

## Result Update Presentation Q4 & FY17



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**Joint Managing Director's Message**



**Financials Highlights**



**Company/ Business Overview**



**Way Ahead**



### **Commenting on the results, Mr. R. Doraiswamy, Joint Managing Director, said :**

*"We have witnessed a healthy growth this quarter across our key segments of Industrial Switchgears, Wires & Cables Business and Building Segment despite the challenging conditions in the industry. In the last year we had a revenue of Rs.42 crores coming in from our Energy Management EPC contract business as against which we have had a revenue of only Rs.10.2 crores in this year. Taking this into account on a standalone basis the Company has grown by 17% year-on-year. Overall this revenue growth has been driven by building and wires & cable segment both of them have grown by more than 30% year-on-year.*

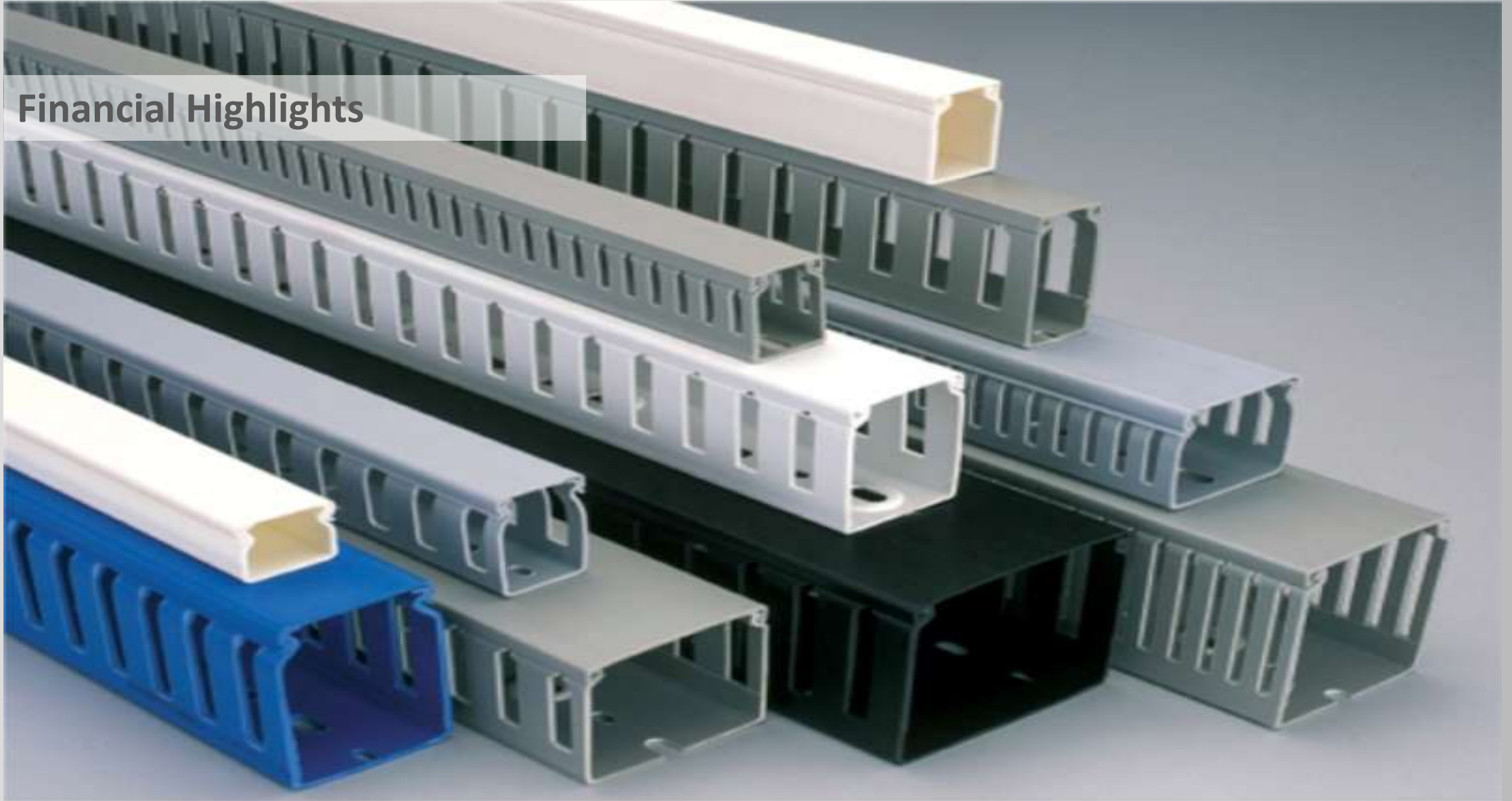
*The Industrial Switch gear side of our business has demonstrated a healthy growth of around 13% this quarter despite tepid growth in the industry. The market conditions in India as well as USA and Europe continue being very challenging, despite this we have been able to sustain and achieve this growth due to our association with large OEM's. Going forward we see a pickup in demand especially because of our association with companies like GE, Schneider, Honeywell, ABB & Siemens. We are confident that with our products of international standards, consistency in quality, timely delivery and some revival in the industry we will be able to achieve much healthier growth.*

*In our Energy Management Business revenues have come in purely from Operations & Maintenance. This business has a higher margin as compared to other business segments and will continue to give us Operations & Maintenance revenues in the coming quarters. We have also received an LOI of Rs. 18.7 crs from EESL for this segment.*

*Going forward, we will continue to focus on adding new, niche and high margin products, enter new geography and offer total and customised electrical solutions to our existing and new customers."*



