

Dated: 11.02.2019

To,

The Manager – Listing National Stock Exchange of India Ltd. Exchange Plaza, BandraKurla Complex Bandra East Mumbai – 400051 Symbol – SALASAR	The Secretary Corporate Relationship Dept. BSE Limited P.J.Tower, Dalal Street, Mumbai – 400001 Scrip Code: 540642
---	---

**Sub : - Investor Presentation**

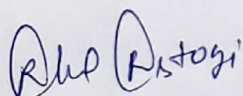
Dear Sir/Madam

Please find attached herewith Investor Presentation of the Company w.r.t. Financial Results of the Company for quarter and nine months ended 31<sup>st</sup> December, 2018, for your record and further dissemination.

Kindly take the same on record.

Thanking You,

Yours Sincerely

For **Salasar Techno Engineering Limited****Rahul Rastogi**

(Company Secretary)

**SALASAR TECHNO ENGINEERING LTD.**

Works : Unit-I : Khasra No. 265, 281-283, Vill.- Parsaun- Dasna, P.O.- Jindal Nagar, Distt. Hapur- 201313 (U.P.)

Ph.: +91 8938802180 / 7351991000 Fax : +91-11- 15823834

Unit-II : Khasra No. 1184, 1185, Vill - Khera, P.O. Pilkhuwa, Tehsil Dhaulana, Distt. Hapur-245304 (U.P.) PH.:+91 8938802184

Office : KL - 46, Kavi Nagar, Ghaziabad-201002 (U.P.) Ph.: +91 120 - 6546670, Fax : 91 - 11 - 45823834

CIN No.-L23201DL2001PLC174076 E-mail : towers@salasartechno.com Website : www.salasartechno.com

**An ISO 9001:2015, 14001:2015 & 18001:2007 CERTIFIED COMPANY**

Regd Office : E - 20, South Extension - 1, New Delhi - 110049

**SALASAR**

# **Salasar Techno Engineering Limited**

**Q3 & 9M FY19  
Result Update Presentation**





# Disclaimer



**SALASAR**

*This presentation has been prepared by Salasar Techno Engineering Limited (the “Company”) solely for information purposes and does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.*

*This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.*

*Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.*

# Disclaimer

A red circular graphic with a white outline, containing the number "01" in white. It is positioned to the left of the first menu item.

**Consolidated Financial Highlights**

A blue circular graphic with a white outline, containing the number "02" in white. It is positioned to the left of the second menu item.

**Company Overview**

A purple circular graphic with a white outline, containing the number "03" in white. It is positioned to the left of the third menu item.

**Business Overview**

A red circular graphic with a white outline, containing the number "04" in white. It is positioned to the left of the fourth menu item.

**Industry Overview**

An orange circular graphic with a white outline, containing the number "05" in white. It is positioned to the left of the fifth menu item.

**Way Ahead**



## Consolidated Financial Highlights

Commenting on this development, **Mr Shashank Agarwal**, Joint Managing Director, **Salasar Techno Engineering Ltd.** said,

*“This nine months FY19 we have been able to deliver a growth of 34% in our revenues. Our telecom business has contributed more than 61% backed by strong demand from telecom operators to develop new sites and increase their coverage area. Also, our transmission business has contributed 29% towards the revenue.*

*We believe we are well positioned to capitalize on opportunities in the industry and will be able to increase our market share progressively. At the same time, investments in electrification of railways will help companies like ours to continuously improve and perform better with lot of opportunities opening up going ahead. We are confident of maintaining this current growth momentum in our revenues and have a strong visibility of order over the next few quarters.*

*I would like to thank entire team of Salasar Techno Engineering for their untiring efforts. We are confident of maintaining the current growth momentum and continuously improve with better performance as we see lot of opportunities opening up going ahead”*



