Date: June 10, 2021

Listing Department, The National Stock Exchange of India, Exchange Plaza, C-1 BandraKrla Complex, Bandra (E), Mumbai- 400051, NSE Symbol: SALASAR	**Department of Corporate Services, The BSE Limited, PhirozeJeejeebhoy Towers, Dalal Street, Mumbai- 400001, BSE Scrip Code: 540642**

Subject: <u>Earning call Transcript</u>

Dear Sir/Madam,

Pursuant to Regulation 30 (Listing Obligations and Disclosure Requirements) Regulation, 2015 enclosed herewith the transcript of conference call held on 02nd June, 2021 and information asked during con call, enclosed as reply of con call queries, for your record and further dissemination.

Thanking You
Yours faithfully

For Salasar Techno Engineering Limited

Rahul Rastogi

Rahul Rastogi
Company Secretary

Salasar Techno Engineering Ltd.

Encl: as above

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Salasar Techno Engineering Limited
Q4 FY21 Earnings Conference Call
June 02, 2021

Moderator: Welcome to the Q4 FY21 Earnings Conference Call of Salasar Techno Engineering Limited. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing "*" the "0" on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand over the floor to Mr. Smit Shah, Pareto Capital for their opening remarks. Thank you and over to you sir.

Smit Shah: Thank you. Good evening everyone. This is Smit Shah from Pareto Capital. We represent investor relation for Salasar Techno Engineering Limited. On behalf of Salasar Techno Engineering Limited, I welcome you all to our Q4 and FY21 Earning Conference Call. I have with me from the management Mr. Shashank Agarwal, Joint Managing Director and Mr. Pramod Kala, Chief Financial Officer. We will have a brief opening remarks from the management followed by the Q&A session.

Please note that certain statements made during this call may be forward-looking in nature. Such forward-looking statements are subject to certain risks and uncertainties that could cause our actual results or projections to differ. Salasar Techno Engineering Limited will not be in any way responsible for any such action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements. I would now hand over the call to Mr. Shashank Agarwal for his opening remarks. Over to you sir.

Shashank Agarwal: Thanks Smit. Good evening, everyone and welcome to Q4 and FY21 earnings conference call. I hope everyone is keeping safe and healthy during these tough times. Let me start the call by taking you through some of the key developments during this financial year. The year gone by has been a challenging one, starting with the nationwide lockdown, which led to a lot of uncertainty as business come to a standstill, however once the opening of the economic activity started. We have seen things getting back on track.

I'm happy to share that our manufacturing units and projects had been running smoothly post the initial hiccups during the early this year. In fact, this year we have seen some key operational developments which will shape our growth journey going forward. With the strong expertise and experiences of steel fabrication during this year, we successfully completed our planned CAPEX to set up new units to manufacture large and heavy structures. This unit will provide heavy structural fabrication for bridges, power plants, airport hangers, metro stations, stadiums and prefabricated structures for buildings. The new unit has been installed with a capacity of 15,000 tonnes per annum, which is one of the largest installed capacity in Northern India for manufacturing of such products. This offering will not only help us in opening up of new revenue streams, but also lead us to become one of the leading players offering total customized steel structures for all uses.

We have incurred a total CAPEX of about Rs.20 crore on this new vertical. The unit has been commissioned and was ready for commercial production as on March end. As on date we have an order book of Rs.70 crores under this vertical to supply about 8,400 metric tonnes of structures. The order we have received are from the various reputed companies in India. And, I'm happy to share that the dispatches against these orders had started earlier this week. Along with the strengthening and increasing domestic presence, we are also working towards increasing our exports of telecom towers. During the year we entered into our two-year supply agreement with American Power Corporation to manufacture and supply telecoms towers for African markets and in the very first year itself we have received and successfully executed export orders to ATC worth Rs.27 crore. During the year our export revenue stood at Rs.35.5 crore versus Rs.27.8 crore as of last year. The year-on-year growth of about 28%.

