



Nitin Fire Protection Industries Limited

Q1FY12 Result Update

CMP: INR 114.20

August 19, 2011

Company: NFPIL with its five subsidiaries is engaged in the business of fire protection, a safety, securities and Intelligent Building Management system, High Pressure Seamless Cylinders and Refueling Systems in India, Dubai and Singapore. It has two Manufacturing cum warehousing units situated at Vashi and Talaja, Near Mumbai. The company has an 11% stake in the consortium for exploration of crude oil block in Rajasthan and its total investment as on March 31, 2011 stood at INR 151 Mn.

Industry	Fire Protection
Listed on	BSE, NSE
BSE Sensex	16,141.67
BSE scrip code	532854
Financial year-end	March 31
Face Value (INR)	2.0
Mkt. Cap. (INR Mn)	7,194.6
Mthly Avg. volume	551,202
Qty Avg. volume	398,712
Half yr Avg. volume	375,527
52-week high/low	144.7/57.2

Valuation parameters:

Particulars	FY09	FY10	FY11
Face Value (INR)	10.0	10.0	2.0
EPS (INR)	25.0	6.7	8.5
BVPS (INR)	116.7	28.8	37.6
ROCE (%)	27.0	22.9	24.0
RONW (%)	21.4	23.1	22.5

QUARTERLY PERFORMANCE (CONSOLIDATED)

(INR in Mn)

Particulars	Q1FY12	Q4FY11	Q3FY11	Q2FY11	FY11
Net Sales	1,616	847	1,101	1,558	4,404
Operating Profit	296	159	285	217	800
Operating Profit Margin	16.6%	22.3%	12.8%	13.6%	15.2%
PBT	266	124	236	158	617
PAT	236	107	193	138	534
Net Profit Margin	14.6%	12.6%	17.5%	8.8%	12.1%
Equity Capital	126	126	126	126	126
EPS (INR)	3.8	1.7	3.1	13.0	7.6

Y-o-Y COMPARISON

(INR in Mn)

Particulars	Q1FY12	Q1FY11	Change
Net Sales	1,616	898	80.0%
Operating Profit	296	154	91.9%
Operating Profit Margin	16.6%	14.3%	-
PBT	266	109	144.1%
PAT	236	96	145.5%
Net Profit Margin	14.6%	10.7%	-
Equity Capital	126	126	-
EPS (INR)	3.8	7.6	-

- The company has recommended issuing Bonus Shares in the proportion of 5 bonus share for every 2 existing fully paid up equity share.
- The management plans to issue further capital upto USD 100 Mn through Right Issue / Warrants / QIP / FCCB / GDR/Preferential Allotment.

COMMENTS: Nitin Fire Protection Industries staged a remarkable performance for Q1FY12. The company has reported Net Turnover of INR 1,616 Mn, surging substantially by 80% on y-o-y basis. The Operating Profit stood at INR 296 Mn up by a whopping 91.9% when compared to the same period last fiscal. The Net Profit zoomed by 145.5% to stand at INR 236 Mn. The company has reported good numbers on sequential basis also.

The company intends to go big in fire protection business. NFPIL has set its focus on Middle East, Europe and Far East regions along with India for an acquisition. The size of the company is expected to be around INR 1,750-1,800 Mn. Furthermore, the company's management is confident of posting a growth of around 50% in this fiscal.

Considering its robust expansion plans, formidable growth in the fire protection industry owing to regulatory requirements and growing awareness, a strong foothold of the company in this sector and a possible additional stream of revenues in the coming years from the exploration block in Rajasthan, NFPIL is likely to register good growth going forward. The possible opening up of multi-brand FDI retail in India may act as a further trigger for the scrip. However, the broadened equity base on account of bonus remains a concern.

At the CMP of INR 114.2, the stock is trading at P/E of 12.9x based on FY12E financials.

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