# Consolidated Financial Highlights – 9M FY19 (YoY)

**SALASAR**

**+ 34%**

**Rs. 467.29 Cr**

Revenue from Operations

**+ 32%**

**Rs. 50.08 Cr**

EBITDA

**+ 16%**

**Rs. 23.10 Cr**

PAT

**+ 5%**

**Rs. 17.39 vs Rs. 16.48**

**9M FY18**

Basic EPS\*

**Strong Performance driven by Telecom, Railway Overhead Electrification structure and EPC segments**

*\*\*In accordance with the requirements of IND AS18, Revenue from operations for the period end is shown net of GST*

# Consolidated Financial Highlights – Q3 FY19



Rs. Cr	Q3 FY19	Q3 FY18	Y-o-Y(%)	9M FY19	9M FY18	Y-o-Y(%)
<b>Income from Operation</b>	150.65	131.01		467.29	355.66	
Excise Duty	0.00	0.00		0.00	7.95	
<b>Revenue from Operations</b>	<b>150.65</b>	<b>131.01</b>	<b>14.99%</b>	<b>467.29</b>	<b>347.71</b>	<b>34.39%</b>
Cost of Material Consumed	128.94	104.59		391.11	272.10	
Changes in Inventories, WIP	-7.20	-2.13		-12.37	-1.60	
<b>Raw Material Expenses</b>	<b>121.75</b>	<b>102.46</b>		<b>378.74</b>	<b>270.50</b>	
Employee Expenses	6.87	4.89		19.75	15.01	
Other Expenses	6.22	8.91		18.72	24.22	
<b>Total Expenditure</b>	<b>134.84</b>	<b>116.26</b>		<b>417.21</b>	<b>309.73</b>	
<b>EBITDA</b>	<b>15.81</b>	<b>14.75</b>	<b>7.23%</b>	<b>50.08</b>	<b>37.98</b>	<b>31.85%</b>
<b>EBITDA Margin</b>	<b>10.50%</b>	<b>11.26%</b>		<b>10.72%</b>	<b>10.92%</b>	
Other Income	0.34	0.30		0.73	0.43	
Depreciation	1.18	1.09		3.41	2.94	
Interest / Finance Cost	4.78	2.43		11.20	6.65	
Exceptional Item (Gain) / Loss	0.00	0.04		0.00	0.01	
<b>PBT</b>	<b>10.19</b>	<b>11.57</b>		<b>36.20</b>	<b>28.82</b>	
Tax	3.94	3.10		13.10	8.66	
<b>PAT</b>	<b>6.25</b>	<b>8.46</b>		<b>23.10</b>	<b>20.16</b>	<b>14.58%</b>
<b>PAT Margin</b>	<b>4.15%</b>	<b>6.46%</b>		<b>4.94%</b>	<b>5.80%</b>	
<b>Basic EPS</b>	<b>4.70</b>	<b>6.92</b>		<b>17.39</b>	<b>16.48</b>	<b>5.52%</b>

- **Q3 FY19 Revenue growth of 14.99%** on account of growth across telecom tower and transmission segment
- **Q3 FY19 EBITDA growth of 7.23%**, despite challenging scenario in raw material costs. Expenses of Rs 1.7 crore incurred in Q3FY19 mainly on account of technical and consultancy fees pertaining to pending orders to be executed in subsequent period
- **9M FY19 Revenue growth of 34%** on account of timely execution of orders across segments and also from supply of railway electrification structure – started from this year
- **9M FY19 EBITDA growth of 32%**, despite challenging raw material scenario and higher capacity utilization

\*\*In accordance with the requirements of IND AS18, Revenue from operations for the period end is shown net of GST



