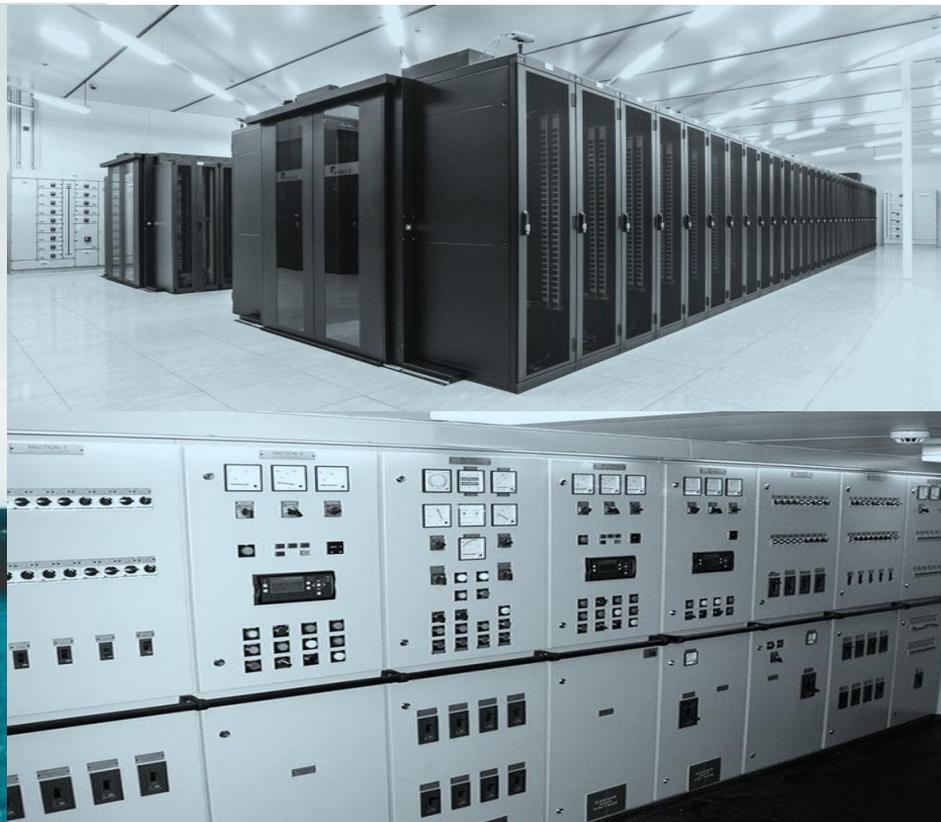




Marine Electricals

Solutions with Power

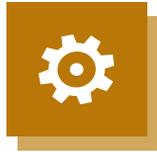
INVESTOR PRESENTATION | SEPTEMBER, 2018



This document is for information purposes only and not intended to be taken alone for the basis for an investment decision. Our presentation/proposal may include predictions, estimates, management opinions or other information that might be considered forward-looking. These forward-looking statements represent our current judgment on the future and they are subject to risks and uncertainties that could cause actual results to differ materially. Such forward looking statements are subject to risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements.

Marine Electricals or its advisors will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Details	Particulars
Issuer	Marine Electricals Limited
Issue Type	Fixed Price Issue
Issue Price	Rs 64 - 66 per share
Issue Size	Up to Rs 43 crores
Minimum Lot Size	2,000 Equity Shares
Offer Opens On	Friday, September 28, 2018
Offer Closes On	Monday, October 03, 2018
Listing On	 THE SME GROWTH PLATFORM
Lead Manager	 FINANCIAL SERVICES LTD



01 | Corporate Overview



02 | Key Business Strengths & Growth Strategy



03 | Market Opportunities



04 | Financial Highlights



05 | Annexure



Corporate Overview



- ✓ Leading **Integrated Electrical & Automation Solution Provider** with almost 40 years of experience



- ✓ Offers Comprehensive Electrical Solutions in **Low Voltage, Medium Voltage & Industrial Automation** backed by In-house Product Design & Development, Manufacturing, Installations and After Sales services



- ✓ Caters across Industries with significant presence in the **Marine** Segment (Naval & Commercial Ships) and **Buildings & Industrials** segment (Data Centers, Building Management Systems, Industrial, Solar etc.)



- ✓ **Largest partner of Schneider in India** and partnerships / tie-up with other Global Electrical Players like Siemens, Orolia, Sperry Marine etc.



- ✓ **High Quality of Products and Solutions** enable to Serve **Marquee Clientele** such as Indian Navy, Shipyards, Deutsche Bank Data Centre, etc.

... In 40 years, evolved as comprehensive solution provider

Gained expertise in handling and providing complex & innovative Solutions for Indian Navy

Started as a Proprietary firm manufacturing Switch Gears for the Indian Navy

1978 – 1998

**Entry in to Buildings & Industrial segments
–Partnering with Schneider Electric for offering solutions in western region**

Geographical expansion in Middle East and Far East focusing on providing Solutions to Marine Industry

Commenced work for Private Shipyards; became sole supplier to them

1998 - 2008

Leadership position in offering solutions to Data Centers in India

Expanded Buildings & Industrials Business Segments like Data Centers, Buildings, Industries, Solar etc.

