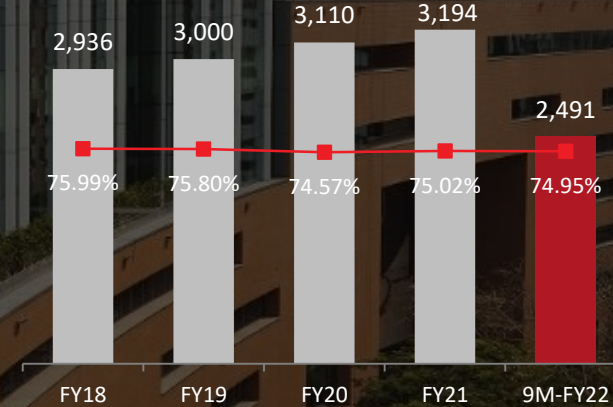


FY21 CFO: INR 2,094 Mn
FY21 ROE: 22.18% *

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

Proposed Mumbai Metro Railway Station Work is underway on the Western Express Highway, Just outside the campus

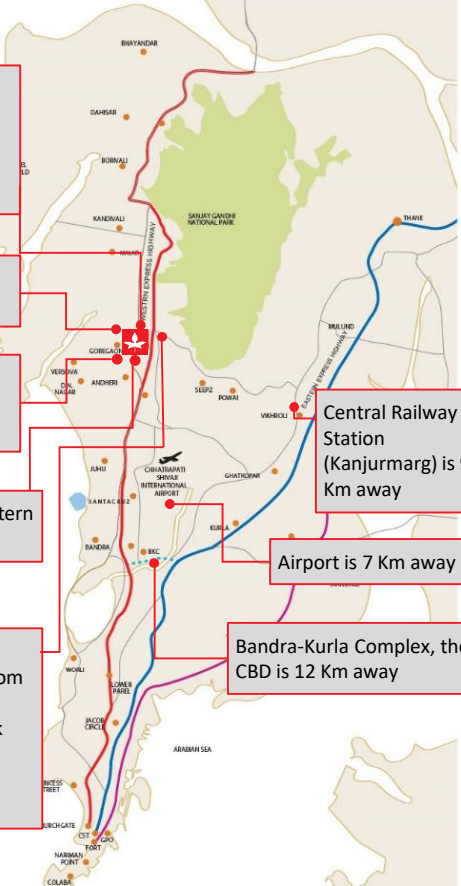
Western Railway Station (Goregaon) is 1 Km away

Western Railway Station (Ram Mandir) is less than 1 Km away

Located on the arterial Western Express Highway

Two suburban East-West corridors are within 1 Km from campus

- Jogeshwari-Vikhroli Link Road (Completed)
- Goregaon-Mulund Link Road (Proposed)



Central Railway Station (Kanjurmarg) is 9 Km away

Airport is 7 Km away

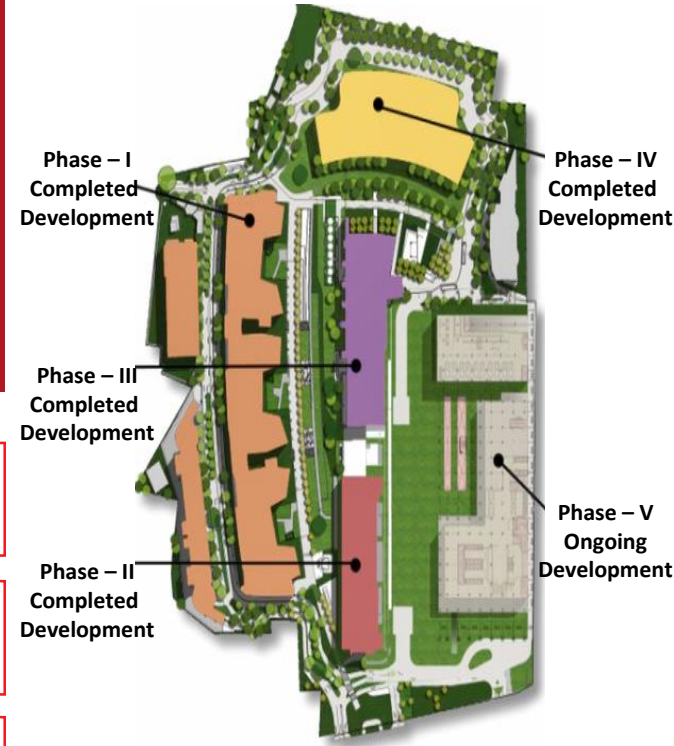
Bandra-Kurla Complex, the CBD is 12 Km away