On the transmission and distribution segment we are seen increased tendering, but we are also been selective in the projects that we bid. The total order book as on 31st May 2021, stands at Rs.988 crores. This mainly includes EPC orders outstanding that is pending to be executed as on 31st March for a value of about Rs.260 crore. EPC orders which have been received after 31st March during the last two months April and May for about Rs.326 crore. We are also lowest bidder and waiting for the LOI of EPC orders worth Rs.80 crore and we already have orders for our manufacturing heavy structure new plants of about Rs.70 crore. And we also have a pending order which is under execution for Bangalore metro track laying along with our JV for about Rs.250 crore.

Now, coming to the financial highlights for the quarter and the years ending 31st March 2021. I'm glad about the performance our team has delivered during these challenging times. On a consolidated basis we have registered highest quarterly revenue for any quarter that is for this quarter 2021, at Rs.211.5 crores. This is a 95% year-on-year growth over Q4 FY20. This has been driven by robust growth in both our steel structures manufacturing as well as EPC business. EBITDA for the quarter stood at Rs.19.2 crores compared to Rs.9.6 crores in Q4 FY20. Reporting a year-on-year growth of 100%. EBITDA margin for the quarter stood at 9.1%, the reported PAT for the quarter stood at Rs.9.9 crores, compared to Rs.3.1 crore in Q4 FY20. And increase of 163% on a year-on-year basis with the PAT margin of 4.7%.

For the financial year FY21 our revenues from operations stood at Rs.596.6 crore compared to Rs.526.3 crore in FY20. A year-on-year growth of 13%, and that is when we have been able to work only for about 10.5 months. EBITDA for the year was Rs.57 crore compared to Rs.51.8

crores a growth of 10%. PAT for the period stood at 29.9 crores compared to 22.4 crores in the previous year.

To speak about segmental revenue contribution in FY21, revenues for manufacturing of steel structures stood at 80%, EPC by transmission at 14%, EPC railway electrification at 6%**.**

I am happy to share that the Board of Directors has considered and approved issue of bonus shares to the shareholders in the ratio 1:1 subject to approval of shareholders. For the financial year 2021 the Board of Directors have recommended a final dividend of Rs.1 per equity share that is 10% of face value equity share subject to approval of the shareholders. It is importantto mentioned here that 10% is on the increased equity which should be post bonus, so on the current equity it is 20%. I would also like to update you that during the financial year the company has raised funds of Rs.17.1 crores by way of issue of 10 lakh preferential share warrants and the funds were primarily utilized for the capex done on our new vertical.

Another development that I would like to share with you is the appointment of Mr. Uttam Prakash Agarwal, Chartered Accountant as an advisor to the board. He is a Chartered Accountant with over three decades of experience in the field of taxation, finance, and restructuring. In the past he have carried out statutory audits for government undertaken mutual funds, and he has served on the board of many big companies. Our company wishes to gain from the vast experience he possess and his services and would like to further improve on the corporate governance in our company.

We are very confident about the opportunities in our focus sectors. We continue to see a lot of opportunities coming in our way. As the telecom operators who are working towards improving their connectivity. Also in the near future once the rollout of 5G begins, we expect exponential rise in demand of telecom towers, increasing the demand from power and railway EPC segment and also our new steel structure segment. We remain committed and are working towards our set targets of achieving higher profitable growth and becoming one of the leading players in our industry. I would like to thank all our stakeholders for their continued support and faith in us. And at the same time, I would like to thank my team at Salasar for putting all the efforts together. This is all from my side. I would now ask the moderator to open the floor for question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Shagun Sharma an Individual Investor. Please go ahead.

Shagun Sharma: I had two questions basically. So, first as I understand that telecom is a significant revenue contributor for the company. And it is also heard that in the coming quarters 5G trials will start in certain urban and rural areas. So, what are the prospects as a tower manufacturer if you can please elaborate sir?

