

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
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**Sub : - Investor Presentation**

Dear Sir/Madam

Please find attached herewith Investor Presentation of the Company w.r.t. Un-audited Financial Results of the Company for quarter ended 30<sup>th</sup> June, 2020 for your record and further dissemination.

Kindly take the same on record.

Thanking You,

Yours Sincerely

For **Salasar Techno Engineering Limited**


  
**Pramod Kumar Kala**  
(Chief Financial Officer)



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**SALASAR**  
*Building a stronger future*

# Investor Presentation Q1FY21

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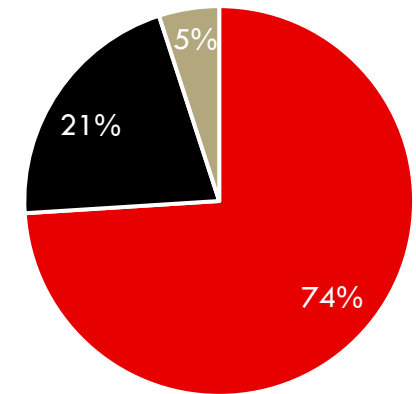
- 01** | Q1FY21 Highlights
- 02** | Company Overview
- 03** | Industry Opportunities
- 04** | Growth Strategy
- 05** | Historical Financial Performance

# Q1FY21 Highlights

# Q1FY21 consolidated P&L statement

Particulars (INR Cr)	Q1FY21	Q1FY20
<b>Net Sales</b>	<b>63.2</b>	<b>163.5</b>
Cost of Goods Sold	49.8	131.7
Employee Cost	5.4	7.2
Other Indirect Expenses	3.2	7.9
Total Expenditure	58.4	146.8
<b>EBITDA</b>	<b>4.8</b>	<b>16.7</b>
<b>EBITDA Margin%</b>	<b>7.6%</b>	<b>10.2%</b>
Other Income	0.6	0.3
Interest	3.6	4.6
Depreciation	1.4	1.2
<b>Profit Before Tax</b>	<b>0.5</b>	<b>11.2</b>
Provision for Tax	0.3	4.0
<b>Profit After Tax</b>	<b>0.2</b>	<b>7.2</b>
<b>PAT Margin%</b>	<b>0.3%</b>	<b>4.4%</b>

- Manufacturing - Steel Structures and Others
- EPC - Power Transmission
- EPC - Railway Electrification



Q1FY21 Revenue by Segments






# Q1 FY21 operational highlights

- 1** Won EPC order from Haryana Vidyut Prasaran Nigam Limited
  - Scope: Construction of transmission lines in Yamuna Nagar & Ambala Area
  - Value: Rs 28.7 cr
  
- 2** Won EPC order from U.P. Power Transmission Corporation Limited
  - Scope: Construction of Hybrid Substation at Jewar with SAS on turn-key basis
  - Value: Rs 27.2 cr
  
- 3** Entered into 2-year supply agreement with American Tower Corporation (ATC) for supply of towers in 5 African countries - South Africa, Kenya, Uganda, Nigeria and Ghana in Q1
  - Received first order under this agreement for supply of 189 telecom towers to Nigeria (valued at Rs 18.5 cr) in the beginning of Q2

# Company Overview



# Diversified product portfolio

 <p><b>01</b></p>	<p><b>Transmission Line Towers</b></p> <p>Manufacturing and deployment of transmission towers for EPC business, Turnkey Projects, supplying structures to other EPC contractors</p>	 <p><b>03</b></p>	<p><b>Solar Structures</b></p> <p>Manufacturing, fabrication and deployment of solar module mounting structures</p>	 <p><b>05</b></p>
<p><b>Telecom Towers</b></p> <p>Production of towers and monopoles that are designed as per time-tested Ramboll designs, in-house IIT certified designs, or tailored as per customer design</p>	 <p><b>02</b></p>	<p><b>Railway Electrification</b></p> <p>Design, supply, erection, testing &amp; commissioning of railway electrification including normal height OHE, High Rise OHE &amp; TSS Works</p>	 <p><b>04</b></p>	<p><b>Utility Poles</b></p> <p>Production of custom-made poles of the highest quality equipped with technologies like LED lights, CCTV cameras, pollution sensors, Wi-Fi routers</p>

