



Nirlon Limited

COMPANY BACKGROUND.....

- 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 Real Estate.
- The company currently owns two primary real estate parcels: Nirlon Knowledge Park (NKP), which is a 23 acre Information Technology Park located in Goregaon (East), Mumbai and 75% of undivided interest in 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 all 5 phases of development completed in FY22.
- GIC Singapore became the majority shareholder and a co-promoter in 2015 vide an open offer through its affiliate, M/s. Reco Berry Private Limited (Reco) of Singapore, and currently has a 63.92% holding in the company.
- NKP has a total chargeable area of approximately 3.06 Mn.sq.ft.

KEY STRENGTHS.....

- Present in the commercial real estate sector since 17 years
- Prime location in Mumbai’s western suburb
- LEED Platinum/ Gold Certified Buildings (Core & Shell) Environmentally Friendly Campus
- Marquee licensees including leading companies from IT and Financial Services sectors such as Citi, Barclays, Ernst & Young and JP Morgan
- Historically high average annual occupancy rate
- Consistent and Sustainable License Fee Income
- GIC Singapore (through its affiliate) is the major shareholder

FINANCIAL HIGHLIGHTS (Ind AS).....

(INR Mn)	Total Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY21	3,194	2,396	75.02%	1,274	39.89%	14.14
FY22	3,867	3,002	77.63%	1,108	28.65%	12.30
FY23	5,756	4,610	80.09%	1,579	27.43%	17.52
H1-FY24	2,997	2,377	79.31%	1,023	34.13%	11.35

Key Data

BSE Code	500307
NSE Code	-
Reuters	NIRL.BO
Bloomberg	NIRL/F:IN

Market Data (INR) As on 30th September, 2023

Face Value	10.00
CMP	405.65
52 Week H/L	475.05/301.10
MCap (Mn)	36,556
Shares O/S (Mn)	90.12
1 Yr Avg. Vol ('000)	11.55

Performance As on 30th September, 2023

	3M	6M	12M
NIRLON	0.16%	5.39%	9.49%
SENSEX	1.5%	11.3%	14.7%
BSE MIDCAP	12.05%	33.90%	31.76%

Shareholding Pattern As on 30th September, 2023

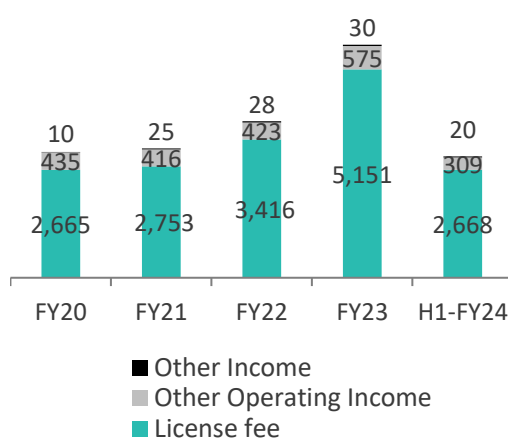
Promoters	70.34%
FII/ Banks	14.38%
Public	15.28%

BUSINESS OVERVIEW

Nirlon Knowledge Park (NKP)

- 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.
- The Master Plan is designed around an Environmentally friendly Green Campus with a 200,000 sq. ft. or approx. 4 acres of traffic free central park and a more than 250 meter long water feature to give the location the quality of an urban oasis.
- Some of the major licensees of Nirlon Ltd. include JP Morgan, Citi Bank, Barclays, Morgan Stanley, Ernst & Young, ICICI Prudential, BNP Paribas, amongst others.
- The company has very consciously maintained the quality of its licensees over the years and has maintained a high average occupancy historically.
- Nirlon Knowledge Park is one of the first campuses of this scale in India to achieve Platinum/Gold LEED certification for its buildings (core and shell).
- Phases I to IV have already been LEED certified to a Gold standard and Phase V has a Platinum rating. NKP has been awarded the WELL Health Safety Rating for Facility Operations and Management.
- NKP has been felicitated with many awards some of which are:
 - Best Commercial Renovation/ Redevelopment – Asia Pacific in the year 2012-2013
 - Best Commercial Property 2013 Worldwide Achievers Real Estate Awards, etc.