Shashank Agarwal: So, thank you. And telecom of course, is our main revenue generator, we started primarily as telecom towers manufacturer and we continue to be the market leaders in telecom towers manufacturing and having maximum number of market share in the market. As, far as the telecom towers required for 5G, the 5G trials which are going to happen are only at initial level, most of the companies which will take part into the major expansion, which is going to happen was the spectrum auction early next year. And we are already seeing that activity happening as a customer and we are in a lot of demand coming in from them, in terms of increased and improved device for 5G which we're working upon. We have already put few sample size for them. And we expect a lot of growth coming in once the 5G is actually launched commercially early next year. But even today, except baring these two months April and May, wherein the site built was held up because of pandemic all over the country. And the customers have decided not to roll out anything because the health issues, the customers have now started coming in. And the work on the sites have started and a lot of expansion is already happening for 4G. So, I would like to mention here once again, though I've told this in earlier concalls also. For 5G, there'll be a lot of standalone site whereas there will be lot of non-standalone sites also, so, non-standalone sites would be that the 5G would be deployed on their existing towers of 4G and the standalone sites would be where only 5G antennas would be there. So, there is a lot of expansion happening for the 4G at the moment, which ultimately are going to be used for 5G as well.

Shagun Sharma: Alright sir. And sir my second question pertains to the railways front. What kind of opportunities are we seeing and what is the current order book in this segment and are there any new projects which we have bided for sir?

Shashank Agarwal: Yes, so we keep on bidding for new projects. And as on date for railways we have a pending order book of about 76 crore. And we also have a pending order book wherein we are doing track laying for Bangalore Metro for 250 crore through our JV Salasar Adrous. So, in total about 325 crores is something which is under execution and probably we have bided for about another 300 crores of new projects in the tenders have been submitted. And I see a very robust growth in the railway business as a governments focus area and there is a lot of focus from the government agencies, railway electrification and overall development of the railways.

Moderator: Thank you. The next question is from the line of Dhiral from Phillip Capital. Please go ahead.

Dhiral Shah: Sir on the EPC side how is the current execution activity. So, wanted to know all our projects working with 100% labor force or are we facing any issues?

Shashank Agarwal: Of course during April and May our EPC activity was a bit, because of pandemic activities were of course affected, but we were still working almost on all the projects with 50% of the labor, somewhere with 60% or 40%, but yes it was not completely stalled, but it was going on and in fact we have completed a couple of projects in this time.

Dhiral Shah: Okay. And sir in this new manufacturing unit, we have already secured 8400 metric tonne of order, which is worth 70 crore right?

Shashank Agarwal: Yes.

Dhiral Shah: But sir you guided that maybe for the fully we can generate 100 crore kind of a revenue but when I look at the, at 50% capacity sir we can generate 70 crore so this plant has a potential to generate 150 crore kind of a revenue?

Shashank Agarwal: So, this 8400 tonnes takes time to deliver we cannot deliver it like overnight, it will take at least seven to eight months to delivery IT. So, we expect to do around 10,000 tonnes during the whole year. 10,000 to 10500 tonnes during the whole year giving a revenue of about 100 crores.

Dhiral Shah: Okay. And sir lastly, any order inflow guidance for current year?

Shashank Agarwal: So, right now we have a pending order book of about 1000 crores wherein EPC orders which are pending for execution is about 260 crores, EPC orders which we have received during last few months about 325 crores odd and we are expecting orders on LOI where we are already L1 of about 80 crores, 70 crores is something which is coming from our new vertical and Bangalore Metro is something which is 250 crore which adds up to about 1000 crores of order which is to be executed, our most of the EPC projects will not be executed during this year but 18 to 24 months or more to execute all these orders. And apart from this we have a regular orders from telecom sector of about 25 to 30 crores every month. Which we normally don't take in the order book as such because it's a everyday order kind of a thing.

Dhiral Shah: Okay. And sir how much we have won in FY21, total order inflow all the segments?

Shashank Agarwal: Order inflow in FY21 has been about, we have received orders in FY21, we have executed 170 crores. What is that we have received during financial year 21, I can come back to you I don't have those figures right in front of me. But we can get back to you with those exact numbers.

Dhiral Shah: Okay. And sir any revenue guidance or volume guidance for current year?

Shashank Agarwal: See, we have lost two months. Of course, we have lost some ground during last few months in terms of our EPC business and especially from telecom also, but I believe we would cover it back by at least 30%, 40% in the next 10 months. So, all given the fact situation remains same , situation remains and there is no effects on pandemic or lockdowns, we should be at least up by 40%, 45%.