# 45K

**Telecom Towers**

# 475KM

**Power Transmission lines**

# 217TKM\*

**Railway Track electrification**

\* Track Kilometres

# Technology driven facilities

## 3 State-of-art Steel Structure Manufacturing and Galvanising Facilities

1

**Location:** District Hapur (UP)  
Unit-I, Jindal Nagar  
Unit-II, Khera, Pilkhuwa  
Unit-III, Khera, Pilkhuwa

2

**Raw Materials:**  
Steel Shape and Section  
Zinc (for Galvanising)  
Nuts and Bolts

3

**Total Area:**  
1,30,000 Square yards  
**Installed Capacity:**  
1,00,000 MT of Steel  
Galvanizing

4

**Machinery:**  
CNC Machines  
Industrial Machinery  
Hydra & Cranes

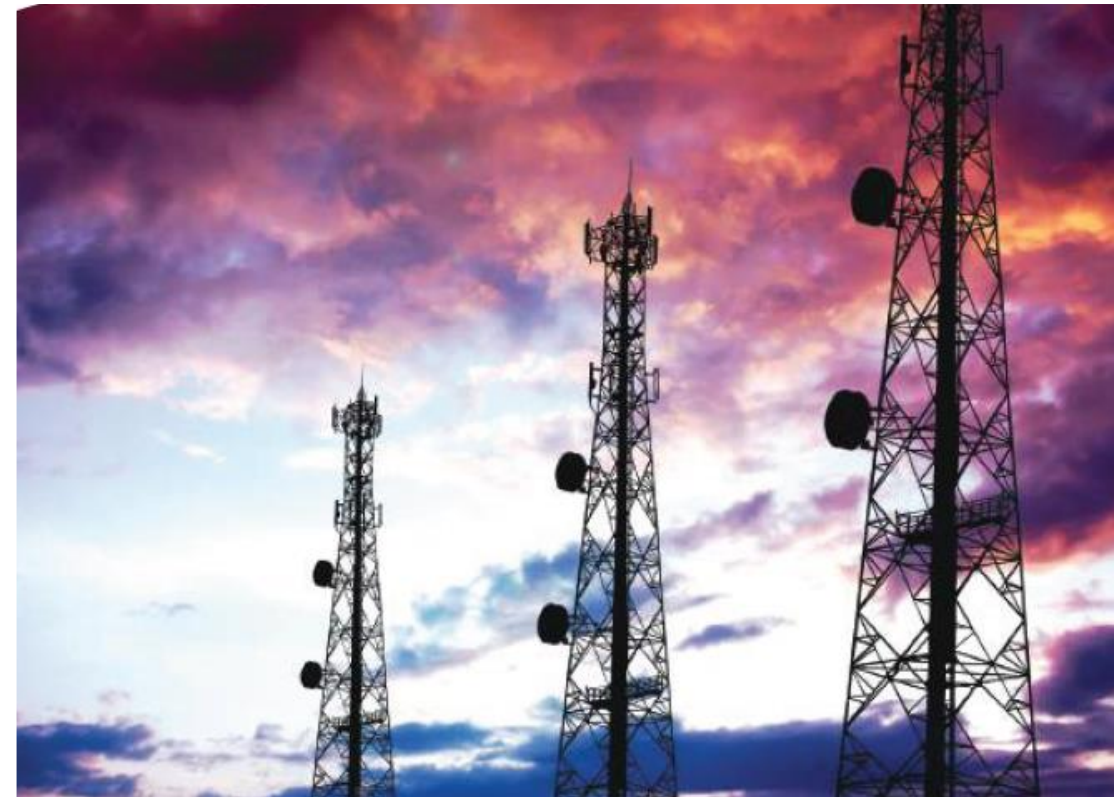


# Technical Tie-up with Ramboll, Denmark

To manufacture lighter and lower costing tower structures and high mast poles. Their designs reduce the cost by 20% compared to conventional angular towers.

**RAMBOLL**

Ramboll Telecom is a world leader in designing telecom and high mast Poles. With the experience of designing towers for last sixty years, their designs are time-tested and proven for performance



# Experienced management team

**Mr. Alok Kumar** *B.Sc from Punjab University, Chandigarh*

With experience spanning over 4 decades in trading, manufacturing and fabrication of iron & steel, Mr. Kumar is behind the group's spirit and commitment to deliver products and services of uncompromising quality and integrity

**Mr. Shashank Agarwal** *B.E. (Mech.) from MIT, Manipal*

With 25+ years of experience, Mr. Agarwal is a first generation entrepreneur who has been instrumental in building Salasar into one of the leading players in the sector. He is involved in all aspects of business and has been the driving force in creating the brand and image of Salasar



## Board of Directors:

- 1** **Shalabh Agarwal**  
*Director*
- 2** **Tripti Gupta**  
*Director*
- 3** **Anil Kumar Jain**  
*Non-Executive and Independent Director*

