Nitiraj Engineers Limited

Result Update Presentation
H1 FY20

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Way Ahead

Consolidated Financial Highlights

Financial Highlights – H1 FY20

57%

Revenue from Operations
Rs. 26.00 Crore

78%

EBITDA
Rs. 2.25 crore

101 bps

EBITDA Margin
8.64%

65%

Net Profit
Rs. 1.14 crore

21 bps

Net Profit Margin
4.39%

62%

Basic EPS
Rs. 1.39 vs. Rs. 0.86 H1 FY19

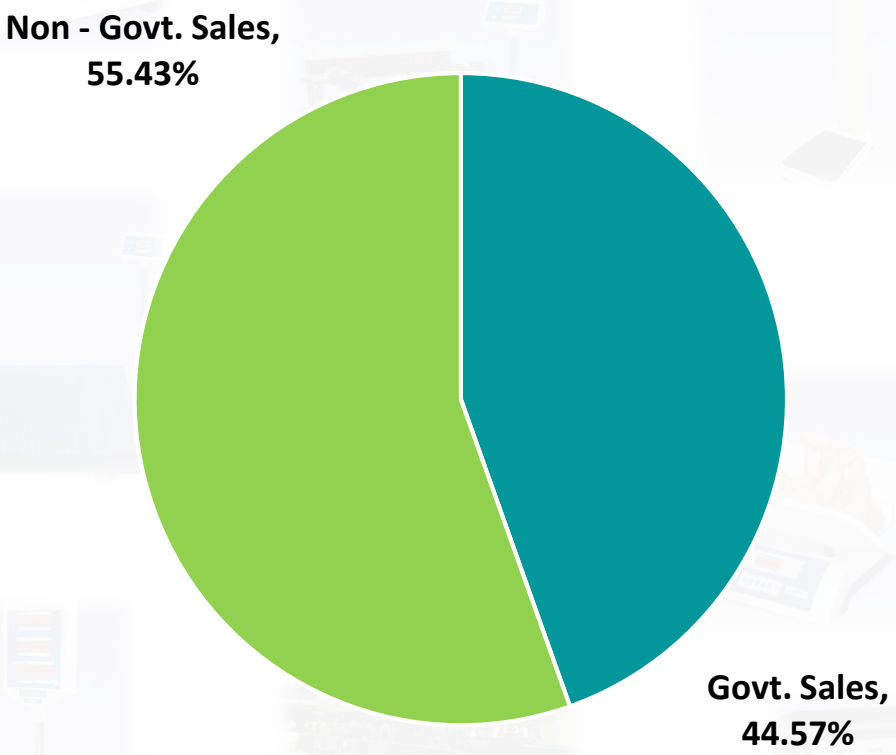
Financial Highlights – H1 FY20

Rs. Cr	H1 FY20	H1 FY19	Y-o-Y(%)	H2 FY19	H-o-H(%)
Revenue from Operations	**26.00**	**16.57**	**57%**	**19.95**	**30%**
Raw Materials	15.72	9.33		11.23	
Employee Cost	2.28	1.85		3.24	
Other Cost	5.75	4.13		4.28	
Total Expenditure	**23.75**	**15.31**		**18.75**	
EBITDA	**2.25**	**1.26**	**78%**	**1.21**	**86%**
EBITDA Margin%	**8.64%**	**7.63%**	**101 bps**	**6.04%**	**260 bps**
Other Income	0.05	0.41		1.44	
Depreciation	0.56	0.62		1.04	
Interest	0.18	0.04		0.02	
Profit Before Tax	**1.56**	**1.01**		**1.59**	
Tax	0.38	0.28		0.55	
PAT	**1.17**	**0.73**		**1.04**	
Add: Share of Profit/ (Loss) of Associates	(0.03)	(0.03)		0.00	
Net Profit	**1.14**	**0.69**	**65%**	**1.04**	**10%**
Net Profit Margin%	**4.39%**	**4.18%**	**21 bps**	**5.20%**	**(81 bps)**
EPS in Rs.	**1.39**	**0.86**	**62%**	**1.27**	**9%**

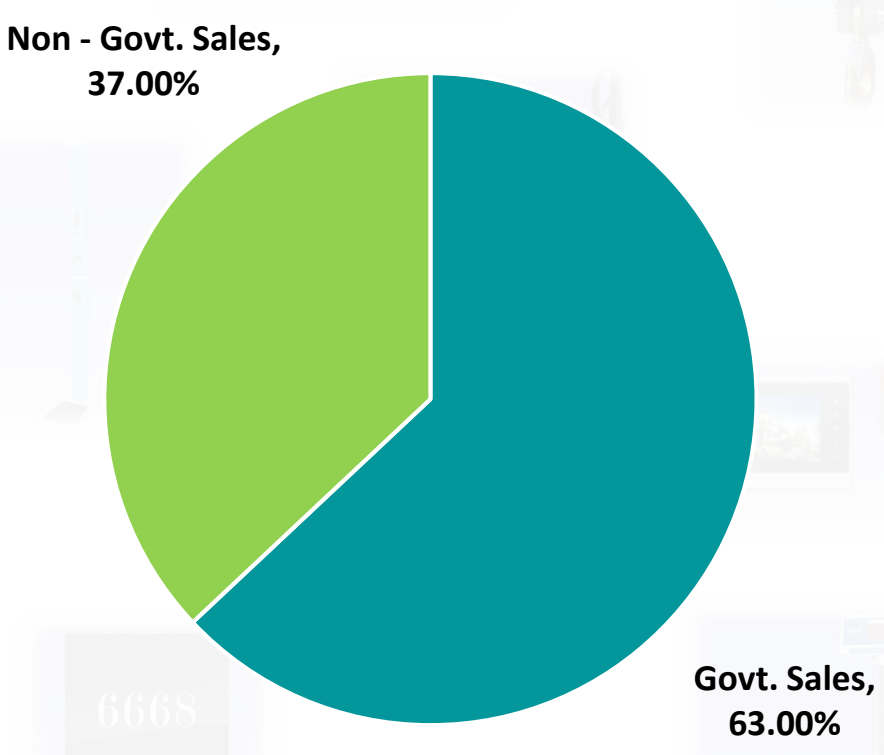
- Revenue from operations grew 57% YoY driven by higher number of machines sold and new government order received in H1 FY20
- EBITDA margin improved 101 bps on back of higher efficiencies and benefits from bulk orders
- In addition, benefit from recent corporate tax cut contributed to PAT growth

