

Result Update Presentation November 2017



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Q2 & H1 FY18 Financial Highlights



Company Overview

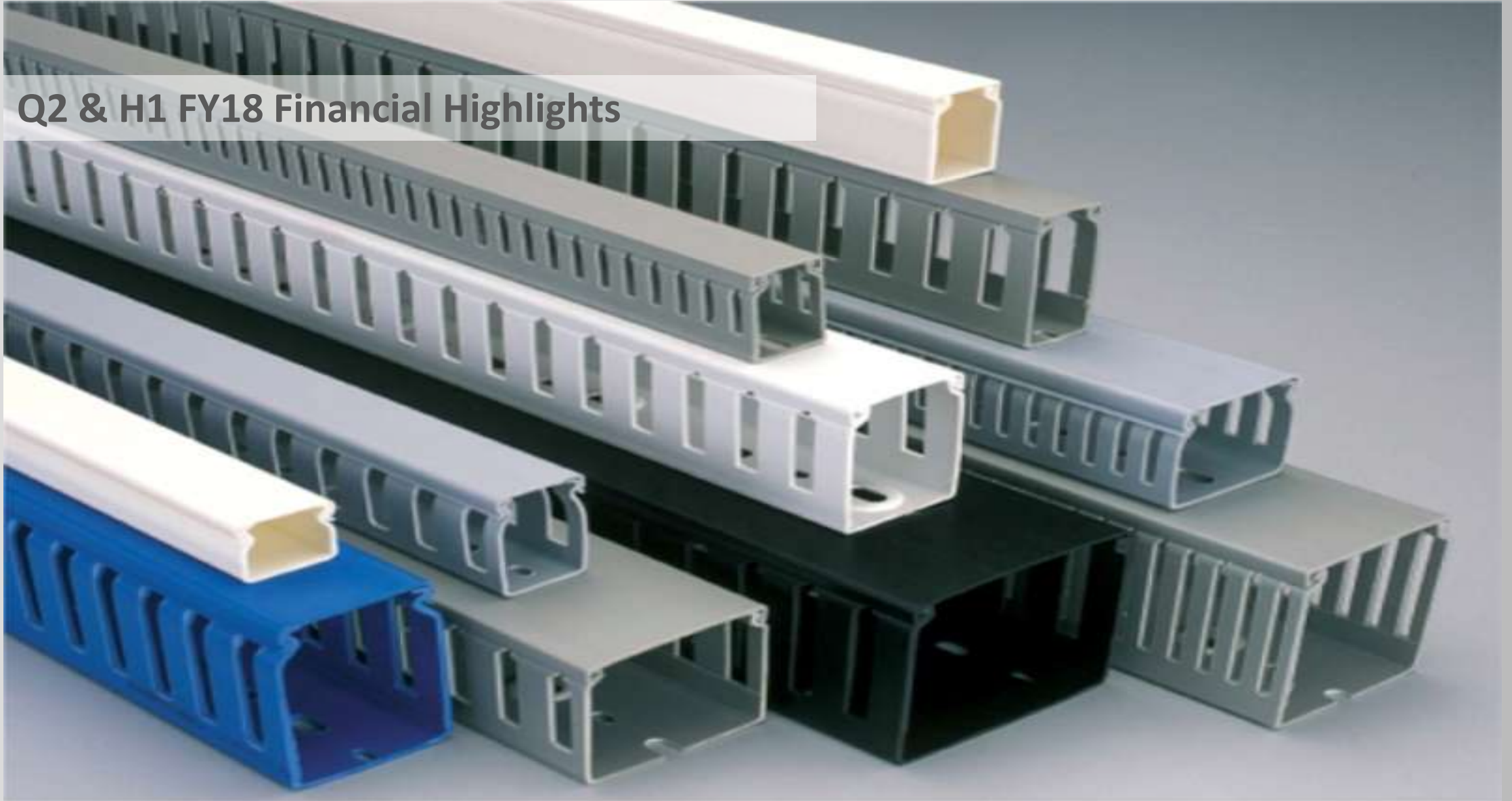


Business Overview



Way Ahead

Q2 & H1 FY18 Financial Highlights



Commenting on the results, Mr. D Rajesh Kumar, Joint Managing Director, said :

"I am happy to share that this quarter we have demonstrated growth in our revenues. This growth was mainly driven by demand in our wire & cables business and a good pickup in our industrial switch gear business. Another Significant factor was the Growth in Exports in Q2 which was at 29% y-o-y. This was mainly due to increase in exports to UK & USA.

Our EBIDTA has also grown and we have shown improvement in margins sequentially of more than 270 basis points. I believe this is an indication of our efforts over the past three quarters, on improving our margins and increasing our operating efficiencies.

We expect this trend of margin improvement will continue and our endeavour continues to remain on profitable growth and improving our margins.

We continue to focus on adding new, niche and high margin products, enter new geographies and offer total and customised electrical solutions to our existing and new customers. To aid to this we are constantly on the lookout for any new opportunities for technical associations to strengthen the base for our product offerings."