- 4** **Amit Jain**  
*Non-Executive and Independent Director*
- 5** **Sanjay Chandak**  
*Non-Executive and Independent Director*
- 6** **Vijay Kr jain**  
*Non-Executive and Independent Director*

## Key Management:

- 1** **Pramod Kumar Kala**  
*Chief Finance Officer*

# Strong client base



- 1 Approved vendor for Power Grid Corporation Ltd.
- 2 Qualified to bid for Rural Electrification projects
- 3 Qualified by CORE (Central Organization for Railway Track Electrification)

# Industry Opportunities

# Industry opportunity - Telecom

## Mobile and Internet penetration

- The proportion of unique mobile subscribers to the total population is expected to reach around 63% in 2025 from 58% in July 2018
- With the increase in the mobile phone penetration and reducing data costs in India, it is expected that the current internet user base that stands at 687 Mn might get doubled in the next 5 years

## 5G Rollout Plans & 4G Penetration

- Increase in the 4G penetration to provide 4G access to ~80%\* of India's mobile subscriber base by 2024
- 5G rollout likely to attract ~USD 30 Bn<sup>^</sup> in collective capital expenditures over a period of next 5 years by the top three telecom operators in India
- With the positive outlook of the telecom sector it would be lucrative to move beyond traditional telecom business to wider digital consumer space like content and mobile banking solutions



**Increased Demand  
for Telecom Tower  
Infrastructure pan  
India**

## Government Initiatives that will provide a boost to the Telecom Infrastructure Segment

- The Government of India planned to roll out a new National Telecom Policy 2018 in lieu of rapid technological advancement in the sector over the past few years. The policy intends to attract investments worth USD 100 Bn in the sector by 2022
- The Department of Information Technology intends to set up over 1 Mn internet-enabled common service centers across India as per the National e-Governance Plan

\*Ericsson Mobility Report November 2018

<sup>^</sup>UBS Report

# Industry opportunity – Power & Railway

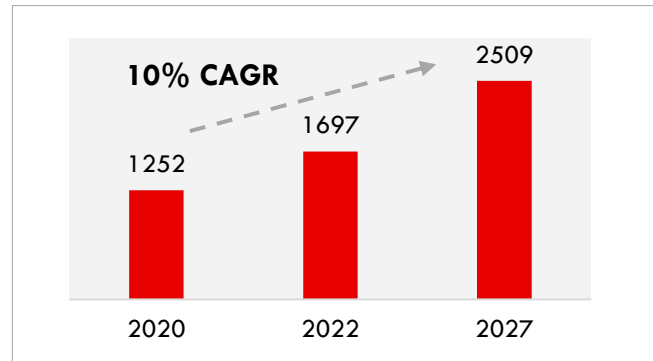
## Increased demand for power transmission infrastructure development

- Power consumption is estimated to reach up to 1,894.7 TW in 2022
- Increased demand for power transmission infrastructure development due to increasing inter regional power demand - supply gap

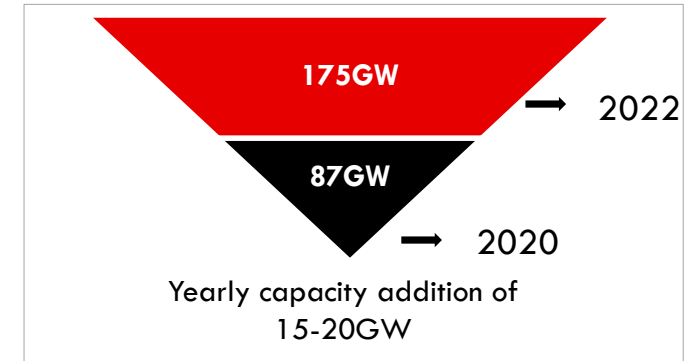
### Government Initiatives

- The Union Budget 2020-21 has allocated USD 2.27 Bn to the Ministry of Power
- Additional USD 786.95 Mn to Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) to provide power transmission infrastructure for rural electrification.

### Increasing Demand for Electricity



### Growth in Renewable Energy



## Railways Electrification orders are on a rapid growth; aiming to double their capacity

- The railways have set a 100% electrification target by the next four years
- The Government is going to come up with a 'National Rail Plan' to enable the country to integrate its rail network and develop a multi-modal transportation network. Current Railway capex for 2020-21 is INR 1.5 Lakh Cr. expected to grow at CAGR of 18% for the next 10 years
- Electrification of 6,000 Km route is targeted, with wiring of the entire broad gauge network now envisaged for completion by 2023-24