# Consolidated Balance Sheet as on 30<sup>th</sup> Sept'18



Rs. Crs	Sept'18	Mar'18
<b>Equity</b>	<b>175.85</b>	<b>158.99</b>
Equity Share Capital	13.29	13.29
Other Equity	162.56	145.71
<b>Non-current liabilities</b>	<b>18.28</b>	<b>17.74</b>
<b>Financial Liabilities</b>		
(a) Borrowing	4.52	4.77
(b) Other Financial liabilities	8.71	8.29
Provisions	1.28	1.23
Deferred Tax Liabilities (Net)	2.73	1.97
Other Current Liabilities	1.05	1.47
<b>Current liabilities</b>	<b>239.74</b>	<b>191.60</b>
<b>Financial Liabilities</b>		
(a) Borrowings	121.67	104.25
(b) Trade Payables	53.02	32.01
(c) Other Financial Liabilities	0.18	0.20
Provisions	0.28	0.29
Other Current Liabilities	63.05	52.21
Current Tax Liabilities (Net)	1.55	2.63
<b>Total Equities &amp; Liabilities</b>	<b>433.86</b>	<b>368.33</b>

Rs. Crs	Sept'18	Mar'18
<b>Non-current assets</b>	<b>78.58</b>	<b>79.10</b>
Property, Plant and Equipment	75.86	71.71
Intangible Assets	0.00	0.00
Capital Work in Progress	0.00	1.08
<b>Financial Assets</b>		
Investments in JV	0.00	0.00
Other Financial Assets	2.72	6.31
<b>Current assets</b>	<b>355.28</b>	<b>289.23</b>
Inventories	106.83	89.01
<b>Financial Assets</b>		
Investments	2.21	0.41
Trade Receivables	201.27	151.62
Cash & Cash Equivalent	1.80	6.15
Bank Balance other than above	13.71	8.94
Other Financial Assets	9.28	9.48
Current Tax Assets	0.00	0.00
Other Current Assets	20.18	23.63
<b>Total Assets</b>	<b>433.86</b>	<b>368.33</b>



## Company Overview

Amongst Leading Manufacturers & Fabricators of Steel Structure in India

**Focus on Innovative Products**

**Increased capacity from 50,000 MT to 1,00,000 MT**

Installation of new Galvanizing Plant at its Unit III

**ISO 9001: 2015, 14001: 2015  
OHSAS 18001: 2007 certified**

**Provider of customised steel fabrication and infrastructure solutions in India**

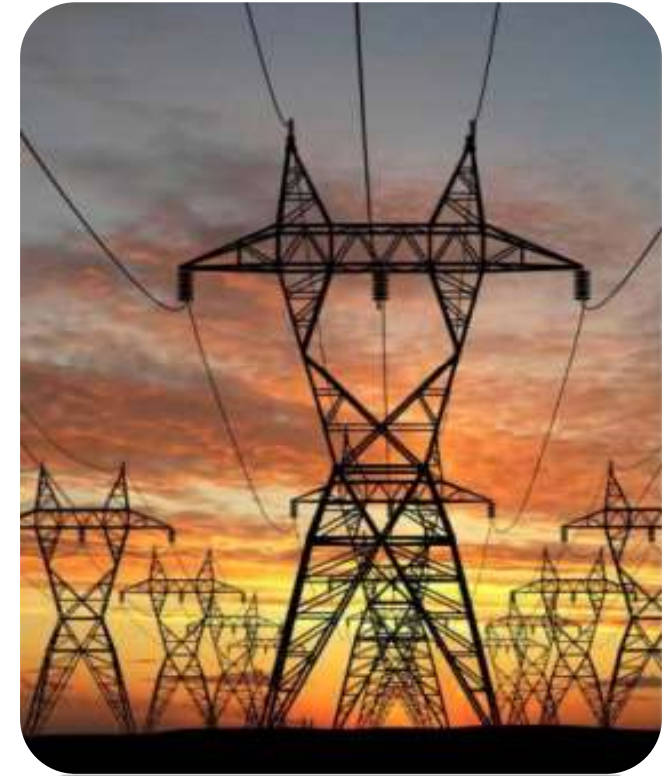
For Telecommunication Towers, Transmission Towers & Substation Structures and Solar Module Mounting Structures