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. Ongoing, to be completed in FY 2021-22

≈ 3.06 Mn Sq. ft. Total Planned office space

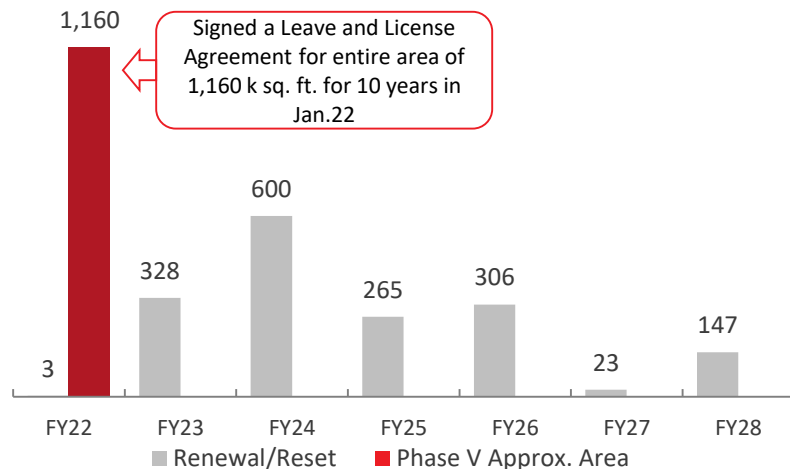




Phase Wise Details & License Renewals

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

License Due for Renewals/Resets (Thousands Sq. ft.) as on 31 December 2021

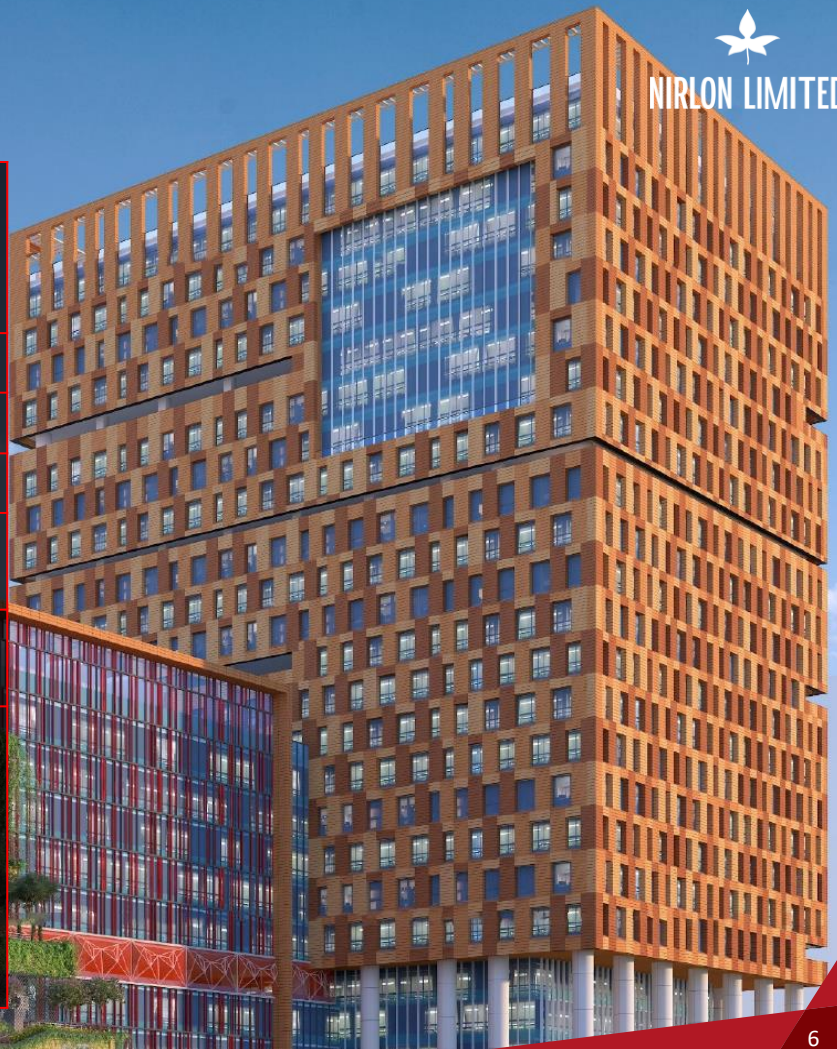


As on 31 December 2021, approx. 78,000 sq. ft. area was vacant.

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

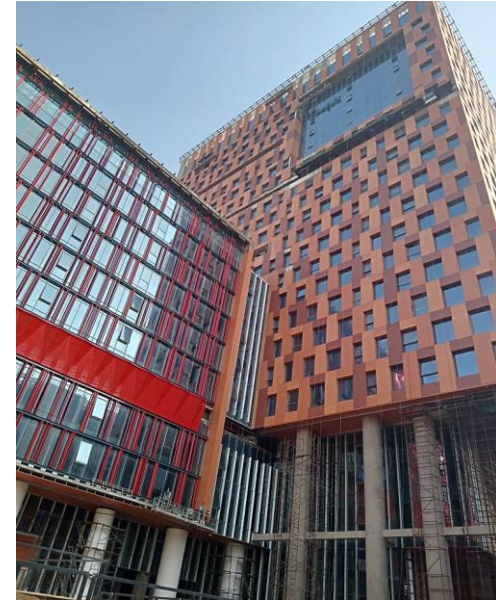
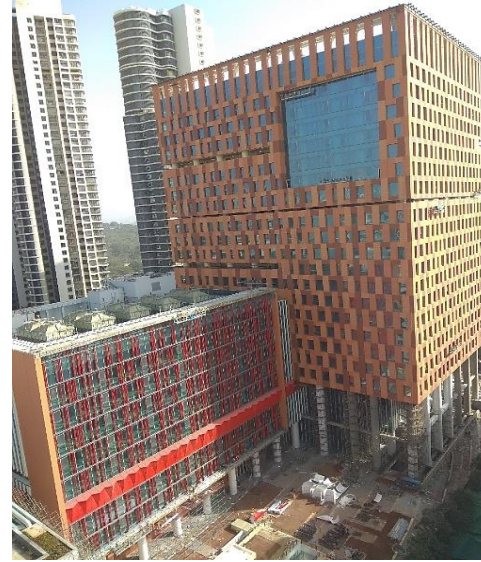
Building Configuration	B9 - 3 Basements + Ground Floor + 23 Floors B10 - 3 Basements + Ground Floor + 9 Floors B11 - 3 Basements + Ground Floor + 7 Parking + Terrace Cafe (Multi Level Car Parking)
Number of Car Parks	Approx. 1,150+
Construction Area	~1.78 Mn sq. ft.
Chargeable Area	~1.16 Mn sq. ft.
Scheduled Completion / OC	OC received. License Fee contracted to commence on 15 May 22
Typical Floor Plate (Estimated)	B9 - 42,000 sq. ft., B10 - 30,000 sq. ft.
Elevators	Building B9 <ul style="list-style-type: none">• 16 Passenger lifts, 2 Service lifts• 2 Parking lifts from Basement to Ground Building B10 <ul style="list-style-type: none">• 5 Passenger & 1 Service lift Building B11 <ul style="list-style-type: none">• 2 Passenger & 1 Service lift





