



NIRLON LIMITED

EARNINGS PRESENTATION
FY21/Q4-FY21

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) – High standard Environmentally Friendly Campus



Marquee licensees including leading companies from IT / Financial Services sectors



Occupier friendly design with ~80% efficiency



High Average annual occupancy rate of ~99%



World Class infrastructure with several modern facilities



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% *

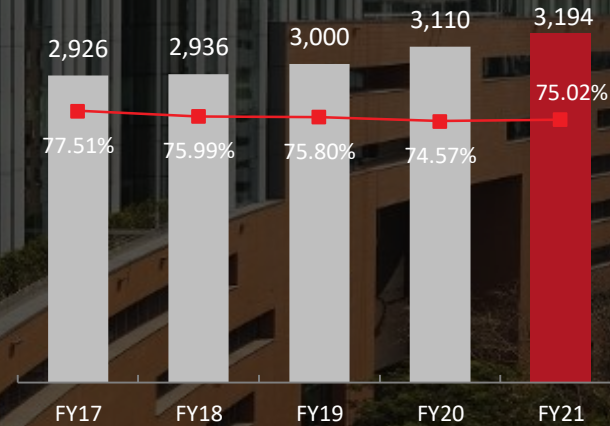
FY18 onward figures as per Ind AS;

** Impact of IndAS-23 FY20 onwards (refer slide 25 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 4 out of 5 phases of development completed, and the final Phase V expected to complete 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

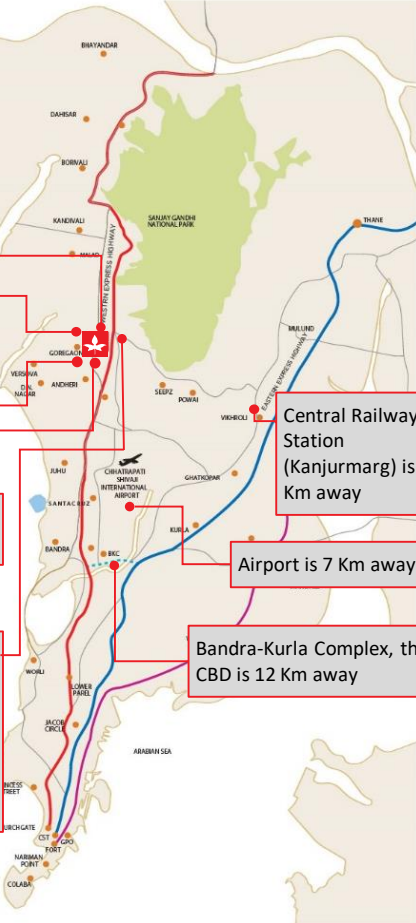
Western Railway Station (Goregaon) is 1 Km away

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

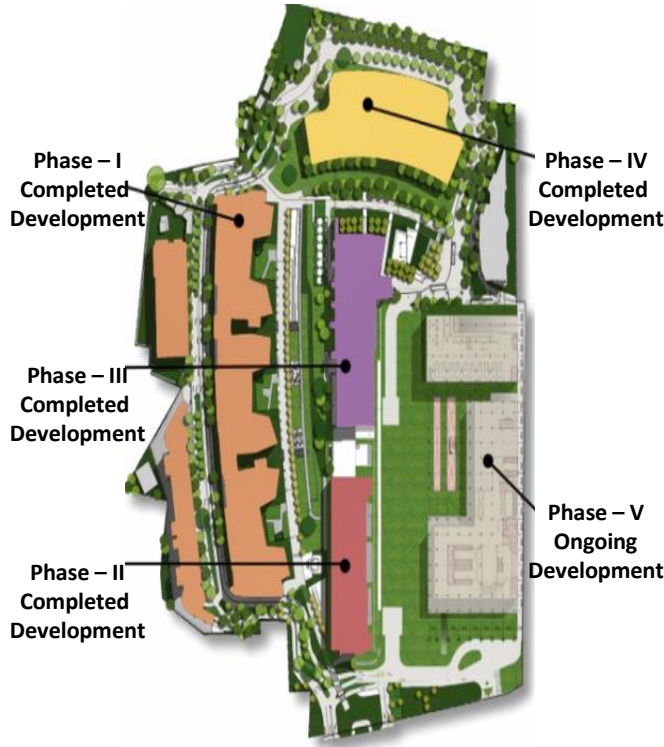
Bandra-Kurla Complex, the CBD is 12 Km away