9.0% ↑

Revenue Rs 100.7 crore

7.8% ↑

EBITDA Rs 12.9 crore

8.1% ↑

PAT Rs 5.8 crore

- ***Growth driven by increased Exports, better demand in Industrial switchgear and Wire & cables segments***
- ***Revenues grew @9% despite Zero contribution from Energy Management business***
- ***EBIDTA growth of 7.8 % is due to better realization in various switchgear products.***
- ***EBIDTA Margin improved by 83 basis points to 12.8%***

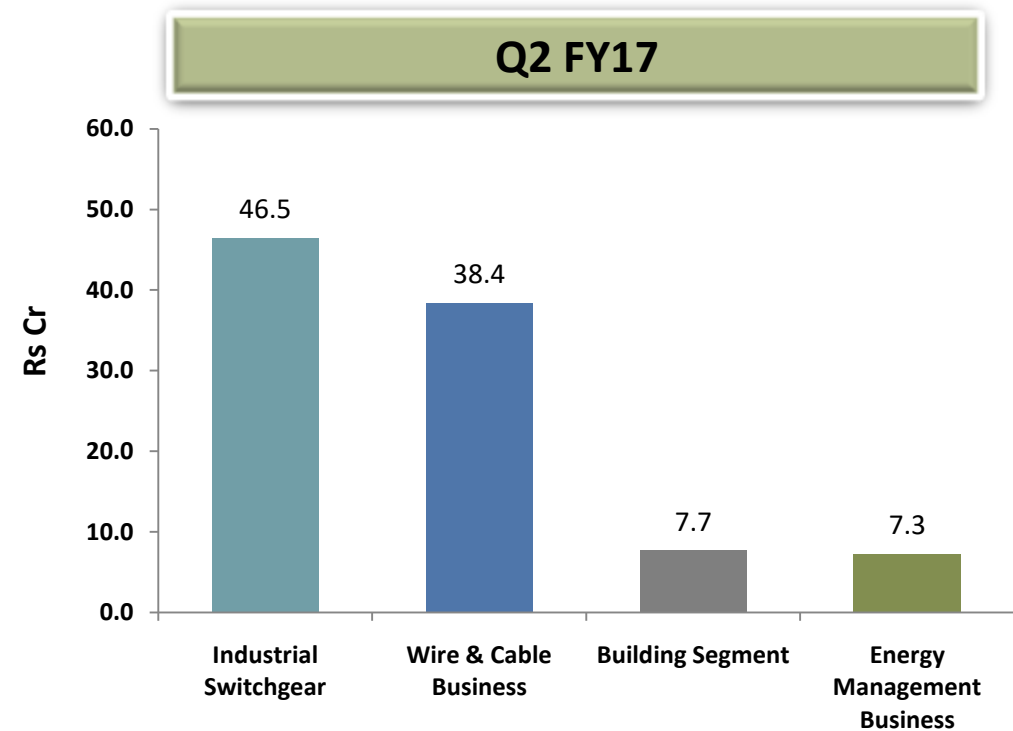
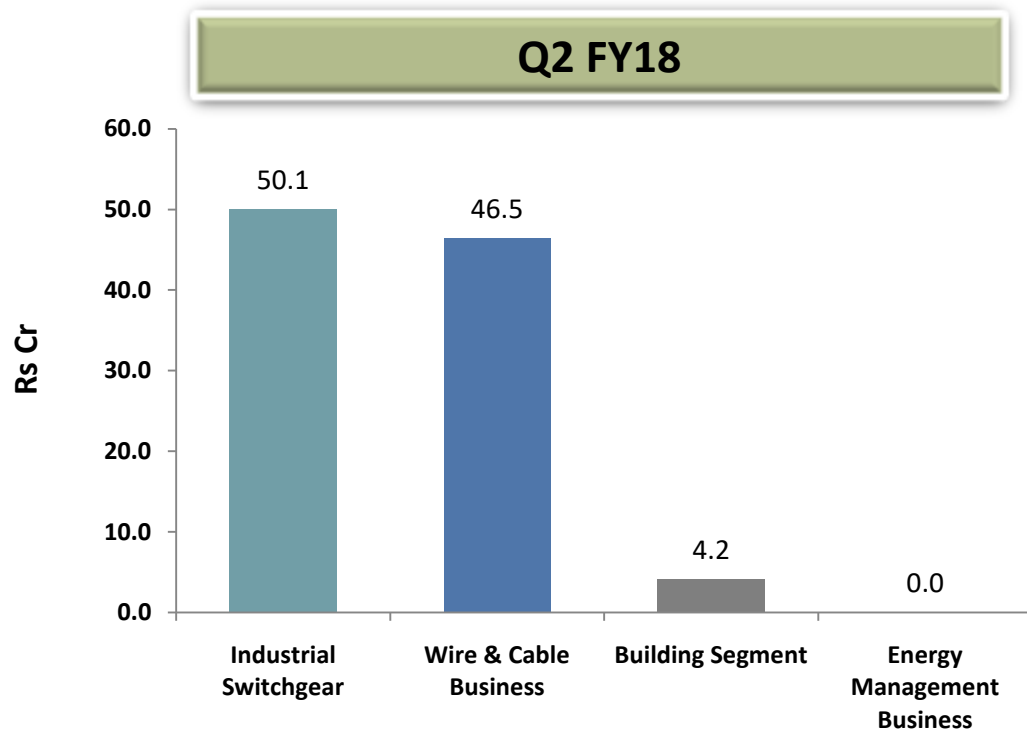
Q2 FY18 Financial Highlights*



Rs. in Crore	Q2 FY18	Q2 FY17	Y-o-Y %	Q1 FY18
Total Income from Operations	100.7	100.0		115.1
Excise Duty	-	7.5		10.6
Net Revenue	100.7	92.5	9.0%	104.6
Raw Materials	72.8	65.5		78.1
Employee Cost	5.1	4.6		4.6
Other Expenses	9.9	10.5		11.4
Total Expenditure	87.8	80.6		94.1
EBITDA	12.9	12.0	7.8%	10.5
EBIDTA margin (%)	12.8%	13.0%		10.0%
Interest	3.5	3.6		4.0
Depreciation	2.3	2.0		2.7
Other Income	1.3	1.2		2.0
Profit Before Tax	8.5	7.7		5.8
Tax	2.7	2.3		1.8
Profit After Tax	5.8	5.4	8.1%	4.1
PAT Margin (%)	5.8%	5.8%		3.9%