## Financial Highlights



## Key Financial Highlights



Q4 FY17 v/s Q4 FY16

13.3% ↑

Revenue Rs 112.0 crore

10.5% ↑

EBITDA Rs 10.7 crore

8.1% ↑

PBT Rs 6.8 crore

*Robust growth from key business segments of Industrial Switchgears, Wires and Cables and Building Segment*

FY17 v/s FY16

6.3% ↑

Revenue Rs 384.1 crore

4.2% ↑

PBT Rs 25.3 crore

0.3% ↑

PAT Rs 17.1 crore

*PAT flat at Rs.17.1 crores on account of extra provisions for taxation and decreased contribution from order book based business segment of Energy Management*

# Consolidated Financial Highlights

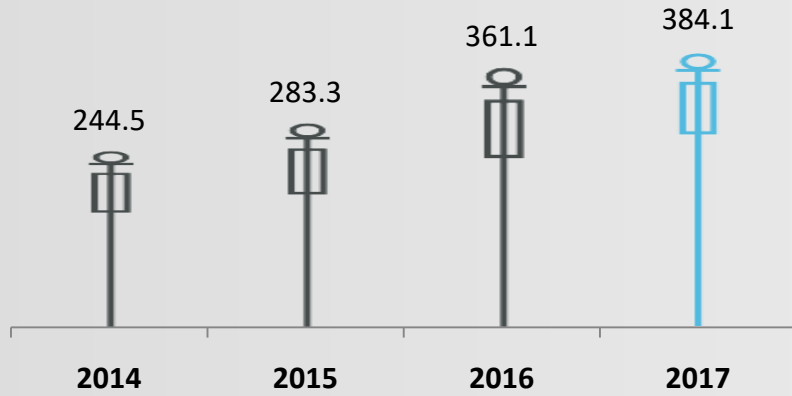


Rs. in Crore	Q4 FY17	Q4 FY16	YoY %	FY17	FY16	YoY %
<b>Total Income from Operations</b>	<b>112.0</b>	<b>98.8</b>	<b>13.3%</b>	<b>384.1</b>	<b>361.1</b>	<b>6.3%</b>
Raw Materials	84.6	71.4		280.1	256.6	
Employee Cost	5.2	4.9		18.9	17.7	
Other Cost	11.5	12.9		42.6	44.0	
Total Expenditure	101.3	89.2		341.6	318.2	
<b>EBITDA</b>	<b>10.7</b>	<b>9.7</b>	<b>10.5%</b>	<b>42.5</b>	<b>42.9</b>	<b>(1.0)%</b>
<b>EBIDTA margin (%)</b>	<b>9.5%</b>	<b>9.8%</b>		<b>11.1%</b>	<b>11.9%</b>	
Interest	4.1	3.2		14.6	13.1	
Depreciation	2.5	2.2		9.8	8.3	
Other Income	2.7	1.9		7.2	2.8	
<b>Profit Before Tax</b>	<b>6.8</b>	<b>6.3</b>	<b>8.1%</b>	<b>25.3</b>	<b>24.2</b>	<b>4.2%</b>
Tax	3.2	2.3		8.2	7.2	
<b>Profit After Tax</b>	<b>3.6</b>	<b>3.9</b>	<b>(9.0)%</b>	<b>17.1</b>	<b>17.0</b>	<b>0.3%</b>
<b>PAT Margin (%)</b>	<b>3.2%</b>	<b>4.0%</b>		<b>4.5%</b>	<b>4.7%</b>	

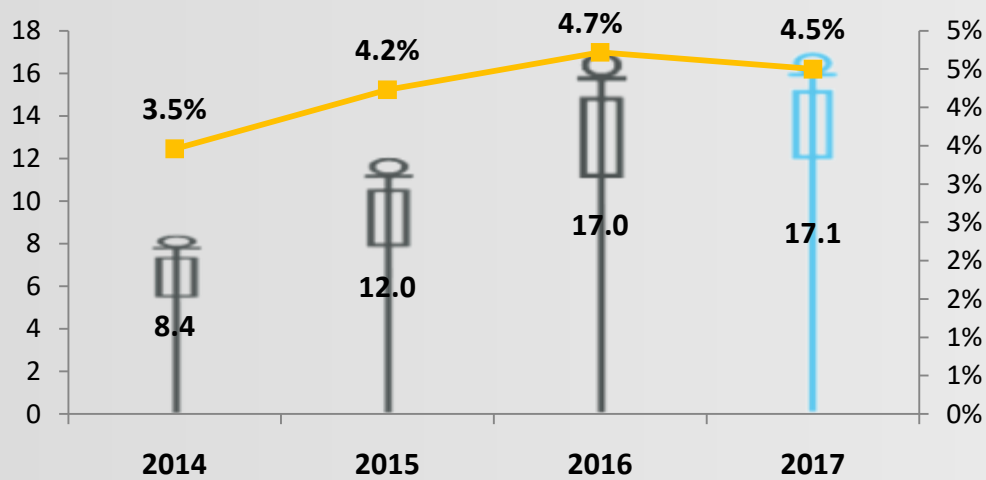
# Annual Financial Highlights



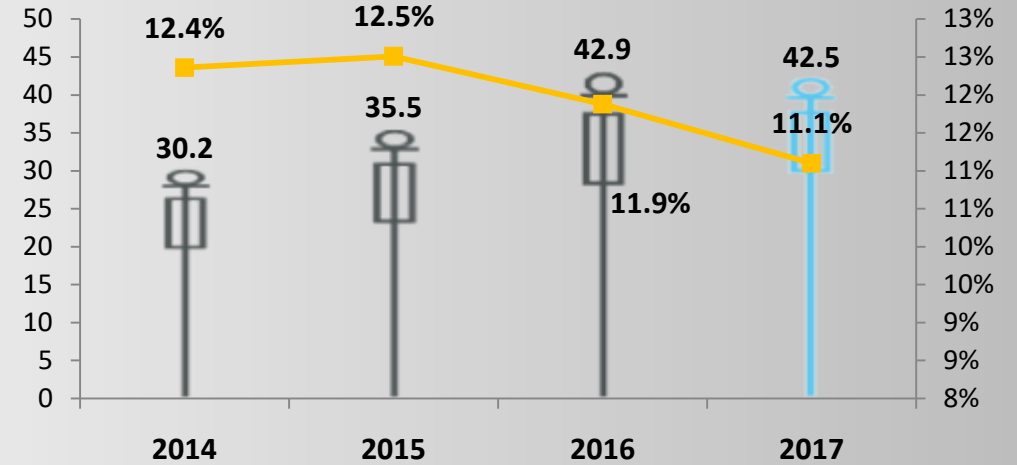
## Revenue (Rs. Cr)