Conveniently located on Mumbai's Western Express Highway, one of Mumbai's main arterial roads, the Nirlon Knowledge Park 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. Nirlon Knowledge Park 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

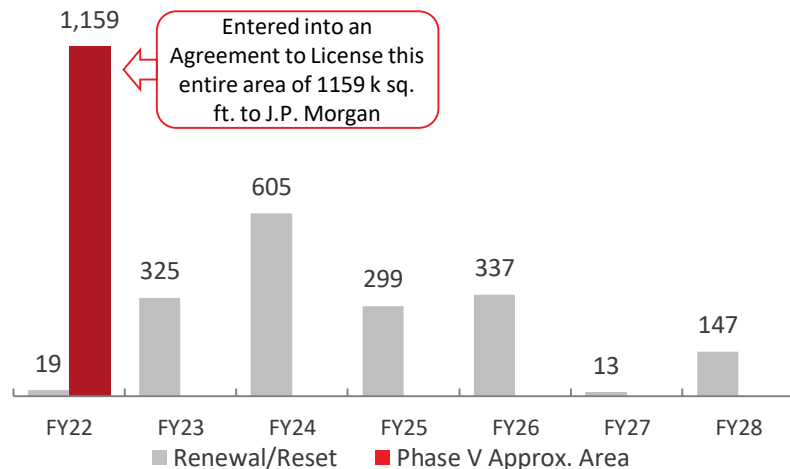
≈ 3.06 Mn Sq. ft. Total Planned office space



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	~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 March 2021**



As on 31 March 2021, approx. 190,000 sq. ft. area was vacant, of which approx. 28,000 sq. ft. has been re-licensed from June 2021.

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.

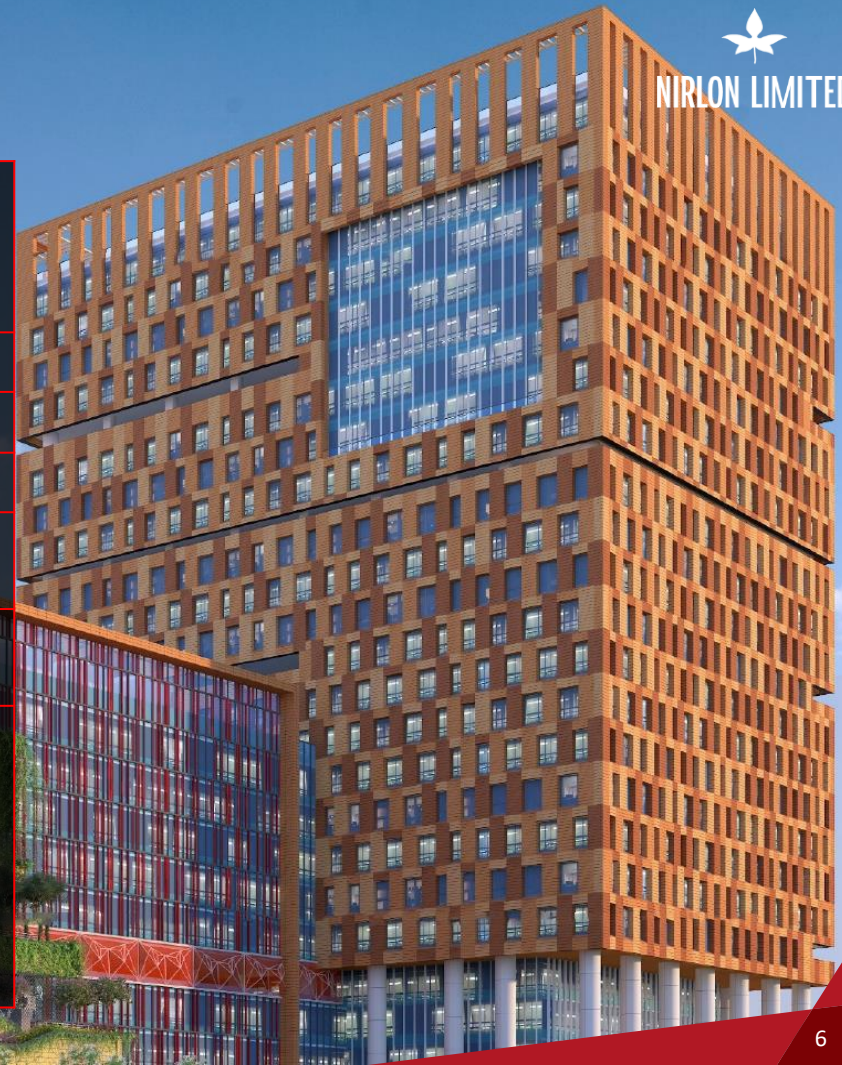
Chargeable Area ~1.16 Mn sq. ft.

