

**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](mailto:info@nirlonltd.com), Website:[www.nirlonltd.com](http://www.nirlonltd.com)

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**May 27, 2022**

**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 May 27, 2022: Earnings Presentation for the Quarter and Year ended March 31, 2022

**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 May 27, 2022 considered Earnings presentation for the Quarter and F.Y. ended March 31, 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](http://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**  
**Q4-FY22/ FY22**

# Snapshot



Present in the commercial / IT-ITES real estate sector for 16 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 typical ~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 (2019-2022) : Revenue: 8.8%, PAT: 20.3% \*



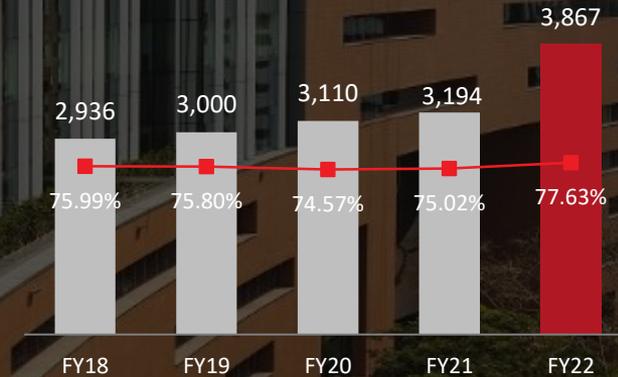
FY22 CFO: INR 3,402 Mn  
FY22 ROE: 23.18% \*

FY18 onward figures as per Ind AS;  
\* Impact of IndAS-23 FY20 onwards (refer slide 14 for details)

# 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 the final phase i.e. Phase V was completed in FY22.
- Phases I to IV have a chargeable area of approximately 1.9 Mn sq. ft. and Phase V has a chargeable area approximately 1.16 Mn sq. ft. NKP is licensed to marquee multinational and Indian corporates.
- 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 (%)