# Growth Strategy

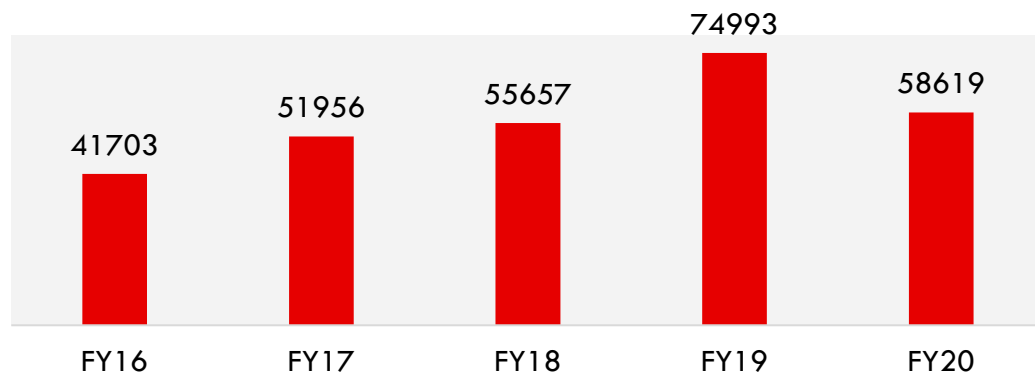
# Growth strategy

- 1** **Decided to enter into manufacturing of structures for Road and Railway overbridges (ROBs)** of 1000 MT per month at a Capex of ~Rs 20 Cr during FY21. The capex will be funded from the subscription amount of warrants issued and internal accruals. The manufacturing will start by the end of FY21 and is expected to generate revenue of ~Rs 100 Crore yearly from next year. The company is already in the process of ordering the machines and the construction/erection of shed and other covered areas for the new plant has already started.
- 2** **Tapping industry opportunities** by expanding product portfolio and optimal utilization of existing capacity
- 3** **Expanding tower designs** and leveraging on their tie-ups with Ramboll to provide value to the clients
- 4** **Strong focus on the export market** to increase its share in the foreign market. Increasing market share domestically by targeting new customers and expanding relationships with the existing ones.
- 5** **Innovating and manufacturing differentiated products** like camouflaged towers, monopoles, etc. to provide for the evolving infrastructural needs of the society

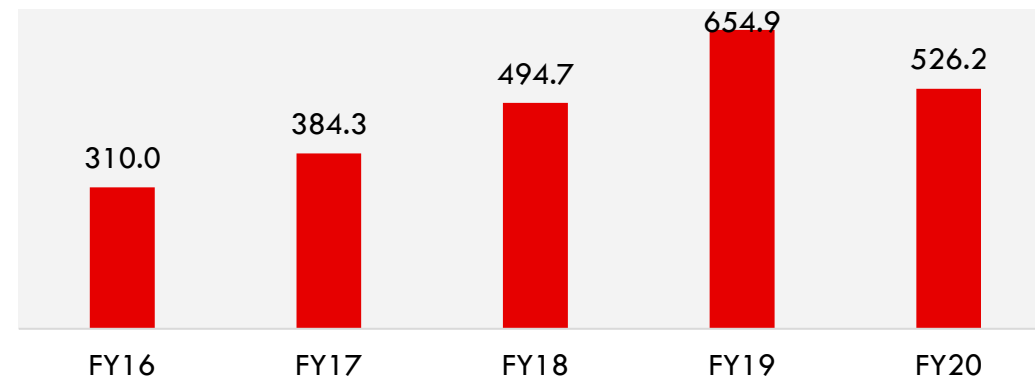
# Historical Financial Performance

# Key financial highlights

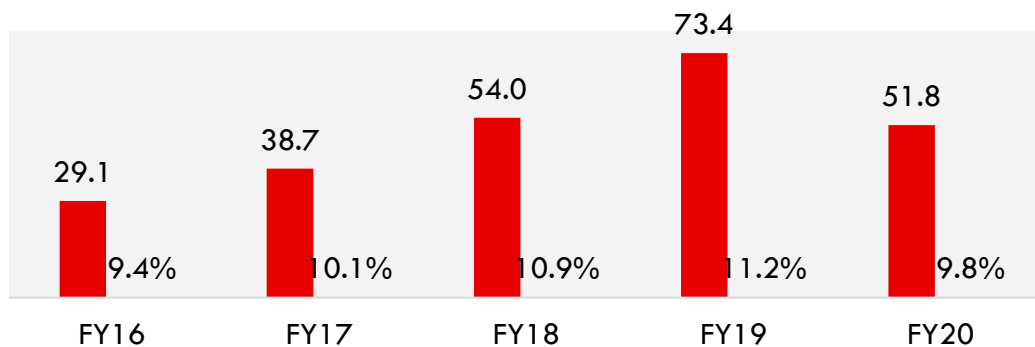
### Volumes (MT)