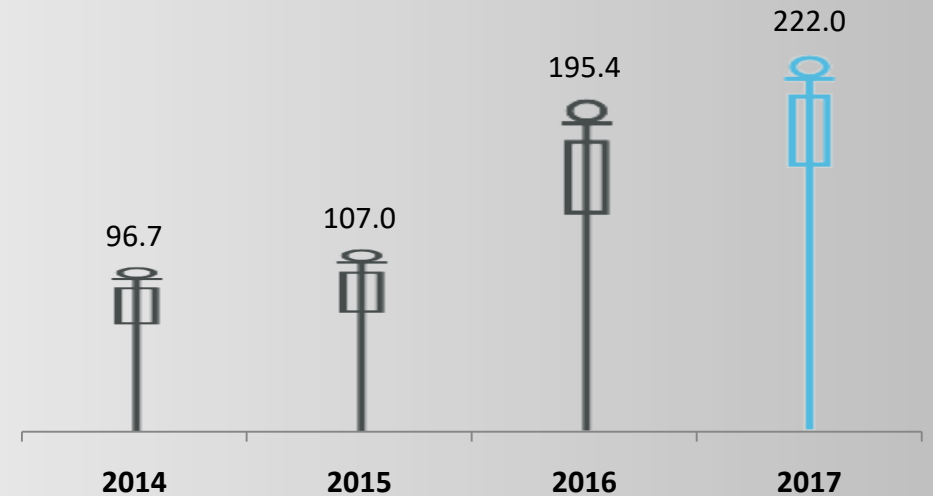
## Net Profit (Rs. Cr)



