



**NILA
INFRASTRUCTURES
LIMITED**

Nila/CS/2018/244
Date: August 14, 2018

To,
The General Manager
Department of Corporate Services
BSE Limited
Phirozee Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400001

To,
The Manager
Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Mumbai – 400051

Scrip Code: 530377


Scrip Symbol: NILAINFRA

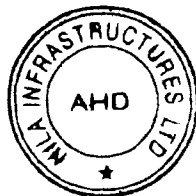
Dear Sir,

Sub: Earning Release of Nila Infrastructures Ltd

We are hereby submitting a copy of Earning Release of Nila Infrastructures Ltd. on the financial results for the quarter ended on June 30, 2018 and request the exchange to take on record.

Thanking you,
Yours faithfully
For, **Nila Infrastructures Ltd.**


Dipen Y. Parikh
Company Secretary



Encl: a/a

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INVESTOR RELEASE: Earnings Release for Q1-FY2019



For Immediate Release

Standalone Financials at a glance:

₹ in millions ¹	Q1-FY2018	Q1-FY2019	YoY
Total Revenue	677.1	528.4	-22%
EBIDTA	113.8	72.3	-36%
PAT	59.6	48.2	-19%

Confirmed Unexecuted Order Book at June 30, 2018: ₹ 5,325.5 million

Ahmedabad, August 14, 2018: The Board of Directors of Nila Infrastructures Ltd (BSE: 530377/NILA; NSE: NILAINFRA) at its meeting held at Ahmedabad on August 14, 2018, approved the Unaudited Financial Results for the quarter ended June 30, 2018.

Standalone Financial highlights for quarter ended June 30, 2018:

- Standalone Revenue of the Company reduced by 22% to ₹ 528.4 million from ₹ 677.1 million in the corresponding previous quarter. On the profitability front, the EBIDTA for Q1-FY2019 has witnessed a reduction of 36% i.e. from ₹ 113.8 million to ₹ 72.3 million with an EBITDA margin of 14.37% in Q1-FY2019. The Profit after Tax is ₹ 48.2 million i.e. 9.13%.
- At June 30, 2018, the Standalone Networth of the Company is ₹ 1,126.1 million and Standalone Gross Debt is ₹ 1,091.9 million, while the Cash and Bank Balances on the standalone basis is ₹ 18.6 million. The Net debt to Net worth computes 0.95x.

Commenting at this juncture **Mr. Deep Vadodaria, Chief Operating Officer** said:

“Q1-FY2019 is exceptional one with the muted or marginal sequential growth. The contracts that contributed to the revenue during Q1-FY2018 were governed by the Service Tax, wherein such tax was exclusive, and at times exempt (e.g. Affordable Housing Project under PMAY/CMJAY). However, with implementation of GST the contracts are inclusive of such taxes, which confined the revenue during Q1-FY2019. We are confident to catch-up with the continual growth momentum by timely execution of Projects – especially the PPP ones that tend to provide multifold benefits to the Company. Meanwhile, since the demerger of the real estate undertaking, the Company has become a pure-play infrastructure company, which is Lighter and Fitter - that can attain Faster growth.”

¹ 1 million = 10 lakh

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Order-book:

At June 30, 2018 the Company has confirmed unexecuted order-book of ₹ 5,323.5 million. The summary is furnished further.

(₹ in millions)

Activity	Gujarat			Rajasthan			Total (A+B)	%
	AMC	PWL/Misc.	Total (A)	GoR	EPIL	Total (B)		
Affordable Housing	305.1	1,758.3	2,063.4	1,529.1	432.7	1,961.8	4,025.1	76%
<i>EPC</i>	46.2	1,758.3	1,804.5	-	432.7	432.7	2,237.1	42%
<i>EPC+PPP</i>	-	-	-	1,529.1	-	1,529.1	1,529.1	29%
<i>PPP</i>	258.9	-	258.9	-	-	-	258.9	5%
Civic Urban Infra (EPC)	101.2	1,197.2	1,298.4	-	-	-	1,298.4	24%
Total	406.2	2,955.5	3,361.8	1,529.1	432.7	1,961.8	5,323.5	
%	8%	56%	63%	29%	8%	37%		100%