Revenue Break Up - Segmental

H1 FY19



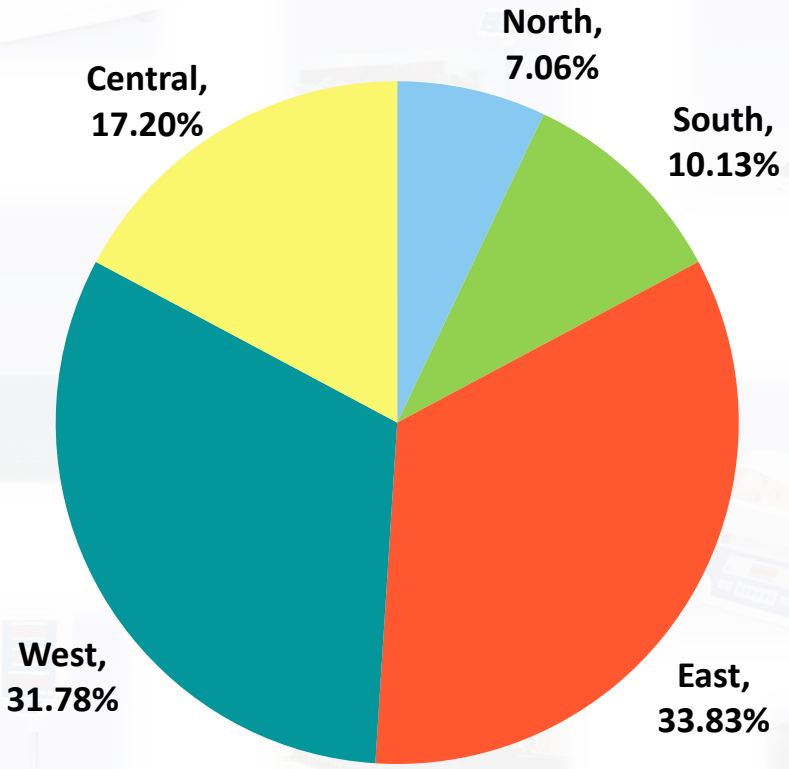
H1 FY20



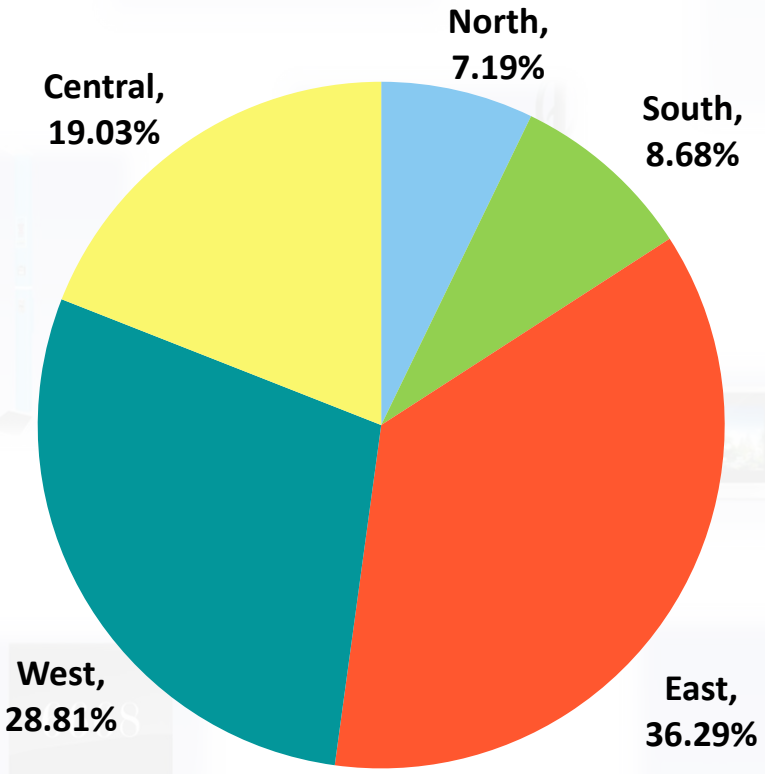
Executed sizeable Government orders in H1 FY20 for recently launched products – Infantometers, Stadiometers and Dial Type Scales

Revenue Break Up – Geographical*

H1 FY19



H1 FY20



**Accounts for Non-Government sales*

Balance Sheet Highlights

Rs. Crs	As on 30th Sept'19	As on 31st Mar'19
Shareholders Funds	**67.94**	**66.80**
Share Capital	8.20	8.20
R&S	59.74	58.60
Non Current Liabilities	**0.14**	**0.19**
Financial Liabilities		
Borrowing	0.00	0.00
Other Financial Liabilities	0.00	0.00
Provision	0.00	0.00
Deferred Tax Liabilities(Net)	0.14	0.19
Other Current Liabilities	0.00	0.00
Current Liabilities	**10.78**	**5.80**
Financial Liabilities		
Borrowing	5.83	0.00
Trade Payables	4.95	5.80
Other Financial Liabilities	0.00	0.00
Provision	0.00	0.00
Other Current Liabilities	0.00	0.00
Current Tax Liabilities(Net)	0.00	0.00
Total Equities & Liabilities	**78.86**	**72.79**

Rs. Crs	As on 30th Sept'19	As on 31st Mar'19
Non-current Assets	**41.87**	**35.69**
Property, Plant and Equipment	28.41	23.54
Intangible Assets	4.20	3.26
Goodwill on consolidation	0.00	0.00
Capital work in progress	0.00	0.00
Financial Assets		
Non-current Investments	0.00	0.00
Long Term Loans & Advances	9.27	8.89
Current Assets	**36.99**	**37.10**
Inventories	15.99	17.46
Financial Assets		
Investments	1.90	1.93
Trade Receivables	16.97	15.39
Cash & Cash Equivalent	1.54	1.60
Bank Balance other than above	0.00	0.00
Other Financial Assets	0.00	0.00
Current Tax Assets	0.00	0.00
Other Current Assets	0.59	0.72
Total Assets	**78.86**	**72.79**