**Leading player in Telecom Tower Business**

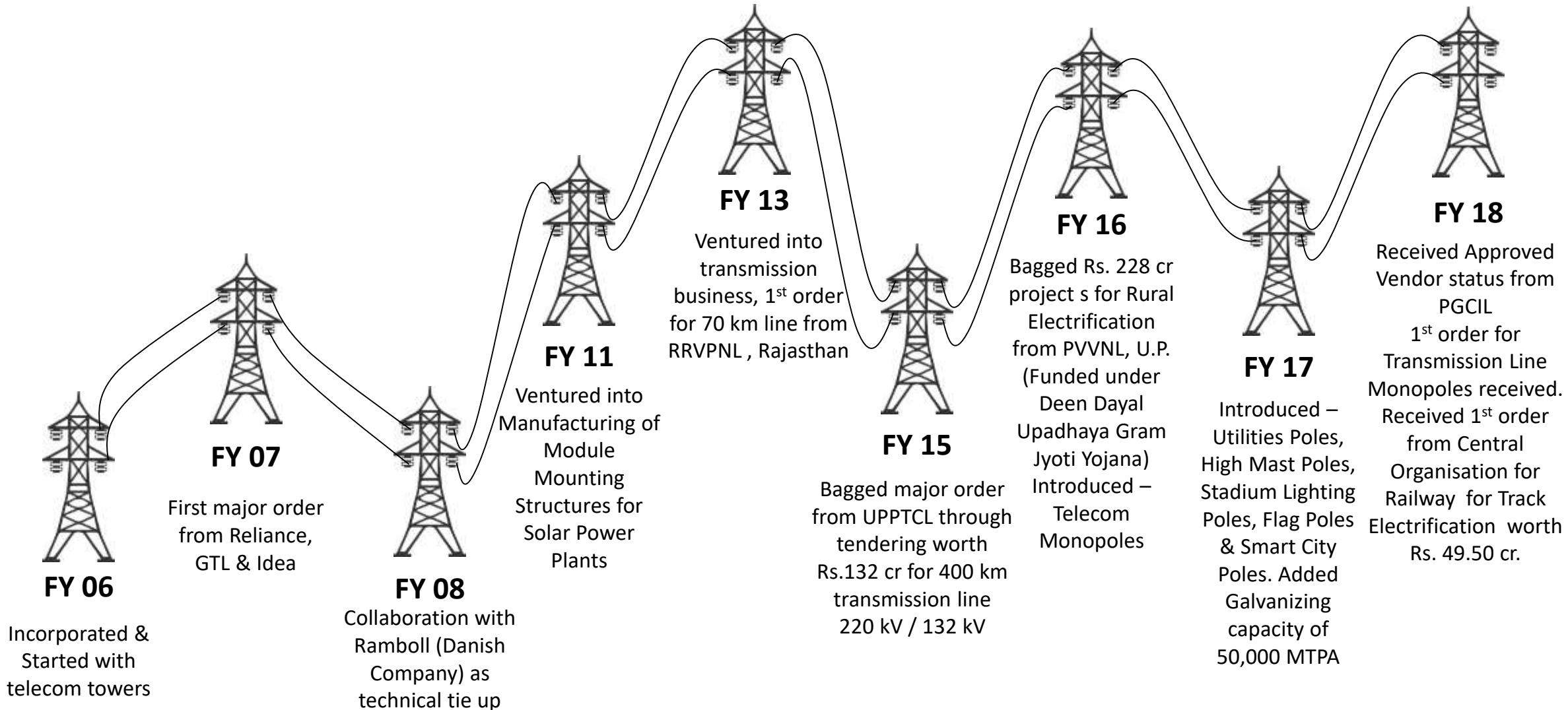
Supplied more than 25,000 towers of various designs of Angular, Tubular and Hybrid Ground Based Towers (GBT) and Roof Top Towers (RTT) since inception