Approved Tier I Vendor with major Indian Navy and other Public & Private Shipyards

Commenced Supply to Europe & USA

2008 - 2018

Providing Electrical Automation services across various sectors such as Data Centres, Buildings, Industrial Units, Metro and Solar among others

One of the largest Comprehensive Electrical & Automation Solution Provider for Marine Applications in India & Middle East

Strong footprint in India & Middle East and a wide spread Service Network



Employees

- ✓ **1000+** people
- ✓ **250+** Engineers
- ✓ 60 Shared Services & Back-office Staff



Factories

- ✓ **5** Manufacturing site across Goa, Mumbai, Chennai and in UAE, Italy;
- ✓ **14** Service Centres

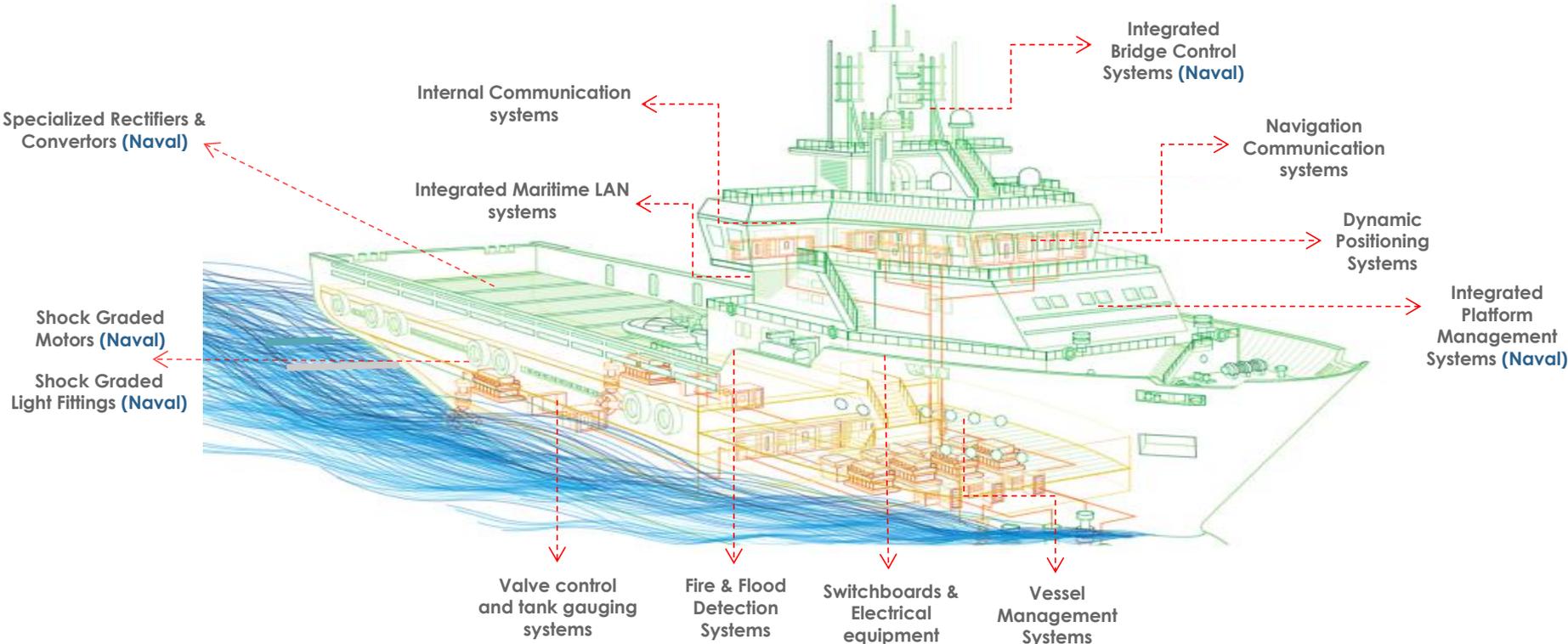


Channel

- ✓ **18** Sales / Representative Office in India and Middle East



Complete electrical and electronic solutions covering the entire ship



Wide product and solution offering in the LV & MV segments for Buildings & Industrial

- **MEcubE³** : Low Voltage (LV) offering
- **Blokset** : Schneider Licensee Manufacturer of Blokset range of OEM panels
- **MEpower³** : Medium Voltage (MV) offering in collaboration with Schneider
- Busbar Trunking Solutions
- Automation Solutions