Financial Highlights – FY19

39%

Revenue from Operations
Rs. 53.88 Crore

130%

EBITDA
Rs. 8.66 crore

637bps

EBITDA Margin
16.08%

98%

Net Profit
Rs. 6.02 crore

333bps

Net Profit Margin
11.17%

98%

Basic EPS
Rs. 7.34 vs. Rs. 3.71 FY18

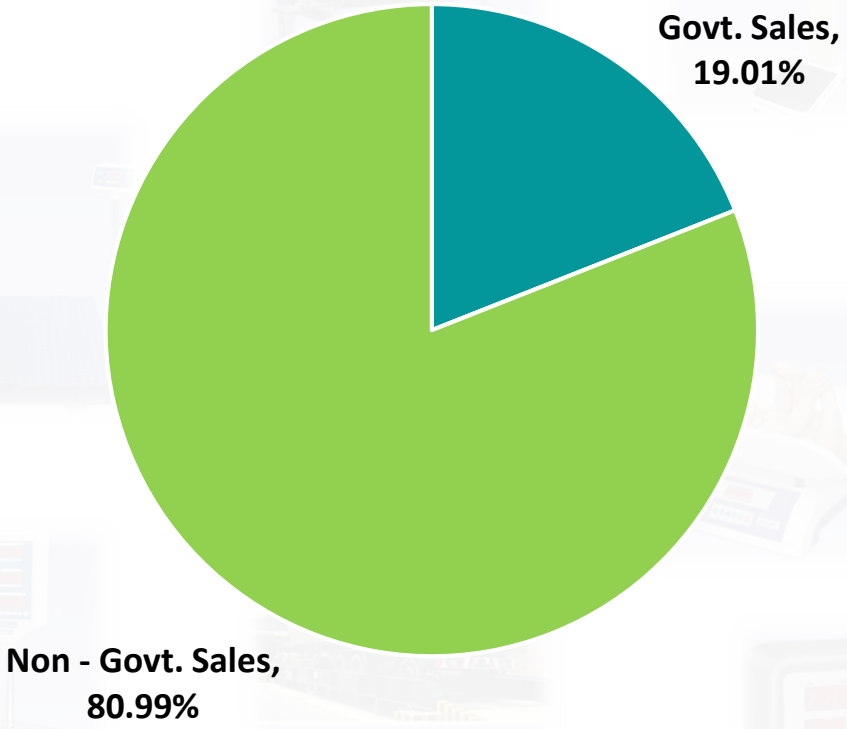
Financial Highlights – Annual

Rs. Cr	FY19	FY18	Y-o-Y (%)
Revenue from Operations	**53.88**	**38.83**	**39%**
Raw Materials	26.59	20.24	
Employee Cost	4.15	5.65	
Other Cost	14.48	9.17	
Total Expenditure	**45.22**	**35.06**	
EBITDA	**8.66**	**3.77**	**130%**
EBITDA Margin%	**16.08%**	**9.71%**	**637 bps**
Other Income	1.19	2.27	
Depreciation	1.26	1.75	
Interest	0.11	0.05	
Profit Before Tax	**8.48**	**4.24**	
Tax	2.41	1.17	
PAT	**6.07**	**3.07**	
Add: Share of Profit/ (Loss) of Associates	(0.05)	(0.03)	
Net Profit	**6.02**	**3.04**	**98%**
Net Profit Margin%	**11.17%**	**7.84%**	**333 bps**
EPS in Rs.	**7.34**	**3.71**	**98%**

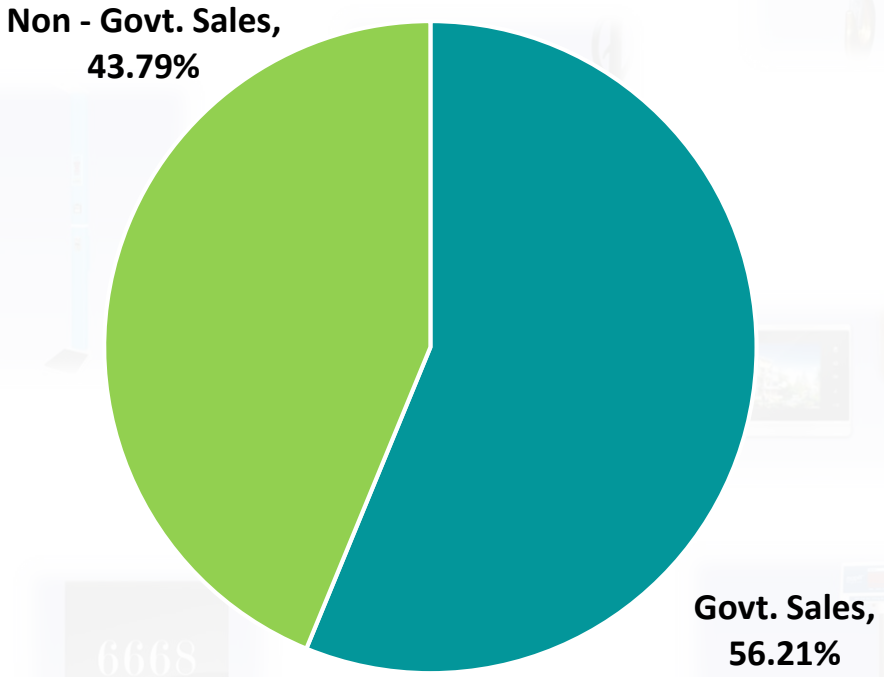
- Growth in Revenue from Operations of 39% mainly driven by increase in sale of number of machines during the year from 1,09,215 in FY18 to 2,44,615 in FY19
- Higher capacity utilization and operational efficiencies led to 130% YoY increase in EBITDA

