



**Nirlon Limited**

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**August 14, 2025**

**The Secretary,  
BSE Limited,  
P.J. Towers,  
Dalal Street,  
Mumbai- 400 001.**

**Security Code: 500307**

**Sub:** Participation in Investors'/ Analysts' conference call held on Tuesday, August 12, 2025 for the Quarter ended June 30, 2025

We refer to our intimation dated July 31, 2025 informing the stock exchange of an earnings conference call on Tuesday, August 12, 2025.

This is to inform you that the conference call was attended by Mr. Rahul V. Sagar, Chief Executive Officer & Executive Director, Mr. Manish B. Parikh, Chief Financial Officer and Vice President (Finance) of the Company, and Mr. Ashish Bharadia, Vice President (Business Development and Investor Relations) of Nirlon Management Services Pvt. Ltd.

The transcript is attached herewith. The Transcript and the Audio Recording are available on the Company's website "[www.nirlonltd.com](http://www.nirlonltd.com)".

The interaction was based on a Q&A format, and the presentation for the aforesaid is available on the Company's website.

Kindly take the information on your record.

Thanking you,

Yours Faithfully,

**For Nirlon Limited**

Jasmin K. Bhavsar  
Company Secretary, Vice President (Legal) & Compliance Officer  
**FCS 4178**  
**Encl:a.a.**

**Nirlon Limited**  
**Q1 FY'26 Earnings Conference Call**  
**August 12, 2025**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Nirlon Limited Q1 FY'26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you, ma'am.

**Purvangi Jain:** Thank you. Good afternoon, everyone. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations for Nirlon Limited.

On behalf of the company, I would like to thank you all for participating in the Company's Earnings Call for the 1st Quarter of the financial year 2026.

Before we begin, let me mention a short cautionary statement:

Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, let me introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks. We have with us Mr. Rahul V. Sagar, Chief Executive Officer and Executive Director; Mr. Manish B. Parikh, Chief Financial Officer, VP Finance; Mr. Jasmin K. Bhavsar, Company Secretary, Vice President Legal and Compliance Officer; and Mr. Ashish Bharadia, VP Business Development and Investor Relations, Nirlon Management Services Private Limited.

Without any delay, I request Mr. Rahul V. Sagar to start with his Opening Remarks, followed by Financial and Operational Highlights of the company. Thank you and over to you, sir.

**Rahul V. Sagar:**

Thank you. Good afternoon, everyone, and welcome to our earnings conference to discuss the performance of the 1st Quarter for the financial year 2026.

Let me first take you through the financial performance of the company:

For the 1st Quarter, the company reported a total income of Rs. 167 crores, which grew by around 6% year-on-year. The EBITDA was reported at Rs. 132 crores, representing around 8% growth year-on-year. EBITDA margins were about 78.93%. Profit after tax for the quarter stood at around Rs. 58 crores, which grew by 17% year-on-year, while PAT margins reported at 34.95%.

On the operational front:

The average occupancy rate for the company as a whole, comprising NKP and Nirlon House, stood at 97.5% for the quarter. As of 30th June 2025, approximately 280,000 square feet was vacant at both NKP and Nirlon House combined, out of which approximately 269,000 square feet at NKP has been licensed or agreed to be licensed by Deutsche Bank, Barclays, MUFG, Citi and EY. Additionally, Accenture has licensed approximately 28,000 square feet at NKP and Citi has exercised its option to renew 196,000 square feet at NKP as well. The Board has in its May 2025 meeting proposed a final dividend of Rs. 11 per share for the financial year ending 2025, subject to approval by the shareholders in the forthcoming AGM.

Lastly, before we move on to the Q&A session, we would also like to proactively inform you that there has been no further update regarding any restructuring plans. Hence, we would appreciate if the focus of the questions on this conference call are about the operations and the financials of a quarter under review. We assure you that as and when any definitive decision is taken on these matters, we will inform our shareholders.

With this, we conclude our opening remarks and open the floor to questions.

**Moderator:**

Thank you very much sir. We will now begin the question and answer session. We have our first question from the line of Ashok Jain from Ayush Capital. Please go ahead.

**Ashok Jain:**

Good afternoon. Am I audible?

**Rahul V. Sagar:**

Yes.

**Ashok Jain:**

Okay. As of 30th March 2025, that is the fiscal year-end, approximately 92,000 square foot was vacant at NKP and around 6,000 at Nirlon House. This figure went up to 2,71,000 at NKP and

9,000 at Nirlon House as of the end of Q1 that is 30th June 2025. In Q1 of this fiscal, for how long was this 2,80,000 square foot space vacant, sir?