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

- Building B9**
 - 16 Passenger lifts, 2 Service lifts
 - 2 Parking lifts from Basement to Ground
- Building B10**
 - 5 Passenger & 1 Service lifts
- Building B11**
 - 2 Passenger & 1 Service lifts



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.



*All Images as of June 2021



FY21 / Q4-FY21 Financial Overview

Q4-FY21 / FY21 Financial Highlights

Q4-FY21 Financial Highlights:

INR 779 Mn

Total Income

INR 556 Mn

EBITDA

71.37%

EBITDA Margin

INR 398 Mn

PBT

INR 287 Mn

PAT

36.84%

PAT Margin

FY21 Financial Highlights:

INR 3194 Mn

Total Income

INR 2396 Mn

EBITDA

75.02%

EBITDA Margin

INR 1769 Mn

PBT

INR 1274 Mn

PAT

39.89%

PAT Margin



Operational Highlights

Debt Summary (as of 31 March 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 31 March 2021 was INR 980 Cr.
- The Company's total debt post completion of Phase V is expected to be approx. 1200 cr.

Marketing Updates

- Morgan Stanley has licensed approx. 32,000 sq. ft. from March 2021
- As on 31 March 2021, approx. 190,000 sq. ft. area was vacant, primarily on account of one large licensee moving out post expiry of their license. The Company is in discussions to re-license the vacant space.
- Morgan Stanley has agreed to license a further approx. 28,000 sq. ft. from June 2021

Dividend

- The Board proposes a final dividend of INR 8 (80%) per share for FY21, subject to approval by the shareholders in the forthcoming AGM.
- Dividend(s) for FY22 will be determined by the Board in line with the dividend policy of the Company and the performance of the Company including the commencement of license fees for Phase V in H2-FY22.