**One of India's face and manufacturing/fabrication partners**

for Ramboll's technical expertise in Telecom towers structural design



# Timeline



# Management Team

**SALASAR**



**Mr. Alok Kumar**

**Chairman & Managing Director**

- B.Sc. from Punjab University
- 41 years of rich experience in trading, manufacturing and fabrication of iron & steel
- Responsible for purchases & finance



**Mr. Shashank Agarwal**

**Jt. Managing Director**

- B.E. (Mech.) from MIT, Manipal
- Has been President since takeover till August 2014
- Responsible for operations, sales & marketing of telecom towers and solar mounting structures



**Mr. Shalabh Agarwal**

**Director**

- B.Tech from MIT, Manipal
- More than 18 years experience of in sugar industry and trading, manufacturing and fabrication of iron & steel



**Ms. Tripti Gupta**

**Director**

- MBA in Finance & Marketing from Institute of Management Technology, Nagpur
- More than 5 years of experience in strategic management, business development, policy making and other corporate matters
- Responsible for corporate planning & HR



**Mr. Pramod Kumar Kala**

**Chief Finance Officer**

- Member of Institute of Chartered Accountants of India
- More than 23 years of experience in Finance, Banking, Accounts & Taxation and Commercial operations



# Business Verticals

Transmission



Solar Structures



Telecom Tower



Poles



EPC

Installation and Project Execution

- **Customized Galvanized and Non-galvanized steel structures**

- Process of applying a protective zinc coating to steel or iron, to prevent rusting
- Forms a coating of zinc which serves as a sacrificial anode and protects its base metal by corroding before iron

## Telecommunication Towers



- **Angular** - Angular sections are preferred for most small towers with relatively light loads, mainly because of wide range of sizes, simple connections and low manufacturing cost



- **Tubular** - Lattice towers are usually made of bolted angles can be economic, especially when stresses are low enough to allow relatively simple connections
- Towers with tubular members may be less than half weight of angle towers because of reduced wind load on circular sections



- **Hybrid** - Hybrid towers are built for large sites that require independence from grid and employ an independent source of energy such as solar or wind power



- **Monopoles** - Designed as a single-pole that can be a tubular section design or a formed, tapered pole, they are least intrusive – making them most popular tower types in wireless communication industry





- **Transmission Towers and Substation Structures -**

Transmission line tower or power tower is tall structure, usually steel lattice tower, used to support overhead power line. They are used in high-voltage AC and DC systems, and come in wide variety of shapes and sizes



- **Solar Module Mounting Structures -** Solar module racking (also called Photovoltaic mounting systems) are used to fix solar panels on surfaces like roofs, building facades, or ground



- **Feeder Segregation and Rural Electrification –** Carrying out Rural Electrification projects under government through route mapping, feeder segregation and installation of transmission lines and substations



- **Lighting Poles for Smart Cities -** Lighting Pole is raised source of light on the edge of road or walk way to provide visibility in darkness made of steel



## Smart Poles

- Used in places where aesthetic requirements are high
- Practical substitute, is combination of Telecom Poles, Wi-Fi, Smart Lighting, Local Area Monitoring and environmental census
- Can be design as per requirement arising of local conditions