Phase V Update

- OC has been received on 18th June 2021 and Phase V is estimated to be completed largely as per the budgeted cost.
- The Company has signed a Leave and License agreement on 25th January 2022, with J.P. Morgan Services India Pvt. Ltd. (JPM) for 1,160,079 sq. feet chargeable area comprising its entire Phase V development for a period of 10 years.
- The License commencement date is December 15, 2021 and the License Fee Commencement date is May 15, 2022 after the contracted License Fee Free period of 5 months.
- 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 will lead to improved margins.





9M / Q3-FY22 Financial Overview

Operational Highlights

Debt Summary (as of 31 December 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 2022-23 or Phase V completion, post which the debt is proposed to be converted into an EMI repayment, with a tenure of 84 months.
- Cost of debt was reduced to 6.5% p.a. w.e.f. 16 December 2021.
- The outstanding debt as on 31 December 2021 was INR 1,030 Cr.
- The Company's total debt post completion of Phase V is expected to be approx. 1,200 cr.

Marketing Updates

- Morgan Stanley has licensed & occupied approx. 38,000 sq. ft. in November 2021.
- The Company has signed a Lease and License agreement on 25th January 2022, with J.P. Morgan Services India Pvt. Ltd. (JPM) for 1,160,079 sq. feet chargeable area comprising its entire Phase V development for a period of 10 years.
- The License commencement date is December 15, 2021 and the License Fee Commencement date is May 15, 2022 after the contracted License Fee Free period of 5 months.
- As on 31 December 2021, approx. 78,000 sq. ft. area was vacant.
- Of this 78,000 sq. ft. vacant area, the Company is in advanced discussions to license an additional approx. 13,000 sq. ft. in Q4-FY22.

Other Updates

- The Board has approved an interim dividend at Rs. 15 per share (150%) for FY 2021-22 in the meeting held on 9th February 2022. This dividend has been declared, inter alia, as Phase V is complete in all material respects, the L&L with JPM has been executed and the Company has surplus cash available.

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 and Nirlon House.
- 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 completed its vaccination drive for all its eligible employees, vendors, contractors and their dependants. **All of these personnel have taken both doses of the vaccine.**



Vaccination Drive at NKP



9M / Q3-FY22 Financial Highlights

Q3-FY22 Financial Highlights:

INR 929 Mn	INR 745 Mn	80.19%
Total Income	EBITDA	EBITDA Margin

INR 521 Mn	INR 135 Mn	14.53%
PBT	PAT	PAT Margin

9M-FY22 Financial Highlights:

INR 2,491 Mn	INR 1,867 Mn	74.95%
Total Income	EBITDA	EBITDA Margin

INR 1,347 Mn	INR 738 Mn	29.63%
PBT	PAT	PAT Margin

Please refer to notes on Slide 14.



Quarterly Financial Performance (Ind AS)

Particulars (INR Mn)	Q3-FY22	Q2-FY22	Q-o-Q	Q3-FY21	Y-o-Y
License Fees	827	684	20.9%	697	18.7%
Other Operating Income (CAM, etc.)	98	110	(10.9)%	104	(5.8)%
Other Income	4	7	(42.9)%	4	-
Total Income	929	801	16.0%	805	15.4%
Total Expenses	184	198	(7.1)%	190	(3.2)%
EBITDA	745	603	23.5%	615	21.1%
EBITDA Margin	80.19%	75.28%	491 Bps	76.40%	379 Bps
Depreciation	164	115	42.6%	126	30.2%
Finance Cost*	60	29	106.9%	34	76.5%
PBT	521	459	13.5%	455	14.5%
Tax	386	121	219.0%	127	203.9%
Profit After Tax / Total Comprehensive Income	135	338	(60.1)%	328	(58.8)%
PAT Margin	14.53%	42.20%	(2767) Bps	40.75%	(2622) Bps
Diluted EPS (INR per share)	1.49	3.75	(60.3)%	3.64	(59.1)%

Please refer to notes on Slide 14.