Revenue Break Up - Segmental

FY18

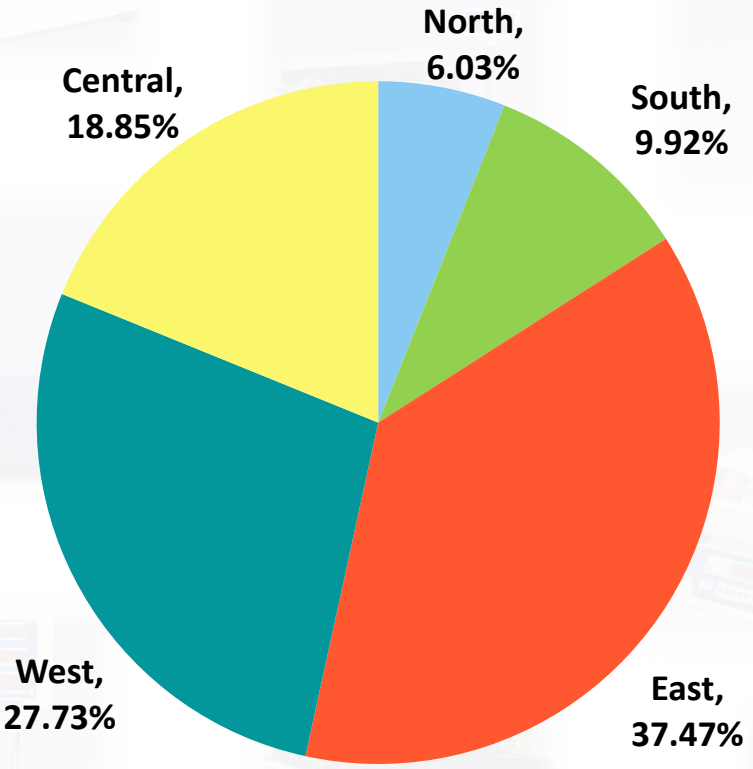


FY19

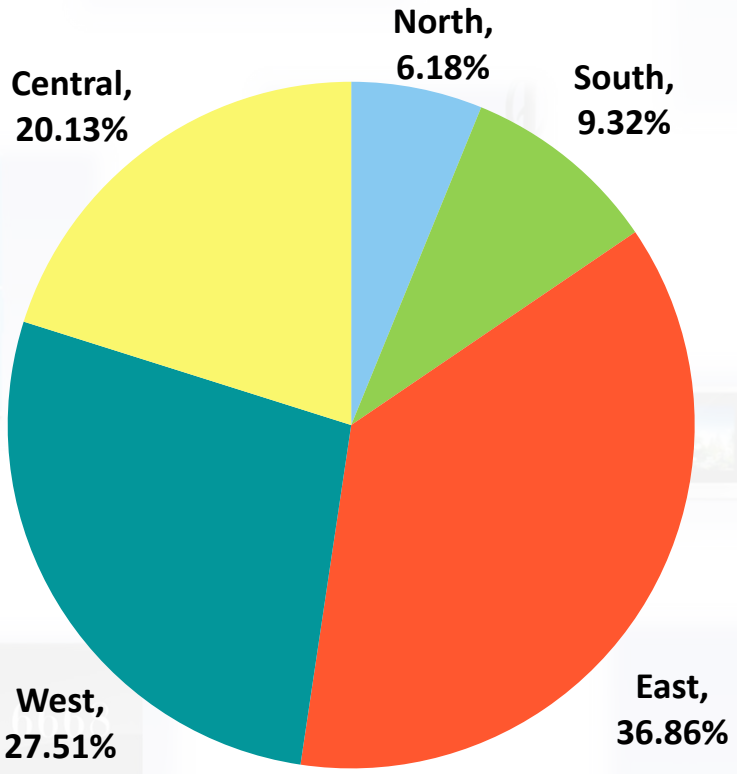


Revenue Break Up – Geographical*

FY18



FY19



**Accounts for Non-Government sales*

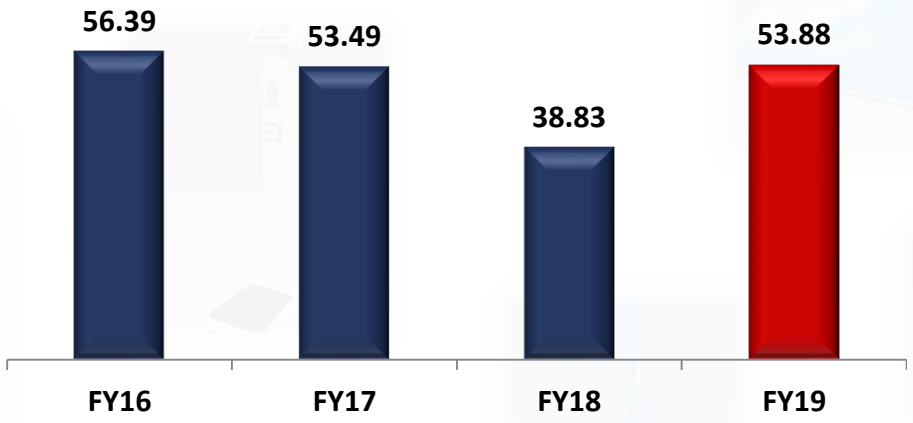
Balance Sheet Highlights - Annual

Rs. Crs	As on 31st Mar'19	As on 31st Mar'18
Shareholders Funds	**66.83**	**60.78**
Share Capital	8.20	8.20
R&S	58.63	52.58
Non Current Liabilities	**0.19**	**0.29**
Financial Liabilities		
Borrowing	0.00	0.00
Other Financial Liabilities	0.00	0.00
Provision	0.00	0.00
Deferred Tax Liabilities(Net)	0.19	0.29
Other Current Liabilities	0.00	0.00
Current Liabilities	**5.80**	**2.99**
Financial Liabilities		
Borrowing	0.00	0.00
Trade Payables	5.80	2.99
Other Financial Liabilities	0.00	0.00
Provision	0.00	0.00
Other Current Liabilities	0.00	0.00
Current Tax Liabilities(Net)	0.00	0.00
Total Equities & Liabilities	**72.82**	**64.07**

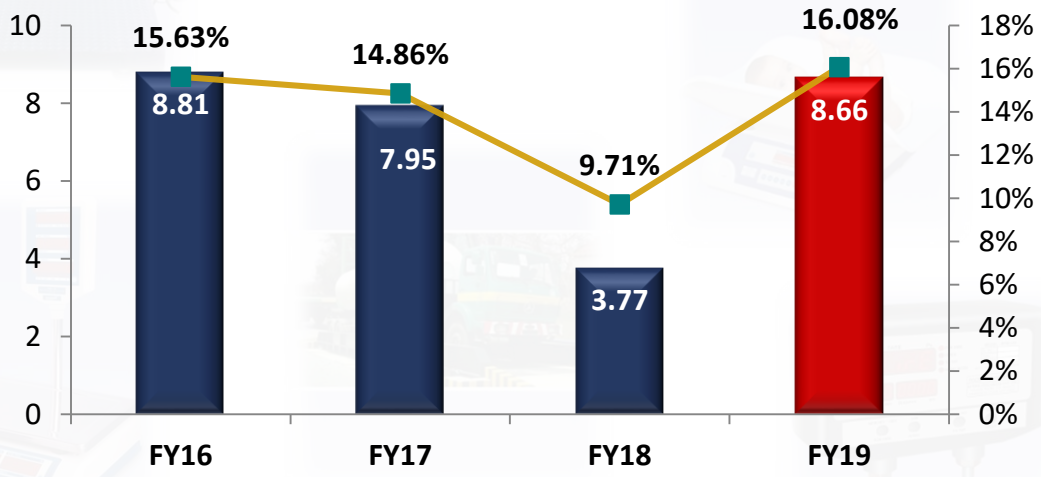
Rs. Crs	As on 31st Mar'19	As on 31st Mar'18
Non-current Assets	**35.69**	**19.38**
Property, Plant and Equipment	23.54	10.50
Intangible Assets	3.26	2.00
Goodwill on consolidation	0.00	0.00
Capital work in progress	0.00	0.00
Financial Assets		
Non-current Investments	0.00	0.00
Long Term Loans & Advances	8.89	6.88
Current Assets	**37.13**	**44.68**
Inventories	17.46	12.36
Financial Assets		
Investments	1.96	25.90
Trade Receivables	15.39	4.19
Cash & Cash Equivalent	1.60	1.41
Bank Balance other than above	0.00	0.00
Other Financial Assets	0.00	0.00
Current Tax Assets	0.00	0.00
Other Current Assets	0.72	0.83
Total Assets	**72.82**	**64.07**

Financial Highlights – Annual

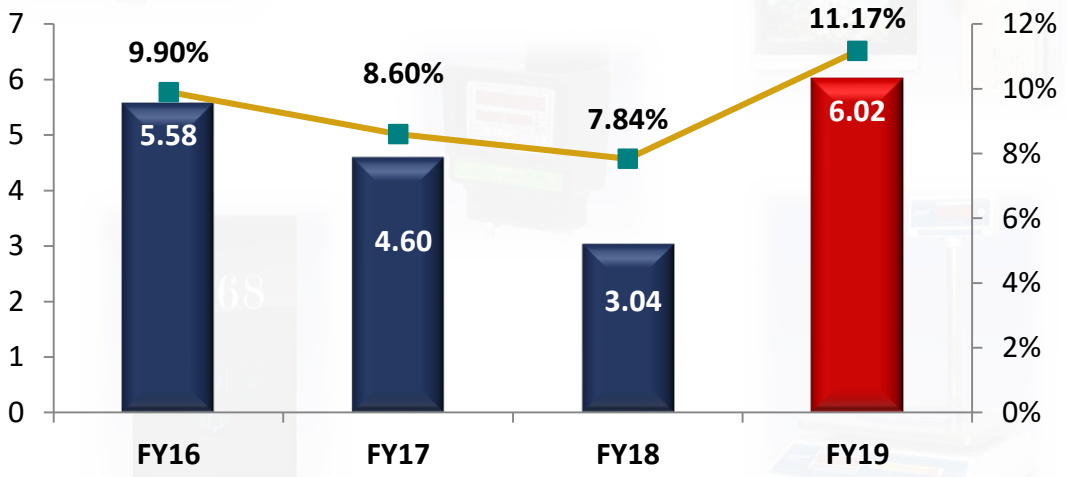
Revenue from Operations (Rs. Crs)