The composition of such order book is well balanced and in line with the Company's core activity as 76% is from Affordable Housing; and 24% is other Civic Urban Infrastructure projects (e.g. Medical College Campus, Commercial Complex and captive office complex for a prime business house, Community Hall). The major Government clientele comprise, Engineering Projects India Ltd (EPIL – a Mini Ratna), Ahmedabad Municipal Corporation (AMC), Government of Rajasthan, while Adani Group is a major corporate client. Overall the Company is executing construction of about 6.1 million sq. ft. area; including ~8,800 units of affordable housing.

Summary Profit and Loss Statement (Standalone) (as per Indian Accounting Standards (Ind-AS)):

(₹ in millions)

	FY2017	Q1-FY2018	Q4-FY2018	FY2018	Q1-FY2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)
Total Operating Income (TOI)					
• <i>Infrastructure</i>	1,952.3	652.2	471.1	2,111.1	495.2
• <i>Rental income</i>	30.1	7.9	7.5	30.0	8.1
• <i>Share of profit</i>	0.5	-	1.9	1.9	-
Total TOI	1,982.9	660.1	480.5	2,143.0	503.3
Add: Other income (B)	69.9	17.0	17.3	73.4	25.1
Total Income (A+B)	2,052.8	677.1	497.8	2,216.4	528.4
Less:					
Operating expense	1,699.2	546.3	396.1	1,763.5	431.0
Depreciation	16.2	4.6	3.6	17.2	4.3
Finance cost	89.0	31.6	25.3	1,11.0	31.4
= Profit Before Tax (PBT)	248.4	94.7	72.8	324.7	61.8
Less: Tax	89.1	35.1	14.1	99.4	13.5
= Profit After Tax (PAT)	159.3	59.6	58.7	225.3	48.2

Note: The figures for the corresponding periods have been restated, reclassified, regrouped and rearranged wherever necessary.

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Operating review for H1-FY2018 (standalone):

- The profitability at EBIDTA level has reduced by 287 bps mainly due change in revenue-mix as Q1-FY2019 has not got contribution from higher margin PPP projects, wherein during Q1-FY2018 Girdharnagar site had contributed ₹ 262.6 million (i.e. 40%).
- While, the project/operations cost is almost in-line with the movement in the TOI, the employee cost has increased due to incremental employee base as well as the effect of the improvement in the overall employee benefits. Other expenses increased by 91 bps mainly on account of payment towards various professional fees for demerger (KPMG, Singhi & Co) and related advertisement expense.
- The reduction at PBT has been marginally offset due to increment in Other Income. It has been further offset at PAT level mainly due to reduction in tax rate from 33.99% to 29.12% as well as deferred tax.
- The depreciation as well as the finance cost has remained almost constant, while it has increased in % terms due to lower revenue.
- The networth of the Company has increased to ₹ 1,126.1 million due to plough-back of profit.
- The total debt of the Company has increased to ₹ 1,091.9 million. The Company has honoured all its financial commitments and the account is “Standard” with all the lenders. None of the Bank Guarantees submitted by the Company has ever been invoked by any Principal/Client.

External credit rating:

- CARE Ratings Limited (CARE)
March 19, 2018
Initiated the bank loan rating of the Company at “BBB+” and “A2” (Credit watch with developing implication).
- Brickwork Ratings India Pvt Ltd
July 31, 2017
Reaffirmed the bank loan rating of the Company at “BBB+” (Stable) and “A2”.

Update on Memorandum of Understanding (MoU) with Kataria Group:

Under the MoU executed on October 7, 2015 with Kataria Group, the Company has jointly acquired land and developing industrial and logistics parks, units, sheds, plots, residential colonies, and allied infrastructure at various locations situated near the upcoming automobile hub at Bechraji – about 90 kms from Ahmedabad at Gujarat. The two (2) JV entities are actively engaged in procuring various requisite clearances and have already delivering warehouses, dormitory, etc. to the clients – including reputed MNCs.