* Numbers as per Ind AS guidelines

Q2 FY18 Revenue Breakup – Business Verticals*



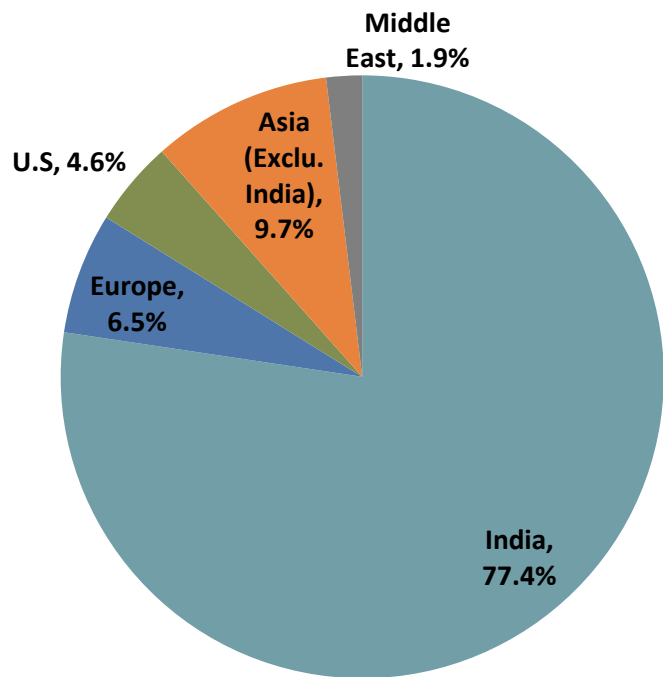
Revenue Share (%)	Q2 FY18	Q2 FY17
Industrial Switchgear	50%	47%
Wire & Cable	46%	38%
Building Segment	4%	8%
Energy management	0%	7%
Total Revenue	100%	100%