EBITDA excluding Other Income (Rs. Crs) / Margin (%)

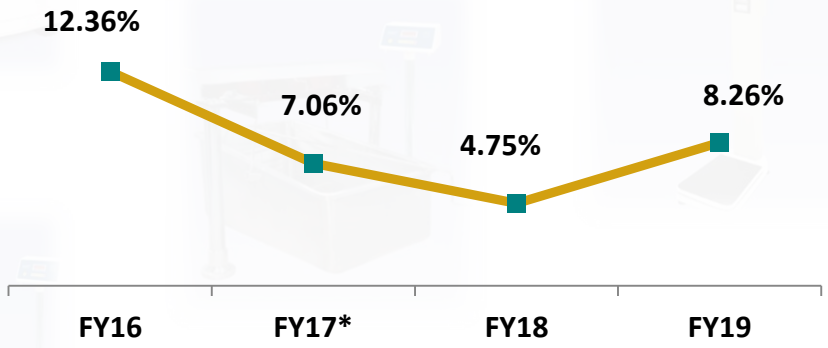


Net Profit (Rs. Crs) / Margin (%)

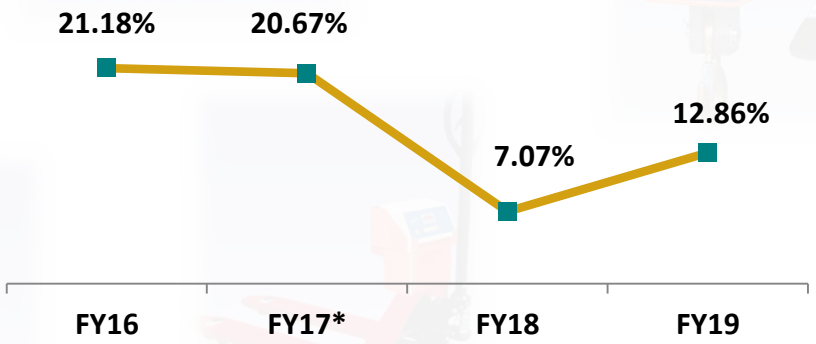


Key Financials Ratios

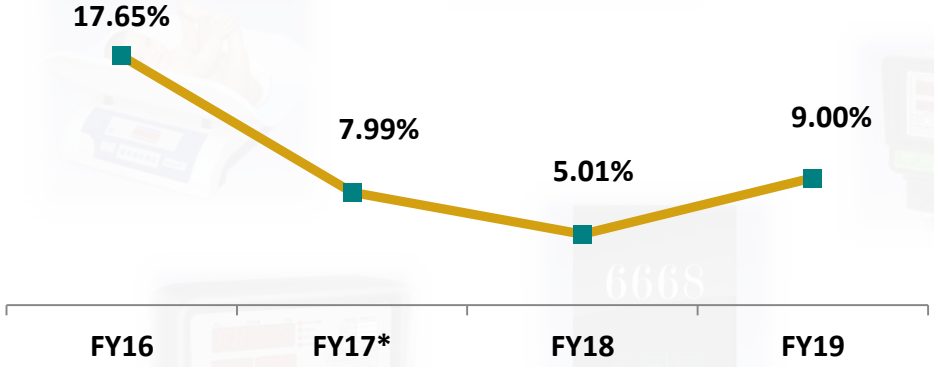
ROA (%)



RoCE (%)



RoE (%)



RoA = Net Profit/Total Assets; RoCE = EBIT/(Shareholders fund + long term borrowing + short term borrowing-Non current investment); RoE = Net Profit/Net Worth

** Company raised Rs.22.10 cr via IPO of 22,00,800 equity shares of face value of Rs. 10 each in March 2017*

Company Overview

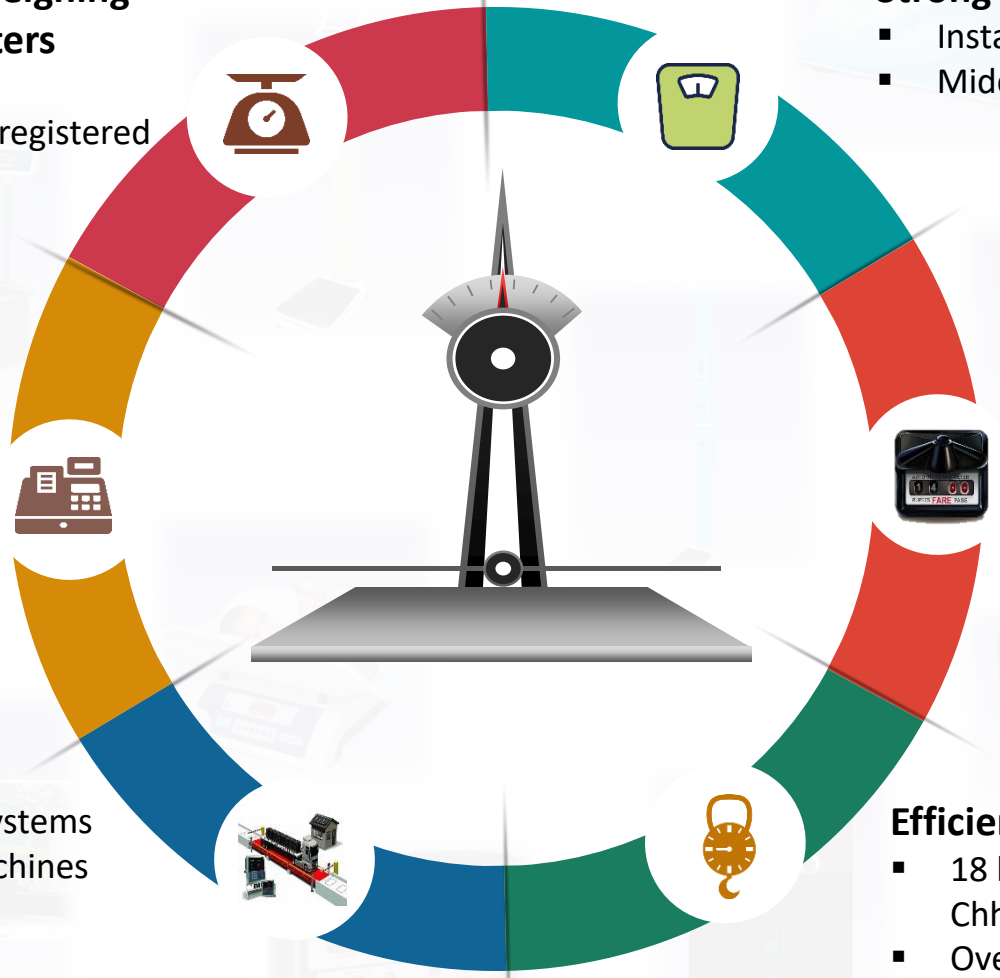
Company Overview

Leading manufacturer of Electronic Weighing Scales & Systems and Digital Fare Meters

- Incorporated in 1989
- Develops and sells products under own registered brand **'PHOENIX'**

Strong Geographical Presence

- Installations across 5 countries
- Middle East, SAARC and African Countries



State of Art Integrated Manufacturing Facilities & R&D center

- Factory : Parwanoo, Himachal Pradesh
- Head Office : Dhule, Maharashtra
- R&D Centre in Dhule, Maharashtra