## EBITDA (Rs. Cr) / Margins (%)



## Networth (Rs. Cr)

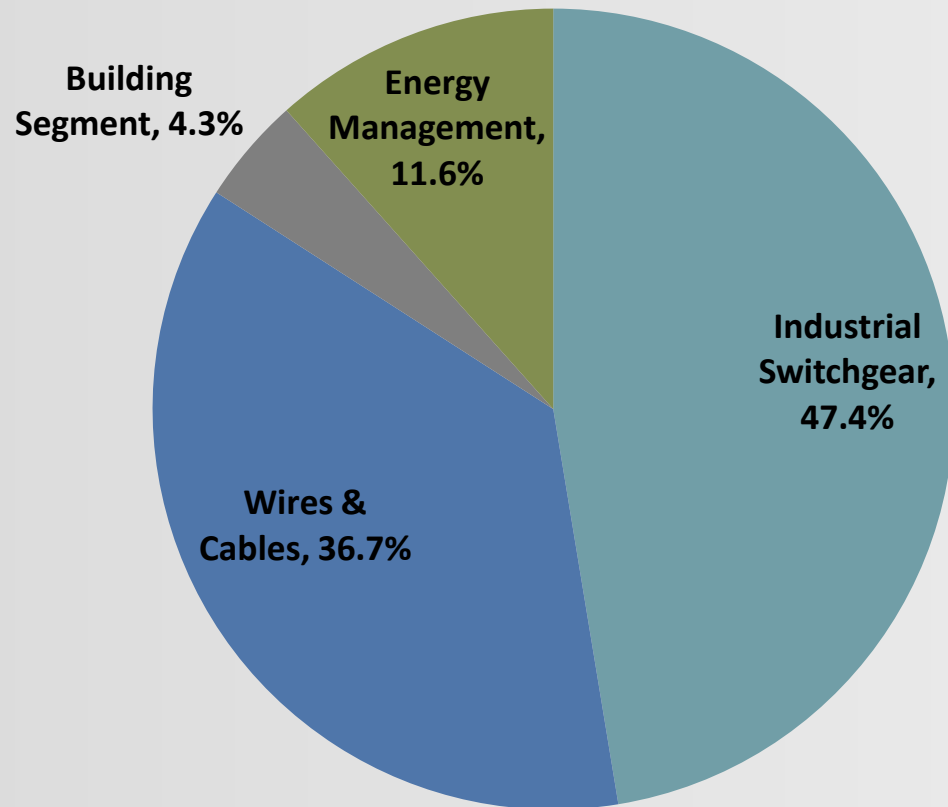




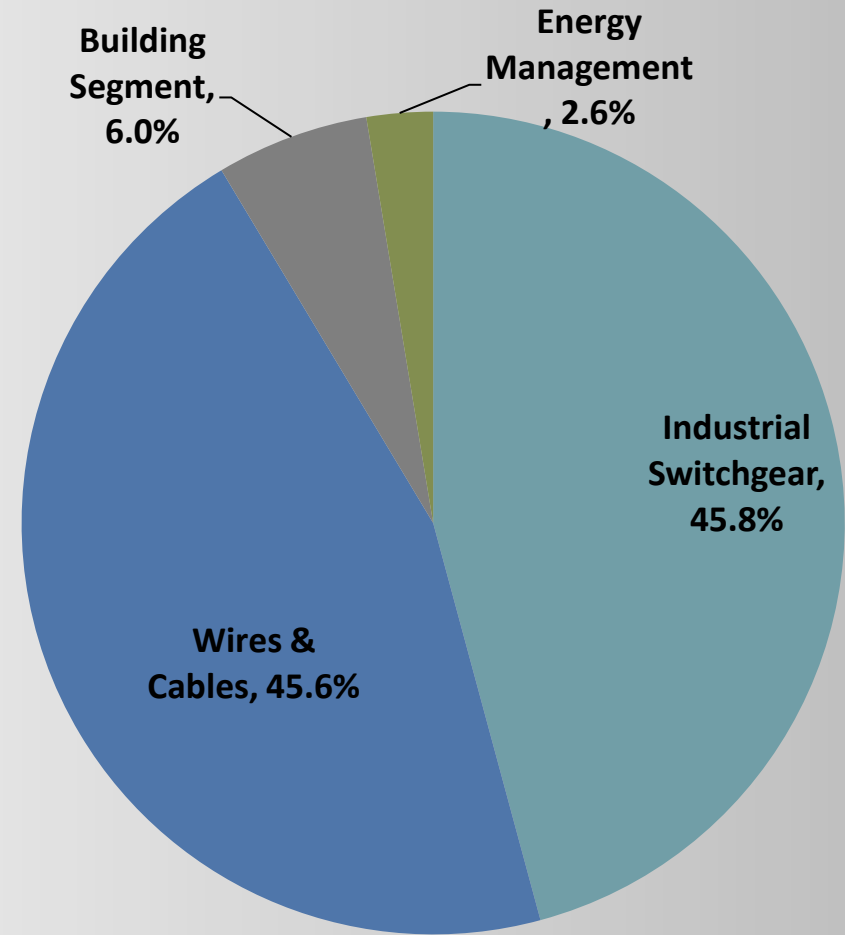
# Financial Highlights – Business Segment



