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
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
FY24	6,074	4,814	79.26%	2,056	33.85%	22.81
H1-FY25	2,822	2,526	78.84%	1,063	33.18%	11.80

Key Data	
BSE Code	500307
NSE Code	-
Reuters	NIRL.BO
Bloomberg	NIRL:IN

Market Data (INR) As on 30th September, 2024	
Face Value	10.00
CMP	417.25
52 Week H/L	479.00/ 381.00
MCap (Mn)	37,601.75
Shares O/S (Mn)	90.12
1 Yr Avg. Vol ('000)	69.24

Performance As on 30th September, 2024	3M	6M	12M
NIRLON	(3.2)%	(3.6)%	(0.1)%
SENSEX	6.7%	14.0%	28.1%
BSE MIDCAP	6.5%	24.5%	52.4%

Shareholding Pattern As on 30th September, 2024	
Promoters	67.76%
FPI	10.37%
Mutual Funds	4.80%
Public	17.07%

BUSINESS OVERVIEW

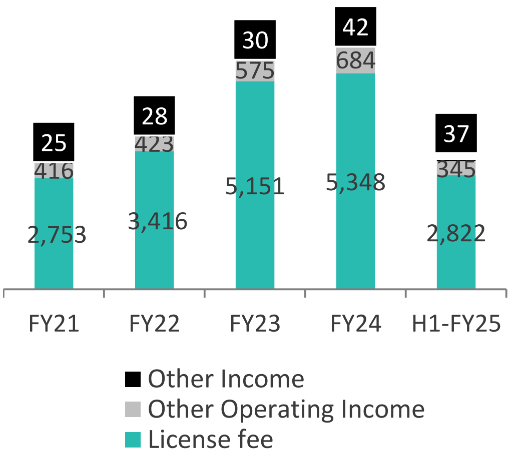
Nirlon Knowledge Park (NKP)

- 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.

Total Income (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	0.40
IV	0.76	0.40
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	6,114	4,814	78.7%	2,056	33.6%	37,602
Nesco	6,830	4,261	62.4%	3,565	52.2%	66,197
Oberoi Realty	50,935	29,268	57.5%	23,221	45.6%	6,87,372
DLF	69,935	19,957	28.5%	36,014	51.5%	22,16,023
The Phoenix Mills	41,141	22,272	54.1%	13,418	32.6%	6,61,982

INCOME STATEMENT (Ind AS)

INCOME STATEMENT (INR MN)	FY22	FY23	FY24	H1-FY25
License Fees	3,416	5,151	5,348	2,822
Other Operating Income (CAM, etc.)	423	575	684	345
Other Income	28	30	42	37
Total Income	**3,867**	**5,756**	**6,074**	**3,204**
Total Expenses	865	1,146	1,260	678
EBITDA	**3,002**	**4,610**	**4,814**	**2,526**
EBITDA Margins (%)	***77.63%***	***80.09%***	***79.26%***	**78.84%**
Depreciation	755	1,028	564	285
Finance Cost*	346	1,257	1,235	594
PBT	**1,901**	**2,325**	**3,015**	**1,647**
Tax	793	746	959	584
Profit After Tax	**1,108**	**1,579**	**2,056**	**1,063**
PAT Margins (%)	***28.65%***	***27.43%***	***33.85%***	**33.18%**
Diluted EPS (INR per share)	12.30	17.52	22.81	11.8

BALANCE SHEET (Ind AS)

Particulars (INR Mn)	FY23	FY24	H1-FY25
EQUITY	**4,018**	**3,731**	**3,802**
a) Equity Share Capital	901	901	901
b) Other Equity	3,117	2,830	**2,901**
LIABILITIES			
Non-Current Liabilities	**14,975**	**15,586**	**15,796**
a) Financial Liabilities			
i) Borrowings	11,450	11,456	11,458
ii) Other Financial Liabilities	1,470	1,690	1,668
b) Provisions	3	3	**4**
c) Deferred Tax Liabilities (Net)	1,530	1,963	2,259
d) Other Non-Current Liabilities	522	474	407
Current Liabilities	**2,020**	**1,945**	**3,091**
a) Financial Liabilities			
i) Borrowings	-	-	-
ii) Trade Payables	167	133	112
iii) Other Financial Liabilities	1,604	1,378	2,368
b) Other Current Liabilities	246	299	477
c) Provisions	1	1	2
d) Current Tax Liabilities (Net)	2	134	132
GRAND TOTAL - EQUITIES & LIABILITES	**21,013**	**21,262**	**22,689**

Particulars (INR Mn)	FY23	FY24	H1-FY25
Non-Current Assets	**20,614**	**20,480**	**20,070**
a) Property, Plant and Equipment	4	4	4
b) Capital Work In Progress	60	26	18
c) Investment Properties	19,318	19,096	18,803
d) Financial Assets			
i) Loans	-	-	-
ii) Other Financial Assets	97	96	100
e) Non-Current Tax Assets (Net)	129	284	284
f) Other Non-Current Assets	1,006	974	861
Current Assets	**399**	**783**	**2,619**
a) Financial Assets			
i) Trade Receivables	29	32	52
ii) Cash and Cash Equivalents	173	539	190
iii) Bank Balances other than ii) above	57	70	2,095
iv) Other Financial Assets	27	29	20
b) Other Current Assets	113	112	262
GRAND TOTAL – ASSETS	**21,013**	**21,262**	**22,689**

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS ………………………………………………………………….

Name	Designation	Email	Phone
Anuj Sonpal	CEO	anuj@valoremadvisors.com	+91-22-4903-9500
Sumeet Singhania	Vice President	sumeet@valoremadvisors.com	+91-22-4903-9500

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