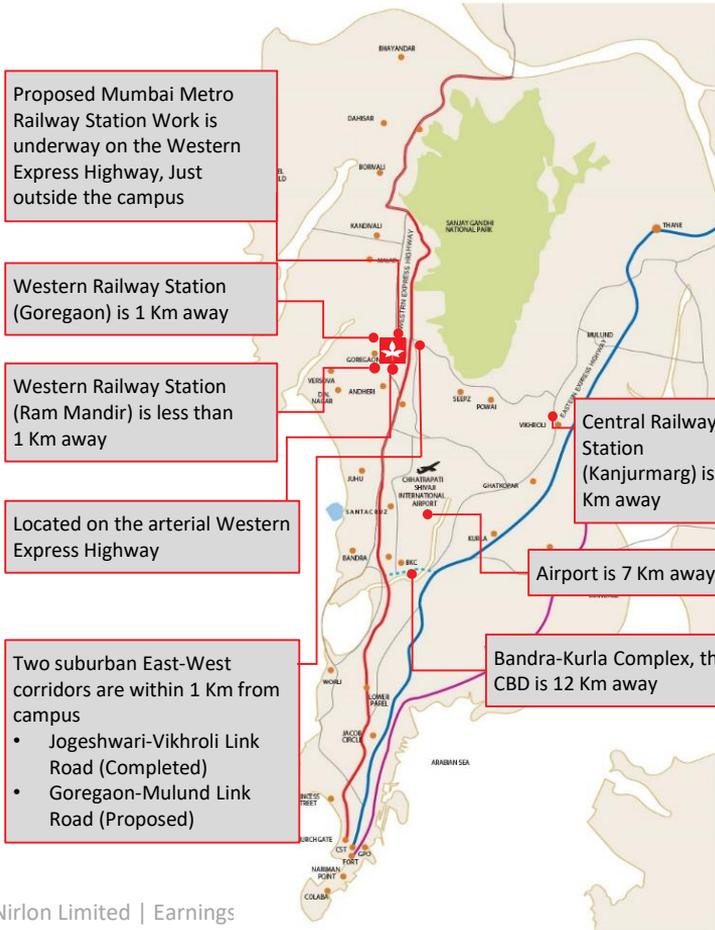


**NIRLON LIMITED**

FY18 onward figures as per Ind AS



# Nirlon Knowledge Park – The Master Plan

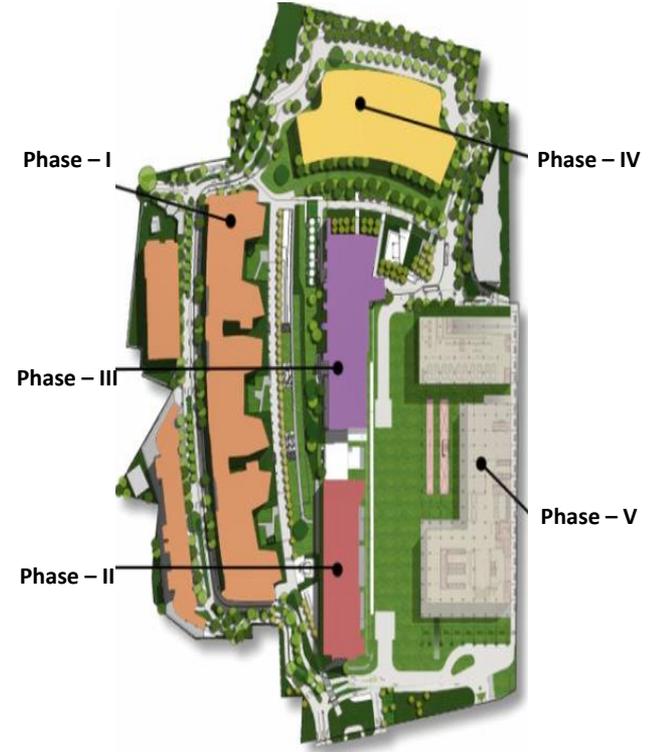


Conveniently located on Mumbai's Western Express Highway, one of Mumbai's main arterial roads, NKP is an easy commute from the western and eastern suburbs of Mumbai. A majority of the city's professional workforce live in the western suburbs, which have a ready availability of residential accommodation. 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. Completed in FY 2021-22

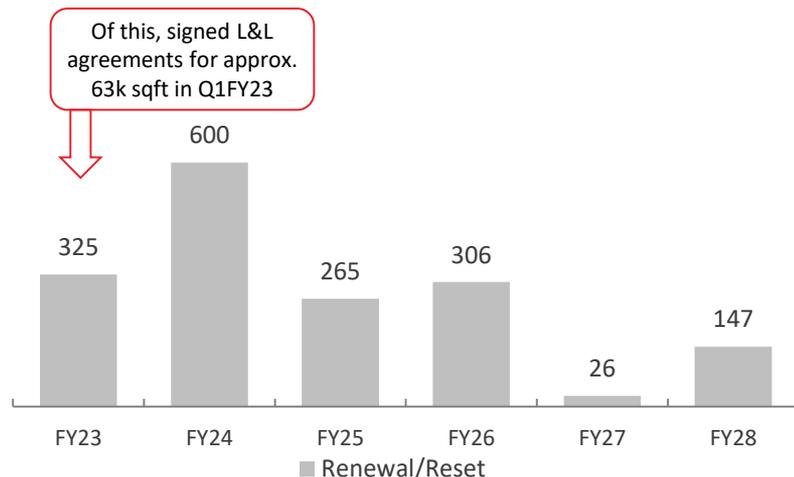
≈ **3.06** Mn Sq. ft. Total office space