* - 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.



YTD Financial Performance (Ind AS)

Particulars (INR Mn)	9M-FY22	9M-FY21	Y-o-Y
License Fees	2,156	2,097	2.8%
Other Operating Income (CAM, etc.)	314	302	4.0%
Other Income	21	16	31.3%
Total Income	2,491	2,415	3.1%
Total Expenses	624	574	8.7%
EBITDA	1,867	1,841	1.4%
EBITDA Margin	74.95%	76.23%	(128) Bps
Depreciation	394	365	7.9%
Finance Cost*	126	104	21.2%
PBT	1,347	1,372	(1.8)%
Tax#	609	385	58.2%
Profit After Tax / Total Comprehensive Income	738	987	(25.2)%
PAT Margin	29.63%	40.87%	(1124) Bps
Diluted EPS (INR per share)	8.19	10.95	(25.2)%

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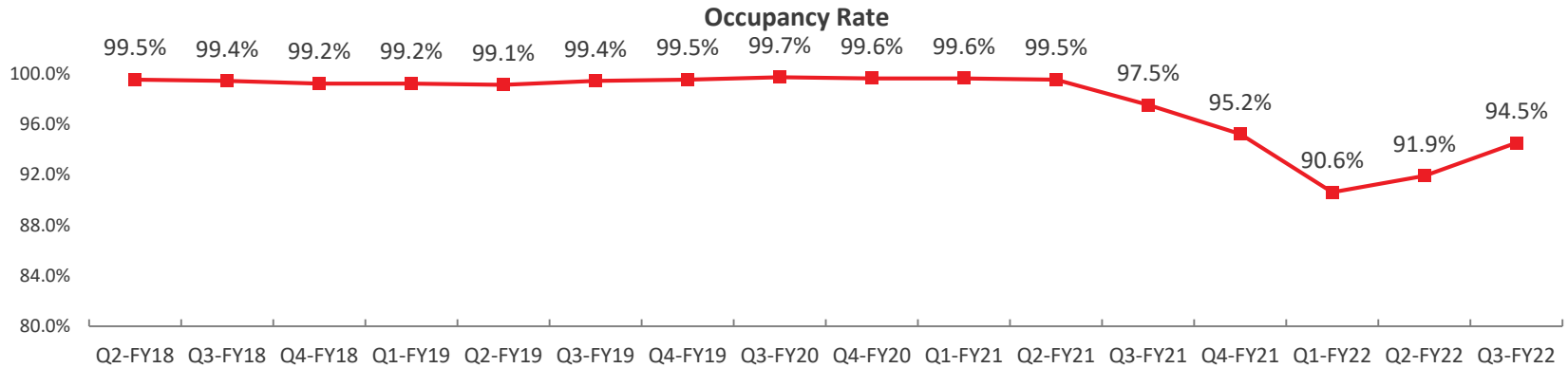
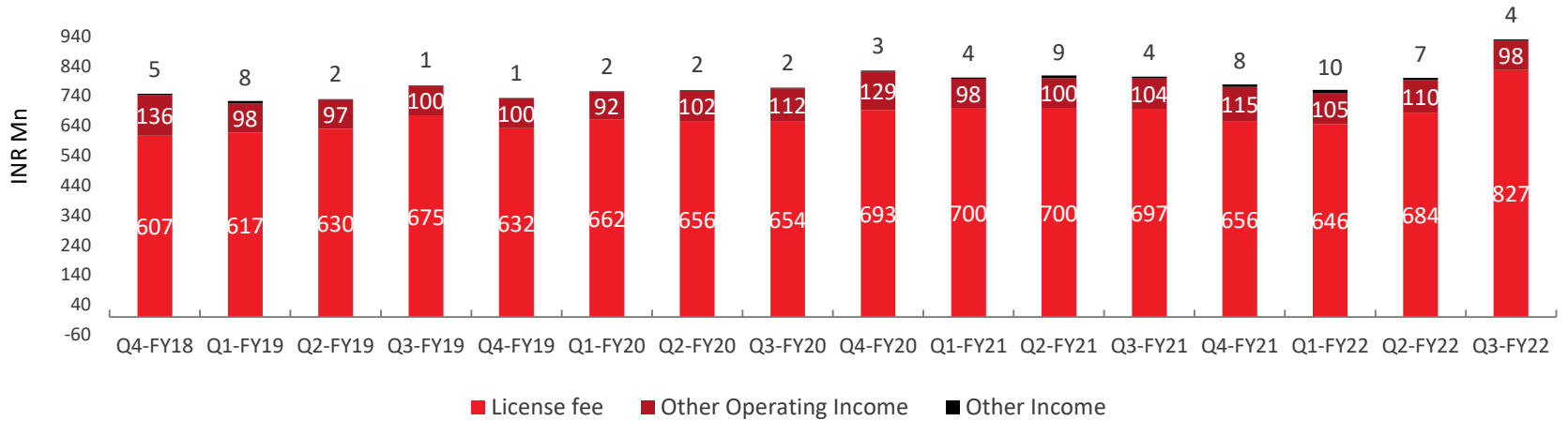
Notes to Financials