* Numbers as per Ind AS guidelines

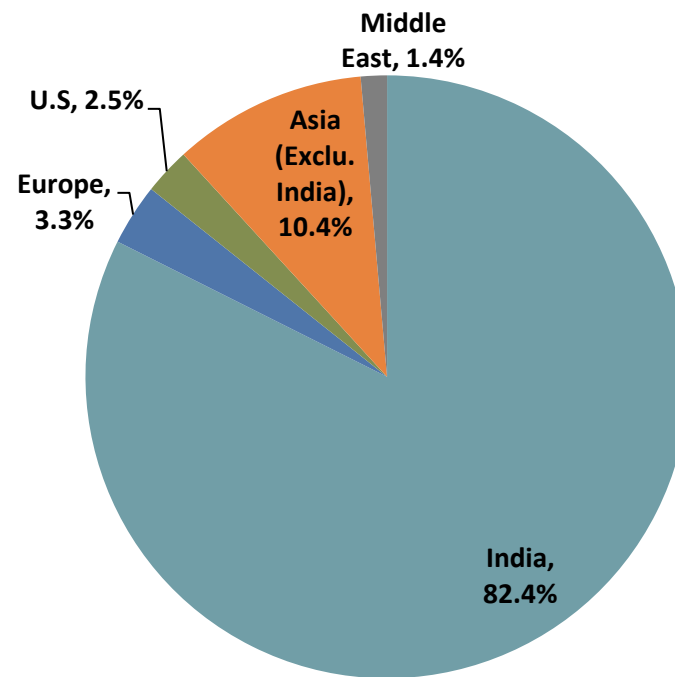
Q2 FY18 Revenue Breakup – Geographical*



Q2 FY18



Q2 FY17



* Numbers as per Ind AS guidelines

12.5% ↑

Revenue Rs 205.3 crore

0.7% ↑

EBITDA Rs 23.4 crore

1.8% ↑

PAT Rs 9.9 crore

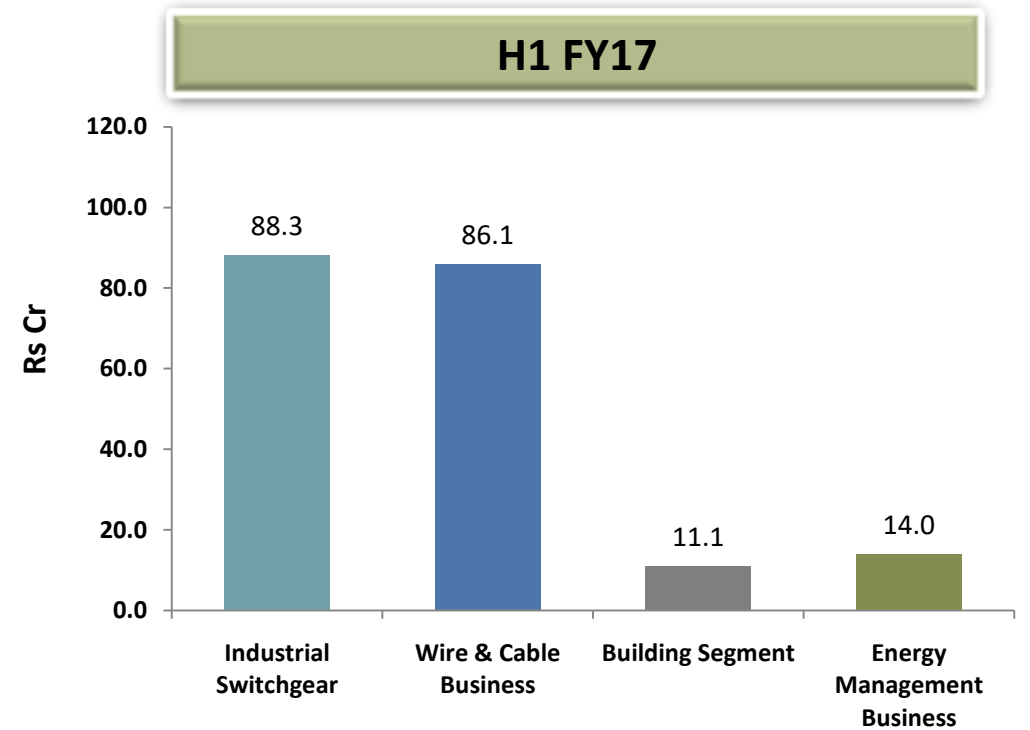
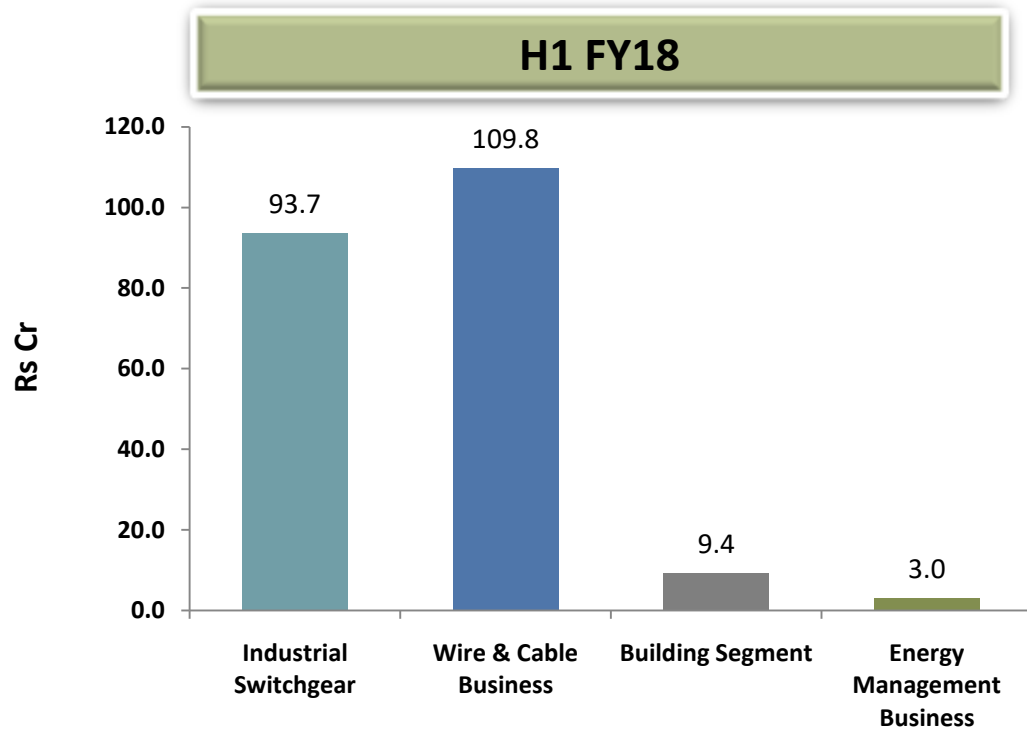
- ***Growth driven by key business Verticals of Industrial Switchgears & Wires and Cables***
- ***Though Absolute EBIDTA has grown by 0.7%, Decline in EBIDTA margin was on account of higher contribution from lower margin business of Wires & Cables in Q1 FY18 especially.***

H1 FY18 Financial Highlights*



Rs. in Crore	H1 FY18	H1 FY17	Y-o-Y %
Total Income from Operations	215.9	199.4	
Excise Duty	10.6	16.9	
Net Revenue	205.3	182.5	12.5%
Raw Materials	150.9	130.2	
Employee Cost	9.8	8.8	
Other Expenses	21.2	20.2	
Total Expenditure	181.9	159.2	
EBITDA	23.4	23.2	0.7%
EBIDTA margin (%)	11.4%	12.7%	
Interest	7.5	6.9	
Depreciation	5.0	4.3	
Other Income	3.4	2.0	
Profit Before Tax	14.3	14.0	
Tax	4.5	4.3	
Profit After Tax	9.9	9.7	1.8%
PAT Margin (%)	4.8%	5.3%	

H1 FY18 Revenue Breakup – Business Verticals*



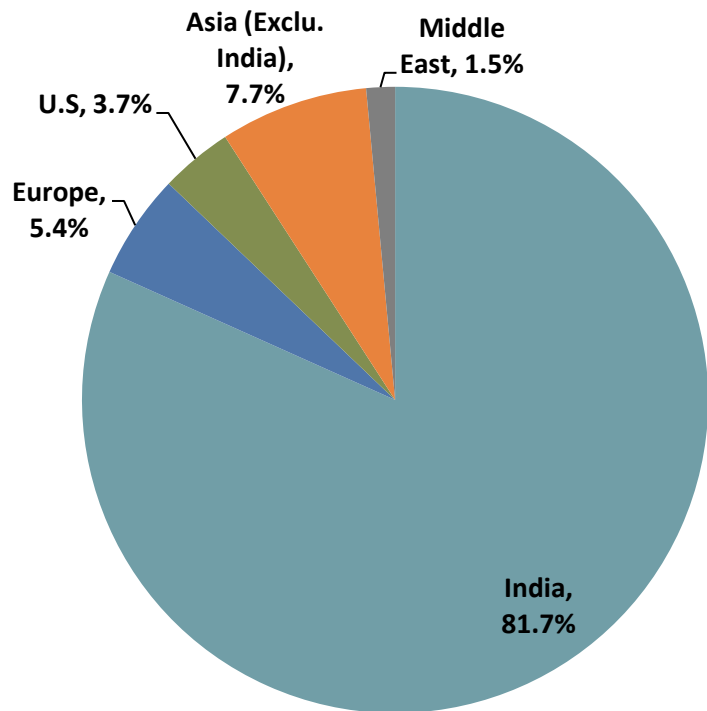
Revenue Share (%)	H1 FY18	H1 FY17
Industrial Switchgear	43%	44%
Wire & Cable	51%	43%
Building Segment	4%	6%
Energy management	1%	7%
Total Revenue	100%	100%