# 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 31 March 2022**

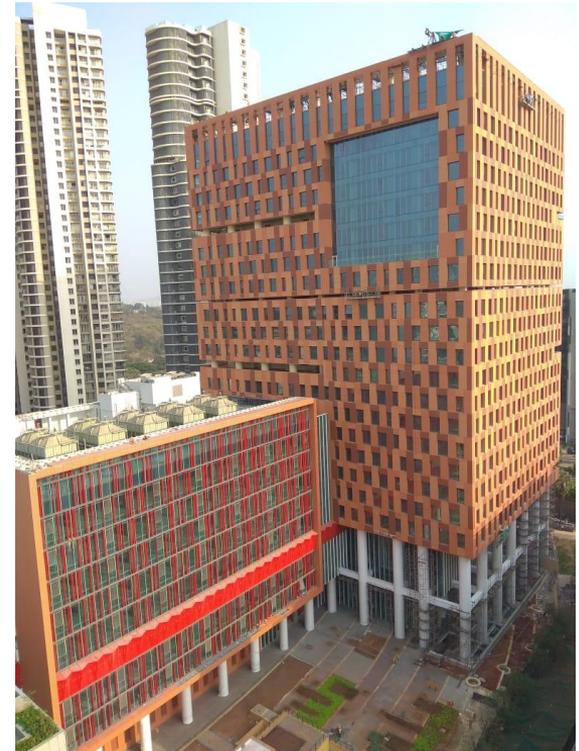


As on 31 March 2022, approx. 65,000 sq. ft. area was vacant.

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 Update

- J.P. Morgan Services India Pvt. Ltd. has begun paying License Fees as per the agreement from 15<sup>th</sup> May 2022 onwards.





**Q4-FY22/ FY22 Financial Overview**

# Operational Highlights

## Debt Summary (as of 31 March 2022)

- The entire Term Loan was from HDFC Ltd. and secured by a mortgage on NKP.
- Cost of debt was increased from 6.5% to 6.6% w.e.f. 16 February 2022 and further to 6.7% p.a. w.e.f. 16 March 2022.
- The outstanding debt principal as on 31 March 2022 was INR 1,180 Cr.
- On 2nd May 2022, the Company refinanced the entire debt and availed a Green Loan facility from HSBC for Rs. 1,230 cr. including an OD sub-limit of Rs. 80 cr. This new facility is for a tenure of 10 years with a principal moratorium for first 5 years and a bullet repayment of 75% at the end of 10th year.
- As of today, the interest rate applicable is 6.6% on the OD facility and 6.1% for the balance facility.

## Marketing Updates

- The Company signed a Leave and License agreement on 25<sup>th</sup> January 2022 (License commencement date 15 December 21), 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. JPM has begun paying License Fees as per the agreement from 15<sup>th</sup> May 2022 onwards.
- JPM licensed an additional approx. 13,000 sq.ft. at NKP and two clients licensed approx. 3,600 sq.ft. (Nirlon's 75% share) at Nirlon House.
- Barclays has renewed approx. 63,000 sq.ft. in May 22 of its space due for renewal/expiry in FY23.
- As on 31 March 2022, approx. 65,000 sq. ft. area was vacant. Of this vacant area, the Company has Licensed approx. 7,500 sq.ft. in Q1-FY23 and is in discussions for the rest.

## Other Updates

- The Company had paid an interim dividend at Rs. 15 per share (150%) for FY 2021-22 in Q4FY22.
- The Board proposes a final dividend of Rs. 11 (110%) per share for FY22, subject to approval by the shareholders in the forthcoming AGM.



# Q4-FY22/ FY22 Financial Highlights

## Q4-FY22 Financial Highlights:

<b>INR 1,377 Mn</b> Total Income	<b>INR 1,135 Mn</b> EBITDA	<b>82.43%</b> EBITDA Margin
<b>INR 554 Mn</b> PBT	<b>INR 371 Mn</b> PAT	<b>26.94%</b> PAT Margin

## FY22 Financial Highlights:

<b>INR 3,867 Mn</b> Total Income	<b>INR 3,002 Mn</b> EBITDA	<b>77.63%</b> EBITDA Margin
<b>INR 1,901 Mn</b> PBT	<b>INR 1,108 Mn</b> PAT	<b>28.65%</b> PAT Margin