Operational Highlights

COVID-19 Preparedness

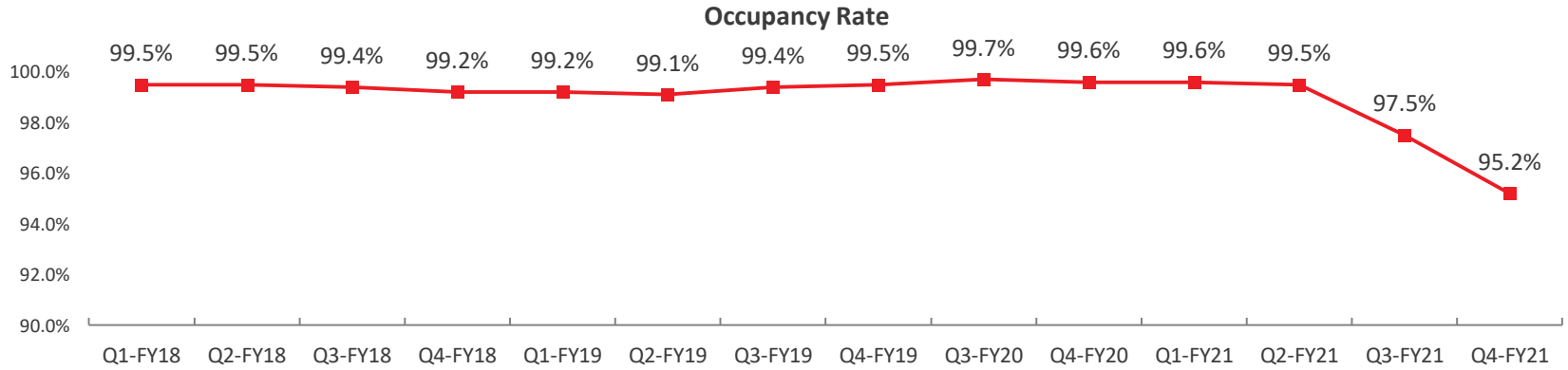
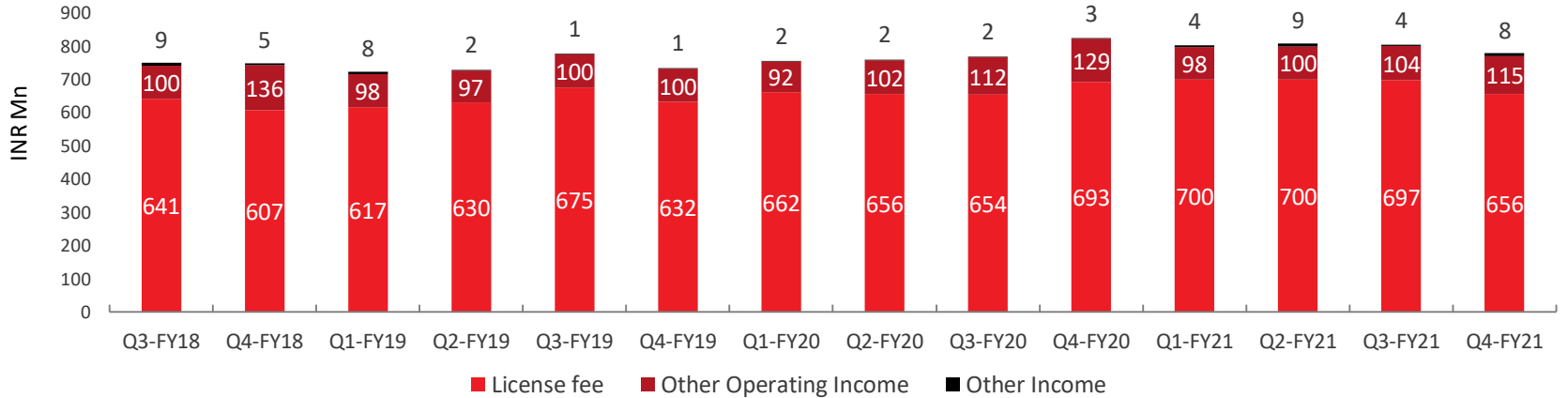
- NKP was awarded the WELL Health-Safety Rating for Facility Operations and Management in January 2021 by International WELL Building Institute, USA. NKP achieved all 16 features across 6 categories.
- Nirlon has undertaken various measures and necessary precautions to prevent the spread of Covid-19 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 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 has commenced a vaccination drive in Q1-FY22 for all its eligible employees, vendors, contractors and their eligible dependants.



Vaccination Drive at NKP



License Fees & Occupancy Rates



Q4-FY21 Income Statement (Ind AS)

Particulars (INR Mn)	Q4-FY21	Q3-FY21	Q-o-Q	Q4-FY20	Y-o-Y
License Fees	656	697	(5.9)%	693	(5.3)%
Other Operating Income (CAM, etc.)	115	104	10.6%	129	(10.9)%
Other Income	8	4	100%	3	166.7%
Total Income	779	805	(3.7)%	825	(5.6)%
Total Expenses	223	190	17.4%	231	(3.5)%
EBITDA	556	615	(9.6)%	594	(6.4)%
EBITDA Margin	71.37%	76.40%	(503) Bps	72%	(63) Bps
Depreciation	122	126	(3.2)%	136	(10.3)%
Finance Cost*	36	34	5.9%	50	(28)%
PBT	398	455	(12.5)%	408	(2.5)%
Tax	111	127	(12.6)%	114	(2.6)%
Profit After Tax / Total Comprehensive Income	287	328	(12.5)%	294	(2.4)%
PAT Margin	36.84%	40.75%	(391) Bps	35.64%	120 Bps
Diluted EPS (INR per share)	3.19	3.64	(12.4)%	3.26	(2.1)%

* - 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.