_Marquee Clients Across Varied Sectors

Marine Electricals



Goa Shipyard Limited
— Passion for Excellence —

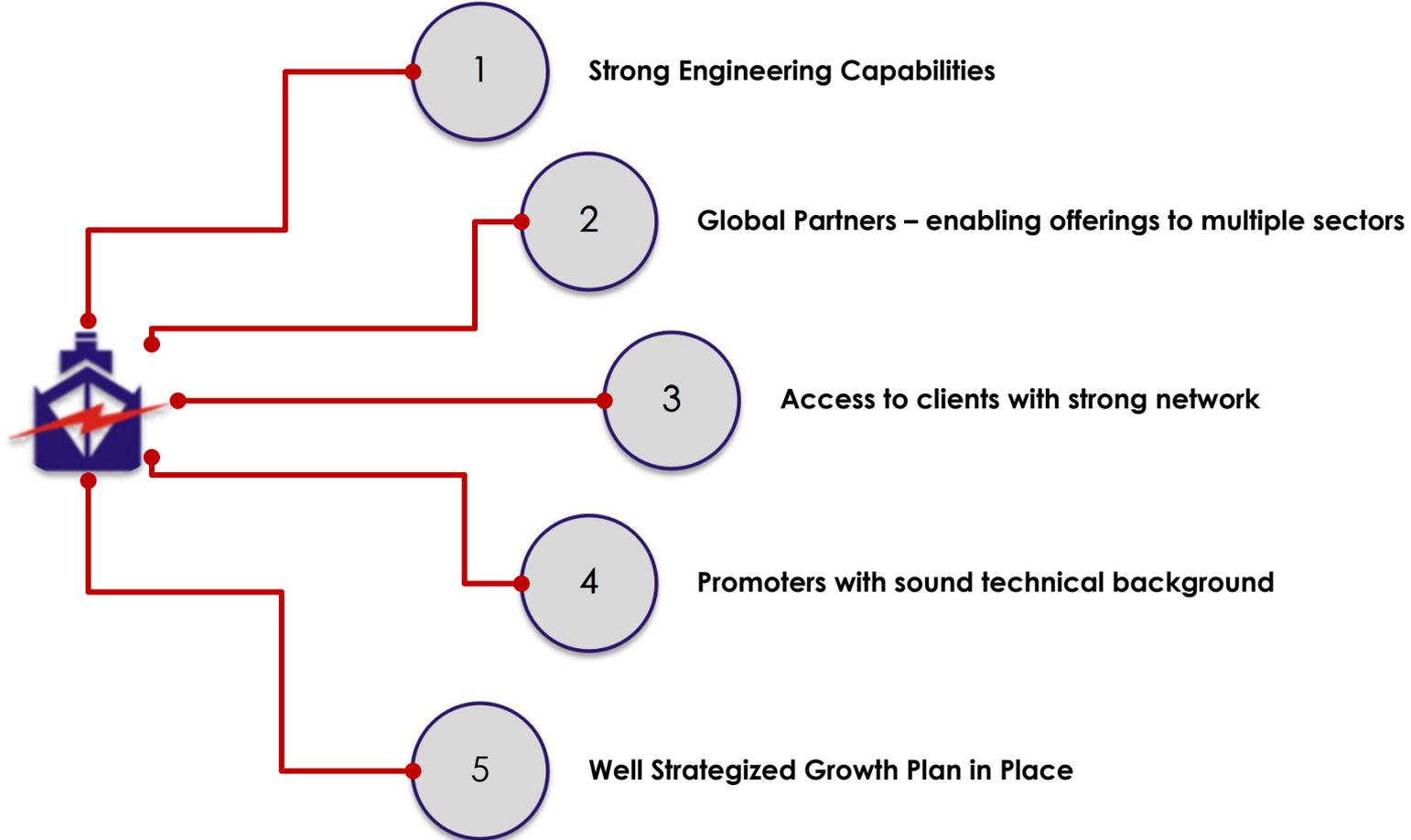


Mazagon Dock Limited

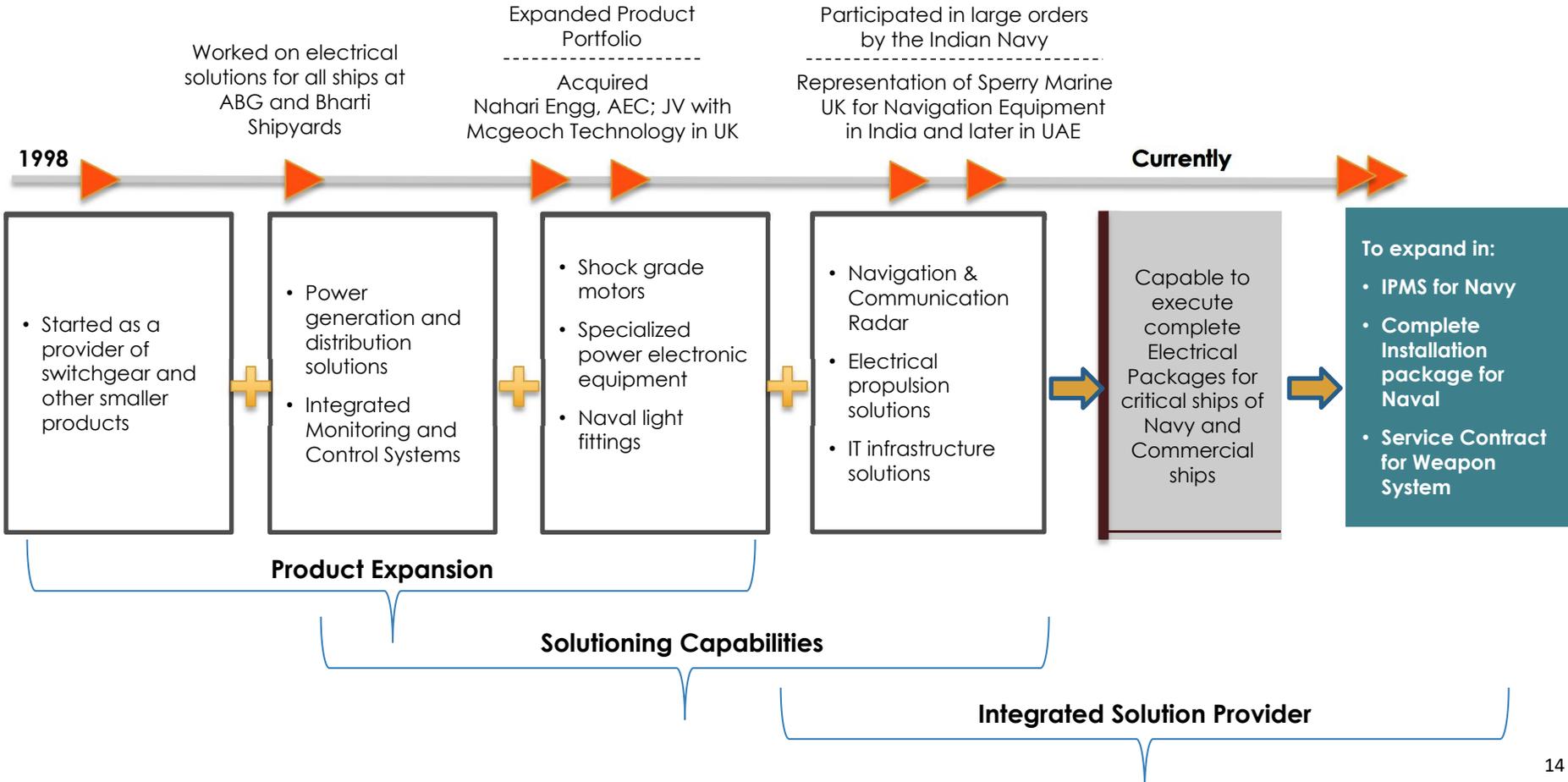




Key Business Strengths



1. Engineering Capabilities in Marine built over years





Submarine

- Involved in supply to Scorpène-class vessels for India (Project 75) and indigenous Nuclear Submarine