*Please refer to notes on slide 12.*

# Quarterly Financial Performance (Ind AS)

Particulars (INR Mn)	Q4-FY22	Q3-FY22	Q-o-Q	Q4-FY21	Y-o-Y
License Fees	1,260	827	52.4%	656	92.1%
Other Operating Income (CAM, etc.)	110	98	12.2%	115	(4.3)%
Other Income	7	4	75.0%	8	(12.5)%
<b>Total Income</b>	<b>1,377</b>	<b>929</b>	<b>48.2%</b>	<b>779</b>	<b>76.8%</b>
Total Expenses	242	184	31.5%	223	8.5%
<b>EBITDA</b>	<b>1,135</b>	<b>745</b>	<b>52.3%</b>	<b>556</b>	<b>104.1%</b>
<b>EBITDA Margins (%)</b>	<b>82.43%</b>	<b>80.19%</b>	<b>224 Bps</b>	<b>71.37%</b>	<b>1,106 Bps</b>
Depreciation	361	164	NA	122	NA
Finance Cost*	220	60	NA	36	NA
<b>PBT</b>	<b>554</b>	<b>521</b>	<b>6.3%</b>	<b>398</b>	<b>39.2%</b>
Tax	183	386	(52.6)%	110	66.4%
<b>Profit After Tax / Total Comprehensive Income</b>	<b>371</b>	<b>135</b>	<b>NA</b>	<b>288</b>	<b>28.8%</b>
<b>PAT Margins (%)</b>	<b>26.94%</b>	<b>14.53%</b>	<b>1,241 Bps</b>	<b>36.97%</b>	<b>(1,003) Bps</b>
Diluted EPS (INR per share)	4.11	1.49	NA	3.19	28.8%

Please refer to notes on Slide 12

\* - 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 until Phase V was capitalized i.e. 15 December 2021.

# Annual Financial Performance (Ind AS)

Particulars (INR Mn)	FY22	FY21	Y-o-Y
License Fees	3,416	2,753	24.1%
Other Operating Income (CAM, etc.)	423	416	1.7%
Other Income	28	25	12.0%
<b>Total Income</b>	<b>3,867</b>	<b>3,194</b>	<b>21.1%</b>
Total Expenses	865	798	8.4%
<b>EBITDA</b>	<b>3,002</b>	<b>2,396</b>	<b>25.3%</b>
<b>EBITDA Margins (%)</b>	<b>77.63%</b>	<b>75.02%</b>	<b>261 Bps</b>
Depreciation	755	487	55.0%
Finance Cost*	346	140	NA
<b>PBT</b>	<b>1,901</b>	<b>1,769</b>	<b>7.5%</b>
Tax	793	495	60.2%
<b>Profit After Tax / Total Comprehensive Income</b>	<b>1,108</b>	<b>1,274</b>	<b>(13.0)%</b>
<b>PAT Margins (%)</b>	<b>28.65%</b>	<b>39.89%</b>	<b>(1,124) Bps</b>
Diluted EPS (INR per share)	12.30	14.14	(13.0)%

Please refer to notes on Slide 12

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# Notes to Financials

**PLEASE NOTE : The financials for Q4FY22 / FY22 have significant variations from earlier quarters due to the following key changes**