Half yearly Numbers as per Ind AS

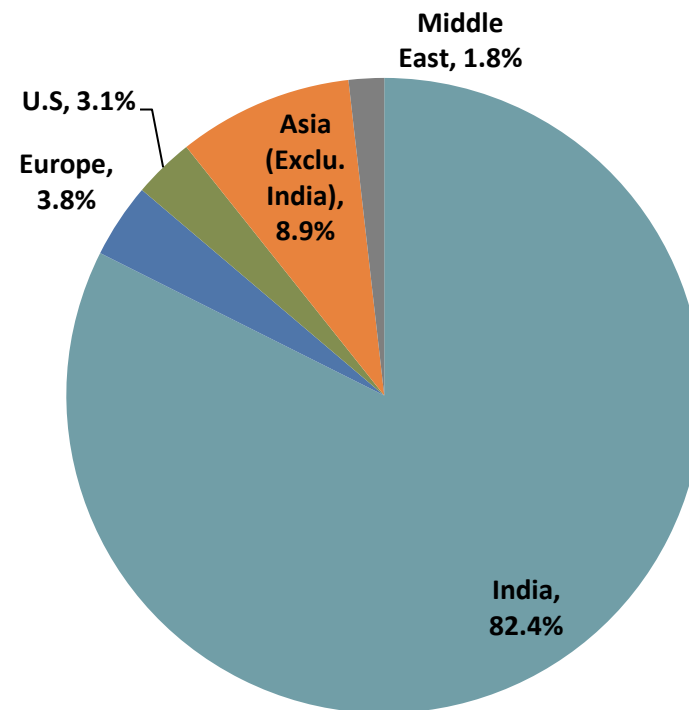
H1 FY18 Revenue Breakup – Geographical*



H1 FY18



H1 FY17



Balance Sheet as on September 30th 2017*



Rs. in Crore	Sept-17
Equity	243.6
Equity Share Capital	14.5
Other Equity	229.1
Non Current Liabilities	29.0
Financial Liabilities	
i) Borrowing	9.4
ii) Trade Payables	0.0
Provisions	0.3
Deferred Tax Liabilities (Net)	19.3
Other Current Liabilities	0.0
Current Liabilities	203.2
Financial Liabilities	
i) Borrowings	102.4
ii) Trade Payables	29.3
iii) Other Financial Liabilities	11.1
Provisions	0.3
Other Current Liabilities	57.0
Current Tax Liabilities (Net)	3.0
Total Liabilities	475.8

Rs. in Crore	Sept-17
Non-current Assets	184.9
Property, Plant and Equipment	140.6
Capital WIP	8.5
Investment Property	0.0
Intangible Assets	1.7
Financial Assets	
i) Investments	1.4
ii) Trade Receivables	31.3
iii) Other	1.4
Current Assets	290.9
Inventories	94.8
Financial Assets	
i) Investments	2.0
ii) Trade Receivables	114.5
iii) Cash & Cash Equivalent	10.5
iv) Bank Balance other than above	5.2
v) Loans	3.6
vi) Other	13.3
Current Tax Assets	0.9
Other Current Assets	46.0
Total Assets	475.8

Company Overview



Leading player offering total and customized electrical solutions

- Presence in Industrial Switchgears, Wires & Cables and Energy management business
- Largest manufacturer of Cam Operated Rotary Switches – Market leader with 25% share

Extensive Product portfolio across verticals with In-house manufacturing facilities

- 4 manufacturing units located in Tamil Nadu
- More than 15 products catering to Industrial / Building / Automobile verticals

Wide Distribution network – local and global

- Own distribution network – local and global – export to 50 countries
- Access to L&T's local network through more than 350 distributors

Strong focus on product development and innovation

- Registered Patent for Rotary Switches, 5 product patents in process

Consistent Dividend Payout Track Record for past 17 years

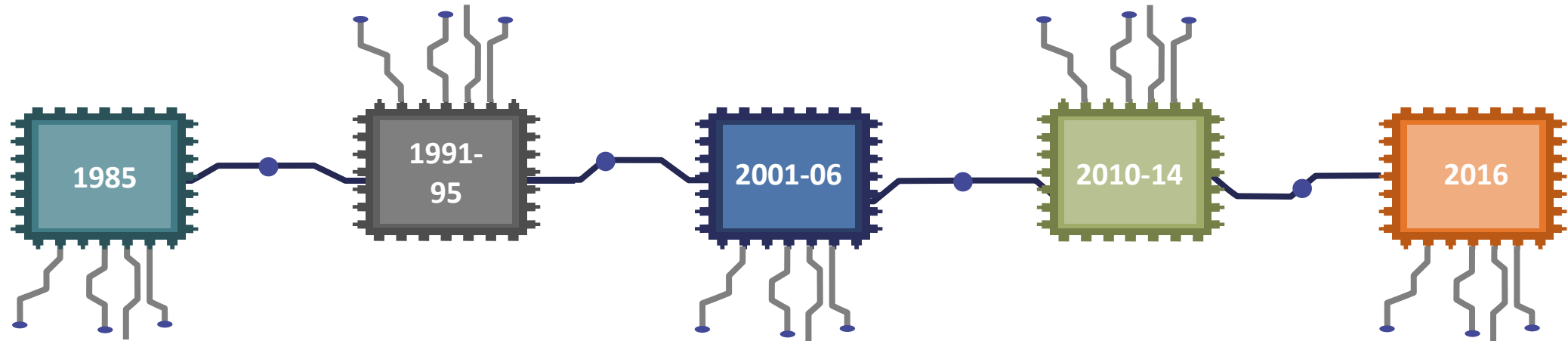


From a Single Product Company...