Frigates

- Working on supply orders for INS Talwar, Tabar, Brahmaputra, Betwa and Beas
- Supplying equipment to Project 17A class ship (under-construction)



Indian Coast Guard

- Working on repair work for ICGS Samar, Sankalp and Vishwast class of ships
- Supplying to under construction vessels in GSL, GRSE



Commercial Vessels

- Worked on various ships delivered by ABG, BSL, CSL shipyards and many other shipyards worldwide



Aircraft Carrier

- Retrofitting electrical equipment onboard for INS Viraat
- Supplying equipment for INS Vikrant (under construction)



ASW Corvettes

- Working for orders from INS Kukri, Kuthar, Kora and Kirch
- To participate in recent orders to CSL and GRSE for 16 anti-submarine Corvettes



Survey Vessels

- Working on INS Jamuna, Darshak and Sarveshak
- To participate in recent orders to GRSE for 4 Survey Vessels



Inland Vessels

- Worked on various orders in the past with prior experience in Electrical Propulsion Vessels

1. Engineering Capabilities – Buildings & Industrials

2004

Low Voltage (LV)

Entered into an agreement with Schneider Electric for licensee manufacturing of **Blokset** - patented Modular LV Switchboards

Developed own LV offering under the brand **MEcubE³** with products for:

- Control Centre
- Correction Panel
- Synchronization Panel

Product Expansion

Medium Voltage (MV)

Developed in-house MV Panels in consultation with Schneider under the brand **MEpower³**

- Indoor/outdoor circuit breaker
- Earthing truck
- Breaker Trolley

Automation

Enhanced engineering capabilities to provide automation solutions:

- Bus Duct Solutions
- Automation
- EMS Solution
- BMS Solutions

Solution Provider

Current

Provides turnkey Automation & Electrical solutions to varied sectors having varied requirements



Manufacturing

Delivered for Huntsman, MRF, Cummins, Essar, Ford, GM among others



Buildings

Delivered for Omkar, Lodha, Panchsheel, Oberoi



Pharmaceuticals

Delivered for Cipla, Granules, Sun Pharma among others



Data Centers

Delivered for NTT-Netmagic, Tata Comm-STT, Ctrl-S, Deutsche Bank and others

2. Global Partners – enabling offerings to multiple sectors



Licensee Manufacturer of *Blokset*
range of electrical panels
Largest Partner of Schneider in India



Energy and Drives systems

NORTHROP GRUMMAN



Commercial and Naval Integrated
Navigation systems



Resilient Positioning, Navigation and
Timing solutions



Commercial automation, Navigation &
Communication and Dynamic Positioning
systems



Recreational and commercial
navigation & marine instruments



Motion sensors and Navigation systems



Electronic chart display & Information
system and Voyage data recorders



Integrated Platform Management
systems



Direct access to Clients

- Tier 1/ Nominated supplier with the Indian Navy, Coast Guard & all the major Shipyards
- Helps in expanding the in-house brand of 'Marine Electricals'
- Adapt to Client's needs faster and capture Client's attention

Client Ownership

- Experienced sales team strengthen the Client Ownership factor & enabled a tighter control over order origination
- ~50% of the Blokset modules sold in India by Marine team

Service & O&M

- Provided continue access to client
- Revenue from Services currently contribute ~10% of total revenue

Repeat Orders

- Testimony of strong track record of Quality Performance, Timely Delivery and better Client Relationship



Vinay Uchil
Director

- Joined the firm in the year 1995
- Actively involved in developing business from Defence and Shipping segments & Finance
- Under his leadership, there are over 900 persons providing timely delivery and high quality of projects
- B.E. in Instrumentation and an PGDBA (Finance) from Narsee Monjee Institute of Management
- Successfully led the Company to new heights by expanding the business across varied segments



Venkatesh Uchil
Managing Director

- Joined the firm in the year 2002
- Actively involved in Procurement, Production and Technical areas of the Company
- B.E. in Electronics & Telecommunications and PGDFBM from S.P. Jain Institute
- Developed the Building & Industries segment
- Successfully achieved registration with Nagpur Metro for electrical and automation installation and now focusing on Mumbai Metro



Rajiv Malhotra, Chief Operating Officer

- Joined MEL in year 2006 as GM, Marine unit
- Served the Indian Navy for ~22 years
- Steered the operational aspect of Marine bus.
- Created new partnerships with leading OEMs to provide Turnkey Solutions to Marine projects



Kamal Yadav, Global Sales

- Joined MEL in year 2018 to grow Commercial Marine business globally
- Sailed as the Captain for many shipping companies
- Track record of Business Development region-wise
- Holds COC as Master Foreign Going and studied International Trade Management from NMIMS



Suresh Nair, Global Solutions

- Joined MEL group in 2016 as CEO of UAE business
- 25+ yrs of experience in design and product development for Electrical Automation & Controls
- Worked with Shipping Companies across the globe
- Formed the 1st Marine Automation & Electrical company in India in 1998



Shami Pujji, Research & Development

- Joined MEL as the Head of R&D in the year 2014
- Management graduate and B.E. having 40+ yrs of experience in Navy, Marine & Telecom
- Has been instrumental in developing a host of software solutions for the Indian Navy who commended for his out-of-box innovations