FY-2016



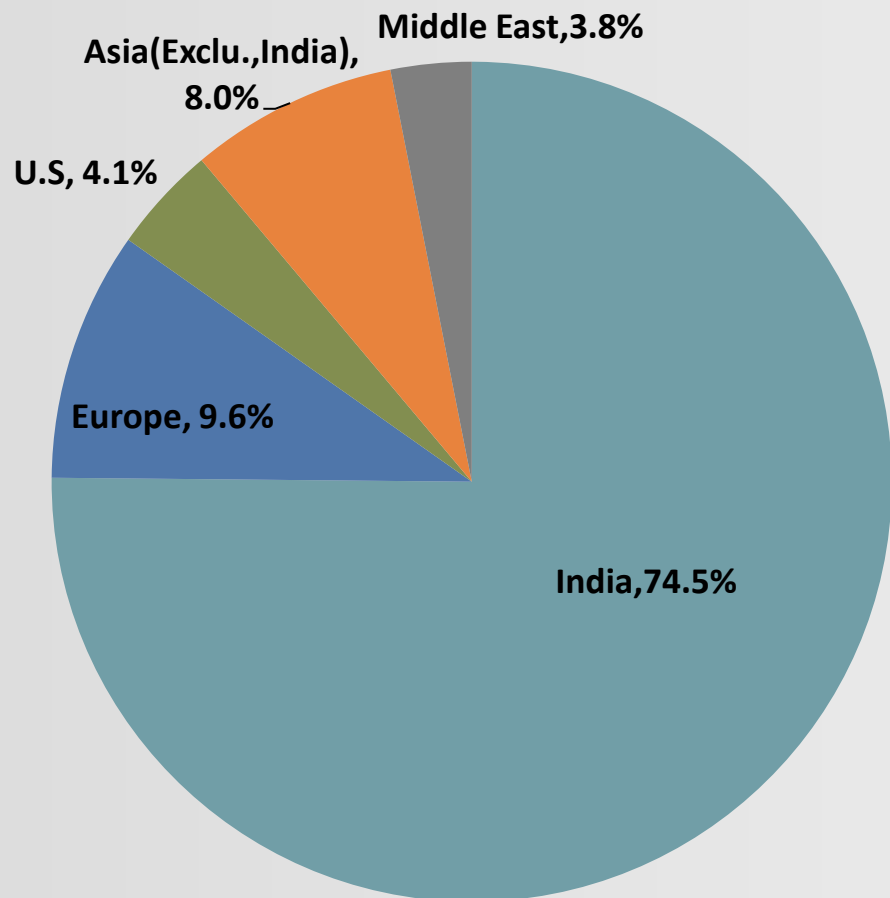
FY-2017



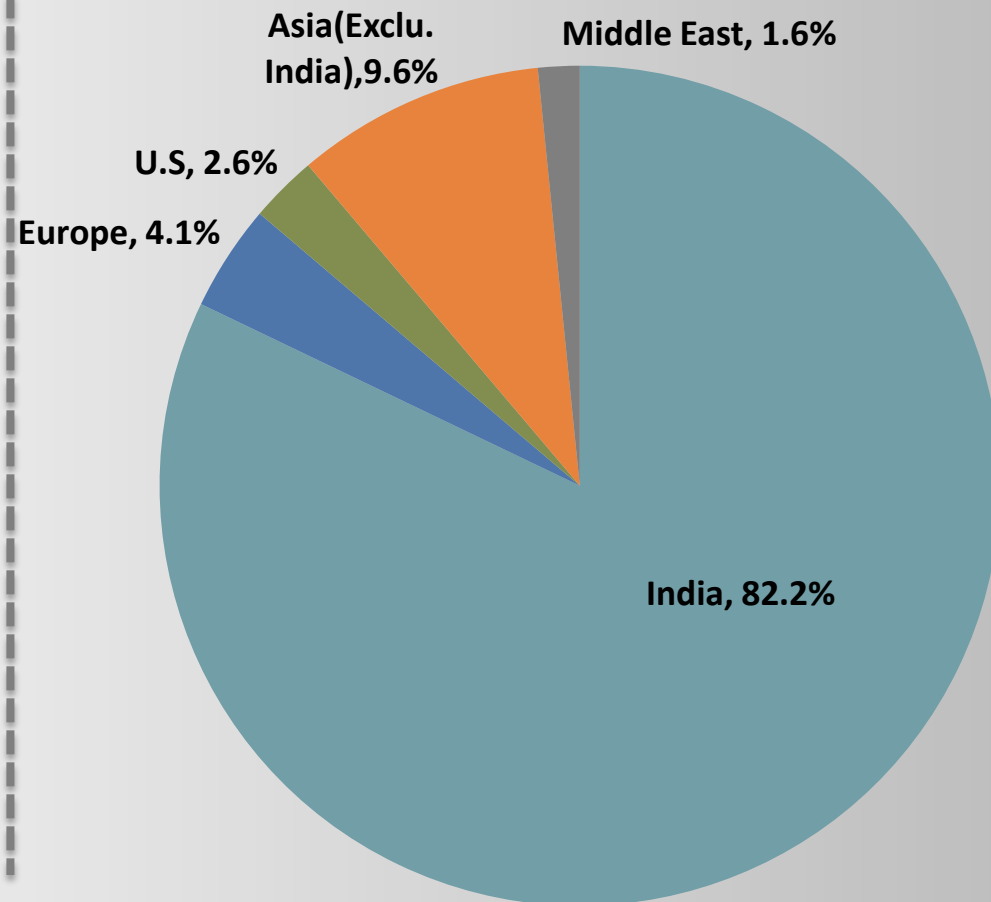
# Financial Highlights – Geography wise



**FY-2016**



**FY-2017**



## Financial Highlights Without Energy Management



17.2% ↑

**Revenue- FY17**

Rs 373.9 crore

13.1% ↑

**EBITDA- FY17**

Rs 40.5 crore

20.2% ↑

**PAT –FY17**

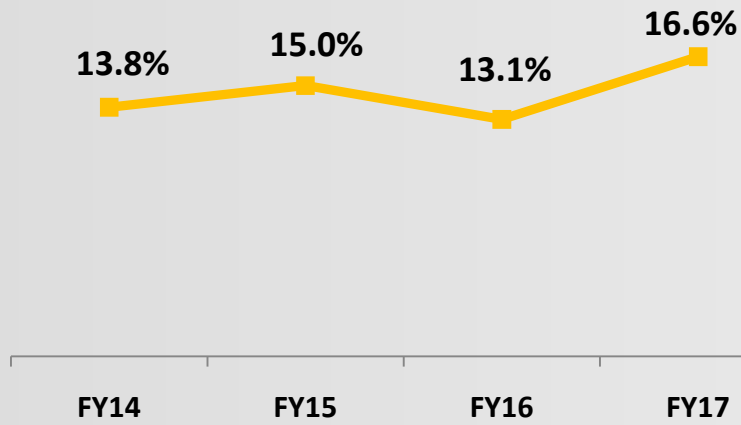
Rs 16.3 crore

- *17% YoY growth from key business segments of Industrial Switchgear, Wires & Cables and Building Products*
- *EBIDTA maintained despite low contribution from Energy Management business and decline in Industrial Switchgear Industry*

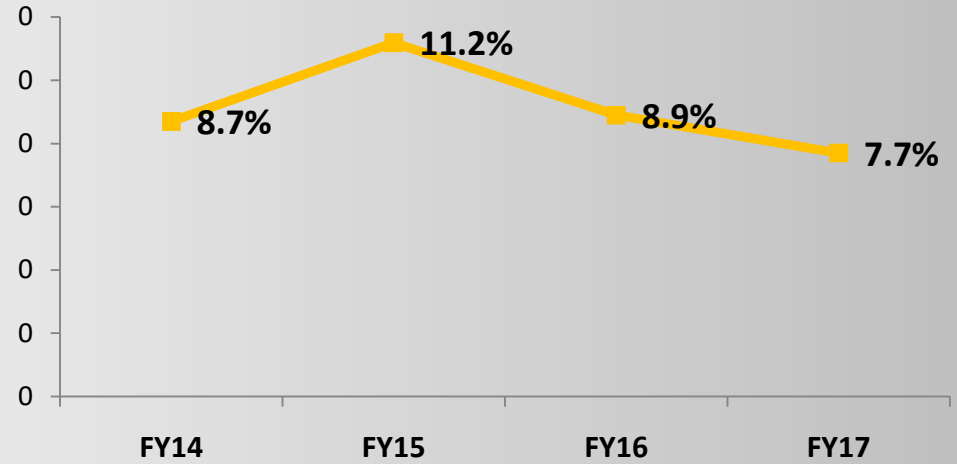
# Key Balance Sheet Ratios



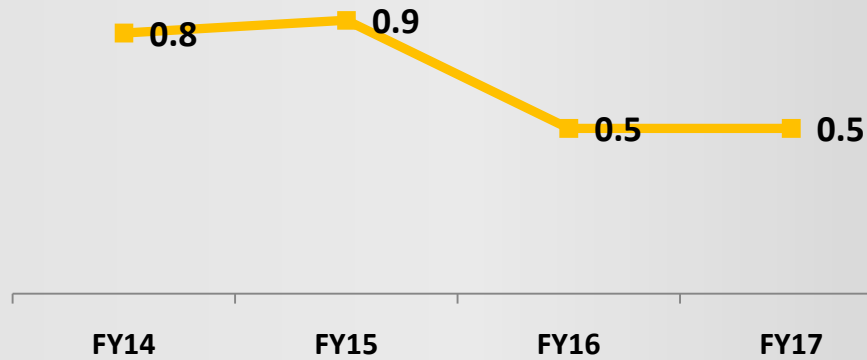
### ROCE\* (%)