**Rahul V. Sagar:**

Okay. So, I am just going to give you a summary of what it actually was. So, essentially, the majority of this space was the space that was being vacated by Morgan Stanley as we know, okay. So, what we want to say is that the space vacated by Morgan Stanley has been licensed and or committed with security deposit/LOI as on date. And whatever vacancy there was, was essentially the interim period between the old licensee vacating (Morgan Stanley) and the new licensee or licensees coming in. So, essentially as of 30th June 2025, all the spaces vacated by Morgan Stanley have either been licensed, license has commenced or has serious commitments with LOIs have been signed. So, there is no real issue there. There is no space right now vacated by Morgan Stanley which is vacant without an LOI/L&L. It was vacated at different times. It was not a one-shot thing, it was a periodic thing. Some spaces needed some work to be done, so there were larger gaps between the new licensee coming in and licensee going out. Some spaces, there were very very small gaps of just a few days or weeks. So, that is really what it is. But in a nutshell, there is no uncommitted/unlicensed space vacated by Morgan Stanley.

**Ashok Jain:**

Okay. But as for the majority, I understand the dates were staggered around the quarter, but I can assume that for the majority of the quarter, we lost 2,80,000 square foot rental income, right? For majority of Q1.

**Rahul V. Sagar:**

No. Not for the majority of Q1. That is not a correct statement to say because actually, approx. 1,80,000 square feet was vacated by Morgan Stanley I think around the 18th or 22nd of June or 18th of June or sometime in the second half of June. So, as I said, there are different dates for different areas being vacated by Morgan Stanley, but we cannot say that the majority of the space was vacant.

**Ashok Jain:**

Okay. But all of it has been re-licensed now and the rental income for the entire about 2.7 lakh square foot has come in, right? It is going to show up in Q2, right?

**Rahul V. Sagar:**

Yes. I mean, basically, what has not been re-licensed has been committed. However, the proposed license commencement dates have been finalized. In some cases, the gap is very, very small between Morgan Stanley vacating and the new licensees coming in. So, I think Q2 will see some of these licenses and license commencement date and license fee commencement both.

**Ashok Jain:**

Okay. And the new leases were being signed at what rental rate per square foot per month including the license fee at 80% efficiency.

**Rahul V. Sagar:**

So, essentially, we want to say that some of these new leases have of course been signed with annual escalation at higher rates than what we had in the past. Okay. Especially, the leases for

the last building vacated by Morgan Stanley in the second half of June 2025. The rates were higher, of course.

**Ashok Jain:** How much, sir, figure? How much?

**Rahul V. Sagar:** As well as with annual escalation. So, essentially, we can say that we signed at 180+ rates approx. 180 - -185 per sq ft. with annual escalation as well. Some are in the 170s with annual escalation as well. And also, we can look at the gap between the day that Morgan Stanley left and the day on which the license and license fee commencement begins. That is a very important gap as well. In some cases, the gap was very-very small, even less than a month; in some cases even hardly 15 days frankly. So, we have to look at everything together. But basically, we have signed licenses in the region of 180 to 185 with annual escalation as well. So, yes it is not really anything uncommitted, unlicensed at this point.

**Ashok Jain:** Right. I understand there is tremendous demand for NKP. So, on a Y-O-Y basis, how much do you think is this 180 comparable to on a staggered basis? If you may just give me a ballpark percentage, that should be fine, sir.

**Rahul V. Sagar:** I mean, we do not want to comment specifically on this Y-O-Y because there are different commencement dates, there are different rent free periods. You can see, if you follow the IR report and if you follow the financials of the last few years and few quarters, you can see the growth in the license fees/license revenue, whatever you want to call it. And I do not know what you want to call growth, whether it is a steady growth or a consistent growth. But I mean, the numbers are there and you can really decide how you want to classify this growth.

**Ashok Jain:** Okay. Because despite the occupancy rates going down from 99.8% in last fiscal Q1 to 97.5% this fiscal Q1, we have actually shown a Y-O-Y rental income growth of 4.5%. So, is it fair if I say high single digit annual growth in rental income? Should that be fair, sir?

**Rahul V. Sagar:** Sorry, what was that?

**Ashok Jain:** Despite the occupancy rates going down, you know, from 99.8 in Q1 of last fiscal to 97.5 of Q1 of this fiscal, we have actually shown a Y-O-Y rental income growth, right? Despite the occupancy being down by about 2.5%, we have shown a rental income growth of around 4.5%. So, can I assume that the 180 is more like high single digit growth on a Y-O-Y basis? Is it fair? Because this is very complicated as the dates are staggered, like we cannot make an apple-to-apple comparison. But would a high single digit growth in rental income be a fair assumption for the future?