PLEASE NOTE : The financials for Q3FY22 / 9m-FY22 have significant variations from earlier quarters due to the following key changes

- **Phase V:**
 - Revenue has been considered from 16th December 2021
 - Depreciation has been considered from 16th December 2021
 - Interest on Phase V capex, which was capitalized earlier is now expensed to the P&L account w.e.f. 16th December 2021
- **Tax:**
 - During the quarter ended September 2019, the Company had estimated transition to the new tax regime (tax rate of approx. 25%) in FY 21-22 based on the potential impact evaluation done then. Accordingly, during the first two quarters of the FY 21-22, the Company has been provisionally recognizing its tax expense as per the new tax regime.
 - However, the Company now expects to continue in the old tax regime (tax rate of approx. 35%). Accordingly, during the quarter ended 31st December 2021, the Company has recognized tax expense on account of remeasurement of tax balances pertaining to earlier years and preceding quarters.
 - The decision to change to the new tax regime is irrevocable. Accordingly, in order to maintain flexibility for any future restructuring opportunities that the Company may want to explore and which may necessitate continuation with the old tax regime, the Company would like to stay with the old regime.



License Fees & Occupancy Rates



Historical Financial Performance (Ind AS)

Particulars (INR Mn)	FY18	FY19	FY20	FY21	9M-FY22
License Fees	2,486	2,556	2,665	2,753	2,156
Other Operating Income (CAM, etc.)	422	431	435	416	314
Other Income	28	13	10	25	21
Total Income	2,936	3,000	3,110	3,194	2,491
Total Expenses	705	726	791	798	624
EBITDA	2,231	2,274	2,319	2,396	1,867
EBITDA Margin	75.99%	75.80%	74.57%	75.02%	74.95%
Depreciation	722	589	533	487	394
Finance Cost	656	697	321*	140*	126
PBT	853	988	1,465	1,769	1,347
Tax #	296	351	370	495	609
Profit After Tax / Total Comprehensive Income	557	637	1,095	1,274	738
PAT Margin	18.97%	21.23%	35.21%	39.89%	29.63%
Diluted EPS (INR per share)	6.18	7.07	12.15	14.14	8.19

Please refer to notes on Slide 14.