Navin Rao, Manufacturing Head

- Joined MEL in the year 2000 and is presently in-charge of production units in Goa
- Responsible for production planning, execution, inventory,, inspection and delivery
- Also, involved in liasoning with Authorities in Goa

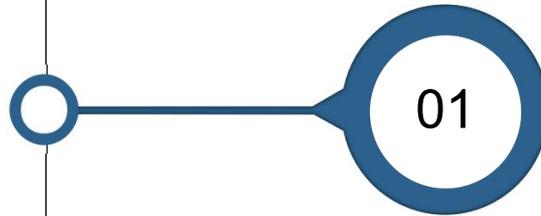


Vijay Gade, Quality Control

- 16+ yrs of experience in Automobile and Electrical Panel manufacturing industry
- Acumen in Quality Management Systems & Process

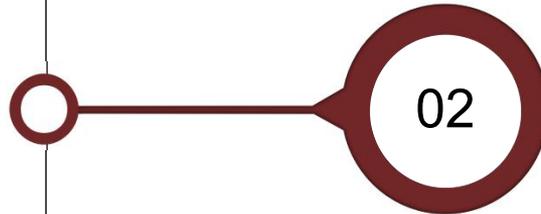
Successful track record of Acquisitions by the Company in the past

Year	Company	Objective	Product / Offering
2007-08	Automatic Electronic Controls	Product expansion	Rectifier for helicopters of the Indian Navy
2009-10	Narhari Engineering Works	Product expansion	Various type of Electric Motors; Registered with major Shipyards
2016-17	STI Company SRL, Italy	Product expansion & Market reach	Renewable and Energy Management
2017-18	Eltech Engineers Madras	Market reach	Geographical expansion in South India for Switchboards



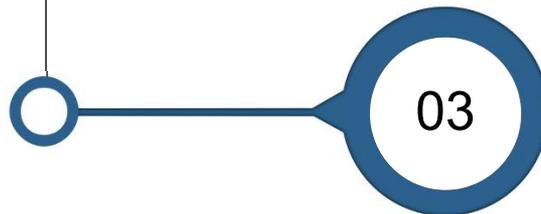
Expanding Solution Offerings

- Offering comprehensive solution for Buildings
- Expanding solution offerings in Marine as well



Geographical Expansion

- Entering South India with Acquisition of Eltech engineers & exploring opportunities to enter North & Eastern India



Strengthening Management bandwidth

- Commander Malhotra joined as COO of Marine Division
- Adding experienced people at senior / leadership position



Market Opportunities



Naval Ship

Important role in achieving 'Make in India' for Navy

Supplying highly Reliable and critical products



Commercial Vessel

Working with shipyards for large as well as inland vessels

To play role in upcoming electrical propulsion/ battery operated vessels

Data Centre

Supplier for the largest Data Centre in India

Helped in achieving Higher uptime and Safer operations



Industrial

Supplier for the USFDA Approved pharmaceutical units in India

Helped in achieving higher safety & lower operating cost



Large Building

Worked for marquee projects in Mumbai

Helped in Achieving easy modification and safety



Solar Plants

Large scope of delivery with Govt. Renewable Mission

In-house product capabilities to enable cost competitiveness

Increasing Government's focus on Defence...

- To transform India from 'Buyer's Navy to Builder's Navy
- Indian Navy Indigenisation Plan (INIP) to induct 128+ ships from existing 138 ships in the next 10 years
- Increase export orders

... Recent ordering / pick up in naval ship building

- 16 ASW Corvette order to CSL and GRSE
- 7 Frigates of 17A-class to MDSL and GRSE till 2022
- 15B Destroyers ongoing to continue till 2024
- Project 75I to acquire 6 new submarine
- 4 Survey Vessels order to GRSE

MEL - Nominated Supplier with 40 Yrs of Navy experience - Well Placed to capture Opportunity

Exploring additional opportunity of supplying **Integrated Platform Management System (IPMS)** with a tie-up with a PSU ;
Further looking to expand scope to complete installation

Vast Coast line; Focus to improve Shipping Ecosystem Infrastructure

Sagarmala

- Includes New Ports, Port Modernization Coastal Employment Zones
- Infrastructure will give boost to Commercial ship building in India

Inland Waterways

- Jal Marg Vikas Project creating National Waterways (NW)
- 8 new NW taken up in FY18 another 30+ identified
- Water metro

Island Shipping Infra

- Major infra development for Andaman & Nicobar and Lakshwadeep Islands
- Other small ticket size project

- **CSL is increasing its capacity to execute the growing order-book**
 - Adding one more dry dock by 2020
 - Adding international ship repair facility by 2020
 - Received order for A&N vessels
 - JV with Hooghly Dock for manufacture of Inland Waterway Vessels
- **Order book of various other private shipyards is also growing**

Significant **Growth Potential** for Marine Electric; Building on **relevant experience & Strong References**

Data Centers – Significant Growth in India - 3X by 2021

- Indian Data Centre Market expected to grow from US\$ 2.2 bn to US\$ 7 bn by 2020
- Achieved leadership position in Data Centre
- Add capabilities to emerge as an Integrated Solution Provider with top notch quality performance
- Repeat orders from many large marquee clients like NTT, STT, Deutsche Bank and other global companies entering India