**Rahul V. Sagar:** We do not want to comment on the specific number like this, which is extrapolated with various assumptions. But you can see the quarterly financial performance in the annual report, and it is fairly clear. You should also keep in mind that this is basically based on IndAS which is

straightlined. So, the effect of the straightlining is also captured in the quarterly numbers as well. But I think you should look at the next two quarters as well. And whatever we are seeing now and whatever the answers you are looking for, hopefully you will see them in the numbers in the next, in Q2 and Q3 as well.

**Ashok Jain:** Okay. So, in Q2, we should have the entire relicensed space in the results, right?

**Rahul V. Sagar:** Well, I mean, you will see it. It is exactly like we said that we are not really short of any commitments or licensing.

**Ashok Jain:** Yes. And so, since our MAT credit now has been completely exhausted, the final call on the tax regime to choose for in the future, the old tax regime or the new tax regime, when will this call be taken? By the end of this fiscal or are we doing it any sooner?

**Rahul V. Sagar:** So, theoretically, one has up to September, approximately September 26 to decide. But as you know, we are acutely aware of this issue. And once any decision is taken in this regard, we will communicate that to you. That is really what we want to say for now.

**Ashok Jain:** Okay. And sir, is our TDR monetizable in the future?

**Rahul V. Sagar:** Sorry, what is that?

**Ashok Jain:** Our TDR, Transferable Developmental Rights, is our TDR monetizable in the future?

**Rahul V. Sagar:** No.

**Ashok Jain:** No, it's not?

**Rahul V. Sagar:** No.

**Ashok Jain:** Okay, why so, sir?

**Ashish Bharadia:** So, actually, you do not have TDR, you have an eligibility of how much you can build on the land. If you do not use it, it does not mean you can go and monetize it. TDR is very specific, when you hand over something like a road, etc. to the government.

**Ashok Jain:** Okay. So, it is not as if GIC can use this TDR for another location or something, it has to be for NKP or not used at all?

**Ashish Bharadia:** We do not have any TDR. So, just to clarify, there is no TDR. I guess you are asking about the eligibility.

**Ashok Jain:** Eligibility. Okay. But we are eligible for TDR, but we do not possess any asset of TDR right now.

**Ashish Bharadia:** No. So, okay, just to clarify, we are eligible to develop a certain quantum of FSI on any land in Mumbai. Irrespective of what your eligibility is, you can use lesser than that, which is what our case is. TDR is a completely separate thing where you generate TDR when you give something like a road area or an amenity to the government. We do not have any handover that is pending for us. So, we have no TDR generation, so to speak.

**Ashok Jain:** Okay.

**Management:** Sorry to interrupt you, Mr. Ashok. Can you please rejoin the queue?

**Ashok Jain:** Just one last question, sir, from my side, and then I will be done. Should I go ahead or should I wait?

**Rahul V. Sagar:** Go ahead.

**Ashok Jain:** Okay. Thank you, Rahul, sir. Thank you. As of 31st March 2025, we had about Rs. 173 crores of cash and cash equivalent. And the expected PAT for this fiscal looks like around Rs. 230 to Rs. 240 crores. And then we have about Rs. 55 crores of depreciation. So, all going well, as of the end of this fiscal, that is 31st March 2026, we will be sitting on a cash pile of about Rs. 450 crores. So, would you mind sharing our growth plans for the future? Or maybe we make a balloon payment on our outstanding loan of Rs. 1150 crores, because we have Rs. 450 crores, we are paying interest on one hand and getting interest on the other hand. So, would you mind sharing what do we do with this cash pile? Maybe we buy the other stakeholders of Nirlon House and own it 100%, or maybe we make a balloon payment on our loan, or maybe we have some other growth plans. I would appreciate it, sir, because the cash pile is huge. It has never happened in Nirlon since.

**Rahul V. Sagar:** Whatever cash surpluses are there; we do not want to confirm the number you said right now. We do not want to confirm. As we have been saying, and as we have been doing, the company will endeavor to maximize its distribution to shareholders using a surplus cash flow after providing prudently for contingency.

**Ashok Jain:** Okay. So, the dividends may go up. That is great news, sir. Thank you very much.

**Rahul V. Sagar:** I mean you are saying that.

**Ashok Jain:** Okay. Thank you, sir. Thanks a lot. All the best, sir.

**Rahul V. Sagar:** Thank you.

**Moderator:** Thank you. We have our next question from the line of Satinder Singh Bedi from Eon Infotech Limited. Please go ahead.