### ROE (%)



### Total Debt to Equity



\*ROCE= EBIT/(Total Assets-Current Liabilities)

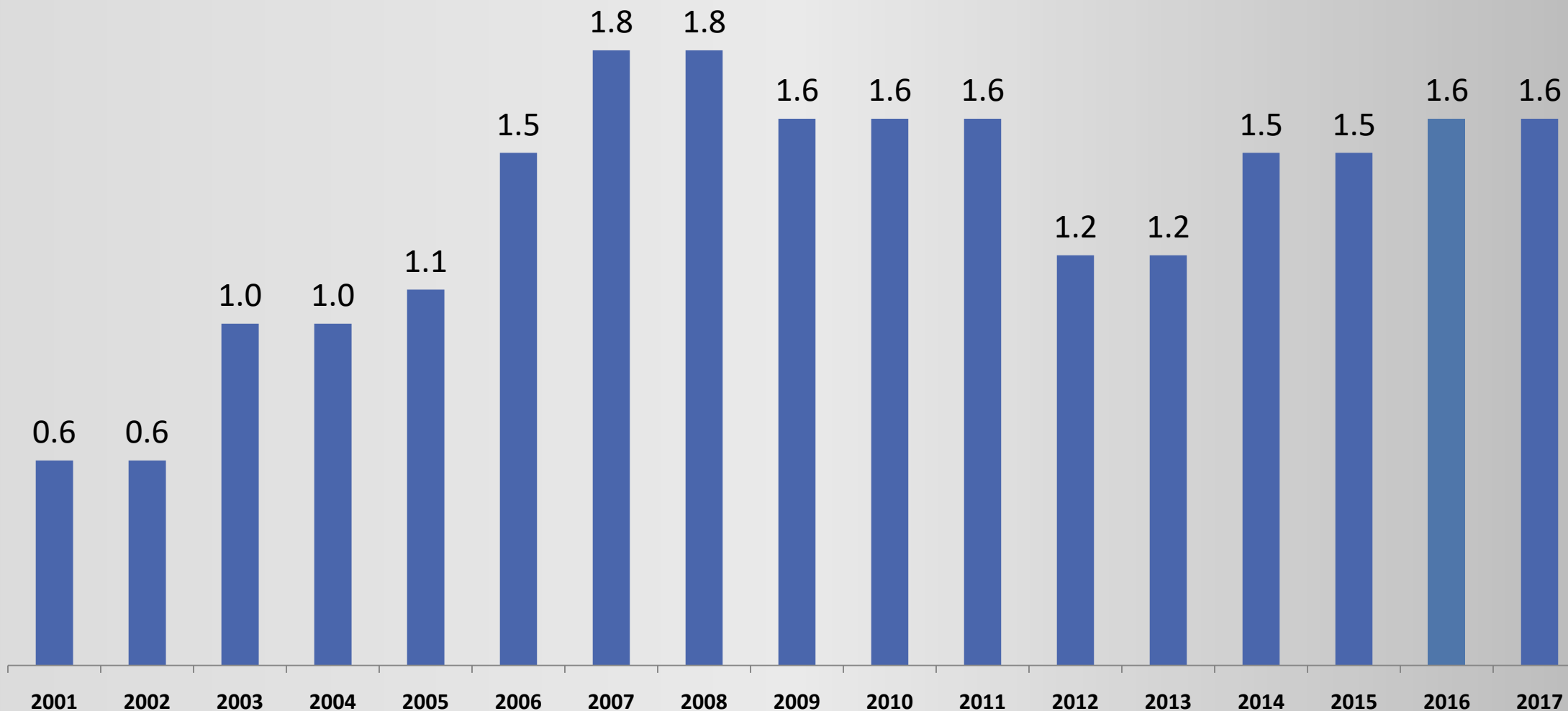
## Balance Sheet as on FY17



Rs. in Crore	Mar -17	Mar -16
<b>Shareholder's Funds</b>	<b>222.0</b>	<b>195.4</b>
Share Capital	14.4	13.6
Money Against Warrants	0.0	4.1
Reserves & Surplus	207.7	177.6
<b>Non-Current Liabilities</b>	<b>18.2</b>	<b>22.3</b>
Long Term Borrowings	11.8	17.7
Defer Tax Liabilities	5.9	3.9
Other Long-Term Liabilities	0.0	0.0
Long Term Provisions	0.5	0.7
<b>Current Liabilities</b>	<b>195.4</b>	<b>157.6</b>
Short Term Borrowings	103.0	81.3
Trade Payables	31.8	32.9
Other Current Liabilities	54.3	35.5
Short-Term Provisions	6.2	7.9
<b>Total Equities &amp; Liabilities</b>	<b>435.6</b>	<b>375.4</b>

Rs. in Crore	Mar -17	Mar -16
<b>Non-Current Assets</b>	<b>153.1</b>	<b>136.1</b>
Fixed Assets	129.5	110.4
Non-Current Investments	0.8	5.5
Long-Term Loans & Advances	1.1	0.9
Other Non-Current Assets	21.7	19.3
<b>Current Assets</b>	<b>282.6</b>	<b>239.4</b>
Current Investments	3.7	12.0
Inventories	90.9	66.7
Trade Receivables	121.1	99.8
Cash & Cash Equivalents	12.4	12.5
Short-Term Loans & Advances	43.8	38.8
Other Current Assets	10.7	9.5
<b>Total Assets</b>	<b>435.6</b>	<b>375.4</b>