Dhiral Shah: 40%, 45% revenue growth?

Shashank Agarwal: Yes.

Dhiral Shah: Okay, can margin would be 10% to 11% right, in the bank?

Shashank Agarwal: Yes, typically in our line of business, EBITDA margins are in that range only.

Moderator: Thank you. The next question is from the line of Kalpesh Gothi from Valentis Advisors Private Limited. Please go ahead.

Kalpesh Gothi: Sir my question related to our two segment, steel structure and EPC, what we have seen that in Q4 there is a sharp decline in the margin of the steel structure. That is, we have seen a very good execution of EPC in Q4, which led to higher EBIT. So, what was the reason behind the decline in the EBIT for the steel structure?

Shashank Agarwal: Okay, You have seen how the steel prices have moved right, the steel prices have gone through the roof during last six months, every month they're been increasing and in our line of business though it is a pass through but that is not passed immediately that month itself. So whatever we have sold in February and March, we had to buy raw material at that point in time but though the effects of those prices have come only in April and May. You understand my point, so suppose we are billing to a telecom operator in March. The price of a products are based on the average raw material pricing of February. So, similarly the February prices are based on January raw meterial prices. So, similarly when the price of the steel went up, especially during February and March went up very high, wherein you were executing orders which were received already in January and February. So the effects of new prices could come only in April and May.

Kalpesh Gothi: So it's a fixed pricing contract?

Shashank Agarwal: No, that's what I am saying it's never a fixed pricing contract. What arrangement we have with telecom operators is that, every month they decide a price starting from 7th of that month to 6th of next month. Let say we are sitting on 2 June, so we are following a price which has been decided by them from 7th of May to 6th of June. And now this price is based on the raw material prices which were there in April, Average prices plus conversion. Now, suppose I am buying something which is in May the raw material and the prices have gone up but I am converting that into a tower during this month. So, my margin on that subsequent tower goes down. Whereas when I sell it in the month, next month my prices will be higher, so this is cycle it keeps on going. So, it averages itself during the year, on a monthly basis or on a quarterly basis the reflected in a positive or a negative way, both ways.

Kalpesh Gothi: So, do it also affect our EPC margin?

Shashank Agarwal: EPC margins are not affected that much, except to the extent that probably the steel needs to be bought, in March was at a slightly higher priced compared to what we had anticipated because some of the projects are of fixed price contract. But in most of the cases for transmission we have a price variation clause but in some cases like doing substation structure or substation foundation or a installation on complete new substation you have a fix price contract because the stock comes on price of about four to five month. So, in those cases there is no PV clause sometimes the risk comes in.

Kalpesh Gothi: So, the EPC also procures steel structure right so it maybe the inter segmental sales?

Shashank Agarwal: Yes.

Kalpesh Gothi: So that will be at, what price they do?

Shashank Agarwal: You mean from manufacturing to EPC what price?

Kalpesh Gothi: Yes.

Shashank Agarwal: So, since the project is in the name of Salasar only we are not selling to a third party outside. So, whatever is the contract value with Salasar with the ordering agency let say we have a order from state electricity board. At whatever price the order is, we sell at that price, plus the PV.

Kalpesh Gothi: Okay. So, now the price is also softening what we have seen off late now.

Shashank Agarwal: The prices haven't softened down till now but yes during the monsoon prices should soften down. That's what we are also expecting. So, suppose even the prices softened down now in the month of June, we will have a price based on the May rated which is high. So, probably this month our margins would be higher compared to what it was in the month of March.

Kalpesh Gothi: So, it's basically it may be go up, go down depending on the price?

Shashank Agarwal: Yes. Balances out over the year.

Moderator: Thank you. The next question is from the line of Tanaya Mahajan, an Individual investor. Please go ahead.

Tanaya Mahajan: So, I wanted to know about the utilization levels of the current financial year and what is the maximum amount of it we can achieve?

Shashank Agarwal: Utilization of?

Tanaya Mahajan: The utilization levels for the current financial year?

Shashank Agarwal: Utilization levels of Plant capacity you are saying?

Tanaya Mahajan: Yes, the capacity for the production.