License Fees (INR Mn)



Phase Wise Details

Phases	Constructed Area (Mn Sq. Ft.)	Chargeable Area (Mn Sq. Ft.)
I	1.29	0.77
II	0.38	0.31
III	0.55	0.4
IV	0.76	0.4
V	1.78	1.16
Total	4.77	3.06

KEY GROWTH DRIVERS

- Rental income from leasable area of ~1.16 Mn sq. ft. licensed to JP Morgan Chase.
- Sustainable source of income from the licensees.
- Portfolio of quality licensees including global companies in the Financial Services and IT/ITES sectors.
- Strong cash flows.

PEER COMPARISON (TRAILING 12 MONTHS) INR MN

Company	Op. Income	EBITDA	EBITDA%	Net Profit	PAT%	Market Cap
Nirlon	5,909	4,708	79.68%	2,055	34.78%	36,556
Nesco	6,555	3,956	60.35%	3,190	48.67%	48,498
Oberoi Realty	47,639	24,430	51.28%	19,613	41.17%	4,19,633
DLF	58,203	17,342	29.80%	22,355	38.41%	1,314,019
The Phoenix Mills	24,464	18,482	75.55%	11,010	45%	3,23,703

INCOME STATEMENT (Ind AS)

INCOME STATEMENT (INR MN)	FY21	FY22	FY23	H1-FY24
License Fees	2,753	3,416	5,151	2,668
Other Operating Income (CAM, etc.)	416	423	575	309
Other Income	25	28	30	20
Total Income	3,194	3,867	5,756	2,997
Total Expenses	798	865	1,146	620
EBITDA	2,396	3,002	4,610	2,377
EBITDA Margins (%)	75.02%	77.63%	80.09%	79.31%
Depreciation	487	755	1,028	277
Finance Cost*	140	346	1,257	604
PBT	1,769	1,901	2,325	1,496
Tax	495	793	746	473
Profit After Tax	1,274	1,108	1,579	1,023
PAT Margins (%)	39.89%	28.65%	27.43%	34.13%
Diluted EPS (INR per share)	14.14	12.30	17.52	11.35

* - 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)	FY22	FY23	H1 FY24	Particulars (INR Mn)	FY22	FY23	H1 FY24
EQUITY	4,780	4,018	4,049	Non-Current Assets	20,831	20,614	20,626
a) Equity Share Capital	901	901	901	a) Property, Plant and Equipment	4	4	4
b) Other Equity	3,879	3,117	3,148	b) Capital Work In Progress	132	60	94
LIABILITIES				c) Investment Properties	19,851	19,318	19,244
Non-Current Liabilities	14,231	14,974	15,052	d) Financial Assets			
a) Financial Liabilities				i) Loans	-	-	-
i) Borrowings	10,939	11,450	11,453	ii) Other Financial Assets	29	97	91
ii) Other Financial Liabilities	1,450	1,470	1,402	e) Non-Current Tax Assets (Net)	32	129	142
b) Provisions	5	3	3	f) Other Non-Current Assets	783	1,006	1,051
c) Deferred Tax Liabilities (Net)	1,189	1,530	1,742	Current Assets	1,156	398	761
d) Other Non-Current Liabilities	648	522	452	a) Financial Assets			
Current Liabilities	2,976	2,020	2,285	i) Trade Receivables	32	29	48
a) Financial Liabilities				ii) Cash and Cash Equivalents	963	173	478
i) Borrowings	845	-	-	iii) Bank Balances other than ii) above	39	57	70
ii) Trade Payables	256	167	231	iv) Other Financial Assets	26	26	23
iii) Other Financial Liabilities	1,583	1,604	1,700	b) Other Current Assets	96	113	142
b) Other Current Liabilities	237	246	352				
c) Provisions	1	1	1	GRAND TOTAL - EQUITIES & LIABILITIES	21,987	21,012	21,387
d) Current Tax Liabilities (Net)	54	2	2	GRAND TOTAL - ASSETS	21,987	21,012	21,387

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