# Consistent Dividend Performance



... For the past 17 years



## Company Overview



## Leading player offering total and customized electrical solutions

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

## Extensive Product portfolio across segments with In-house manufacturing facilities

- 5 manufacturing units located in Tamil Nadu & Himachal Pradesh
- More than 15 products catering to Industrial / Building / Automobile segments

## 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

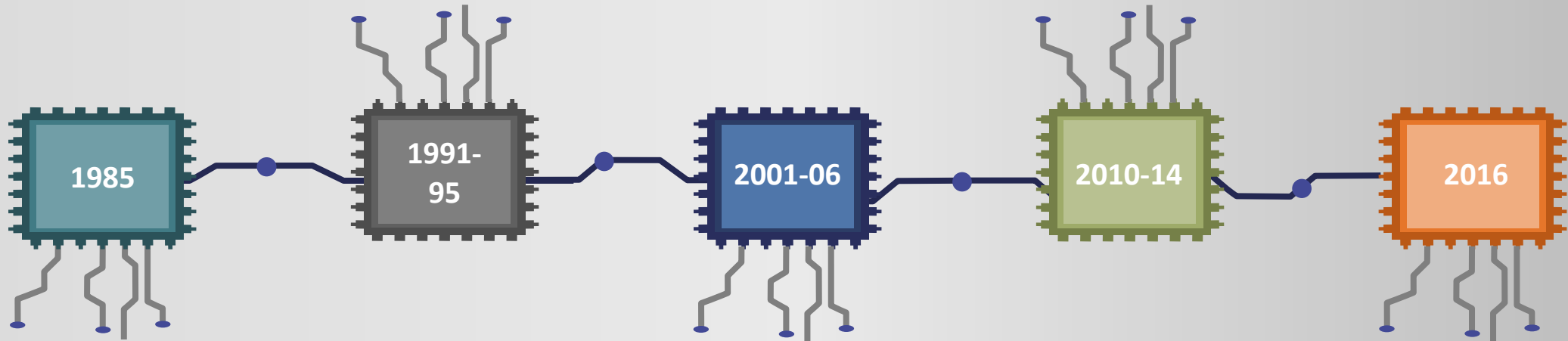


# From a Single Product Company...



- 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
- 5 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 Business

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



## Industrial Switch Gear Business

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

## Energy Management Business

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- Energy Savers
- Street Light Controllers

## Building segment Business

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



# Wide Product Suite- Customised for OEM's



CT's



Terminal Socket



Coils / Inductors



Panels



In-house manufacturing and R&D enables superior customization of products

## 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

## 5 Manufacturing facilities...



### 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

### UNIT 3



- Wiring Accessories

### UNIT 4



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

### UNIT 5 (Una)



- Wiring Accessories

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

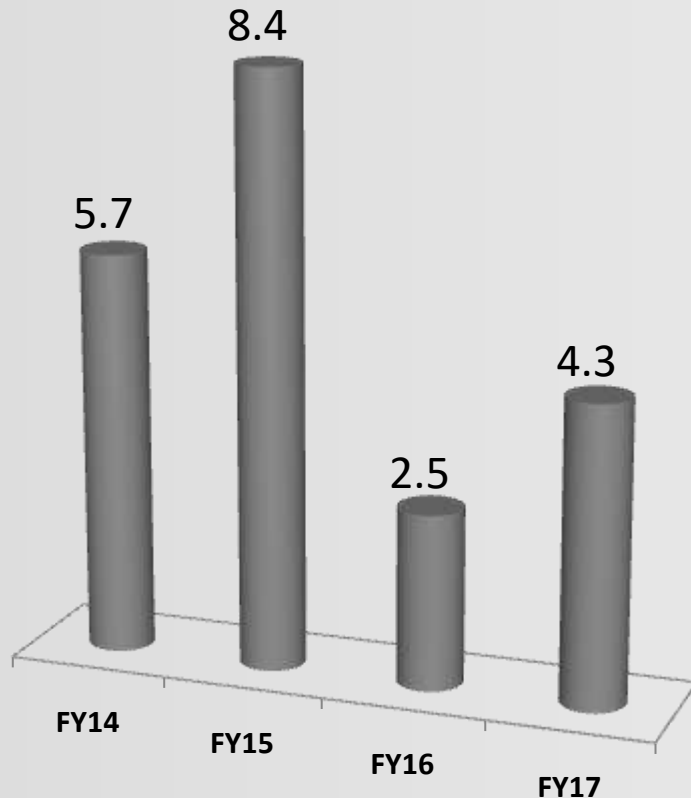
salzer®



- 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)