Shashank Agarwal: Okay. So, last year, as I said, we worked for about 10.5 months because April was completely lockdown, May we had started opening up in UP. And the labor started coming in and then in May we were working at about 40% to 50%, last year I am talking about. And then from June onwards we started running in both the shift so last year, our installed capacity is about 100,000 tonnes, even if we have 80,000 tonnes, because of the mix of materials we consider this as 100%, so this year we did 62,000 tonnes during 10 months and 10.5 months which I would consider almost 90%, 80% capacity and this year again, of course April, May wash out but I believe it will take couple of months to come back to normal situation. I hope that answers your question?

Tanaya Mahajan: Yes, that was helpful thank you. And another thing that I wanted to know, could you give us some information on the client front as to, who are your top five clients and what is the contribution from them?

Shashank Agarwal: Okay. So we have a wide variety of clients in telecom if I talk about, so we are market leaders in telecom as I said, we have Indus Towers and we have Bharti Infratel which is now part of Indus Towers, so Indus Towers is the biggest tower company in the world outside China and they are our biggest clients and we enjoy the maximum market share with them. along all the suppliers. Then we have American Tower Corporation in India. Again, we have 50% market share with them for whatever they roll out. And then we have Reliance Jio, so there are three major customer in the private sector which are our clients. And then we also supply towers to company like HFCL and BSNL. Or now recently we have got orders from ITI about 55 crores for towers. And apart from telecom towers we are working with state electricity boards, PGCIL, CORE that is for railway electrification. So, in terms of if I say top five clients in telecom there are three and then we have UPPTCL, HVNL, Jharkhand, then we have now Assam we are working in, we are working Arunachal also, recently we got some projects from PGCIL for about 235 crores. And in railways we are working in Gujarat, we are working in UP, Punjab, Haryana, Delhi and we are also working in Bangalore for Bangalore Metro, so all these are big client. I hope that covers your point?

Moderator: Thank you. The next question is from the line of Shagun Sharma, an Individual Investor. Please go ahead.

Shagun Sharma: If you can help us understand the opportunity size for the heavy structure unit that we have recently set up and what is the maximum which we can cater to currently sir?

Shashank Agarwal: So, this is going to cover a lot many types of structures, this is dedicated to the customization as per the requirement of the customer, we can build structures for out of ROB, that is railway over bridges, we can build structure for flyovers where in with the same under the road flyovers you have those heavy steel structures, that we manufacture, we can make structure for power plants, we can make structure for a big steel plant, where the expansion is happening we can make structures for stadiums, airports, hangers. Even prefabricated buildings, or prefabricated buildings which are coming up, we can make structure for that. And we have put in our best machineries which are available in the industry. And as I mentioned, we already have orders of about 70 crores in this vertical and we have started on a very good note and we expect to grow substantially in this sector, sooner than later.

Shagun Sharma: Okay, sir and how do we procure orders under this division is it to tendering or we secure orders from private companies who are currently executing the infrastructure projects?

Shashank Agarwal: Well, I would give you an example. Most of the companies or the infrastructure providers bid orders, they will come to us that's number one. we were working with Tata Steel also, we have got a good order from them for expansion of the steel plant. So all the columns, structures all the specialized structures, customized structures is done by us for them. So, it's both ways we haven't participated in the tenders as such, we have procured orders directly from the parties who either have bided in some tenders for the orders or who on their own require these structures.

Shagun Sharma: Alright sir. And sir one last question. Are there any plans to further increase the capacity once you achieve full utilization sir?

Shashank Agarwal: We will look forward to that, yes.

Moderator: Thank you. The next question is from the line of Sarika Kukshya an Individual Investor. Please go ahead.

Sarika Kukshya: This current order book of 1000 crore is to be executed during current fiscal itself?

Shashank Agarwal: No, the EPC orders are typically to be executed over 18 months to 24 months or even 30 months, like we are executing order of Bangalore Metro, that's about 30 months order. Similarly some of the orders are to be executed over 12 months, some are over six months, some are over 18 months. As on date the order which under execution which are likely to be closed within this year would be about 300 crores is what I am expecting maybe around 250 to 275 crores. It's something which we are expecting to close within this year and rest of that would be going to the next year and then.