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Update on the Scheme of Demerger:

National Company Law Tribunal Bench Ahmedabad (NCLT) has approved the scheme of arrangement vide its order dated May 09, 2018 whereby the real estate undertaking of the Company is transferred to and vested in Nila Spaces Ltd (NSL). Accordingly, the record date to decide entitlement of shares of NSL was June 15, 2018 i.e. with June 14, 2018 being the Ex-date for share trading. Consequently, the equity shares of NSL are allotted on June 29, 2018 with shareholders' demat account getting credited on July 26, 2018. Listing of equity shares of NSL on BSE and NSE is in process.

Safe harbor Statement

All financial and other information in this release, other than financial and other information for specific subsidiaries/JVs/Associate where specifically mentioned, is on an unconsolidated basis for Nila Infrastructures Limited only unless specifically stated to be on a consolidated basis for Nila Infrastructures Limited and its subsidiaries/JVs/Associate. Please also refer to the statement of unaudited unconsolidated results required by Indian regulations that has, along with this release, been filed with the stock exchanges where Nila Infrastructures Limited's equity shares are listed, and is available on our website www.nilainfra.com

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'expected to', etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in demand for real estate, infrastructure, etc. construction and other construction activities and services in the geographies that we operate or where a material number of our customers reside, our ability to successfully implement our strategy, including our selecting apt Project, getting possession of site within stipulated time, executing the Project as per stipulated schedule, employing and deploying sufficient skilled/unskilled manpower, and manage the risks associated with timely sales and collection to achieve our strategic and financial objectives, our ability to manage the increased complexity of the risks we face following our rapid growth, future levels of profit margins, our growth and expansion in affordable housing and other urban infrastructure related sectors, the adequacy of our allowance for low-margin infrastructure business, technological changes, our ability to get into new markets, cash flow projections, the outcome of any legal, tax or regulatory proceedings against us or we become a party to, the future impact of new accounting standards, our ability to implement our dividend policy, the impact of changes in real-estate/infrastructure related regulations and other regulatory changes on us, the capital market and bank credit leniency and availability of liquidity amongst the investor community in these markets, the nature or level of profit margins, cost escalations from time to time, availability of raw materials e.g. cement, steel, etc., including the possibility of increasing rates of raw materials, our ability to roll over our short-term funding sources and our exposure to credit, market and liquidity risks as well as other risks that are detailed in the reports filed by us with the statutory authorities. Nila Infrastructures Ltd undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. This release does not constitute an offer of securities.

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About Nila Infrastructures Limited

Incorporated in the year 1990, Nila Infrastructures Limited (the “Company”) has been promoted by first-generation promoters, Mr. Manoj B. Vadodaria and Mr. Kiran B. Vadodaria. The Company is a well-established player in developing Civic Urban Infrastructure Projects on EPC, Turnkey, PPP Mode, as well as Private White Label Construction and Industrial Infrastructure Projects. The Company is registered as Special Category-I Buildings Class and pre-approved contractor with various civic bodies as well as established corporate real estate players. The Quality Management System of the Company is ISO 9001:2015 accredited. The Company has major presence in Gujarat and has expanded footprint into Rajasthan. The major clientele include Ahmedabad Municipal Corporation (AMC), Government of Rajasthan, EPIL (a Mini-Ratna Company of GoI), Adani Group, etc. The Company possesses excellent track record of profitability, dividend distribution and has accumulated strong capital reserve base. The total confirmed unexecuted Order Book at June 30, 2018 is ₹ 5,323.5 million towards construction of about 6.1 million sq. ft. super builtup area; that includes 8,800 units of affordable housing. The book-to-bill ratio about 2.7 provides creditable revenue visibility. The Company has recently spun-off the Real Estate undertaking into a separate company viz. Nila Spaces Limited (NSL), pursuant to order of the National Company Law Tribunal. NSL shall be listed on BSE and NSE in due course, subject to relevant approvals/processes. To know more, please visit www.nilainfra.com

For more Information please contact:

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