# Key Strengths

## Strong Financial Capabilities

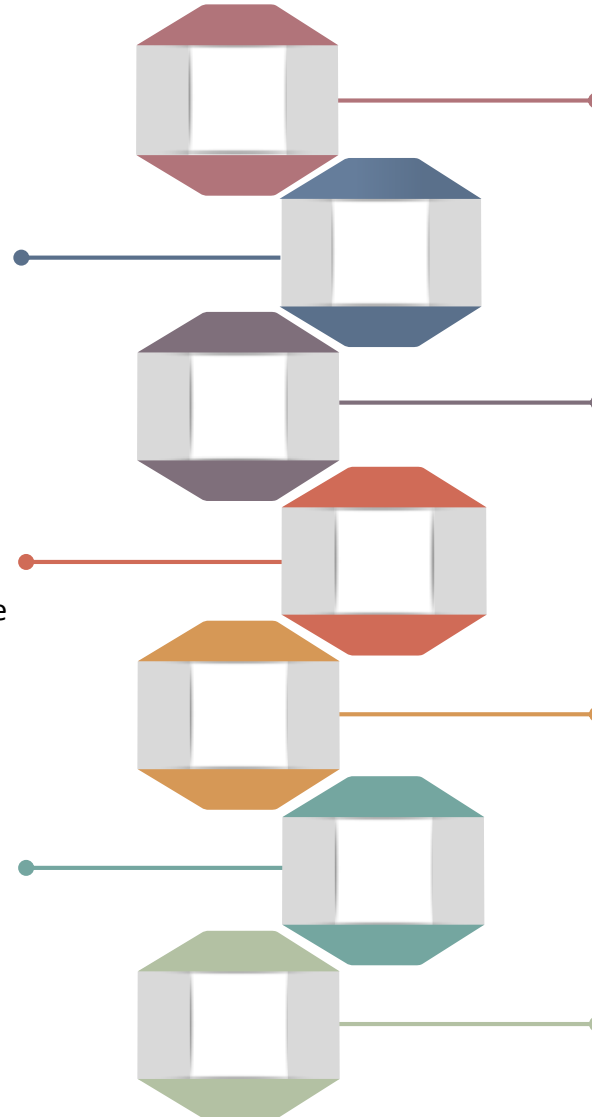
- Upward trend in EBITDA Margins
- Strong return ratios

## State of the Art Infrastructure

- State of art infrastructure facility for galvanizing plant
- Capability to ramp up operations in minimum time with existing facilities

## Government Initiative

- Pre-qualified to bid for Rural Electrification projects
- Helps to Increase target market size



## Partnership with Ramboll

- Manufacturing partner for Ramboll's technical expertise in Structural Design of Tubular Telecom Towers
- Ramboll market leader in innovative design & supply of tower solutions

## Operational Excellence

- Best quality raw material procurement in line with stringent industry standards
- Continually updated equipment that serve wide variety of manufacturing needs

## Customer Centric

- Focus on attaining highest level of customer satisfaction

## Experienced Management

- Significant experience in steel & allied industry and project management

# State of the art Manufacturing Facilities

**SALASAR**



## Location

- Unit-I, Khasra No. 265, 281 & 283, Parsaun, Jindal Nagar, Dasna, Hapur-201313, Uttar Pradesh (UP)
- Unit-II, Khasra No. 1184, 1185, Khera, Pilkhuwa, Hapur-245304. Uttar Pradesh (UP)
- Unit-III, Khasra No. 686/6, Khera, Pilkhuwa , Hapur-245304, Uttar Pradesh (UP)

## Other Specifications

- 3 state of the art manufacturing units
- Approximately 1,30,000 square yards in heart of National Capital Region's industrial hub
- Heavy overhead cranes and multiple Hydra equipment for seamless material loading and unloading
- 3 fully equipped in-house Galvanizing plants including 1 at Subsidiary unit
- Average Monthly Production capacity of 8,000 MT
- Fabrication equipment and installed machinery is regularly upgraded

# Certifications



**Unit 1 ISO 14001:2015  
Environmental Management  
System**



**Unit 2 ISO 14001:2015  
Environmental Management  
System**



**Unit 1 ISO 9001:2015  
Quality Management System**



**Unit 2 ISO 9001:2015  
Quality Management System**

# Awards & Recognitions

**SALASAR**



- Best Tower Partner award from Indus Towers for the period 2014-15
- Excellence thru Collaboration award from Indus in 2014
- Best Partners award from Bharti Infratel for the period 2014-15
- One of the Top PAN India Tower Supplier in VIOM and ATC

# Bouquet of Satisfied Customers





Industry Overview





# Industry Overview

Strong economic fundamentals

- Supported by strong government reforms
- RBI's inflation focus supported by benign global commodity prices