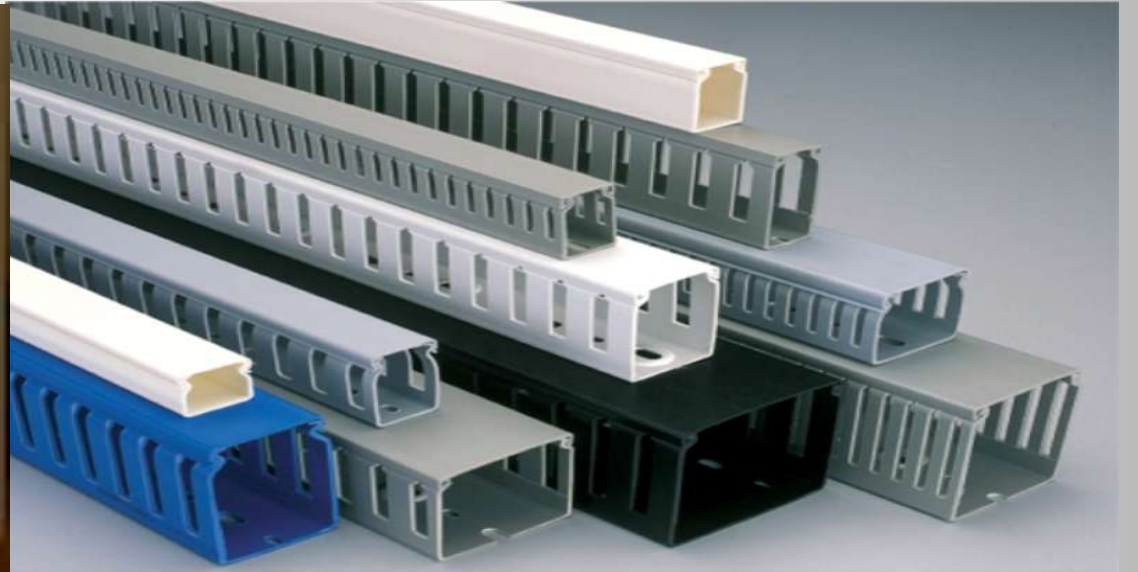


- In-house R&D Center
  - More than 35 engineers
  - Recognized by Department of Science, Govt of India
- Patented Rotary switches
- 5 patents in process
  - Manual Single Phase Starter with no voltage tripping, Energy Saver System for Street Lighting, Integrated ammeter / volt meter selectro CAM operated rotary switch, Track Feed Battery Change Over System and Fuse Automatic Changeover System
- 1<sup>st</sup> 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

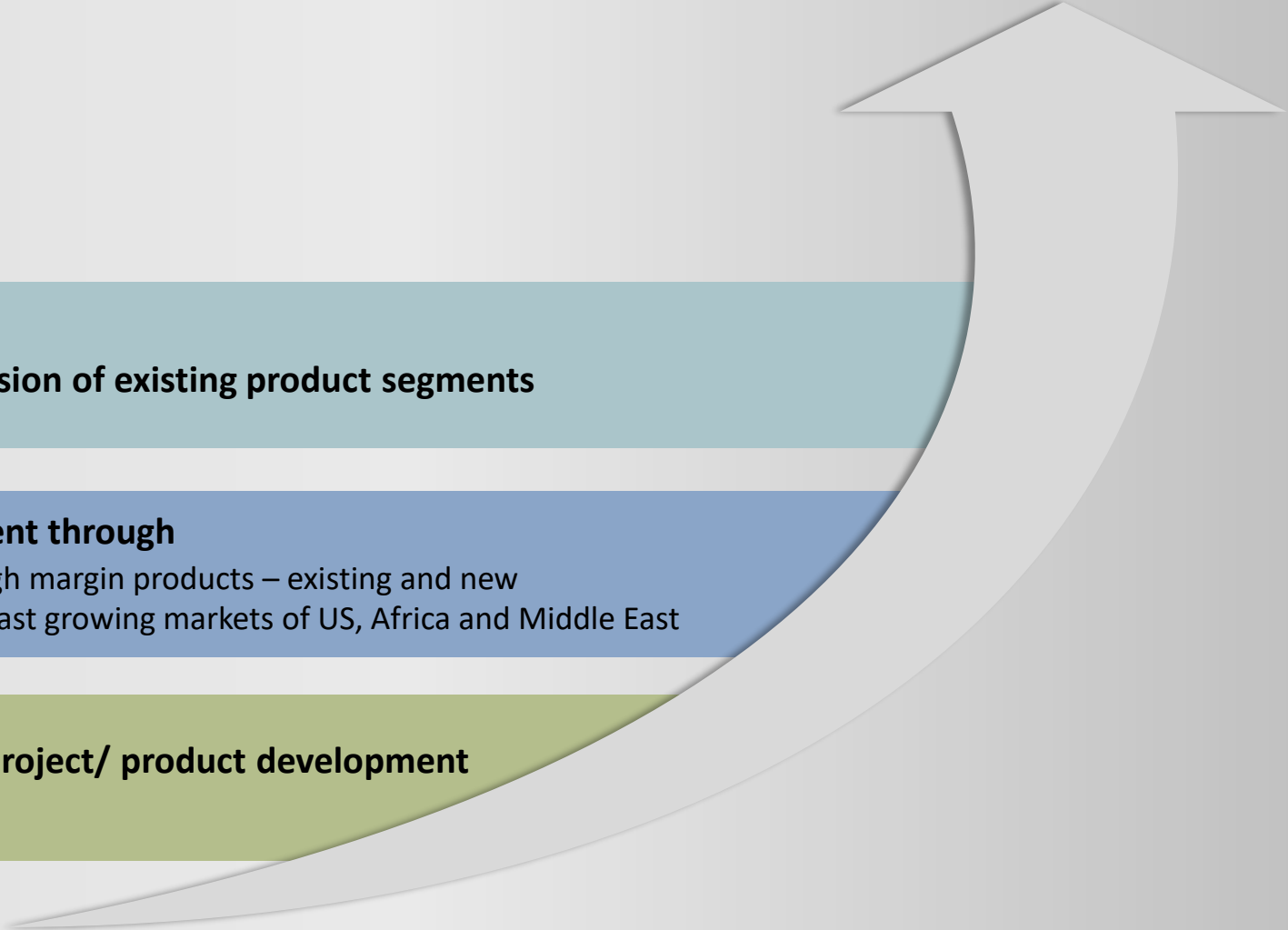
Continuous product innovation



# Way Ahead





A large, light gray, upward-pointing arrow that curves from the bottom left towards the top right, framing the three growth driver sections.

**Growth and expansion of existing product segments**

**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**

### MCB's



- As part of product expansion under the Building and Industrial segment MCB's are being planned as an addition.
- Expected Launch of product Q1FY18

### 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



## For further information, please contact:

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