* - 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	H1-FY22
EQUITY	4,538	5,744	5,626
a) Equity Share Capital	901	901	901
b) Other Equity	3,637	4,843	4,725
LIABILITIES			
Non-Current Liabilities	12,210	12,019	12,408
a) Financial Liabilities			
i) Borrowings	9,634	9,784	9,946
ii) Other Financial Liabilities	1,463	1,004	1,112
b) Provisions	4	5	5
c) Deferred Tax Liabilities (Net)	587	751	806
d) Other Non-Current Liabilities	522	475	539
Current Liabilities	1,132	1,298	2,757
a) Financial Liabilities			
i) Borrowings	256	-	338
ii) Trade Payables	86	70	178
iii) Other Financial Liabilities	614	1,082	1,925
b) Other Current Liabilities	174	145	288
c) Provisions	1	1	2
d) Current Tax Liabilities (Net)	1	-	26
GRAND TOTAL - EQUITIES & LIABILITIES	17,880	19,061	20,791

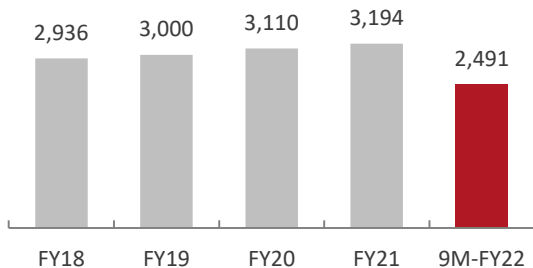
Particulars (INR Mn)	FY20	FY21	H1-FY22
Non-Current Assets	17,534	18,845	19,689
a) Property, Plant and Equipment	5	4	5
b) Capital Work In Progress	9,482	11,402	12,604
c) Investment Properties	7,407	7,050	6,764
d) Intangible Assets	-	-	-
e) Financial Assets			
i) Loans	22	22	-
ii) Other Financial Assets	12	12	28
f) Non-Current Tax Assets (Net)	44	30	32
g) Other Non-Current Assets	562	325	256
Current Assets	346	216	1,102
a) Financial Assets			
i) Trade Receivables	39	19	18
ii) Cash and Cash Equivalents	116	16	889
iii) Bank Balances other than ii) above	10	12	12
iv) Other Financial Assets	19	23	59
b) Other Current Assets	162	146	124
GRAND TOTAL – ASSETS	17,880	19,061	20,791

Please refer to notes on Slide 14.

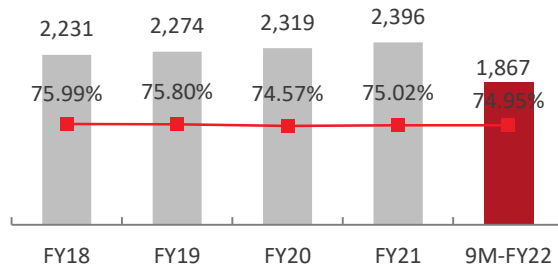


Key Financial Highlights

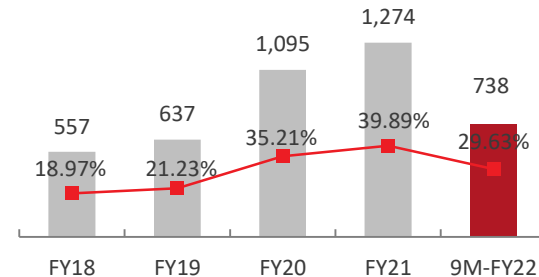
Total Income (INR Mn)



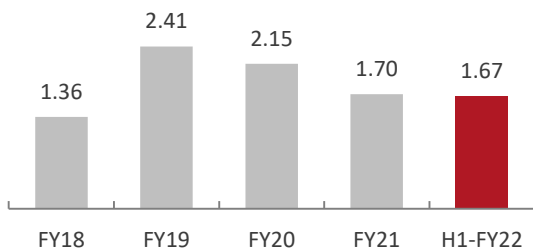
EBITDA (INR Mn) & EBITDA Margin (%)



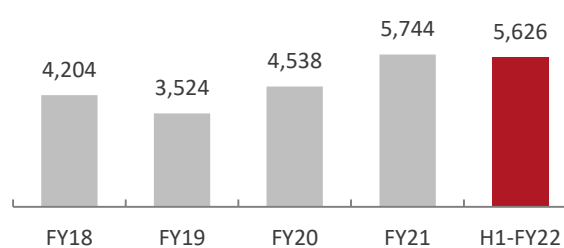
PAT* (INR Mn) & PAT Margin (%)