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- Unit I (Coimbatore) – manufacture contactors, relays, panels, energy savers
- Starting of long term association with L&T
- Technical collaboration with Plitron for manufacture of Toroidal Transformers
- 1st Indian company to bring technology to India

- Leading player offering total and customized electrical solutions
- More than 15 different products
- 2,000 employees
- 4 manufacturing units
- Foray into tailor made products and branding for large customers
- Specialized panels for OEMs



- Established to manufacture of CAM operated Rotary Switches

- Unit III - manufacture modular switches
- Started Wire & Cable manufacturing for L&T

- Started commercial production of Three Phase Dry Type Transformers

... to manufacturing multiple products across sectors 17



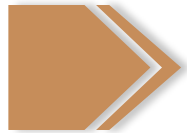
R.Doraiswamy
Managing Director

- Core Promoter for over 2 decades of experience
- Qualified Electrical Engineer and Technocrat Entrepreneur
- Vast Experience in Foreign Collaboration & wide global contacts



D.Rajeshkumar
Joint Managing Director

- Electrical Engineer , India; Post Graduate in Business Management, US
- JMD and CEO of Company - responsible for driving the vision of company



S.Baskarasubramanian
Director-Corporate Affairs & CS

- Qualified Company Secretary & member of FCS India
- Wide experience in company law/ corporate affairs



P.Sivakumar
GM – Marketing Corporate

- Bachelors in Engineering with 22 years of experience
- Responsible for Sales & Marketing division



M Lakshminarayana
GM - Operations

- B.E (Electrical) with 17 years of experience
- Responsible for Production, Planning, Inventory Management, Maintenance & General Administration



D.Govindaraj
Sr. Manager-Corp. Accounts & Projects

- Masters in Commerce, DLL and DTL with 26 years of experience
- Responsible for project finance and corporate accounts



R Karunakaran
Sr. Manager -PR & Central Excise

- BSc, Diploma in Marketing Management with 24 years of experience
- Responsible for Central Excise and Public Relations of Company

Business Overview



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Copper products

- Wires & Cables
- Flexible Bus Bars
- Enamelled Wires
- Bunched Conductors
- Tinned Copper Wires



Industrial Switch Gear Products

- Transformers
- Terminal Blocks
- Rotary Switches
- Isolators
- General Purpose relays
- Wiring Ducts
- MPCB's
- Contactors & OLR's
- Control Panels
- Wire Harness

Energy Management products









- Energy Savers
- Street Light Controllers




Building products

- Modular Switches
- Wires & Cables
- MCB's
- Changeovers

Products	Features	
Cable Ducts/ Wire Ducts	<ul style="list-style-type: none"> More than 75 sizes India's largest RoHS and Halogen Free Ducts UL and CSA Listed 	
Rotary Switches	<ul style="list-style-type: none"> 6A to 400 Amps > 2500 ranges UL & CB Tested 	
Isolators (Dis-connectors)	<ul style="list-style-type: none"> 16 to 250 Amps UL 50 rated Enclosed mounting Changeover Switches DC – PV Isolators CB Tested 	
General Purpose Relays	Plug-in, PCB and Solder type <ul style="list-style-type: none"> 1 Amp to 100 Amps 	
Load Break Isolators & Changeovers	<ul style="list-style-type: none"> 16 to 250 Amps Multiple mounting options, ABS / Aluminium / Sheet Steel enclosures / IP65 / NEMA Rated Upto 8 poles 	
Limit & Foot Switches	<ul style="list-style-type: none"> Available in Normal / Snap action types From Light to Heavy duty applications 	
Terminal connectors	<ul style="list-style-type: none"> 2.5 to 95 sq mm Screw-less Terminals All Accessories UL Listed 	
Customized Control Panel	<ul style="list-style-type: none"> Electrical Panels SCADA Panels 	

Products	Features	
Contractors & Overload Relays	<ul style="list-style-type: none"> ▪ 16 to 250 Amps ▪ UL 50 rated Enclosed mounting ▪ Changeover Switches ▪ DC – PV Isolators ▪ CB Tested 	
Motor Protection Circuit Breaker(MPCB)	<p>Two Frames</p> <ul style="list-style-type: none"> ▪ 0.1 amps to 63 Amps ▪ Type F Co-ordinated ▪ UL Listed 	
Miniature Circuit Breaker(MCB's)	<ul style="list-style-type: none"> ▪ High Performance ▪ Easy Installation ▪ No Overload & Short Circuit 	
CT's & Rogowski Coils	<ul style="list-style-type: none"> ▪ CT's ▪ Rogowski Coils of Class 0.5% 	
Inductors, Chokes & Filters	<ul style="list-style-type: none"> ▪ Custom Built High frequency Inductors, & Chokes 	
Single Phase Toroidal Transformers	<ul style="list-style-type: none"> ▪ 15va to 60 Kva ▪ 1 and 3 Phase ▪ Custom built Assemblies ▪ Wide CT Range ▪ UL Listed 	
Three Phase Laminations Transformers	<ul style="list-style-type: none"> ▪ Lamination Transformers upto 800 KVA 	

Products	Features	
Automatic Source Changeover with Current Limiter	<ul style="list-style-type: none"> ▪ Unique - patented design - Contactor based ACCL ▪ Heavy Duty - AC 32A and AC22A utilization category 	
Distribution Board	<ul style="list-style-type: none"> ▪ Easy to Install ▪ User Friendly ▪ Durable 	
Miniature Circuit Breakers(MCB)	<ul style="list-style-type: none"> ▪ High Performance – 10KA ▪ Easy Installation ▪ No Overload & Short Circuit 	
Modular Switches & Speciality	<ul style="list-style-type: none"> ▪ Contemporary & Aesthetically Sleek Modular ▪ 10, 20 & 32 Amps AC suitable for Standard ▪ Anti Spark shield & Finger Protected 	
Movement Sensors	<ul style="list-style-type: none"> ▪ Detects intrusion in all directions ▪ Adjustable time/lux 	
Remote Switches	<ul style="list-style-type: none"> ▪ Compact Design ▪ High Performance ▪ Low Maintenance 	
Single Phase Motor Starter	<ul style="list-style-type: none"> ▪ Controls voltage fluctuation ▪ Protection against phase imbalance and reversal 	
House Wires	<ul style="list-style-type: none"> ▪ From 0.5- 240 Sq mm ▪ Single & Multi Core ▪ FR, FRLS, Halogen Free ▪ UL Listed 	