FY21 Income Statement (Ind AS)

Particulars (INR Mn)	FY21	FY20	Y-o-Y
License Fees	2,753	2,665	3.3%
Other Operating Income (CAM, etc.)	416	435	(4.4)%
Other Income	25	10	150.0%
Total Income	3,194	3,110	2.7%
Total Expenses	798	791	0.9%
EBITDA	2,396	2,319	3.3%
EBITDA Margin	75.02%	74.57%	45 Bps
Depreciation	487	533	(8.6)%
Finance Cost*	140	321	(56.4)%
PBT	1,769	1,465	20.8%
Tax	495	370	33.8%
Profit After Tax / Total Comprehensive Income	1,274	1,095	16.3%
PAT Margin	39.89%	35.21%	468 Bps
Diluted EPS (INR per share)	14.14	12.15	16.4%

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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
Total Income	2,936	3,000	3,110	3,194
Total Expenses	705	726	791	798
EBITDA	2,231	2,274	2,319	2,396
EBITDA Margin	75.99%	75.80%	74.57%	75.02%
Depreciation	722	589	533	487
Finance Cost	656	697	321*	140*
PBT	853	988	1,465	1,769
Tax	296	351	370	495
Profit After Tax / Total Comprehensive Income	557	637	1,095	1,274
PAT Margin	18.97%	21.23%	35.21%	39.89%
Diluted EPS (INR per share)	6.18	7.07	12.15	14.14

FY18 onward figures as per Ind AS

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Balance Sheet (Ind AS)

Particulars (INR Mn)	FY20	FY21
EQUITY	4,538	5,744
a) Equity Share Capital	901	901
b) Other Equity	3,637	4,843
LIABILITIES		
Non-Current Liabilities	12,210	12,019
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
Current Liabilities	1,132	1,298
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	-
GRAND TOTAL - EQUITIES & LIABILITIES	17,880	19,061

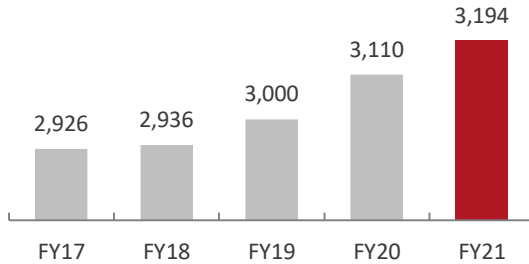
Particulars (INR Mn)	FY20	FY21
Non-Current Assets	17,534	18,845
a) Property, Plant and Equipment	5	4
b) Capital Work In Progress	9,482	11,402
c) Investment Properties	7,407	7,050
d) Intangible Assets	-	-
e) Financial Assets		
i) Loans	22	22
ii) Other Financial Assets	12	12
f) Non-Current Tax Assets (Net)	44	30
g) Other Non-Current Assets	562	325
Current Assets	346	216
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
GRAND TOTAL – ASSETS	17,880	19,061

FY18 onward figures as per Ind AS

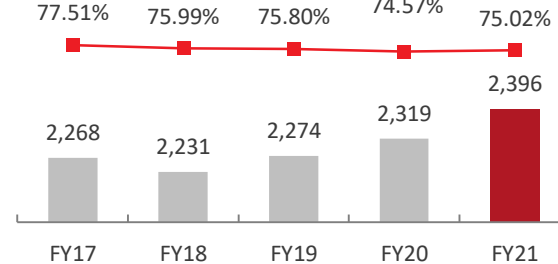


Key Financial Highlights

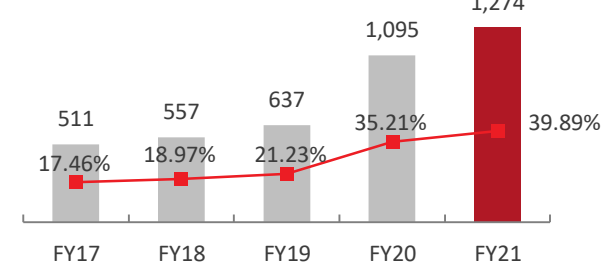
Total Income (INR Mn)