- **Phase V:**

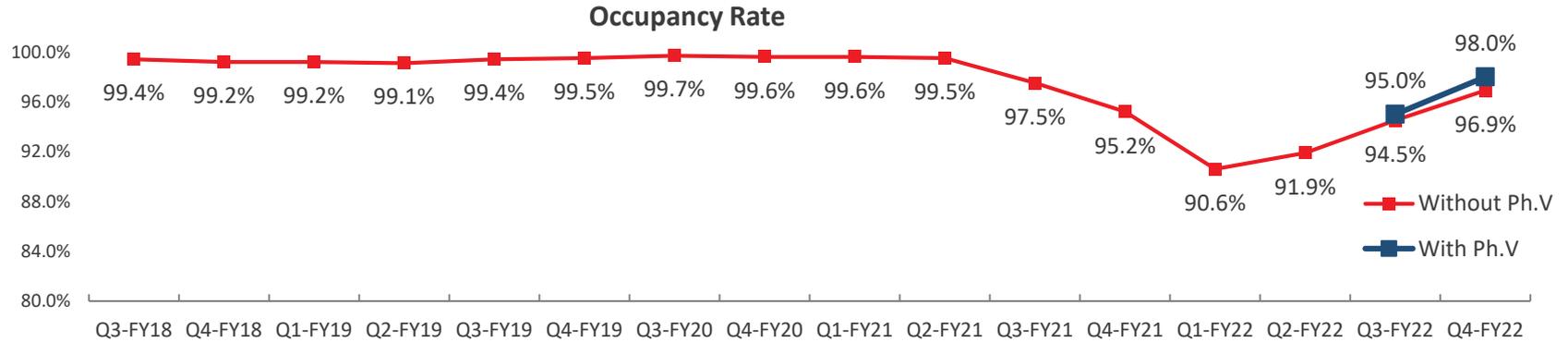
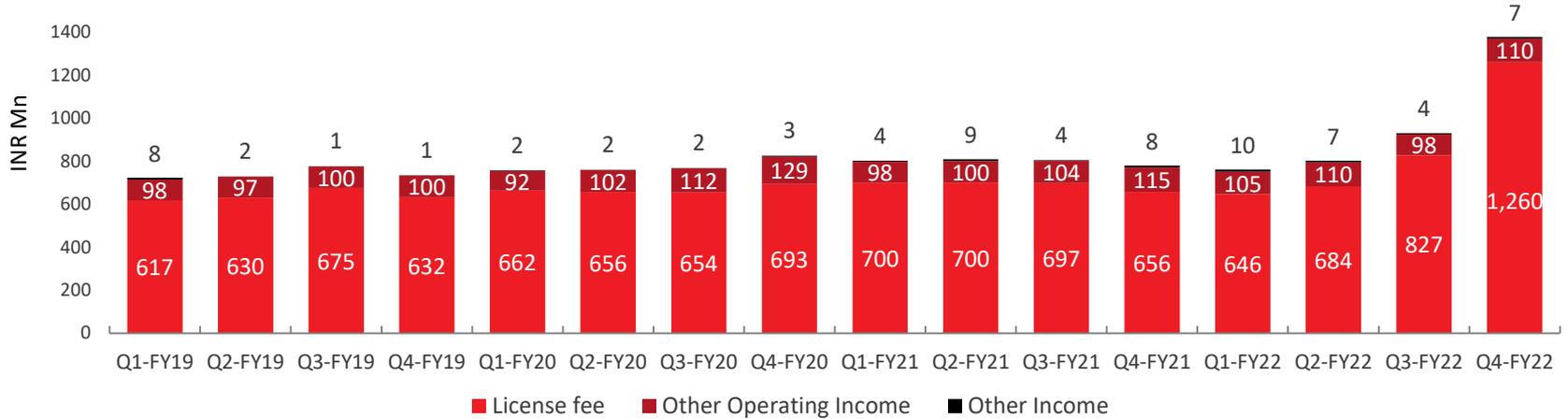
- During the year ended March 31, 2022, the Company has completed the construction of Phase 5 at Nirlon Knowledge Park and licensed the same with effect from December 15, 2021. Accordingly, income and expenses relating to phase 5 are recognized in the Profit and Loss account with effect from December 15, 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 31<sup>st</sup> 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	FY22
License Fees	2,486	2,556	2,665	2,753	3,416
Other Operating Income (CAM, etc.)	422	431	435	416	423
Other Income	28	13	10	25	28
<b>Total Income</b>	<b>2,936</b>	<b>3,000</b>	<b>3,110</b>	<b>3,194</b>	<b>3,867</b>
Total Expenses	705	726	791	798	865
<b>EBITDA</b>	<b>2,231</b>	<b>2,274</b>	<b>2,319</b>	<b>2,396</b>	<b>3,002</b>
<b>EBITDA Margins (%)</b>	<b>75.99%</b>	<b>75.80%</b>	<b>74.57%</b>	<b>75.02%</b>	<b>77.63%</b>
Depreciation	722	589	533	487	755
Finance Cost	656	697	321*	140*	346*
<b>PBT</b>	<b>853</b>	<b>988</b>	<b>1,465</b>	<b>1,769</b>	<b>1,901</b>
Tax	296	351	370	495	793
<b>Profit After Tax / Total Comprehensive Income</b>	<b>557</b>	<b>637</b>	<b>1,095</b>	<b>1,274</b>	<b>1,108</b>
<b>PAT Margins (%)</b>	<b>18.97%</b>	<b>21.23%</b>	<b>35.21%</b>	<b>39.89%</b>	<b>28.65%</b>
Diluted EPS (INR per share)	6.18	7.07	12.15	14.14	12.30