Experienced Management Team

- Strong Management team with over 30 years of experience
- Backed by skilled & experienced team

Diversified Product Portfolio

- Electronic Weighing Scales and Systems
- Electronic Currency Counting Machines
- Digital Fare Meters
- Home and Hotel Automation

Efficient Sales and Distribution Network

- 18 branches across Maharashtra, Odisha and Chhattisgarh
- Over 430 dealer network across India
- Tailor-made ERP Software for efficient management and real-time reports

Timeline

2018-2019

- Setting up new plant in Dhule with land area of 8 acres – completed installation of 'Automatic Pick & Place' machineries
- Launched Currency Value Counting Machine, EMFR (Analytical Weighing Balances), Infantometers, Stadiometers, Dial Type Weighing Scales, RFID Access Control & Person Weighing Scale - fat & total body analysis with Bluetooth App
- Started branch offices in Maharashtra – Aurangabad, Ahmednagar, Parbhani, Solapur and Pune
- Issuance of Bonus Equity Shares in ratio 1:4

2011-2017

- Developed and installed CGMS and MAA in Aanganwadis all over India to control malnutrition amongst children - huge orders under WCD department of Govt. of India
- Sponsored state level table tennis tournament as 'PHOENIX CUP'
- Started new range of products – Currency Counting Machines
- Listed on "NSE SME " Platform
- Launched Bluetooth technology and Android apps with various weighing scales
- Implemented tailor-made ERP – improving productivity, efficiency & GST compliant

2006-2009

- Ventured into Government Supplies (State as well as Central government)
- Additional Expansion at Parwanoo Unit
- Launched health range products including BMI machine
- Launched fare meter range of products

1998-2003

- Awarded with Jamanalal Bajaj Uchit Vyavahar Puraskar for fair trade at national level
- Certified by American Quality Assessors as ISO 9001 Company
- Registered as "Private limited Company"
- Started new Manufacturing Unit at Parwanoo, Himachal Pradesh

1989-1994

- Started as **a partnership firm** in small town of Maharashtra i.e. Dhule with registered Trademark **"PHOENIX'**
- **Awarded with " Best Entrepreneur Award" by Government of Maharashtra**
- **Started manufacturing unit at Silvassa (UT of D&NH)**

Management Team

Mr. Rajesh R. Bhatwal

Chairman & Managing Director

- Over 28 years of experience
- Strong business acumen, ethical, perseverant approach towards business & focused visionary personnel
- Good Strategic planner with strong business development skills

Mrs. Shakuntala R. Bhatwal

Women Whole Time Director

- Over 27 years of experience in Electronics Weighing Scales
- Responsibilities include overseeing manufacturing activities, sourcing of components, administrative work, etc.
- Strong experience in designing, approving & establishing, manufacturing set up, short term & long term business goals and quality management

Mr. Hung Sin Chung Huanyi

Whole Time Director

- 25 years of professional experience in business management
- Responsible for production planning, marketing, liaison with government agencies and sourcing of raw materials
- Strong experience in relationship development

Mr. Ajay Bhatwal

VP Marketing

- Over 15 years of rich experience in marketing & 10 years in finance
- Responsible for system development
- Chartered Accountant shouldering responsibility of developing and handling dealers network

Mr. Kailas Agrawal

Chief Financial Officer

- Over 18years of experience in finance
- Responsible for statutory compliance of the company with NSE

Key Strengths

Diversified Product Range

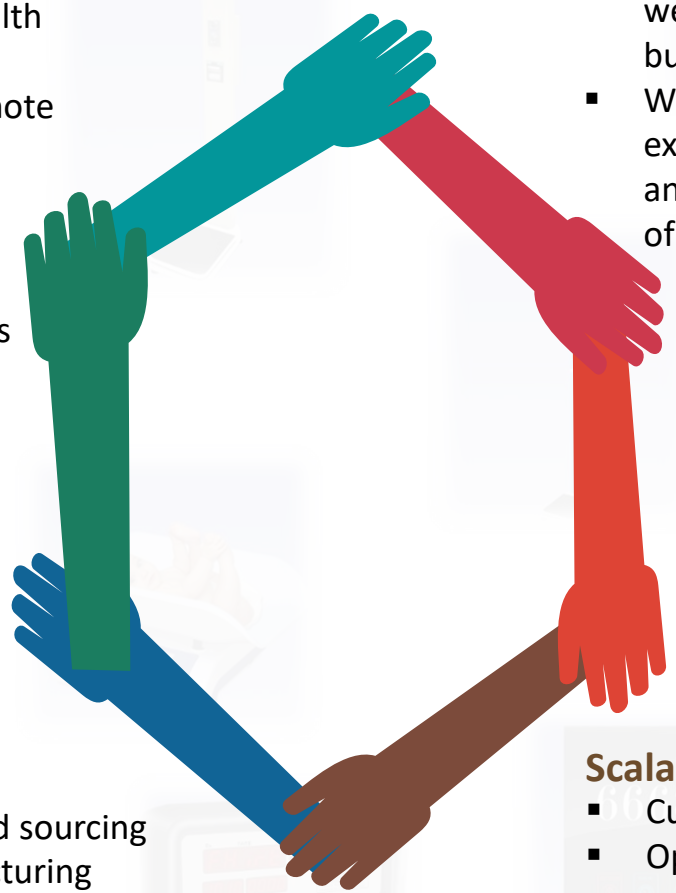
- Offering entire range of Electronic Weighing Scales catering to jewelry, commercial, industrial, health and household markets
- Currency counting machines with counterfeit note detection and value counting machines
- Taxi/ Rikshaw fare meters
- Home and Hotel Automation
- Marketing approximately 232 products in Domestic and overseas market with continuous innovations

High Quality Assurance & Service Support

- ISO 9001 : 2015 certified by American Quality Assessors
- Awarded with quality certification from bureau of Indian Standards

Competitive Rates

- Continuous development and sourcing along with in-house manufacturing strengthens
- Our Motto "Quality products at reasonable price"



Experienced Management Team

- Chairman Mr. Rajesh Bhatwal is engaged in weighing scales and other electronic products' business for around three decades
- Well equipped & dedicated personnel with expertise in development, manufacturing, sales and administration - ensures smooth functioning of organization

Strong R&D

- In-house R&D Center at Dhule, Maharashtra
- Strong team of ~ 15 expert engineers – continued focus on knowledge & skill upgradation

Scalable Business Model

- Customer centric and market driven
- Optimum utilization of resources assuring quality products that enable to achieve economies of scale
- Development of new market and products by exploring customer needs, marketing expertise by maintaining quality output

Business Overview

Domestic Industry Opportunity

Weighing Scales

- Almost every transaction involves process of weighing, due to which weighing scale plays mandatory and important role in day-to-day life
- Weighing solutions starting from milligrams to tons including :
  - ✓ Person weighing scales
  - ✓ Jewellery scales with 10 mg accuracy
  - ✓ Tabletop scales upto 30 kg capacity
  - ✓ Platform scales upto 5 ton capacity
  - ✓ Crane scales upto 20 ton capacity
  - ✓ Weigh bridge upto 100 ton capacity