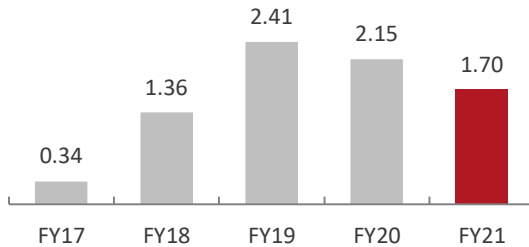
EBITDA (INR Mn) & EBITDA Margin (%)



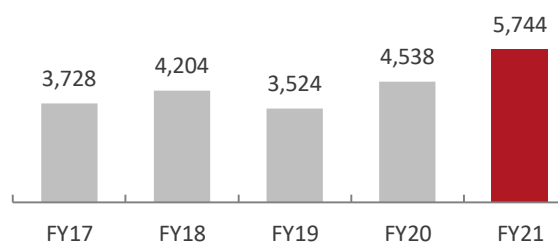
PAT* (INR Mn) & PAT Margin (%)



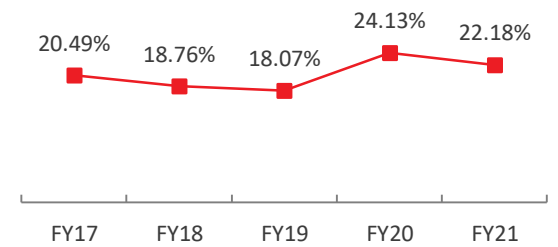
Net Debt to Equity (x)



Net Worth (INR Mn)



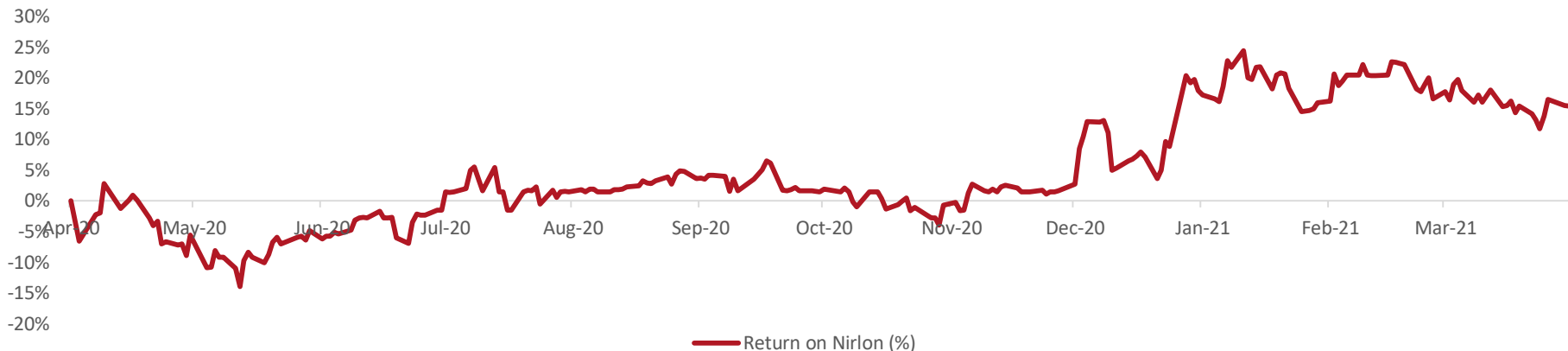
ROE* (%)



FY18 onward figures as per Ind AS

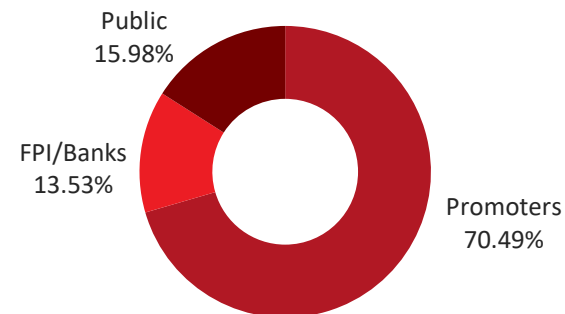
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Capital Markets



Price Data (31 st March, 2021)	INR
Face Value	10
Market Price	273.2
52 Week H/L	299.1/202.65
Market Cap (Mn)	24620.25
Equity Shares Outstanding (Mn)	90.12
1 Year Avg Trading Volume ('000)	8.27

Shareholding Pattern as on 31st March 2021



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Nirlon Limited

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