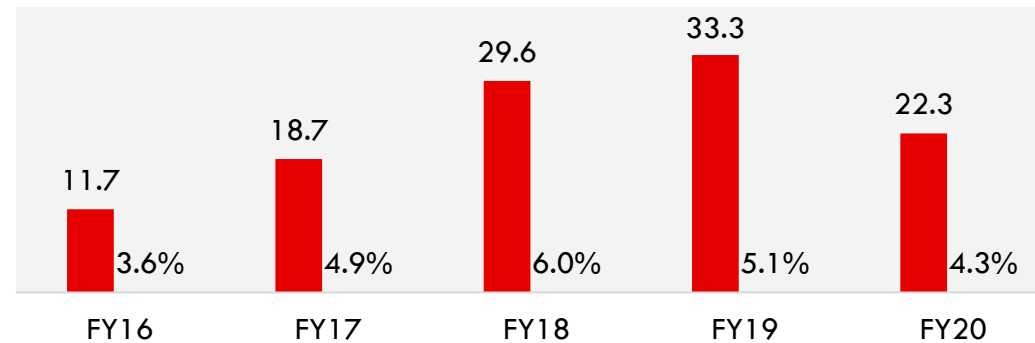
### Revenue (INR Cr)



### EBITDA (INR Cr) and Margin (%)



### PAT (INR Cr) and Margin (%)



# Consolidated P&L Statement

Particulars (Rs Cr)	FY18	FY19	FY20
<b>Net Sales</b>	<b>494.7*</b>	<b>654.9</b>	<b>526.2</b>
Cost of Goods Sold	386.7	526.0	415.1
Employee Cost	22.9	28.0	31.0
Other Indirect Expenses	31.1	27.5	28.3
Total Expenditure	440.7	581.5	474.4
<b>EBITDA</b>	<b>54.0</b>	<b>73.4</b>	<b>51.8</b>
<b>EBITDA Margin%</b>	<b>10.9%</b>	<b>11.2%</b>	<b>9.8%</b>
Other Income	1.2	0.8	1.7
Interest	8.4	16.3	20.6
Depreciation	3.9	4.6	5.0
Profit Before Tax	43.2	53.3	27.9
Provision for Tax	13.6	20.0	5.6
<b>Profit After Tax</b>	<b>29.6</b>	<b>33.3</b>	<b>22.3</b>
<b>PAT Margin%</b>	<b>6.0%</b>	<b>5.1%</b>	<b>4.3%</b>

\*(excl. Excise duty)

# Consolidated Balance Sheet

(Rs Cr)	Mar-19	Mar-20
<b>EQUITY &amp; LIABILITY</b>		
Share Capital	13.3	13.3
Other Equity	176.1	193.8
<b>Shareholder's Funds</b>	<b>189.4</b>	<b>207.1</b>
<b>Non-Current Liabilities:</b>		
Secured Loans	14.2	5.3
Deferred Tax Assets / Liabilities	5.1	3.1
Other Long Term Liabilities	0.6	-
Long Term Provisions	1.3	2.3
<b>Total Non-Current Liabilities</b>	<b>21.2</b>	<b>10.7</b>
<b>Current Liabilities:</b>		
Trade Payables	58.3	21.4
Other Current Liabilities	56.6	54.2
Short Term Borrowings	145.6	159.6
Short Term Provisions	1.0	0.3
<b>Total Current Liabilities</b>	<b>261.5</b>	<b>235.6</b>
<b>Total Liabilities</b>	<b>472.1</b>	<b>453.5</b>

(Rs Cr)	Mar-19	Mar-20
<b>ASSETS</b>		
<b>Non-Current Assets:</b>		
Gross Block	89.0	15
Less: Accumulated Depreciation	11.7	18.1
Net Block	77.3	91.1
Capital Work in Progress	-	0.3
Other Non Current Assets	8.2	14.2
<b>Total Non-Current Assets</b>	<b>85.5</b>	<b>105.6</b>
<b>Current Assets:</b>		
Inventories	117.9	93.5
Sundry Debtors	217.2	214.1
Cash and Bank	24.3	22.4
Other Current Assets	27.2	16.3
Current Tax assets (Net)	-	1.6
<b>Total Current Assets</b>	<b>386.6</b>	<b>347.9</b>
Net Current Assets (Including Current Investments)	125.1	112.3
Net Current Assets (Excluding Current Investments)	123.1	110.8
<b>Total Assets</b>	<b>472.1</b>	<b>453.5</b>

# Thank You

## Salasar Techno Eng

Pramod Kala - CFO

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