Products	Features	
PVC Insulated Copper wires & Cables	From 0.5- 240 Sq mm <ul style="list-style-type: none"> ▪ Single & Multi Core ▪ FR, FRLS, Halogen Free ▪ UL Listed 	
Flexible Busbars	Upto 1000 Amps <ul style="list-style-type: none"> ▪ Only Manufacturer in India ▪ UL Listed 	
Wire Harness	<ul style="list-style-type: none"> ▪ Power Cable Harness ▪ Control cable harness ▪ RoHS Compliant 	
Enameled Copper Wire	<ul style="list-style-type: none"> ▪ 0.3 to 3 mm (9-29 AWG) ▪ Upto 200 Deg Cent ▪ UL Listed 	
Bunched Copper Conductors	<ul style="list-style-type: none"> ▪ Flexible Rerouting ▪ Low Power Loss ▪ Low Maintenance Cost 	
Tinned Copper Wires	<ul style="list-style-type: none"> ▪ High electrical and thermal conductivity ▪ Highly flexible wires ▪ Soft and annealed ▪ Highly conductive 	

Energy Saver & Panels



- Increases lamp-life by an average of 20% for HPSV lamps
- 30% reduction in energy consumption under normal working conditions
- Reduces the power consumption by optimizing the voltage to the lamps
- State of the art GSM/ GPRS technology is used for monitoring and controlling the street lights
- Eco-Friendly : SES reduces the emission of CO and is eligible for Carbon Credits

Street Light Controllers



- Automatic On/Off based on Sunrise/Sunset or on programmed timings
- Wireless control and monitoring through sophisticated web-based/ Terminal based software
- Reduces operational, maintenance and running cost
- Detection of Energy theft or leakage
- Maintains a high power factor of above 0.85
- Eco-friendly - First in India to adhere to RoHS compliance

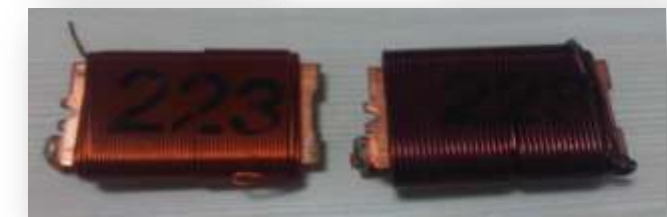
CT's



Terminal Socket



Coils / Inductors



Panels



Complete Backward Integration

- In-house manufacturing facilities with process capabilities ensures better product development and customization
- Well developed R&D enables continual product innovation

Strong Customer Relationships

- Strong customer relationships across the world
- Preferred supplier to GE, Schneider and only approved supplier of Nuclear Power Corporation
- Largest supplier of rotary and load break switches to Indian Railways



Wide Product Suite

- Amongst few players in India, to offer total & customized electrical solutions
- Wide product basket – 15 products developed in-house
- Largest manufacturer and market leader in CAM operated rotary switches

Advanced Engineering Capabilities

- Strong engineering capabilities backed by in-house manufacturing and R&D team
- Technical collaboration with Plitron for Toroidal transformers – 1st company to bring technology to India, Joint Venture with C3Controls for contactors and relays
- Resulting in all products been international certified and universal acceptance

Wide Distribution Network

- Wide distribution network – international and domestic
- Tie up with L&T – access to over 350 dealers in India; own network for modular switches with 50 stockist in 4 southern & western states
- Direct network across 50 countries with 40 international distributors

Four Manufacturing facilities...

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UNIT 1



- Rotary Switch
- Contactors & Relays
- Panel Assembly
- Lighting Energy Savers
- Automatic Meter Reading

UNIT 2



- Toroidal Transformers
- Isolators (Dis-connectors)
- Terminals
- Wiring Ducts
- MPCB
- Wire Harness
- 3 PH Transformers

UNIT 3



- Wiring Accessories

UNIT 4



- Wires & Cables
- Flexible Bus Bars
- Bunched Conductors
- Tinned Wires

...With In-house process capabilities...

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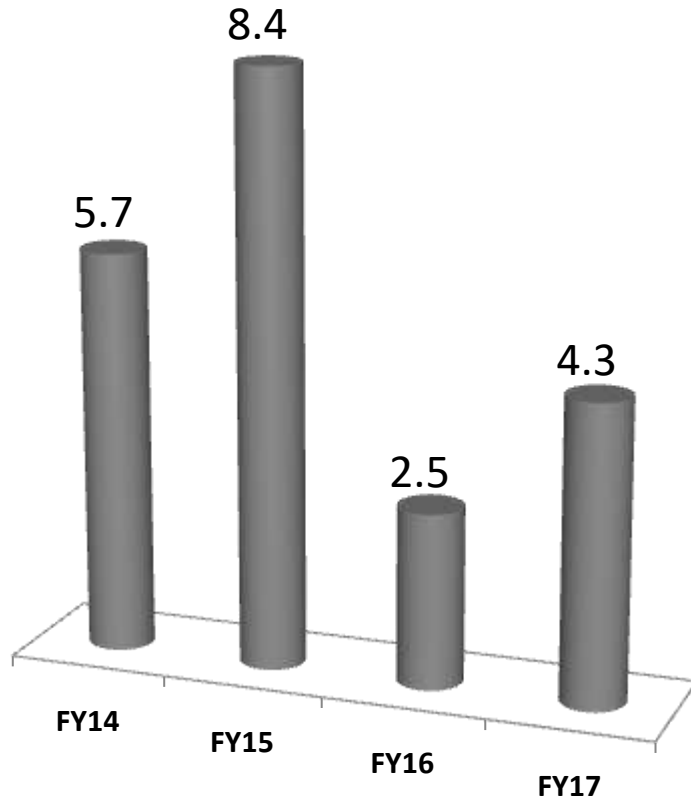