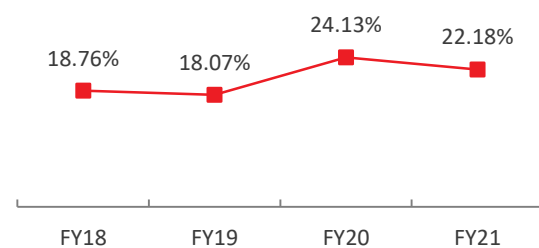
Net Debt to Equity (x)



Net Worth (INR Mn)



ROE* (%)

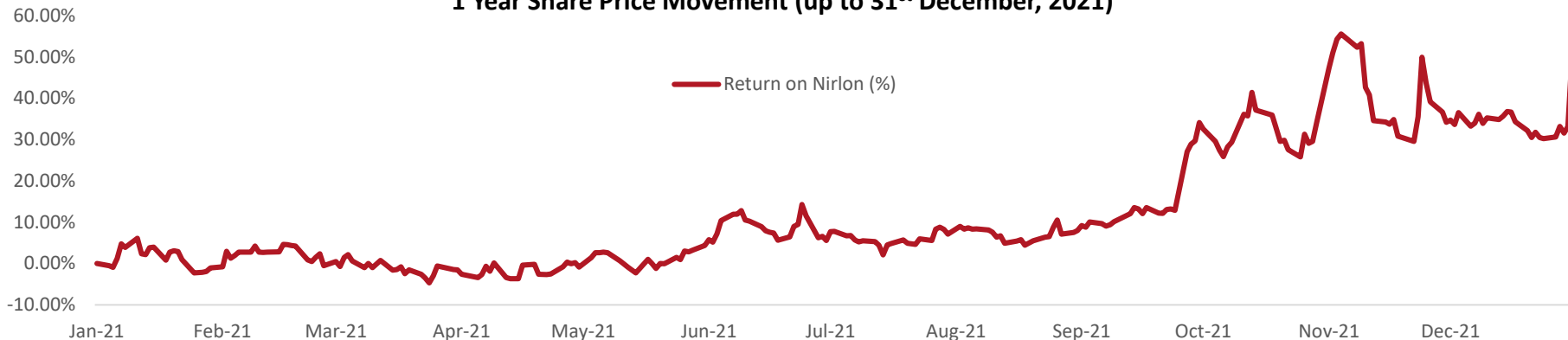


Please refer to notes on Slide 14.

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Capital Markets

1 Year Share Price Movement (up to 31st December, 2021)

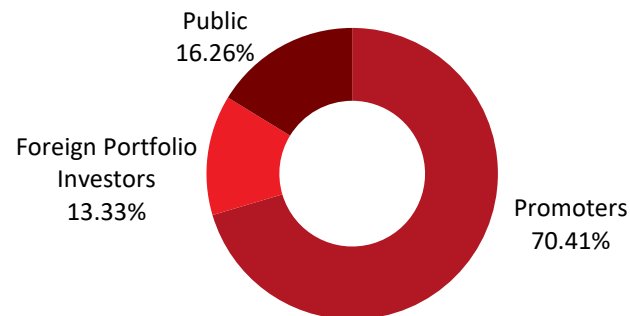


Price Data (31st December, 2021)

INR

Face Value	10
Market Price	417.55
52 Week H/L	444.90/259
Market Cap (Mn)	37,628.79
Equity Shares Outstanding (Mn)	90.12
1 Year Avg Trading Volume ('000)	10.57

Shareholding Pattern as on 31st December, 2021



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Nirlon Limited

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Mr. Anuj Sonpal

Valorem Advisors

Tel: +91-22-4903 9500 | Email: nirlon@valoremadvisors.com