Please refer to notes on Slide 12

\* - 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 until Phase V was capitalized i.e. 15 December 2021.

# Balance Sheet (Ind AS)

Particulars (INR Mn)	FY20	FY21	FY22
<b>EQUITY</b>	<b>4,538</b>	<b>5,744</b>	<b>4,780</b>
a) Equity Share Capital	901	901	901
b) Other Equity	3,637	4,843	3,879
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>	<b>12,210</b>	<b>12,019</b>	<b>14,231</b>
a) Financial Liabilities			
i) Borrowings	9,634	9,784	10,939
ii) Other Financial Liabilities	1,463	1,004	1,450
b) Provisions	4	5	5
c) Deferred Tax Liabilities (Net)	587	751	1,189
d) Other Non-Current Liabilities	522	475	648
<b>Current Liabilities</b>	<b>1,132</b>	<b>1,298</b>	<b>2,976</b>
a) Financial Liabilities			
i) Borrowings	256	-	845
ii) Trade Payables	86	70	256
iii) Other Financial Liabilities	614	1,082	1,583
b) Other Current Liabilities	174	145	237
c) Provisions	1	1	1
d) Current Tax Liabilities (Net)	1	-	54
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>17,880</b>	<b>19,061</b>	<b>21,987</b>

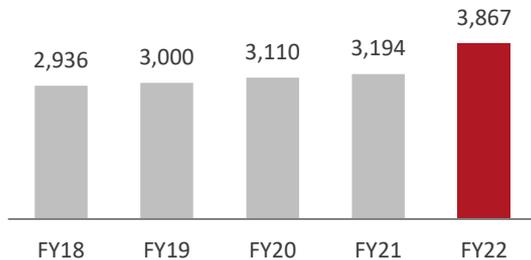
Particulars (INR Mn)	FY20	FY21	FY22
<b>Non-Current Assets</b>	<b>17,534</b>	<b>18,845</b>	<b>20,831</b>
a) Property, Plant and Equipment	5	4	4
b) Capital Work In Progress	9,482	11,402	132
c) Investment Properties	7,407	7,050	19,851
d) Financial Assets			
i) Loans	22	22	-
ii) Other Financial Assets	12	12	29
f) Non-Current Tax Assets (Net)	44	30	32
g) Other Non-Current Assets	562	325	783
<b>Current Assets</b>	<b>346</b>	<b>216</b>	<b>1,156</b>
a) Financial Assets			
i) Trade Receivables	39	19	31
ii) Cash and Cash Equivalents	116	16	963
iii) Bank Balances other than ii) above	10	12	39
iv) Other Financial Assets	19	23	26
b) Other Current Assets	162	146	96
<b>GRAND TOTAL – ASSETS</b>	<b>17,880</b>	<b>19,061</b>	<b>21,987</b>

Please refer to notes on Slide 12.