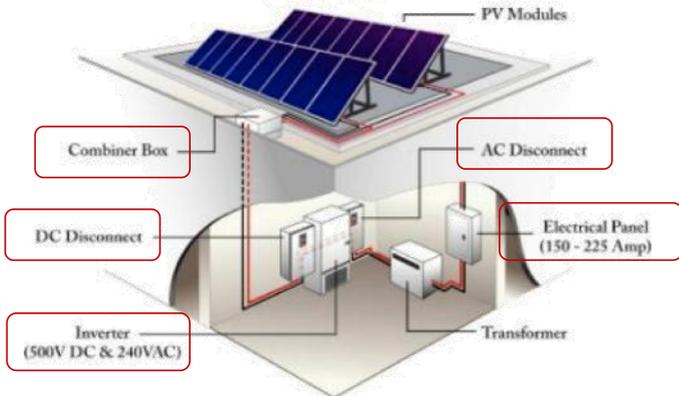


Industrial – Few Sectors witnessing Growth At Any Given Point of Time

- Traditionally strong in Pharma (USFDA requirement), Automobile; although not sector dependent
- Seeing growth in steel, cement and chemical both in green-field and brown-field expansion
- Clients with repeat business : Cipla, MRF, Huntsman & others

Residential & Commercial Complexes

- Currently involved in the electrical works related to LV& MV panels and Automation system
- Shift from conventional cables to Busbars as it offers better flexibility, higher safety and lower life cycle cost especially for large complexes
- MEL's reference list: Lodha World One, Lodha World Crest, Omkar Alta Monte
- Looking to expand into high potential Building Management Systems (BMS)



Solar EPC Project

- Govt targeting 100 GW+ of solar power by 2022
- Direct investment in solar of >US\$150bn + US\$200bn in the grid
- MEL has done EPC work in India as well as Europe
- MEL has in-house capability in various supplies needed in Solar project like MV panels, inverter, Automation, SMB, etc

Metro Rails

Already bagged order from
Nagpur Metro Project
worth Rs 6 crs; Bidding for
more cities like Pune and
Mumbai metro.



Indian Railways

Electrical equipment and
lights for RCF and Railway
infrastructure

Ports

Vehicle traffic
management system
Port management systems



Electric Vehicles

Charging Stations for Fast
Charging



Financial Highlights

₹ 380 Cr

Revenue

CAGR – 17 %

₹ 31 Cr

EBITDA

CAGR – 16 %

₹ 15.3 Cr

Net Profit

CAGR – 25 %

₹ 94 Cr

Net Worth

₹ 12 Cr

Net Debt

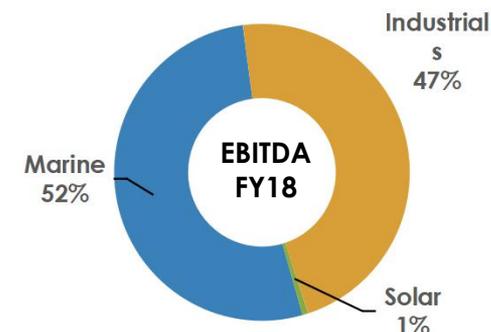
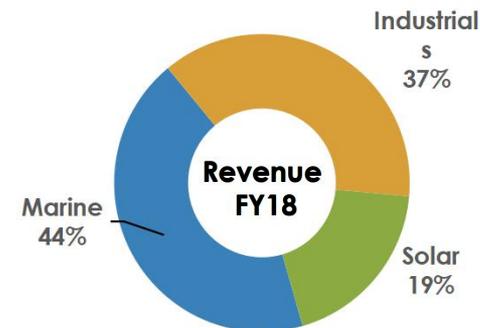
Long Term - ₹ 6.5 Cr

20.2 %

RoCE

Consolidated Financial Highlights

Rs. Cr	FY15	FY16	FY17	FY18	CAGR
Revenue	236	250	272	380	17%
Revenue Growth	11.0%	6.0%	8.7%	40.1%	
EBITDA	20	21	26	31	16%
EBITDA margin	8.4%	8.3%	9.4%	8.1%	
Net Profit	9	9	11	16	24%
Profit margin	3.6%	3.7%	4.0%	4.3%	
PAT after minority share	8	9	10	15	25%
Net-worth	53	63	75	94	
Gross Debt	24	32	40	45	
Inventory	22	13	35	46	
Receivable	59	71	110	184	
Payables	44	35	82	164	
Gross Debt : Equity (X)	0.45	0.50	0.54	0.47	
Working Capital (Days)	57	72	85	65	
RoCE (%)	18.8%	18.0%	19.4%	20.2%	
RoE (%)	15.9%	15.8%	14.8%	18.1%	



Consolidated Profitability Statement

Marine Electricals

Consolidated (Rs Cr)	FY15	FY16	FY17	FY18	CAGR
Net revenue	236	250	272	380	17.3%
Raw material	168	167	178	278	
Employee expenses	13	14	15	18	
Other expenses	34	48	53	53	
EBITDA	20	21	26	31	16.0%
<i>EBITDA margin (%)</i>	8.4%	8.3%	9.4%	8.1%	
Depreciation	6	5	5	5	
Other income	3	2	2	3	
Finance cost	5	3	5	6	
Profit Before Tax	12	14	17	23	23.5%
Tax	4	5	7	6	
Profit After Tax	9	9	11	16	24.1%
<i>PAT margin (%)</i>	3.6%	3.7%	4.0%	4.3%	
Less: Minority share in profits	1	0	1	1	
PAT after minority share	8	9	10	15	24.7%
EPS (Rs)	5.0	5.4	6.3	9.0	22.1%

Consolidated (Rs Cr)	FY15	FY16	FY17	FY18
Shareholder's Funds	53	63	75	94
Share capital	17	17	17	18
Reserves & surplus	36	46	58	76
Minority	1	1	6	7
Non-current liabilities	11	11	11	7
Long term borrowings	9	9	7	4
Deferred tax liability	2	2	3	2
LT provisions	0	1	1	2
Current liabilities	77	73	136	247
Short term borrowings	11	19	28	38
Trade payables	44	35	82	164
Other current liabilities	21	18	24	41
Short term provisions	1	1	3	4
Total Laibilities	143	149	227	355

Consolidated (Rs Cr)	FY15	FY16	FY17	FY18
Non-current assets	43	46	62	59
Fixed assets	40	43	56	57
LT Loans & Advances	3	3	7	2
Current Assets	100	103	165	296
Inventories	22	13	35	46
Trade receivables	59	71	110	184
Cash & cash equivalents	7	7	5	33
ST loans & advances	11	10	11	26
Other current assets	2	2	3	6
Total Assets	143	149	227	355

Higher Receivable & Payable in FY18

- Mainly on account of ~Rs. 73 Crs Revenue reorganisation of Solar Project in last week of March 18
- Expected to normalise with Project completion in Sep-18



Annexures

Deutsche Bank



Challenge: The stipulated timeline of this project was 49 days for supply, 7 days for testing and commissioning. Total time allowed for Supply, Testing and Commissioning was 60 days from the order confirmation.