Robust Growth Potential

- Forecasted growth of 8 % on an average from fiscal 2016 to 2020
- Powered by greater access to banking, technology adoption, urbanisation and other structural reforms

Government Initiatives

- Create 100 smart cities
- With modern infrastructure and digital connect

## Strong Prospects for Telecom Industry

- Expected to create a total economic value of Rs 14 trillion (US\$ 217.37 billion) by the year 2020
- Rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India over the next five years, creating opportunities for new businesses
- Indian telecommunication services market will grow by 10.3 % Y-o-Y to reach US\$ 103.9 billion by 2020
- Leading player in virtual world by having 700 million internet users of 4.7 billion global users
- The Government of India also plans to auction 5G spectrum
- It is expected that data consumption per person will increase to 200GB from current 2GB per month by 2020

## Strong Prospects for Power Industry

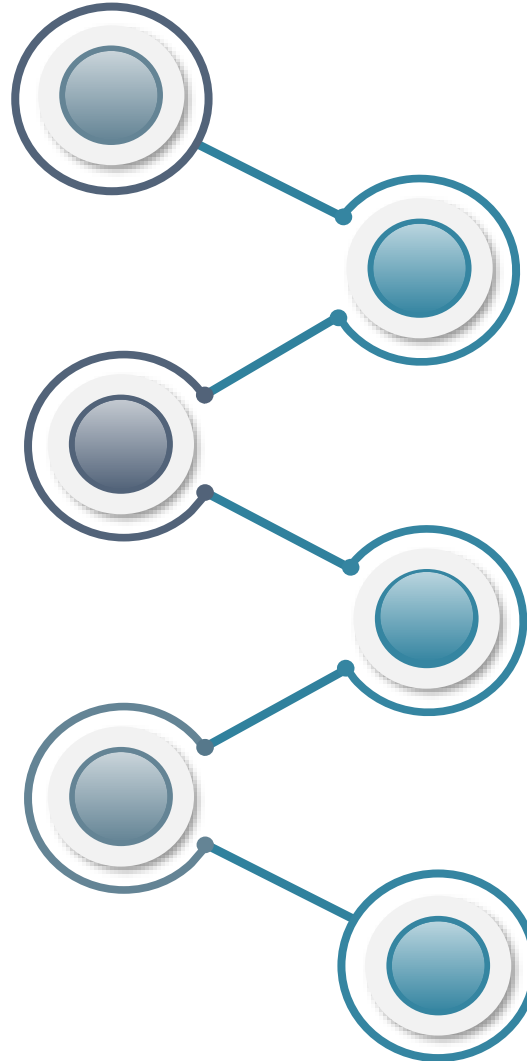
- India has fifth largest power generation capacity in world
- Country ranks third globally in terms of electricity production
- Electricity production in India reached 1,095.756 Billion Units (BU) during April 2017-February 2018
- As per the 13th Five Year Plan, India is targeting a total of 100 GW of power capacity addition by 2022
- Indian power sector has investment potential of Rs 15 trillion (US\$ 225 billion) in next 4–5 years
- All states and union territories of India are on board to fulfil Government of India's vision of ensuring 24x7 affordable and quality power for all

# Industry Opportunities

- Strong growth expected telecom infrastructure industry - new technologies, such as 4G & expansion in rural areas to boost this growth

- Governments initiatives to electrify rural areas and build smart cities thereby increasing demand for Smart Poles

- Asia & Pacific fastest-growing region galvanized steel market – expected 68% market share by 2020 across globe



- Around 70 per cent of India's 4,00,000 towers are owned and operated by tower companies

- Global galvanized steel market to grow at CAGR of 5.18% during period 2016-2020

#### Funding Availability

- Innovative ways by Government to fund various projects including Smart City and others