Sarika Kukshya: Okay, and over about that would be the 100 crores extra?

Shashank Agarwal: Yes.

Sarika Kukshya: And from telecom as well, we are expecting another 200 crore to 300 crore?

Shashank Agarwal: So, telecom typically we do, last year we did about 350 crores in telecom alone. So, I expect those numbers to be even better, there's no reason that those numbers should go down.

Sarika Kukshya: Okay. So, there is no direct cost opportunity and this side which is actually. So, look at the opportunity size. From the numbers which are actually floating across, we don't see any sort of constraints, so to speak in grabbing as many orders as we require. However, without getting into the trap of keeping up and holding our working capital and other sort of constraints, if we can probably explain at what point would we be comfortable aiming for higher growth rates on the top line?

Shashank Agarwal: As I said, we have closed this year at around 600 crores and I don't see any reason that we should not be doing a growth of 40%, 45% this year in spite of two months being wasted on account of pandemic. If everything remains okay, we are not affected by pandemic any further. And as far as capital concerns of working capital constraints are concerned. We have restricted ourselves to about 25% to 30% of EPC business. See our structure business and our telecom business is less working capital oriented in terms that we can get the payments within 25 to 30 days or even maximum 60 days. Whereas, EPC working capital cycles are longer which stretches the overall working capital cycle for the company. And that will be the reason that we restrict ourselves maximum to about 25% to 30% of EPC business overall. So, even if we do 250 crore, 270 crores next year the top line should accordingly be a balance of that would may be coming from manufacturing.

Sarika Kukshya: So, which segment would be the keen on getting more orders from?

Shashank Agarwal: See, we are always looking for good orders whether it is for manufactures or EPC but now as we have good order book. We normally restrict ourselves and we become selective in keeping up the tenders where we would like to participate. We have an opportunity where in we can even get 2000 crores or even 5000 crores orders today. But that wouldn't help because we don't have capacity to and capability to execute all these orders. Plus, we don't want to get into the that space currently**,** so we normally pick up projects where in we have number one the capability and capacity to execute. And we have margins, just to increase the top line we don't pick up the orders, we focus more on the bottom line.

Sarika Kukshya: Right. So which segments would those be which would be margin lucrative, across the vis-à-vis the EPC ones, I believe every segment lucrative?

Shashank Agarwal: So, well it depends, EPC business has better margins, with better margins some are not, so that's what I said when we have bidding for projects we keep an eye on definite margin availability so that end of the day we are left with something. it's not that we should not get the desired margin after the project is completed. But yes, I would like to reiterate that we are more focused on manufacturing wherein we have better working capital**.** So, given a choice we would prefer to take manufacturing orders of the same value compared to for the EPC project.

Sarika Kukshya: So, if that's the case then we should be investing more. When it comes to the capacity at this juncture itself because we already have a vision from the government as to what they actually are aiming for. If we also plan to grow along the size of the opportunity, we should be proactive?

Shashank Agarwal: Of course, you're absolutely right. And in fact, we are working towards that, and we are now working in that direction only and plus, we have a plan on the discussion to put a new galvanizing plant which would add to the capacity. We are yet to announce that, but we will do that sooner or later because once it is finalized we will do that. You are absolutely right, we are thinking on the same direction.

Moderator: Thank you.

Shashank Agarwal: I will just mention one more thing here, one of the participant had asked for the order during this year, so EPC orders we have received for about 375 crore during the year.

Moderator: Thank you. The next question is from the line of Kaushik Thakral an Individual Investor. Please go ahead.

Kaushik Thakral: Sir, I have three queries in my mind. How will 5G rollout will be beneficial for our company, if 5G devices can be installed on the existing towers?

Shashank Agarwal: So, I just mentioned that in my previous answer, so there will be lot of towers which will be utilized only for 5G it could be new towers and there will be lot of towers wherein 5G antennas would be deployed on the existing towers itself, so it will be a mix of existing towers plus new towers. Yes, 5G enables the opportunity for companies like us, we are in lot of demand for infrastructure which they require to seamlessly connect on a 5G.