Solution Provided: Order value was INR 13 Cr. and order was delivered within 49 days. It involved supply manufacturing panels consisting of 380 breakers, 7 ATS, and 180 meters of busducts.

Key Features: Being the main back office data center, Deutsche Bank's specification called for high-end ASCO made ATS with overlapping neutral & bypass to be integrated into our panels

We received a repeat order for Rs 26 cr

HUNTSMAN

Enriching lives through innovation

Challenge: To accommodate few panels within existing panel space without compromising on standard and retrofitting, such that existing cables can be used

Solution Provided: All ACBs and MCCBs have microprocessor based release with current measuring and individual fault indication facilities. Further, the entire project was completed based on the specifications given by the client and within the timelines.

Service Assurance: 2 year non – comprehensive maintenance over and above the warranty period of 1 year

Installed and maintained panels in a challenging 55°C and near chemicals

Cipla

Challenge: A key part of the assignment involved commissioning of the panels at site. Order included Design, Supply, Testing & commissioning of Panels and Bus Ducts.

Solution Provided: ASCO ATS were used for smooth transformation of Power from GEB to DG supply and vis-e-versa. Total order value was INR 2.50 Cr. Order executed within 2 months from P.O. received. The Main PCC had communication facilities with Plant DCS and communication established with redundancy facilities.

Key Highlights: Commissioning of Main PCC, APFC panels, DBs, MCCs etc. was completed within stipulated timeframe.

We received orders for Goa and Mumbai plants too



Vinay Uchil

Whole Time Director

B.E. in Instrumentation and PGDBA (Finance) from NMIMS

Joined the firm in 1995 and Successfully led the Company to new heights

Actively involved in developing business across verticals, mainly Marine



Venkatesh Uchil

Managing Director

B.E. in Electronics & Telecommunications and PGDFBM from S.P. Jain Institute

Joined the firm in 2002 and been instrumental in developing the Building & Industries segment

Actively involved in Procurement, Production and other Technical areas



Tanuja Pudhinerkar

Non-executive Director

She is a qualified M.D. in Obstetrics & Gynecology – 2002

Worked as a consultant at well-known hospital in Chains and currently runs and is a consultant at Oma Hospital, Chembur



Nikunj Mishra

Independent Director

Rear Admiral, Nikunj Mishra is a BSc from JNU, B Tech - Naval College of Engg., PGDBM from IGNOU and M Tech - IIT Bombay

He served the Indian Navy till 2011 and has won many accolades like the Nao Sena Medal