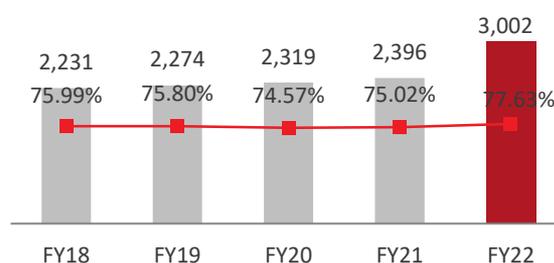


# Key Financial Highlights

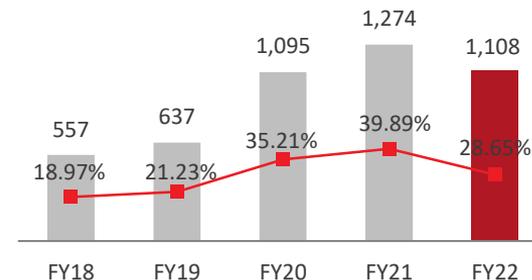
### Total Income (INR Mn)



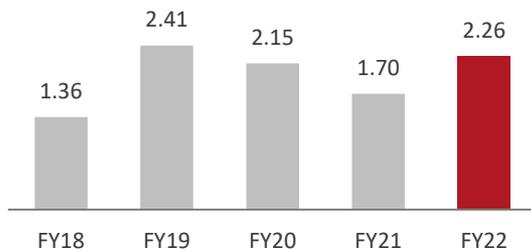
### EBITDA (INR Mn) & EBITDA Margin (%)



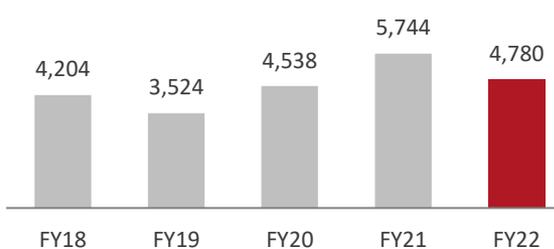
### PAT\* (INR Mn) & PAT Margin (%)



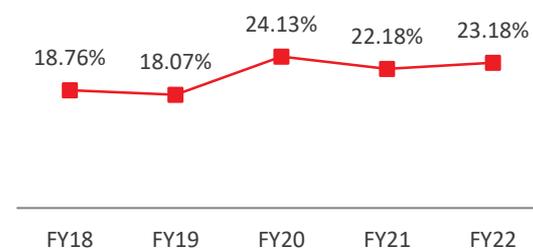
### Net Debt to Equity (x)



### Net Worth (INR Mn)



### ROE\* (%)



Please refer to notes on Slide 12

\* - 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 until Phase V was capitalized i.e. 15 December 2021.

# Capital Markets

**1 Year Share Price Movement (up to 31<sup>st</sup> March, 2022)**

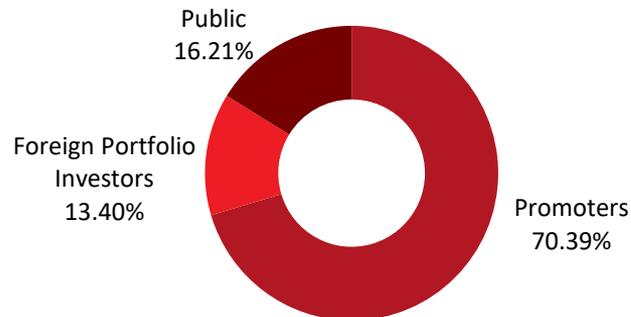


## Price Data (As on 31<sup>st</sup> March, 2022)

**INR**

Face Value	10
Market Price	410.30
52 Week H/L	444.90/ 262.40
Market Cap (Mn)	36,975.43
Equity Shares Outstanding (Mn)	90.12
1 Year Avg Trading Volume ('000)	9.65

## Shareholding Pattern (As on 31<sup>st</sup> March, 2022)



# Disclaimer

## **Nirlon Limited**

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**Mr. Anuj Sonpal**

**Valorem Advisors**

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