**Satinder Singh Bedi:** Yes, good afternoon. Congratulations for the quick lease back of the vacate by Morgan Stanley. So, has Morgan Stanley fully exited from the expiry profile? It seems we have got only 34,000 left to expire in FY'26. So, is it a correct assumption that Morgan Stanley has fully exited now?

**Rahul V. Sagar:** Morgan Stanley has fully exited. And as we said, the space occupied by Morgan Stanley has been licensed to or committed with LOI/security deposit to new licensees/licensees. In the majority of the cases, the licenses have commenced and license fees have commenced. I think, that is really what we can say.

**Satinder Singh Bedi:** Yes, no, I understood. I think that is a great outcome.

**Rahul V. Sagar:** But there are different time periods, as we explained earlier, that because of the different time periods, you are seeing some of these numbers going up and down. But we can say what we said in the previous question is what I said.

**Satinder Singh Bedi:** Understood, sir. On cost of capital, the spread has increased from 200 to 233 bps. So, any views on how do we plan to optimize this going forward? Okay, given that this is one of the largest components of cost. So, any plans on this? Or any prepayment penalties that we suffer? And okay, whatever. So, any views on this?

**Rahul V. Sagar:** So, essentially, if you see, our interest rate now is approximately 7.6%-7.68%. So, regardless of what the spread is, this is our interest rate at this point in time. Of course, we will continue to discuss with the lender for reduction of spread as well.

**Satinder Singh Bedi:** Okay. Any prepayment penalty clauses that we have on this loan, sir?

**Rahul V. Sagar:** Well, we do not really want to get into that. I do not want to comment on that agreement right now without having the agreement in front of me. If we are doing any prepayment or anything, of course, we will have to keep you informed.

**Satinder Singh Bedi:** Okay. Any progress on Nirlon House that could be shared in the last quarter now?

**Rahul V. Sagar:** Nothing significant.

**Satinder Singh Bedi:** Okay. And on this FSI, so what is the currently eligible FSI for our park? So, what is the eligible FSI and what is it that we have used based on our built-up area?

**Rahul V. Sagar:** So, I will just explain to you what it is. Since we are IT Park, our FSI eligibility will be approximately 5, plus fungible, depending on the always on the road width. Okay. Not just for us, but that is as per the policy which we fall under. And currently, we have used approximately 2.7 FSI. It could be plus or minus a few percentage points, but approximately 2.7, 2.75, somewhere there, 2.8 maybe.

**Satinder Singh Bedi:** Okay. And this 180-185, or whatever, 170 -185 that we find, what is the average rental reversion that we achieved on these leases?

**Rahul V. Sagar:** Sorry, the average rental?

**Satinder Singh Bedi:** Rental reversion. So, the new rent over the exit rent. Okay. So, what is the kind of rental reversion we achieved on this?

**Rahul V. Sagar:** So, the Morgan Stanley spaces were at various different license fees because of different periods of signing the license agreement and most of them had different commercial terms, etc. What we can say is that we have some annual escalations for Morgan Stanley spaces vacated, which were basically 15% every three years in the past. So, that is really a very a significant change from previous license agreements. And the exact delta between the spaces vacated by Morgan Stanley would be different. So, it is a little hard to give specific numbers on that. As you can see, at about 185 comes to about 230 approximately on carpet. So, you can compare with other comparable assets in the micro area as well as in various other locations as well.

**Satinder Singh Bedi:** Okay. Fine. Thank you. And the notice for the AGM has come out yesterday. The annual report is not a part of that notice. Okay. So, kind of when do we expect that? And is it on the website yet?

**Rahul V. Sagar:** I think we are going to send it out as always within the stipulated time period. You will get it in the near future well in time as per our regular annual practice.

**Satinder Singh Bedi:** Okay. So, thank you very much. And congratulations once again on the great lease up of the vacated space.

**Rahul V. Sagar:** Thank you.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Rahul Sagar for closing comments. Over to you, sir.

**Rahul V. Sagar:** So, thank you all for participating in this earnings conference call. I hope we were able to answer your questions satisfactorily and at the same time offer insights into our business. If you have any further questions or would like to know more about the company, please reach out to our investor relations managers at Valorem Advisors. Thank you once again from all of us at Nirlon. Thank you.

**Moderator:** Thank you, sir. On behalf of Nirlon Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.