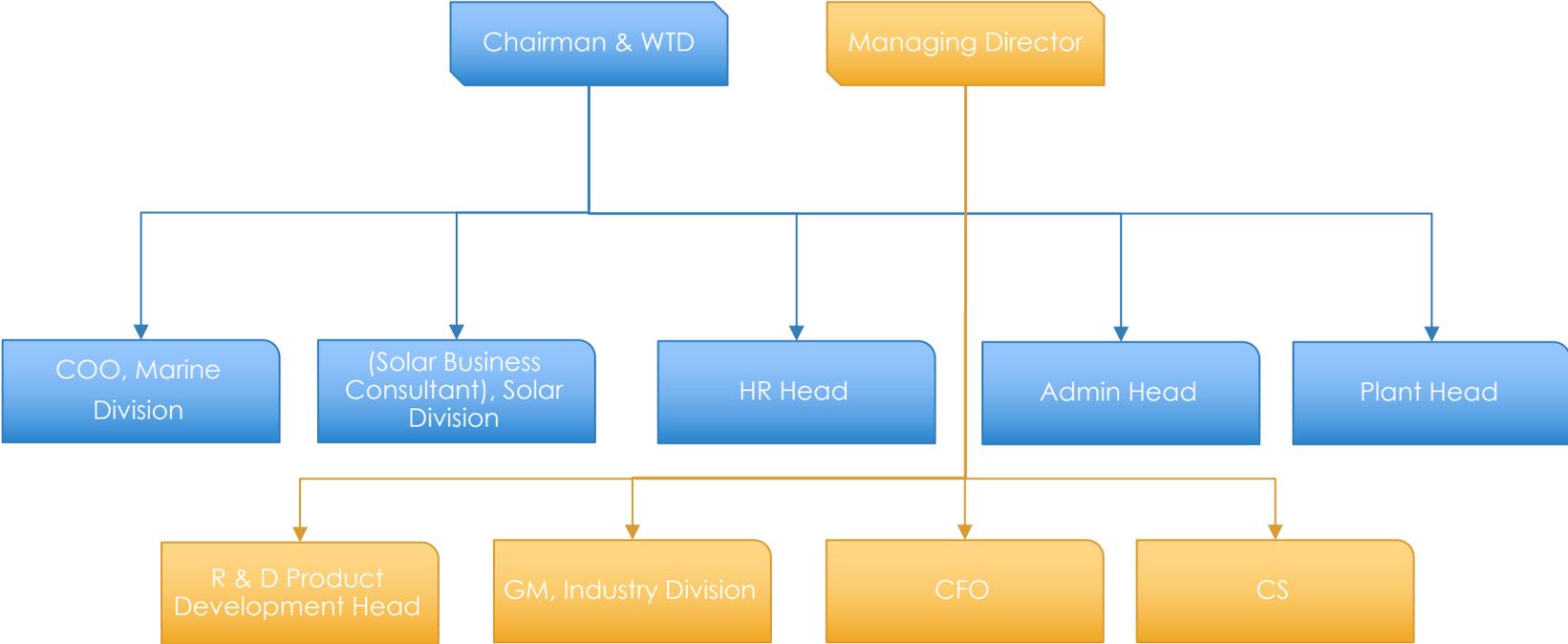


Madan Pendse

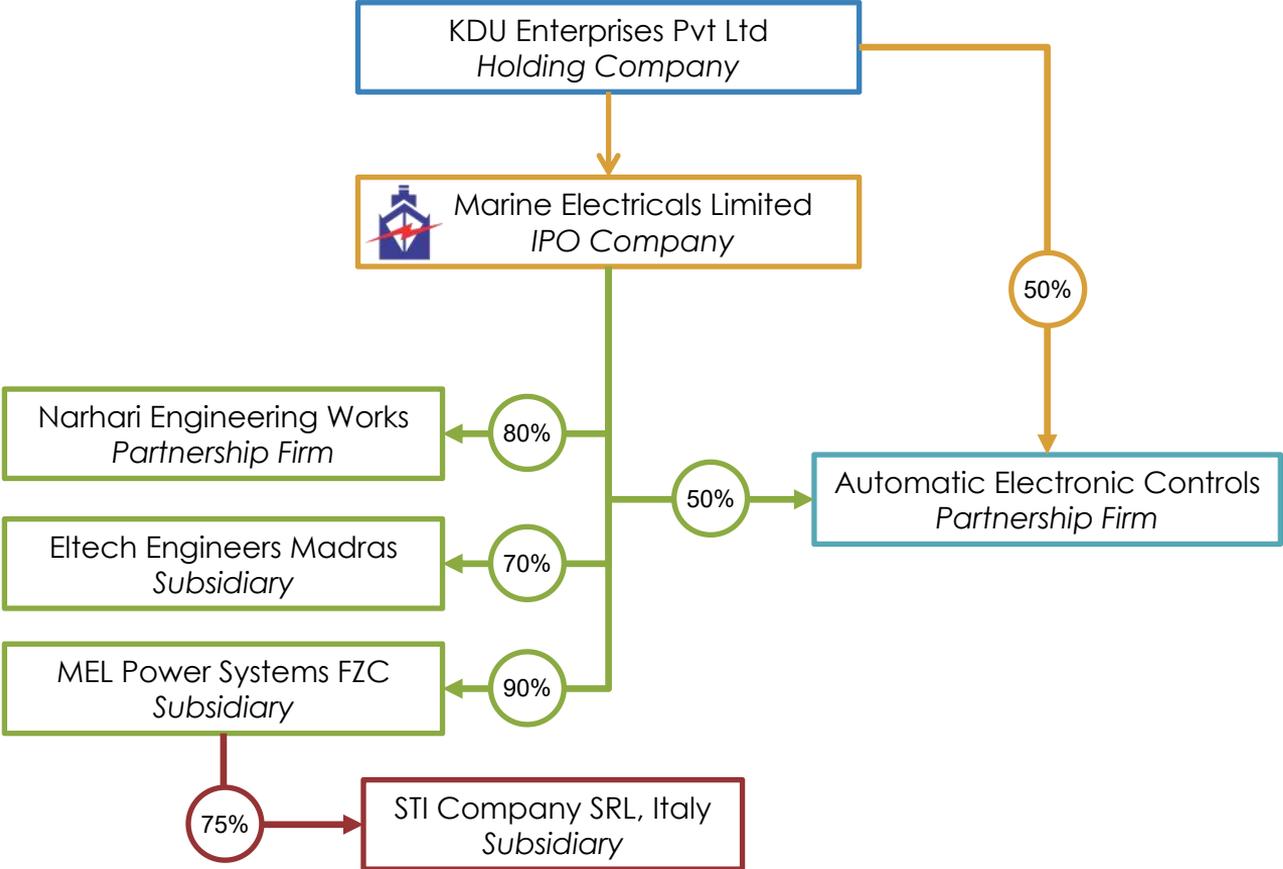
Independent Director

He is a qualified Bcom and MBA in Finance

Of his vast Finance & Accounting experience of 35 years, Mr Pendse was associated with Mazagon Dock for 28 years



Supported by a Team of Engineers, Technicians and Skilled workers



India

- Facilities in Goa, Mumbai , Chennai & Surat
- Combined shop floor area of 14,000 square meters
- Equipped with latest software for in-house product design and development
- Integrated facility under one roof right from sheet metal forming, painting assembly wiring and testing.
- Testing and inspection as per stringent quality norms (ISO 9000 Standards)



Outside India

- Manufacturing facility in **Sharjah UAE** to cater to the Middle East market.
- Manufacturing facility in **Italy** specialised to cater to electrical and automation equipment for local European market
- Both facilities ISO 9001 , ISO 14401 and ISO 18001 certified



Quick Facts

- Marine Electricals Strength has been prompt and effective service
- We have trained service engineers and technicians of various streams in electrical, automation and electronics at all our service centers
- Engineers are regularly sent for OEM trainings in addition to trainings in our Inhouse training facility
- WE maintain over 400 radars for Indian Navy and Coast Guard through Annual Maintenance contracts





For Further Information, Please Contact:

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www.stellar-ir.com