Kaushik Thakral: Okay, I got it and then I have read somewhere that company is planning to enter in renewable energy and artificial intelligence also is it right?

Shashank Agarwal: So, we already do structure for solar power plants. So that is what we do related to renewable power and yes on the artificial intelligence side, we have done some trials in-house wherein we are trying to do surveys of towers through drones and those are very, very nascent stage I would say.

Kaushik Thakral: It is a remarkable growth for our company sir.

Shashank Agarwal: Thank you very much it's your company.

Kaushik Thakral: And sir third query in my mind is, cyclone like Taute type of cyclone which recently came so all this beneficial for us or harmful?

Shashank Agarwal: Cyclone is harmful for the whole country and people, if there is some damage because of it then we need new structure there but it's a loss for the whole country.

Moderator: Thank you. The next question is from the line of Kamlesh Shah from Disha International Limited. Please go ahead.

Kamlesh Shah: Can you explain me, I see the balance sheet that there is a huge increase in the other income from last year from 170 lakhs to 1000 lakhs. So what it consist of?

Shashank Agarwal: So, Pramodji would you like to answer that?

Pramod Kala: See mainly out of this around more than Rs.2 crores is from the interest income and some amount of Rs.8 crore is around the value increase in whatever investment we are having basically as per accounting standards. So this is around more than 200 lakh, 2 crore is the interest income and approximately 8 crore is from increase in the value of the investments.

Kamlesh Shah: Value in investments so basically that was the main part of the increase in other income?

Pramod Kala: Yes.

Kamlesh Shah: Okay. so after issuing the bonus what percentage of the revenue will increase in the next year?

Shashank Agarwal: Revenue doesn't have any relation with the bonus issue as such. Bonus has been issue.

Kamlesh Shah: The capital rate is doubled?

Shashank Agarwal: See the capital would be doubled. Of course, it's only the bonus share company is not getting anything by issuing bonus share, we are not getting, capital is increasing.

Kamlesh Shah: So, what will be the expected revenue, income from the operations from the next year?

Shashank Agarwal: So, as I said this is irrespective of the bonus issue, bonus issue has got nothing to do with the revenues of the company, the issuing of bonus share, company is not getting any additional revenue, number one, not additional capital. it is being issued from the reserve and surplus of the company that's number one. As far as our revenue top line is concerned I already mentioned that we are expecting a growth about 40%, 45% next year, in spite of the pandemic that we are going through.

Kamlesh Shah: So, you will be able to cross like 1000 crore income in the next year?

Shashank Agarwal: 40% doesn't add up to 1000 crores.

Moderator: Thank you. The next question is from the line of Sharad Singh an Individual Investor. Please go ahead.

Sharad Singh: Sir, you said you expect a 40% growth in the next few years and you've said, you are looking to restrict your EPC segment. So, where is the growth expected and what can the margins look like next year, any change in margin profile?

Shashank Agarwal: So, 100 crores we are expecting from the new vertical which we have just started as we said for the heavy structure division. And telecom and other structures would also grow by 10% to 12%, because there are reasons, one the steel prices are already high and plus that we will try and do more tonnage so on both the front that would increase and EPC business out of as I said would be around 250, 260, 270 crores somewhere. So, should end up to around 850 odd crores plus minus on the top line. As far as the margins are concerned we typically operate at 10%, 10.5%, 11% EBITDA margins, in the best case scenario it will be 10.5 or 11%, worst case scenario it should be 9.5% to 10%.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Agarwal from Salasar Techno Engineering Limited for closing comments.

Shashank Agarwal: Alright, if there are no further questions. Then, I would like to thank everyone for the participation in our Q4 and FY21 earnings call. In case of any further queries you may get in touch with Pareto Capital Advisors or feel free to get in touch with us and we look forward to interacting with you in next quarter. And, I would like to wish everyone a great day and keep safe during this pandemic, stay safe, stay healthy, keep distance, wear mask. Thank you very much.

Moderator: Thank you. On behalf of Salasar Techno Engineering Limited, that concludes this conference. Thank you for joining us and you may now disconnect your line.