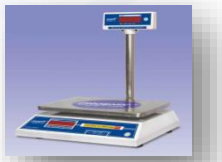
  Are demanded from the market.
- Jewellers, homes, retailers, wholesalers, hospitals and health centers, post offices, banks and paper industries, logistics, dairies, mills and industries, building and construction, Government segment form major part of market

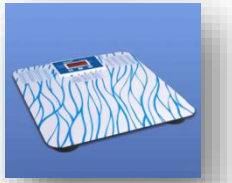
Currency Counting Machines

- Cash counting and counterfeit note detection is process widely required with high speed and accuracy
  - ✓ PLNC 3|4 – Currency counting machine with counterfeit note detection
  - ✓ PVC-101 – Mix note value counter with counterfeit note detection

  are demanded from market
- Banks, jewellers, retailers, wholesalers, commercial establishments, petrol pumps, hospitals and health centers, cinema halls, educational institutions; Government segments: post offices, railways; form major part of market

Diversified Product Portfolio…





Industrial Range

- Electronic Weigh Bridges
- Crane Scale
- Pallet Scale

Commercial Range

- Currency Counting Machine
- Tabletop Weighing Scales
- Platform Weighing Scales

Jewellery Range

- High Accuracy Weighing Balances

Healthcare Range

- Baby Weighing Machines
- Body Mass Index (BMI) Machines
- Adult Weighing Scales

Household Range

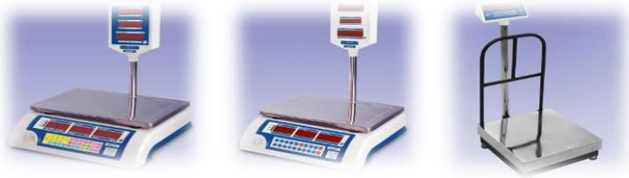
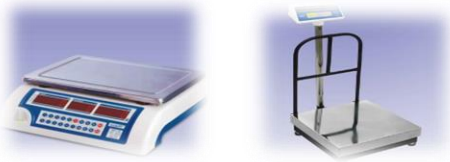
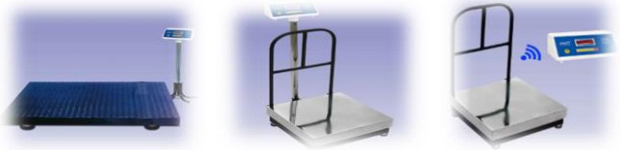
- Personal Weighing Scale
- Kitchen Scales

Automobile Range

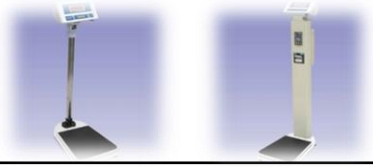
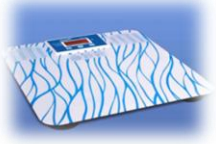
- Electronic Fare Meters for auto rickshaws and taxis

…Catering to various sectors

Diversified Product Portfolio

Product Name	Product	Description / Application
Jewellery Scale		▪ Used in Jewellery Shops & Laboratories / Paper Industries ▪ Highest accuracy of 10 mg ▪ Carat counting, percentage & GSM functions
Table Top Scale		▪ Used by Departmental Stores, Grocery Shops, Packaging Industries etc. ▪ Various models and platter sizes are available. ▪ Accessories suiting various customer applications
Price Computing Scale		▪ Used by Departmental Stores, Grocery Shops, Sweet Shops etc. ▪ Data of 500 commodities can be entered using keyboard or can be downloaded from computer ▪ Bills and reports can be printed directly from weighing scale
Piece Counting Scale		▪ Used by Industries like Spare parts weighing and Automobile Industry ▪ Displays Weight, Unit, Unit Weight & Count ▪ Accessories like 3-LED are widely demanded for packing application
Platform Scale		▪ Used for all heavy duty applications ▪ Rugged construction with stainless steel / MS platform ▪ Hi-tech and wireless displays available

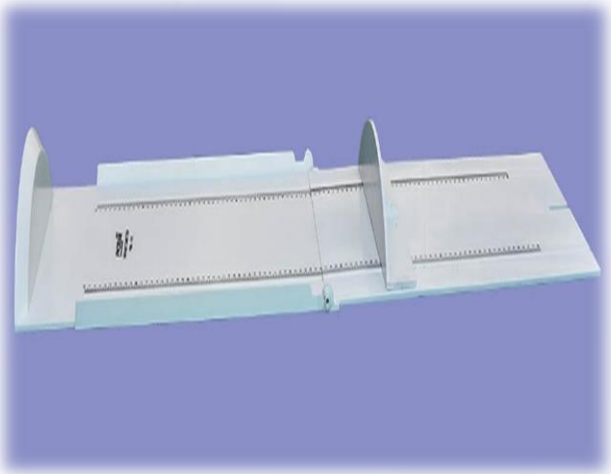
Diversified Product Portfolio

Product Name	Product	Description / Application
Hanging Scales		▪ Used at Steel Plants, Dockyards, Fabricators, Vehicle Junk Yards, Construction Sites, Foundries ▪ IR Remote Control Operation ▪ Pocket scale is widely used for weighing gas cylinders and at airports
Industrial Scales		▪ Very sturdy Pallet Truck with weighing mechanism used at industries, warehouse, godowns and dockyards. ▪ Milk weighing systems are microprocessor based fully electronic weighing systems used by Dairies and Milk Product Manufacturers ▪ Weigh bridges are used for Truck Weighing
Baby Weighing Scale		▪ Ideal for maternity hospitals, Pediatricians, Aanganwadis & Health Care centers etc. ▪ Portable and sturdy design with baby bowl designed as per Govt. norms ▪ Child Growth Monitoring System (CGMS) gives result of a child comprising of growth charts namely UNDERWEIGHT, STUNTING and WASTING. It gives the CATEGORY of Underweight, Stunting and Wasting as well as shows the amount of Underweight and stunting of a child
Adult Weighing Scale		▪ Ideal for Clinics/Hospitals/ Fitness centers ▪ Heavy duty, stable platform made up of cast-iron ▪ Unique design ensuring easy readability of display
Portable Adult Scale		▪ Ideal for Clinics, Hospitals, Fitness centers and households ▪ Available in LED and LCD display with low power consumption ▪ BMI and Bluetooth app features are available

Diversified Product Portfolio

Product Name	Product	Description / Application
Kitchen Scales		▪ Specially designed to weigh recipe items accurately ▪ Light weight, Portable
Body Mass Index (BMI) Scale		▪ Ideal for Hospitals, Clinics, Schools, Health clubs, Physical examination centers, Gym etc. ▪ Automatically measures weight, height & body mass index. It also displays, how much over / under weight a person is ▪ Available with GSM (SMS), printer options
Currency Counting Machine		▪ Used in Banks, Malls, Hospitals, Shops ▪ In-built Counterfeit Note Detection System ▪ Value counting machine
Electronic Fare Meter		▪ Compact, rugged, designed to be adaptable to diverse range of working locations and environment ▪ Separate display fields for fare, waiting time and distance travelled ▪ Approved by RTO Department
Home Automation		▪ Video door phones, audio door phones and electronic locks for home security and convenience ▪ Wired as well as wireless models are available
Hotel Automation		▪ Hotel RFID locks, Room number plates and power saving switches