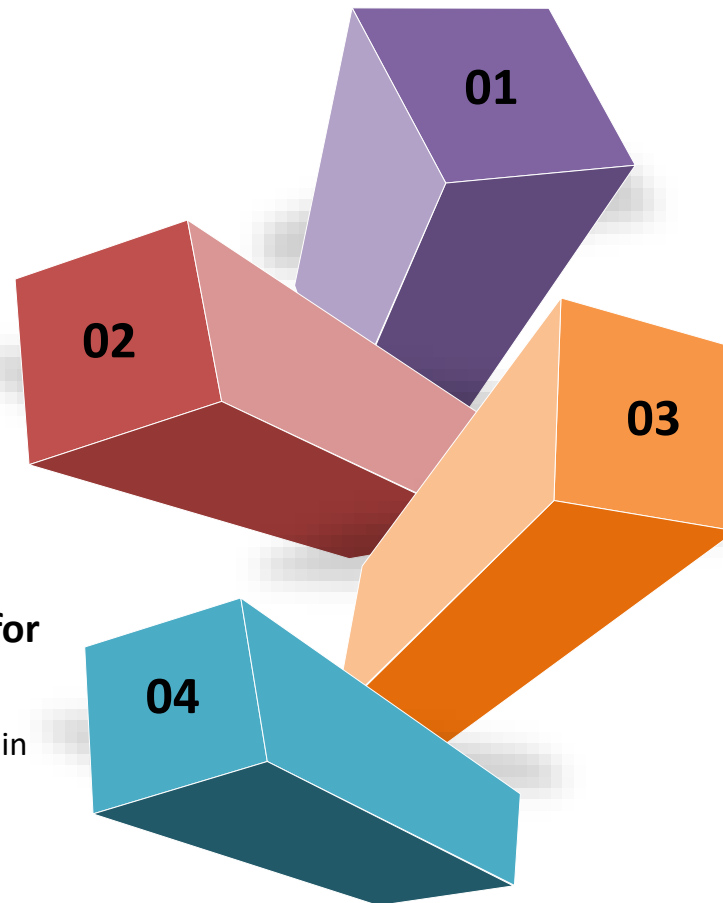


## Expanding Design & Engineering Capabilities

- Invest in design and engineering services to provide added value to customers
- Emphasis on process, product innovation and value engineering solutions in order to meet requirements of wider range of products

## Developing Camouflaging Capabilities for Monopoles

- Camouflaged monopole towers to be installed in new projects in place of regular ones
- Developing Capabilities to provide solution



## Utilisation of Incremental Capacity and Expanding Product Portfolio

- Utilise additional 50,000 MT Galvanizing plant
- Continue to expand product portfolio by upgrading existing products and introducing new ones to maintain market share and engage new customers
- Continued focus on EPC esp. from Power & Railway

## Targeting New Customer Accounts and Expanding Existing Ones

- Customer penetration by targeting new customers and securing larger orders from existing ones
- Develop capabilities so as to be able to enter new markets

Thank You

**SALASAR**

 **NSE**

**SALASAR**

Bombay Stock Exchange Limited  
**BSE**  
The edge is efficiency

**540642**

**Bloomberg** SALASAR IN

**REUTERS**  SALASAR BO

**For further information, please contact:**

**Company :**

**Investor Relations Advisors :**

**Salasar Techno Engineering Limited**

**Bridge Investor Relations Pvt. Ltd.**  
CIN No. U74900MH2016PTC273679

Mr. Pramod Kumar Kala  
Chief Financial Officer  
[investor.relations@salasartechno.com](mailto:investor.relations@salasartechno.com)

Mr. Amit Sharma  
022 41200439  
[amit@bridge-ir.com](mailto:amit@bridge-ir.com)

Mr. Smit Shah  
022 41200439  
[smit@bridge-ir.com](mailto:smit@bridge-ir.com)

[www.salasartechno.com](http://www.salasartechno.com)

[www.bridge-ir.com](http://www.bridge-ir.com)