- Full fledged **Type testing laboratory**
 - Loads up to 500Amps
 - Environmental test chamber for humidity test
 - Salt spray test & all other basic tests as per UL Standards

- **In-house tool room** facility for manufacturing and servicing of Moulds and press tools
 - CNC Wire Cut Machines and Spark erosion machines
 - CNC Machining center, EDM Drilling
 - Conventional machines
 - Latest digital measuring equipment
 - Inspected and certified by GE Tool Division

More than 80% components made in-house

R&D expenses (Rs crore)



- In-house R&D Center
 - More than 35 engineers
 - Recognized by Department of Science, Govt of India
- Patented Rotary switches
- 5 patents in process
 - Manual Single Phase Starter with no voltage tripping, Energy Saver System for Street Lighting, Integrated ammeter / volt meter selectro CAM operated rotary switch, Track Feed Battery Change Over System and Fuse Automatic Changeover System
- 1st of its kind product in India
 - Designed and manufactured - Load Break Switches, Single Hole Mounting Switches, Halogen Free Cable Ducts, Flat Wire Ducts, Flexible Bus Bars etc

Continuous product innovation

Internationally certified

salzer



ISO 9001



ISO 14001



ISO 18001



CE Certification



UL Certification



CB certification by IE

CB certification



RoHS



Intertek

Intertek Semko approval



CSA Certification

... Across entire product portfolio



- Marketing Tie-up with L&T for Indian Market
- Largest supplier of rotary & load break switches to Indian Railways
- Branding partner to various large OEM's in India

- Technical Tie-up with American Company C3Controls, to manufacture & market contactors & over load relays.
- Technical Tie-up with Trafomodern for Three Phase Transformers
- Preferred supplier to:
 - Nuclear Power Corporation
 - Schneider Electric
 - GE Energy



International

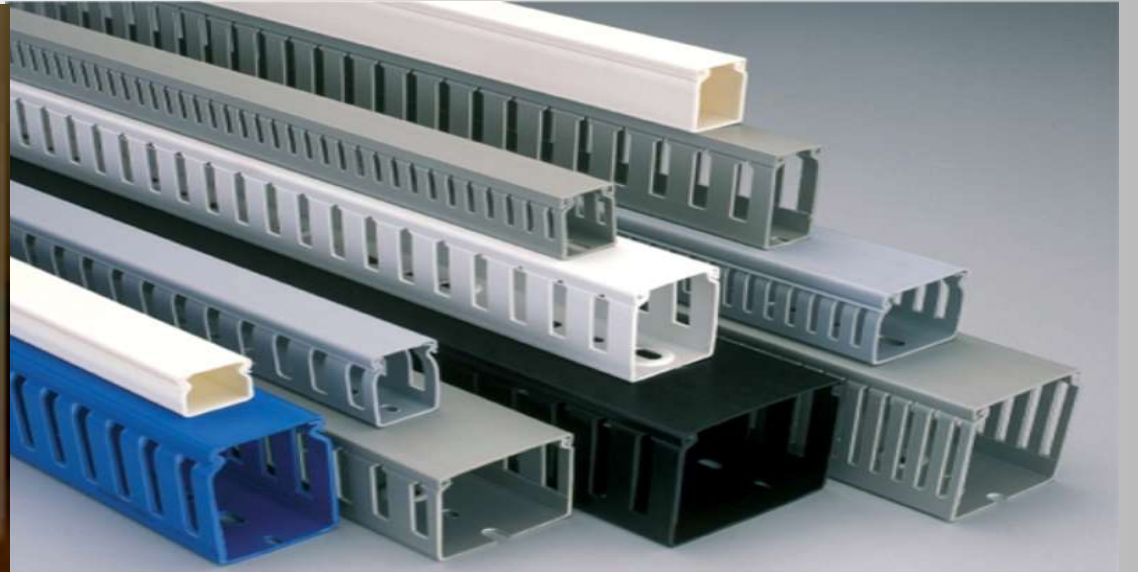
- Direct network across 50 countries
 - 23% of sales from global distribution
 - 40 international distributors
- Plans to expand in US, Africa and Middle east

Domestic

- Tie up with L&T – access to more than 350 dealers in India
- Direct network for Modular Switches – 50 stockists in 4 southern & western states

Direct network across 50 countries

Way Ahead



Growth and expansion of existing product verticals

Margin improvement through

- Increase sales of high margin products – existing and new
- Increase exports – fast growing markets of US, Africa and Middle East

Venture into new project/ product development

2017-18 – Proposed new products to be launched

Wire Harness & Consoles



- Product developed and Invoicing started
- Industrial Wire Harnessing - Very good potential in Indian Market
- Value Addition for Wires & Cables.
- New & different set of customers bringing new opportunities

GE Transportation



- Secured 10 Year contract with GE transportation for supply of High power contactors for India requirements.
- Negotiating with GE Transportation for Three Phase Transformers for both India and US

DC Load Break Switches (PV)



- Product developed and Invoicing started
- Very good potential for this product in Australasia region
- Our switches – best available in market, exporting good volume to Europe & US
- Due to lower costs – can compete with good quality high cost European & low price Chinese manufacturers

Only manufacturer in India:

- Energy savers
- Street light controllers

CRISIL rated Grade I ESCO Operator for street lighting

Significant opportunity in power starved country

Successfully implemented for:

- Madurai Corporation
- Coimbatore Corporation
- Navi Mumbai Corporation
- Tirupur Corporation
- Erode Corporation
- Vellore Corporation

In talks with other states to incorporate energy savers and street light controllers



Thank You



For further information, please contact:

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