Some New Products



- Newly launched product - specially designed as per guidelines of Integrated Child Development Services (ICDS)
- Stadiometer - Designed to Measure Height of Adult and Children aged 24 Month and Above in Vertical Position, with measuring length of 200cms
- Infantometer - Portable Board designed to measure length of baby in Recumbent Position, with measuring length of 100cms
- Weighing scale for infant - Infant Weighing Scale, spring type, designed to Measure weight of child using sling and/or weighing trouser
- Executed sizeable Government orders of over Rs. 13 Crores

State of art Manufacturing Facilities

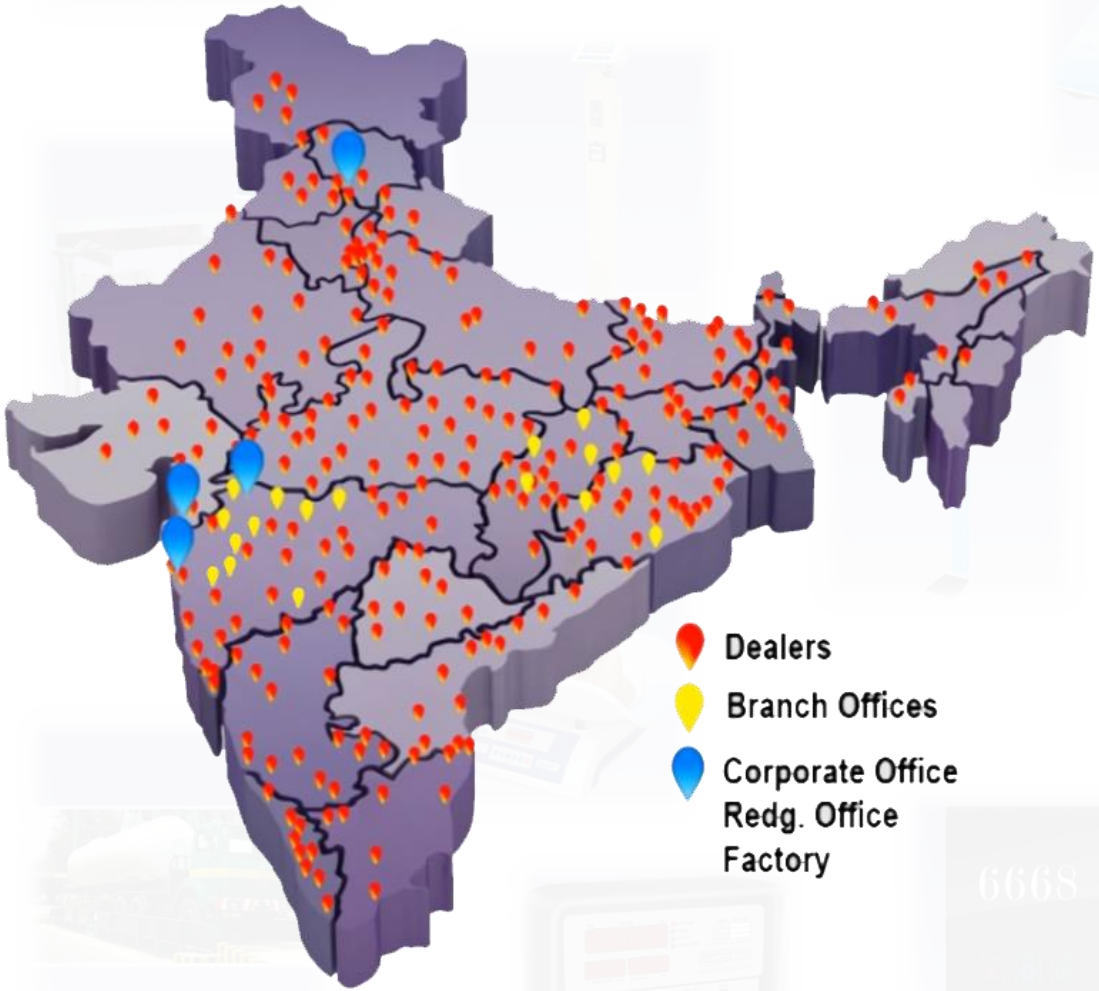
Parwanoo, Himachal Pradesh

- **Installed Capacity - 2500 machines per day**
- **Tool Room section -** equipped with modern facilities like Vertical Machining Centers (VMCs), Electrical Discharge Machining (EDM), Wire-cut, cylindrical grinder, lathe, milling machines, power hacksaw, profile projector as well as sophisticated designing software and double-girder crane
- **Molding shop -** total 5 molding machines of various capacities for injection molded parts like cabinets of weighing scales
- **Other machineries - w**ave soldering machine, automatic calibration machines, conveyor belts
- **Systematic workflow** - departments like material receiving, inward, stores, preparation, production, quality checking, packing and dispatch follow strict procedures as per ISO standards
- **Staff – n**early 300 skilled workers

Upcoming Unit - Dhule, Maharashtra

- **Total Area :** Land of 8 acres has been acquired for world-class, state-of-the-art manufacturing facility including 4 buildings :
  - ✓ Tool room and molding shop - area of 1,100 sq. meters
  - ✓ Main Factory - area of 5,600 sq. meters
  - ✓ Canteen building - area of 650 sq. meters
  - ✓ Administration Office - 3,000 sq. meters
- **Production Capacity - 4000 machines per day**
  - 6 production lines which is covered with epoxy coating
- **Expected staff - Nearly about 350**
- Versatile and universal set-up - can accommodate production of many other electronic items (planned to be developed over coming years)

Wide Distribution Network



Domestic

- Pan India presence
- 18 branches across Maharashtra, Odisha and Chhattisgarh
- Over 430 dealer network across India

International

- UAE, Nepal, Sri Lanka, Malavi (Africa)

More than 10 lakh satisfied customers and counting!!

Strong R&D – 'Innovation Room'

- In-house R&D Center at Dhule, Maharashtra
- Strong team of ~ 15 expert engineers – continued focus on knowledge & skill upgradation
- **Programming:** Hands-on coding and programming in various environments like C language, Assembly language, Linux OS, Android OS
- **PCB designing:** PCB schematic and layout done on latest softwares & due to our expertise - can design flawless PCBs as per required features and sizes
- **3D product and dye designing:** Experienced and trained staff for designing in 'Solid Edge' software
- Developed in-house competency for designing elegant machines and their required injection molding dyes

Our strong R&D – a key differentiator – keeping us one step ahead always!

Way Ahead

Way Ahead

New Manufacturing Unit:

- New upcoming manufacturing facility complete with world-class machineries and facilities in Dhule, Maharashtra – expected to be operational in Q3 FY20

Marketing:

- Enhancing Brand Image through increased spend on advertisements and other promotional activities through different mediums like TV, print, internet, etc.
- Appointment of additional Dealers & Agents for marketing new ranges of products

New products:

- Electronic Cash Registers
- Weighing Solution for APMC Market Yards
- Audio & Video Door Phones

Thank You

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